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ANNEX 25

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2023-2025

Action Document for Women's Economic Empowerment and Financial Inclusion in Sub-Saharan Africa (WEE-FI Africa)

MULTIANNUAL ACTION PLAN
This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23 of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title **CRIS/OPSYS business reference** **Basic Act**	**Women's Economic Empowerment and Financial Inclusion in Sub-Saharan Africa (WEE-FI Africa)** OPSYS number: ACT-62039 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes **Team Europe Initiative 'Investing in Young Business in Africa' (TEI IYBA)** This action contributes to the regional TEI – IYBA and is being built around it to reinforce its transformational impact. The action is complementary with the work carried out in the framework of the TEI and more specifically will contribute as follows: **Component 1** – this component will focus on supporting IYBA target group of women entrepreneurs. Activities under this component will ultimately aim at reinforcing women's entrepreneurship, the entrepreneurial ecosystem and improved access to finance. **Component 2** – this component will support the promotion of more effective policies and regulations that provide support and adequate conditions for early-stage businesses and entrepreneurs to thrive and make countries more attractive for investors and financially inclusive.
3. Zone benefiting from the action	The action shall be carried out in Sub-Saharan Africa
4. Programming document	Sub-Saharan Africa (SSA) - Regional Multiannual Indicative Programme (MIP) 2021-2027
5. Link with relevant MIP(s) objectives/expected results	The Action falls under SSA MIP, Priority area 5 (Sustainable Growth and Decent Jobs), Specific Objective 3 and Expected Results 3.1, 3.2 and 3.3 of the regional MIP for Sub-Saharan Africa
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	The proposed Action intends to contribute to Priority area 5, Sustainable Growth and Decent Jobs.

	Specific Objective 3: An investment climate in Sub-Saharan Africa conducive to private sector development and investments, and improved business capacities and access to finance for MSMEs. Result 3.1: Improved investment climate, regional market intelligence and identification of barriers to investments. Result 3.2: Regional support measures for MSMEs business capacities are enhanced at continental and regional level. Result 3.3: Improved access to finance and investment readiness at the regional/continental level.			
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 5 Gender Equality and women's empowerment Other significant SDGs: SDG 8 Decent Work and Economic Growth SDG 9 Industry, Innovation and Infrastructure SDG 10 Reduced Inequality SDG 17 Partnerships for the Goals			
8 a) DAC code(s)	32130 – Small and medium-sized enterprises (SME) development 24030 – Formal sector financial intermediaries 25030 – Business development services 33181 – Trade education/training 11330 – Vocational training			
8 b) Main Delivery Channel @	2100 – International NGO			
9. Targets	☐ Migration ☒ Climate ☒ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☒ Education ☐ Human Rights, Democracy and Governance			
10. Markers (from DAC form)	**General policy objective @**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐
	Aid to environment @	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☐	☒
	Trade development	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities @	☒	☐	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐

	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☐	☒	☐
	Climate change adaptation @	☒	☐	☐
11. Internal markers and Tags:	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	☐	☒ ☐ ☐ ☐ ☐ ☒ ☒	☐ ☐ ☐ ☐ ☐ ☐ ☐
	Connectivity @ Tags: transport people2people energy digital connectivity	☒	☐ ☐ ☐ ☐ ☐	☐ ☐ ☐ ☐ ☐
	Migration @ (methodology for tagging under development)	☒	☐	☐
	Reduction of Inequalities (methodology for marker and tagging under development)	☐	☒	☐
	Covid-19	☒	☐	☐
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2023-14.020120-C1-INTPA EUR 9 450 000 BGUE-B2023-14.020121-C1-INTPA EUR 9 450 000 BGUE-B2023-14.020122-C1-INTPA EUR 8 100 000 Total estimated cost : EUR 27 000 000 Total amount of EU budget contribution: EUR 27 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	**Indirect management** with the entities to be selected in accordance with the criteria set in section 4.3.2 **Direct management** through grants as set out in section 4.3.1.			

1.2. Summary of the Action

The economy of the Sub-Saharan Africa region (SSA) is recently facing a combination of shock and policy challenges, in particular as the war of aggression against Ukraine is creating further stresses for the global economy, weakening the post COVID-19 pandemic recovery and putting socio economic development, financial inclusion and

stability at risk. The private firms and segments of the African population living in vulnerable conditions, including women and youth, are also paying a high price.

Against this background and building into the logic of the flagship Team Europe Initiative – Investing in Young Business in Africa (TEI IYBA), the WEE-FI Africa programme will support fostering decent job creation and socio-economic resilience and inclusion in SSA, by supporting the improvement of women-friendly entrepreneurial ecosystems and ensuring greater access to finance, including for youth.

