



The Financial Sector is Missing Out on Women Entrepreneurs

There is growing evidence of the business case for financing WSMEs

Profitability

- Companies with more women in leadership roles were 21% more likely to outperform their counterparts in terms of profitability. (McKinsey)
- For 5 consecutive years, the average NPLs for loans to WSMEs have been lower than total SME portfolio. (IFC, Financial Institution clients)

Innovation

- Companies with women in leadership roles were more likely to introduce new products and services. (Harvard Business Review)

Risk profile

- Companies with women on their boards demonstrated better risk management practices, leading to lower volatility in stock performance. (Credit Suisse)

Management

- Well-managed enterprises with sound management practices, such as setting performance indicators and monitoring them, are more likely to be led by women. (EIB Finance in Africa)

Women Entrepreneurs face systemic barriers to growth

Women in developing countries aspire to be entrepreneurs at similar rates as men

...but yet they face significant barriers

- Social norms, care burdens
- Skills & sector selection
- 75% of the legal rights of men
- 2X more loan rejections
- < 2% of VC Funding to female teams
- \$1.7 trillion financing gap

...that limit their ability realize their potential

25%

Fewer women start businesses than men

36%

Gap in growth expectations between female and male entrepreneurs

~5–6 Trillion in lost value addition globally

\$1.7 Trillion lost revenue opportunity for Financial Service Providers



The WE Code provides a multi-stakeholder initiative to expand the number and type of institutions around the world working to close financing gaps for women entrepreneurs

What does the Code entail?

- **Leadership:** Engaging financial sector leaders at all levels to prompt action inside and outside of their organisations to support and close financing gaps for women entrepreneurs
- **Data:** Systematizing the collection, analysis and use of supply-side data on financing of women-led enterprises at the country level and globally
- **Action:** Catalysing new financial and non-financial mechanisms to meet the needs of WMSMEs and mobilising capital, improving standards, policies and regulations to address data gaps and financing constraints

What are the characteristics of the Code?

1. A commitment to roll out the WE Finance Code nationally, adapting it to the local context while retaining key minimum guidelines
2. Governance through a national coalition that oversees local adoption of the Code and ensures accountability
3. Designated coordinator to oversee local Code implementation and interface with and report to the global Code
4. A mechanism to aggregate data with integrity and in a format that will facilitate mainstreaming over time and can be reported globally

Benefits of the WE Finance Code



Strengthen
collection,
quality and
usage of
WMSME
data



Deepen
FSPs'
capabilities
to serve the
WMSME
market



Rally
national
ecosystem
around
unified
cause of
supporting
WMSMEs



Position
Kenya and
its WFI
policy as
Best
Practice
globally

WE Finance Code: Alignment to NFIS

Aligned to the NFIS Pillar 6 on Enhancing Access to Finance for Women Entrepreneurs

Data & Measurement

A comprehensive framework for data mapping for women MSMEs, e.g. definitions, data types, aggregation mechanisms, and (MEL) framework.



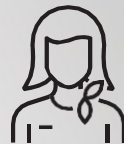
Communication & Engagement

A strategic communications framework with key messages, stakeholder engagement plans, and preliminary outreach strategies



Governance & Advocacy

A multi-layered governance structure with the CBK as the national champion.

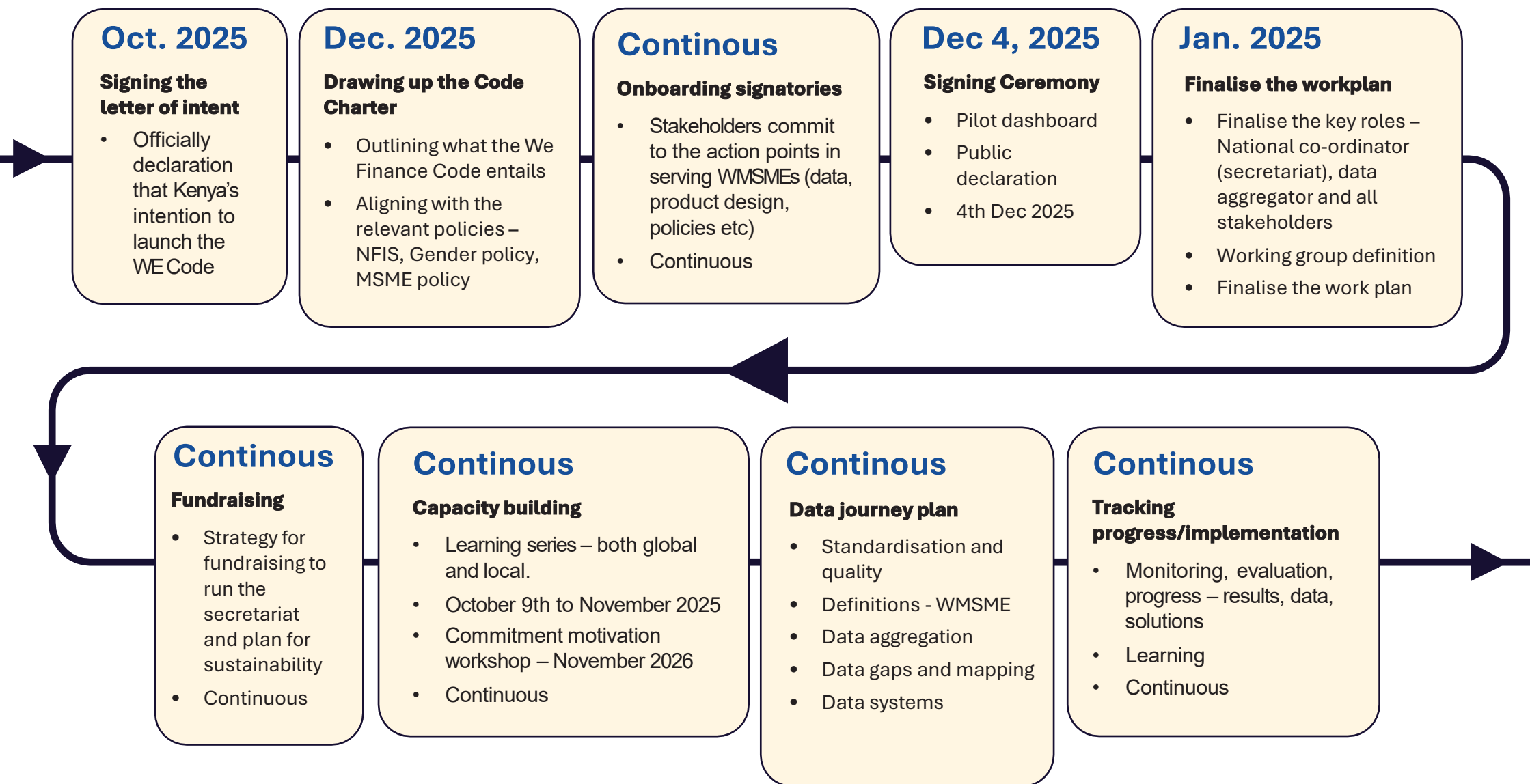


Product Development & Capacity Building

Identify demand-side barriers to product uptake and a roadmap for inclusive product design and capacity-building initiatives.



WE Finance Code Roadmap





Thank You!

<https://www.we-fi.org/>