

SUMMARY OF THE PROJECT IN DESIGN *

WeCount: Leveraging Data and an Information Exchange Platform for WSME Productivity and Sustainability

PITCH ELIGIBILITY DATE		COUNTRY(IES)
05/13/2022		El Salvador; Guatemala; Honduras; México
ALIGNED WITH COUNTRY STRATEGY?		
Yes		
PARTNER(S)		
Agora Partnerships		
PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT		
C (**)		
TOTAL BUDGET	IDB Lab	LOCAL COUNTERPART AND COFINANCING
US 13,028,000	US 5,868,500	US 7,159,500
DESCRIPTION		

The problem As a result of the COVID-19 pandemic, women in the manufacturing, services and retail sectors across Latin America are experiencing high risk of job loss related to global value chain disruptions, concentration in low productivity sectors, low levels of formality and digitization, and high barriers to financing, entrepreneurship, and market access. This project supports women-led small and medium enterprises (WSMEs) in Central America and Mexico in hard hit sectors with the capacity building, market linkages, access to finance, and adoption of technologies needed to generate greater productivity and sustainability.

The COVID-19 pandemic has solidified Central America and Mexico's position as one of the most economically and gender unequal regions in the world. At the start of the pandemic, women were 44% more likely than men to lose their employment, while 56% of women in Latin America are employed in sectors hit hardest by the pandemic. The lasting effect is that the poverty rate among women across the region is predicted to increase to 37%, plunging 118 million women into a poverty situation.

What's more, the COVID-19 pandemic is only one crisis disproportionately affecting women, especially given Latin America and the Caribbean is the second most climate disaster affected region in the world. Recent past gains in gender equity have faced significant backsliding due to these crises as WSMEs face stagnating productivity growth, lags in technology adoption, limited networks, lack of access to capital and increasing vulnerabilities to climate variability.

The solution This project proposes to catalyze the productivity and social / environmental sustainability of women-led manufacturing, service, and retail SMEs¹ (WSMEs) in four countries across Latin America to build back better post-pandemic: Honduras (IDA), Guatemala (non-IDA), El Salvador (non-IDA), and Mexico (non-IDA). The initiative facilitates relationships and transactions between WSMEs and capacity building, market linkage, and finance actors, leveraging an information exchange platform that collects, validates, and shares data across the network of partners to decrease

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**The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

financing and market risks associated with information asymmetry and “opaque” WSME data (e.g. piloting distributed ledger technology). WSMEs will be able to leverage their data to access new market and financing partners, make better-informed selling and capital requirements decisions, and increase their negotiating power with said partners. Market actors (corporates, online platforms, logistics providers) will use WSME transactional data to extend purchase orders and fairer terms, while financing actors will use WSME data to evaluate creditworthiness more effectively. Market and financing actors will use WSME’s transactional data housed in the information exchange platform to make better informed gender equitable decisions.

The beneficiaries This program will build a regional pool of 4000 value-chain and finance ready8 women-led SMEs over a 3-year period and will leverage market and financing partnerships that can scale. Participating WSMEs will build business and sustainability capacity (productivity, social and environmental innovation, digitization), get access to a variety of financing mechanisms, and gain market linkages with productive value channels for diversified sales. Based on shared and transparent information, market and financial actors will make better-informed, data-backed decisions to include more WSMEs in their value chains/portfolios.

The partner Strategic partnerships are core to the WeCount strategy as the project builds an information exchange platform of capacity building, market linkage and access to finance actors that mobilize support to give women-led SMEs the opportunity to thrive. Project partners were chosen based on their track record and history working with the IDBG. The main executing partner in this project is Agora Partnerships, a nonprofit with 15 years of experience working with WSMEs and building the impact-oriented entrepreneurial ecosystem across Latin America.

The IDB Lab’s contribution The IDB Lab contribution is US 5,868,500 in Technical Cooperation and will primarily be dedicated to building the Information Exchange Platform prototype that facilitates the digital coalition of civil and private sector actors involved in this project working to strengthen WSMEs and using their data and artificial intelligence (AI) to solve information opacity challenges related to market and credit access.

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