This Action will include more concretely the two following components:

1. Women's Entrepreneurship[1] (EUR 25 million): Building on the Women Entrepreneurship for Africa (WE4A) programme supporting female entrepreneurs in selected countries in Africa with entrepreneurial training, improvements of the entrepreneurial ecosystem for women and increased access to finance. The action will have three main building blocks : (a) support to women entrepreneurs via entrepreneurship training and access to seed finance, (b) reinforcing the entrepreneurial ecosystem for women entrepreneurs (including working with ecosystem actors such as chambers of commerce, private sector organisations and especially those women led, women entrepreneur networks, accelerators, sector specific entrepreneurship training initiatives as well as financial institutions) and (c) improving access to finance for women entrepreneurs. This component will directly contribute to building blocks 1,2 and 3 of the TEI IYBA.

2. Financial Inclusion (EUR 2 million): This component aims at reinforcing financial inclusion policies and support policy makers and regulators in SSA through four main building blocks – (a) Digital Financial Services (DFS) and Consumer risks: activities will aim to advance an enabling and safe regulatory environment for DFS; (b) Targeted financial inclusion policies for women and youth through activities that will aim at strengthening capacity of financial sector policymakers and regulators; (c) Address climate risks and improve green climate policies through activities that advance conceptual and practical understanding and skills on Inclusive Green Finance (IFG) policies and (d) Amplify public-private dialogue and exchange to tackle the financial inclusion agenda to deepen engagement and collaboration between the private sector actors and regulators; It has a clear link to the IYBA TEI and will contribute to building block 3, by enabling an inclusive and attractive business environment for investors and businesses.

The Action will contribute to the fulfilment of the EU Gender Action Plan 2021-2025 GAP III[2], in particular to its thematic area of engagement 'Strengthening economic and social rights and empowering girls and women'.

2. RATIONALE

2.1. Context

The African continent has the highest percentage of women entrepreneurs in the world. The latest Global Entrepreneurship Monitor (GEM) Women's Entrepreneurship Report finds that 25.9% of the female adult population in Sub-Saharan Africa (SSA) is engaged in early-stage entrepreneurial activity. SSA is the only region in the world where there are more women becoming entrepreneurs than men. However, women owned businesses are often micro-enterprises, more often in the informal sector, with fewer employees and lower individual sales than businesses led by men. At the same time, SSA does also have the highest recorded discontinuance rate – at 8.4%. In 2017, around 56% of women entrepreneurs in the region cited either unprofitability or lack of finance as a reason for closing down their business. In fact, the small-scale nature of women-owned businesses and lack of access to assets (especially due to the low ownership of land and housing among women) means that they have less funding and run smaller businesses, which often makes them more vulnerable to shocks and fluctuations. In 2022, amongst surveyed entrepreneurs worldwide who reported recently closing a business, women were about 20% more likely to report a business closure due to the COVID-19 pandemic.

[1] https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2184
[2] "The Gender Action Plan III is a Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy which was welcomed through EU Presidency Conclusions of 16 December 2020. Drafting was led by European Commission in close consultation with EU Member States, EEAS, civil society organisations, partner governments, and international organisations (UN entities, International Finance Institutions among others). The different parties contributed to the drafting of the document through meetings and through responses to a survey conducted during the process."

Barriers to economic empowerment of women are multiple, including legal frameworks, culture, access to education, social norms and access to adequate financial and non-financial services. In 2022, Sub-Saharan Africa scored 71.5 out of 100 in the World Bank Women, Business and the Law review analysing the laws and regulations affecting women's economic opportunities, meaning that women in SSA on average have only about ¾ of the legal economic rights as compared to men.

In terms of access to finance, in 2017 the World Bank reported that only 37% of women in SSA had a bank account and are 13% less likely than men to own a mobile phone. Women are also more likely than men to borrow or share mobile phones with family members, and 20% less likely than men to own smartphones. Women’s limited access and usage of mobile technology consequently limits access to mobile-enabled services and hence, their account ownership. Lack of access to finance follows from low access to and control over resources and productive assets that can serve as collaterals for loans. This, along with often a lack of formal business skills, affects the capacity of women entrepreneurs to invest in their business and access loans. The access to finance gap for women entrepreneurs in Africa is estimated at 42 billion.

Findex 2021 finds that 40 percent of adults now have a financial institution account (increased by seven percent since 2017) whereas 55 percent of adults in SSA now have access to a financial institution or mobile money account. While significant progress has been made, critical obstacles remain, and new priorities are emerging. The accelerated uptake of digital financial services (DFS) in Africa (Mobile money grew twice as fast as had been forecast for 2020, at 12.7 percent, reaching 1.2 billion accounts) has created new risks and challenges around data privacy and protection, cybersecurity, regulation of fintechs, and digital financial literacy.

It is no surprise that DFS and fintech remain the top policy priority for members across Alliance for Financial Inclusion as per AFI’s Member Needs Assessment 2022. The gender gap in access and usage of formal and quality financial services remains high, with the gender gap in SSA at 12 percent, three times larger than the world average (source: Findex 2021). A continent where almost 40 percent of its unbanked is made up of young adults (ages 15-24), SSA faces challenges of effectively including young people in the financial sector in order to facilitate livelihoods, jobs, and economic participation. These policy areas are strong emerging priorities of policymakers and regulators - the proportion of regulators from SSA who indicated that women’s financial inclusion is a high priority increased from 59 percent in 2021 to 73 percent in 2022. Youth financial inclusion is a subject of an even stronger prioritisation by African members, at 88 percent in 2022. Vulnerability to global crises, especially the threats of climate change, is seen as a serious threat to development gains and progress on the SDGs by policymakers.

Gender equality is one of the founding values of the European Union and the European Consensus for Development ‘our world, our dignity, our future’ highlights the need to create decent jobs, particularly for women and youth, as an essential component of inclusive and sustainable growth. It also recognises the need to promote sustainable economic transformation to create decent and green jobs and increase productivity. It underlines the role of MSMEs as enablers of sustainable development and underscores the need to support the transition from the informal to the formal economy.

The Joint communication to the European Parliament and the Council ‘Towards a comprehensive Strategy with Africa’ provides a common policy framework and calls for strengthened economic integration and structural transformation, promoting job creation in Africa through green investments and sustainable trade as the main vehicles. The Strategy also clearly identifies the need to strengthen the capacity of entrepreneurs, including social entrepreneurs, while reinforcing capacity-building related to MSME access to markets and finance, with emphasis on supporting women’s empowerment by tackling discriminatory regulations and practices and making sure that women have access to knowledge, business skills, credit and finance for entrepreneurship.

The African Union’s (AU) strategic framework for the socio-economic transformation of the continent over the next 50 years, the Agenda 2063, highlights the role of women and youth within Aspiration 6: ‘An Africa, whose development is people-driven, relying on the potential of African people, especially its women youth, and caring for children.’ In this regard, the AU has launched ‘The African Union strategy on Gender Equality and Women’s Empowerment (GEWE) 2018-2028’ during the AU Summit in February 2019.

The Action will reinforce the EU’s leadership in promoting gender equality and social inclusion, contributing to SDG 5 on gender equality and on the implementation of the EU Gender Action Plan (GAP) III, especially the GAP III thematic area of ‘Promoting economic and social rights and empowering girls and women’ and the objectives on improved access for women to entrepreneurship opportunities and strengthened participation in the green and circular economy as well as access to financial services and products, and productive resources.

Promoting gender equality, inclusion and a human rights-based approach as well as investing in women and youth underpins all actions and is either addressed through targeted actions or mainstreamed as crosscutting issues throughout all the priority areas in the regional MIP 2021-2027. The Action is contributing to the priorities of the Multi-annual Indicative Programme (MIP) for Sub-Saharan Africa 2021-2027, particularly priority area 5 'Sustainable Growth and Decent Jobs' and specific objective 3: An investment climate in Sub-Saharan Africa conducive to private sector development and investments, and improved business capacities and access to finance for MSMEs.

2.2. Problem Analysis

Micro, small and medium-sized enterprises (MSMEs) play a key role in the economic and social development process and contribute to a substantial proportion of total employment and national income. However, they are also the most vulnerable segment of the economy and thus the ones that suffer most in economic crisis. When looking at women led MSMEs specifically, the vulnerabilities increase.

The economy of the Sub-Saharan Africa region (SSA) is recently facing a combination of shock and policy challenges, and the war in Ukraine is creating further stresses for the global economy, weakening the post-COVID-19 pandemic recovery and putting socio economic development, financial inclusion and stability at risk. Private sector development plays a key role in creating economic growth, employment and improved living conditions. In the case of Africa for instance, MSMEs form the backbone of the economy, representing more than 90% of businesses and employing about 60% of wage and salaried workers. Furthermore, women are disproportionately affected by the impacts of climate change and there are not enough employment opportunities for women, that are promoting the transformation of the economy towards an ecologically sustainable and climate-friendly economy.

However, gaps and deficiencies in the economic structure influence both formal and informal MSMEs capacity to grow and their potential to further contribute to job creation in a sustainable way. Women entrepreneurs, who represent the majority in some specific key sectors (e.g. agriculture) also face many additional challenges (e.g. limited access to finance and entrepreneurial skills, existing legal and customary laws like inheritance and land rights, social norms) further hindering women from becoming entrepreneurs and growing their businesses. According to the African Development Bank (AfDB), Africa's gross domestic product would be 12% higher, if women had the same opportunities as men in terms of access to education and other resources and factors of production as men. Despite the significant contributions of women entrepreneurs to Africa's economic growth, they face several challenges, including:

- Access to finance: Women entrepreneurs in Africa often struggle to access funding to start or grow their businesses. This is due to a variety of factors, including lack of collateral, limited financial literacy, and discrimination. Studies show that women are less likely to receive loans than men, and when they do, they receive smaller amounts and pay high interest rates.
- Access to markets and networks: Women may not have access to the same marketing and networking opportunities as men, which can make it challenging to establish business connections and partnerships.
- Cultural and social barriers: Women in Africa often face cultural and social barriers that make it difficult for them to start or grow businesses. These barriers include traditional gender roles, limited mobility, and discrimination. Women are also often expected to prioritise their family responsibilities over their work, making it difficult to devote the time and resources needed to build a successful business.
- Dual role as entrepreneurs and home-makers: Women in Africa often have to balance their work with their family responsibilities. This can make it difficult for them to devote the time and resources needed to start and grow a successful business. Women are often responsible for childcare, household chores, and caring for elderly family members, which can limit their ability to attend networking events, workshops, and training programs.
- The entrepreneurial ecosystem for is not conducive for women entrepreneurs and the existing support structures have limitations in numbers and capacities to support them with adequate solutions. For instance, business incubators, accelerators, chambers of commerce as well as financial institutions often lack specific strategies and gender-responsive services to support women entrepreneurs taking into account the additional challenges women often face.

Looking beyond the pandemic and current geopolitical tensions, creating jobs and meeting the Sustainable Development Goals will require strong, inclusive, and sustainable growth in SSA. To this end, decisive policy action is needed to enhance economic diversification, unleash the private sector's potential, and address the challenges posed by climate change. As Sub-Saharan Africa countries face this critical period, this action aims to not only sustain and maintain the gains of policymakers and regulators in Sub-Sahara Africa today, but further accelerate and deepen financial inclusion by supporting Sub-Saharan African countries to drive the development and implementation of enabling financial policies and regulations in key priority areas.

Financial inclusion is another means that enables and accelerates equal economic growth, promotes employment and improves financial health. However, while significant progress has been made, critical obstacles remain, and new priorities are emerging in the financial inclusion spectrum (e.g. data privacy and protection, cybersecurity, regulation of fintechs, and digital financial literacy). The gender gap in access and usage of formal and quality financial services remains high, with the gender gap in SSA at 12 percent in 2021, three times larger than the world average.

More concretely under each pillar of Component 2 which aims to promote financial inclusion:

Pillar 1 – DFS and Emerging Consumer Risks
SSA is the most dynamically digitalising region in the world. Mobile phone penetration from 2005 to 2021 increased more than 10 times while the number of individuals using the internet increased almost 25 times for the same period, starting from 15 million initially and rising to 360 million by the end of 2021. The COVID-19 pandemic boosted the process even further with an 8.8 percent increase in mobile phone subscriptions and 14.2 percent growth rate in individuals using the internet in Africa in 2021, almost two times higher than in the immediately preceding region. This digital transformation offers a great opportunity to drive inclusive growth and achieve several other Sustainable Development Goals (SDGs) through innovative DFS. This is worthy to note when looking at the opportunities it presents to some of the hardest to reach groups such as women, those living in rural and remote areas, and those who have been forcibly displaced.

In terms of the digital divide, there is still a significant gender gap in the Africa region, one of the largest globally. While, on average, 20 per cent of women and 37 per cent of men used the Internet in the region in 2019, globally 48.3 per cent of women and 55.2 per cent of men used the Internet that year.(ITU, 2021)[3]. According to the GSMA 2020 report[4], there still remains a substantial mobile gender gap around the access and use of mobile financial services. Only 35% of women use mobile internet in SSA. This is not just due to lacking key infrastructures such as electricity. For many rural and urban poor, it is also a matter of affordability, literacy, and skills.

Digital rails became a vital tool for advancing financial inclusion in the region, especially during the pandemic - since 2019. Registered mobile money accounts in SSA grew by 28.9 percent reaching 605 million accounts in total as of the end of 2021 while the volume and value of mobile money transactions increased more than 50 percent. COVID-19 accelerated the shift in African banks to digitalise banking services. About 60 percent of banks describe digital transformation as the single most important factor and another 34 percent state that it is among their top three priorities. Some banks were already trying to transition from the traditional model before the pandemic due to the emergence of new competition on the part of African Fintech and pure digital players. Fintech is booming – after a brief dip during the COVID-19 pandemic in 2020, the deals came back with foreign investment flooding in. Data shows that there was over US $1.6 billion invested across 153 deals, two times the value of 2020 (US $800m) and representing a 50 percent increase in transaction numbers.

Largely contributing to advancement of financial inclusion in the region, digital transformation and influx of fintech raise a number of risks and reasonable concerns that, if not properly and adequately regulated, may undermine the large potential of digitalisation and the digital divide may be enlarged. As highlighted by the European Investment Bank, issues of trust, financial capability, regulation, compliance, and interoperability loom large. A spike in scams and fraud across SSA ranging from Ponzi schemes in the cryptocurrency space to various types of predatory lending may adversely affect the pace of financial inclusion in the region, undermine customer confidence in formal financial sector and stability and integrity of the financial system. These concerns are also emerging clearly from African regulators' priorities in relation to DFS over the next two years.

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[3]https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiG74y5kbb-AhWzj4kEHVnmDwsQFnoECEYQAQ&url=https%3A%2F%2Fwww.itu.int%2Fdms_pub%2Fitu-d%2Fopb%2Find%2FD-IND-DIG_TRENDS_AFR.01-2021-PDF-E.pdf&usg=AOvVaw0Sw1FRVGWY8FyT5HLHN5D6
[4] https://www.gsma.com/r/wp-content/uploads/2022/06/The-Mobile-Gender-Gap-Report-2022.pdf

Pillar 2 – Youth & Women's Inclusive Finance

Harnessing the immense potential of their growing young populations to enable economic growth is a major concern and priority for many developing countries today. Still, young people face numerous barriers to economic participation, from insufficient educational opportunities to an absence of jobs when they transition out of school. With limited options to generate income, young people, especially in developing countries, opt for self-employment. However, their earnings potential is stymied by a lack of financing tools to invest in their businesses and increase their incomes. Especially disadvantaged are young women due to socio-cultural barriers that limit their involvement in household decision-making, mobility, and access to opportunities and resources. The challenge is apparent in SSA, where the 2021 Global Findex shows that young adults make up almost 40 percent of the unbanked. Young adult men were also found to be eight percentage points more likely to have a financial institution account than young adult women among SSA economies with more than 20 percent adults with a mobile money account.

The potential of DFS to expand financial access at scale and increase affordability of financial services is achievable primarily through mobile phone platforms which allow frequent transactions in small amounts. This serves well to the irregular and uneven income of young people. DFS innovations, with advantages for financial inclusion, also pose several risks such as high default rates amongst youth who are inexperienced in money management and usage of financial products, susceptibility to identity theft, and misuse of data obtained via online transactions. These raise the important need for strengthened policies and regulatory guidelines to protect young people from abuse, harassment, and fraud, and to enhance the provision of products that are appropriate for their lifecycle financial needs.

The digital divide is hindering women's digital financial inclusion. According to the Global Findex Database[5], in in 2021, 49.04% of the female population aged 15+ in the sub-Saharan region had bank/mobile money accounts as compared to 61.36% of male population aged 15+. The gender-based gaps are also found in investments to tech start-ups. In 2021, fintech companies attracted more than 60% of the nearly $5 billion in investments to African start-ups, according to market intelligence and research firm Briter Bridges.[6] However, from 2013 to 2021, less than 5% of the total $12.6 billion in funding to Africa's tech start-ups went to all-female founding teams compared with 82% to all male-ones.

Pillar 3 – Inclusive Green Finance (IGF)

SSA is the region in the world most vulnerable to climate change. Rising temperatures, rising sea levels, and rainfall anomalies are increasing the frequency and intensity of natural disasters and are markedly transforming the region's geography. Economic development has brought considerable progress in recent decades, but resilience and coping mechanisms across SSA remain limited, reflecting structural factors restricting countries' ability to respond to and recover from shocks. In particular, reliance on rain-fed agriculture increases humanitarian, social, and macroeconomic vulnerabilities to rising temperatures and extreme weather shocks, which most heavily affect the poorest segments of the region's rapidly growing population.

There is increasing recognition that financial stability is being threatened by climate related physical and transition risks. Consequently, attention to climate risks is prioritised by these policymaking institutions that are working to advance sustainable and gender-sensitive financial inclusion policies. While climate change mitigation and adaptation require a coordinated approach at national and global levels, several sub-Saharan African countries are now starting to contribute to national level policy development, specifically on IGF, the intersect between financial inclusion and green finance. This creates unprecedented opportunities where, through expanded peer-to-peer learning, capacity building, engagement with the key stakeholders in Europe and globally, and policy development and implementation support, IGF policies can be scaled.

Pillar 4 – Public Private Dialogue and Cooperation

Financial innovations and DFS are booming across SSA – mobile money, digital payments, digital credit, agent banking, and other financial innovations disrupt the financial sector all over the continent. However, the pace of digital disruption is different from country to country depending on local market conditions, regulatory environment, and other local specifics. In some cases, a mismatch between the enabling policy environment and existing market conditions hinders the potential of innovations in advancing financial inclusion. In other cases, the lack of adequate regulations exposes consumers and the financial sector as a whole to unintended risks (i.e., misuse of consumers' data, cybersecurity issues, financial stability concerns, etc.). Policymakers and private sector partners in the region have a shared interest in having sound and implementable policies to ensure balanced and optimal regulation that help to mitigate potential risks and stimulate financial innovations.

[5] https://www.worldbank.org/en/publication/globalfindex#sec3

[6] https://briterbridges.com/africainvestmentreport2021

Lack of understanding of financial innovations and disruptive solutions, new business models and market conditions hinder the ability of regulators to provide adequate regulatory frameworks to facilitate the innovations. The recently published study of the Cambridge Centre for Alternative Finance on 'Fintech Regulation in SSA' identified regulators' 'limited technical skills' as the most serious hurdle faced by regulatory authorities when establishing frameworks and innovation initiatives. As recommended by the EU-African Union Digital Economy Task Force, dialogues between the public and private sectors are necessary to develop the right enabling environment for the private sector to develop the right services that will be used by the unbanked population.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Component 1: Women's Entrepreneurship
Final beneficiaries of the Action will be the Sub-Saharan African private sector actors (especially women entrepreneurs, business support organisations and business incubators, accelerators, chambers of commerce, including women's business organisations and networks, sectoral or geographic business associations as well as financial sector actors (such as commercial banks, impact investors, venture capital funds, business angel organisations etc.). Stakeholders include regional organisations, civil society organisations, policy-making and regulatory bodies (including local governments, ministries, AU).

In particular, the primary stakeholders will be:

- Relevant private sector actors supporting women entrepreneurs and comprising the entrepreneurial ecosystem in which the businesses operate. This includes business development support and financial actors as well as other programs and actors working on MSME finance, entrepreneurship and women's economic empowerment at both local and regional level.

- Relevant line ministries and government institutions should be involved in coordination, based on their mandate and respective areas of expertise where relevant.

- Target beneficiary communities, including the local women entrepreneurs should be closely involved in designing the interventions through consultations, baseline reviews and evaluations of existing actions.

- Civil society organisations should be closely engaged in the design, implementation and review of the action, in particular when it comes to identifying and overcoming adverse social norms and risks (including gender based violence) faced by women entrepreneurs, and women entrepreneurs facing intersecting discriminations.

- EU Member States will be closely involved in the design and implementation of the intervention to ensure synergies and complementarities in Team Europe spirit.

Component 2: Financial Inclusion

The primary beneficiaries of this Action are policymakers and regulators in Sub-Saharan Africa. These institutions are uniquely well placed to convene and drive ecosystem-wide efforts and to ensure that financial policies and regulations prioritise the inclusion of disadvantaged groups, accelerate financial inclusion of youth and women and strengthening of resilience to climate change.

This Action will focus on supporting the development and implementation of well-informed, innovative, and sustainable financial policies and regulations and to scale policy lessons for broader impact across the African Continent.

The broad contingent of national and regional stakeholders including regional organisations and forums, civil society, private companies and economic actors, fintech community, women's groups, and others will be engaged through systematic multi-stakeholder dialogues at the national and regional levels.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

Component 1: Women's Entrepreneurship

The Overall Objective (Impact) of this action is to increase the economic empowerment and financial inclusion of women in Sub-Saharan Africa in order to create more decent and green jobs in Sub-Saharan Africa.

The Specific(s) Objective(s) (Outcomes) of this action are:

- SO 1: to increase the number of African women entrepreneurs having access to seed-capital and enhanced business capacities, with a particular focus on sectors with green potential.

- SO 2: to increase the number of African women entrepreneurs having better market access due to a more conducive entrepreneurial ecosystem at local and regional level.

- SO 3: to increase the number of African women entrepreneurs having access to formal financial services.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

Output 1: Entrepreneurship development support and seed capital for African women entrepreneurs
Output 2: Strengthened local and regional entrepreneurial ecosystem actors supporting women entrepreneurs in Africa.
Output 3: Access to formal financial services to African women entrepreneurs.

Component 2: Financial Inclusion

The overall objective of this action is to increase access and usage of quality financial service and promote financial inclusion in Sub-Saharan Africa.

The specific objective of this action is to develop and implement a number of financial inclusion policies in Sub-Saharan Africa states.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

Output 1: A number of SSA countries develop financial inclusion policies and regulations to advance Digital Financial Services while managing consumer risks.

Output 2: A number of SSA countries develop financial inclusion policies and regulations to enhance the financial inclusion of young people and women.

Output 3: A number of SSA countries develop financial inclusion policies and regulations on Inclusive Green Finance

Output 4: Knowledge exchange between financial regulators in Sub-Saharan Africa and private sector partners to advance financial innovation.

3.2. Indicative Activities

Component 1: Supporting women entrepreneurs as well as conducive entrepreneurial ecosystem for women entrepreneurs in Sub-Saharan Africa

Output 1: Entrepreneurship development support and seed capital for African women entrepreneurs

Activity 1.1	Provision of seed-capital, entrepreneurship training, and mentoring and other business development services to women entrepreneurs, with a particular focus on sectors with green potential.
Output 2: Strengthened local and regional entrepreneurial ecosystem actors supporting women entrepreneurs in Africa.	
Activity 2.1	Strengthening the local and regional entrepreneurial ecosystem for women entrepreneurs by supporting entrepreneurship actors in better serving women entrepreneurs, including incubators, accelerators, chambers of commerce and other support services as well as local and regional financial actors such as commercial banks, MFIs, impact funds, Business Angels and Venture Capital funds.
Output 3: Access to formal financial services to African women entrepreneurs.	
Activity 3.1	Support closing the financing gap between seed capital and full bankability (valley of death) of women entrepreneurs in their diversity by linking them to local and regional financial actors as well as to other financing instruments to increase the number of women who benefit from such instruments.

Component 2: Financial Inclusion

Component 2: **Support policymakers and regulators in Sub-Saharan Africa to develop and implement sustainable financial inclusion policies.** **Output 1:** SSA countries develop financial inclusion policies and regulations to advance Digital Financial Services while managing consumer risks	
Activity 1.1	Develop knowledge product on DFS and emerging risks
Activity 1.3	Conduct capacity building events with the focus on Digital Financial Services
Activity 1.5	Provide In-Country Implementation support in the area of Digital Financial Services
Activity 1.6	Conduct 2 Inclusive FinTech Showcase competition
Activity 1.7	Conduct Developed-Developing Countries Dialogue with participation from financial regulators from developed countries
Output 2: SSA countries develop financial inclusion policies and regulations to enhance the financial inclusion of young women	
Activity 2.1	Conduct 2 peer-learning meetings on financial inclusion of young women
Activity 2.2	Conduct 1 capacity building events with focus on youth and women financial inclusion
Activity 2.3	Develop 1 online course on youth and women financial inclusion
Activity 2.4	Organise 2 Global Youth Financial Inclusion award to amplify successful policy initiatives
Output 3: SSA countries develop financial inclusion policies and regulations on Inclusive Green Finance	
Activity 3.1	Conduct 1 capacity building event on Inclusive Green Finance
Activity 3.2	Provide In-Country Implementation support in the area of Inclusive Green Finance
Output 4: 5 Knowledge exchange and learnings between financial regulators and private sector partners to advance financial innovation	
Activity 4.1	Conduct 4 global high-level Public-Private Dialogue (PPD)
Activity 4.2	Conduct 1 Public-Private Dialogue (PPD) training in Africa aligning with policy areas of DFS and emerging consumer risks, youth and women financial inclusion and inclusive green finance.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by Member States and/or European financing institutions following a Team Europe approach. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection & Climate Change

Special Attention will be paid to the environmental protection and climate change policies in the Support to African Central Banks programme particularly through specific trainings targeting green and sustainable finance issues in line with the European Sustainable Finance Strategy and the Green Deal.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labeled as G2 since gender equality and women's empowerment is the main objective of the Action and is aligned with the EU Gender Action Plan III adhering to its 3 core principles: applying a gender-transformative approach, addressing intersectionality of gender with other forms of discrimination, and following an approach based on human rights.

This implies that the action is designed with the principal intention of advancing gender equality and the empowerment of women by providing different responses and assistance based on the comprehensive assessment and analysis of the needs of women entrepreneurs and other targeted beneficiaries. Different assessments will be developed before the starting of activities in order to ensure that context-specific needs, challenges, and opportunities of women entrepreneurs are considered and addressed through gender-sensitive implementation strategies.

Regulators and other duty bearers can play an important role in particular on two aspects, which are internal and external. On one hand they can adopt, implement and monitor internal policies and strategies to promote gender equality and anti-discrimination in the internal structure of the bank. On the other hand they play a crucial role in analysing the economy from a gender perspective, assessing economic indicators and other relevant sectors, and their impact on poverty and inequality, including gender inequality. Regulators should pursue and implement sound and stable financial inclusion policies that are designed and monitored with the full and equal participation of women and encourage broad-based sustained economic growth, address structural causes of poverty and be geared towards eradicating poverty and reducing gender-based inequality within the overall framework of achieving people-centred sustainable development and the Sustainable Development Goals (SDGs) and in particular SDG 8 (decent work) and SDG 5 (gender equality). To support this, central banks should collect gender and age-disaggregated data on poverty and all aspects of economic activity, develop qualitative and quantitative statistical indicators to facilitate the assessment of economic performance from a gender perspective, and promote women's access to finance.

Overall, a gender perspective will be integrated throughout the Action (planning, implementation, monitoring and evaluation), and intends to move from the current beneficiary counting and disaggregation of data to a more ambitious gender results targeting. For activities that require specific participants selection such as capacity building activities and consultations, the Action will reserve a 2/3 quota for women where possible.

Human Rights

This action will apply a rights-based approach throughout the design and implementation of the intervention. As a G2 action, promotion of women's and girls' fundamental rights will be the principal objective. The proposed action will abide by the 'do no harm principle' to avoid unintended negative impact in terms of human rights and will be implemented following the rights-based approach working principles (all rights, participation, non-discrimination, accountability and transparency). The proposed actions will develop the capacities of the stakeholders as 'rights-holders' to claim their rights and 'duty-bearers' to meet their obligations. Since the action targets vulnerable segments of the economy, it will pay special attention to ensuring that rights are consolidated and when possible expanded. In order to counteract the unintended effect of increasing violence against women, which can result from their economic participation and rising incomes, the action will take this into account in the design by taking action such as by integrating the women's partners or other family members into the measures and implementing information campaigns on women's entrepreneurship and women-specific challenges in the workplace.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that women entrepreneurs with disabilities are included along with women without disabilities. This means that all activities will have an inclusive approach for women living with disabilities where relevant. E.g., training and capacity building activities will be organised in an inclusive manner facilitating their participation (accessibility, communication).

Financial inclusion policies and regulations will integrate aspects relevant for women entrepreneurs with disabilities (and other vulnerable/marginalised groups). Activities will include analysis of the baseline situation of target beneficiaries with disabilities and analyse what data is available and what data is needed to understand how to meaningfully support potential beneficiaries with disabilities in terms of access to the activities.
Other considerations if relevant Activities will be tailored considering different needs of women and women entrepreneurs at different stages of their enterprise development in terms of formality, financial and entrepreneurial needs, as well as sector-specific needs. Because of its weight in African countries economy, informal sector and ways of tackling the needs will be considered. Good governance, including the fight against corruption and bribery, transparency, accountability, non-discrimination and participation within the legal/regulatory spheres will be promoted clear and criteria-based selection mechanisms for entrepreneurs benefitting from financial support. The involved cooperation partners will conduct a business partner screenings when selecting the companies with which it cooperates and will accompany all measures with a high level of its own personnel capacity in order to ensure quality and reduce corruption risks. Due to the fact, that the project only cooperates with actors from the private sector who are considered to be at low risk of corruption, and that no state actors are directly involved in the awarding of funding, the overall risk of corruption can be classified as low.

3.4. Risks and Lessons Learnt

Category	**Risks**	**Likelihood (High/ Medium/ Low)**	**Impact (High/ Medium/ Low)**	**Mitigating measures**
Risks related to the external environment	Risk 1 Macroeconomic situation worsening and affecting the economic viability of supported businesses and thus job creation.	**M**	**M**	Women-led MSMEs will be trained to increase the resilience of their enterprises to macroeconomic shocks, e.g. through business continuity measures
Risks related to implementation structures	Risk 2 A large part of the Action will be implemented through sub-grantees (rather than service contracts). Grant agreements are subject to audits which may result in financial findings. Also, grant agreements do not oblige sub-grantees to achieve expected results.	**M**	**M**	Establishment of strong and reliable governance structure for the Action with clear roles and responsibilities for each actor. Assistance to sub-grantees where necessary.
Risks related to actors involved	Risk 3 Lack/low level of ownership by private and public actors	**M**	**M**	Ensuring a dynamic and tailored approach for the public and private engagement to be designed in coordination with key actors involved to ensure ownership

				Designing activities in line with the TEI IYBA flagship in close coordination with EU Delegations and partner countries to ensure full alignment Organising regular coordination meetings with the relevant organisations and stakeholders to ensure timely advancement and alignment.
Risks related to the target group	Risk 4 Unintended consequence of action 1 with regards to private life of women entrepreneurs and their role in society (notably gender-based violence)	**M**	**M**	Information campaigns on entrepreneurship and role models; targeted involvement of family members etc. in selected activities; counselling offer
Risks related to planning, process and systems	Risk 5 A gender blind, neutral or negative context and problem analysis (particularly in the area of financial inclusion) could reinforce existing gender inequalities and non-achievement of the women's empowerment expected results of the Action and/or hinder its efficiency and sustainability	**M**	**M**	Knowledge and tools for gender analysis are available. Gender-sensitive monitoring, specific gender indicators, use of sex-disaggregated data and specific evaluation of gender equality results are in place. Gender mainstreaming is applied in all phases of the Action. Expertise in gender and gender economic empowerment/financing will be ensured in all country-teams.

Lessons Learnt:

Although women's economic empowerment is becoming an increasingly important priority of international development finance institutions, some local financial institutions as well as some entrepreneurial ecosystem actors, there are still limited resources deployed in this domain in Sub-Saharan Africa. At the same time, structural barriers to women's access to collateral, such as ownership rights, must be addressed for a sustainable change. To make a sustainable change, it is important to coordinate the efforts by different actors, create linkages, strengthen the support structures available for women entrepreneurs locally and regionally and take the underlying barriers, such as the limited access to collateral, into account in the action.

Given the increasingly important green agenda, it is important to ensure that focus is in green entrepreneurship. According to the UN Women report on green jobs for women in Africa, more and more governments, businesses and civil society in partner countries are realising that prosperous societies will only become a reality if the causes of women's disadvantages are addressed, and inequality is reduced. Additionally, companies are increasingly recognising business opportunities in green transformation and more resource-efficient production methods. Start-ups are already emerging with business models, products and services that contribute to the ecological transformation. In order to overcome external shocks from climate change and other factors, entrepreneurs must not only become more competitive, but also need to adapt to climate change situations and altogether enhance the resilience of their enterprises.

Entrepreneurs benefit from sector specific support in addition to general entrepreneurship skills as well as opportunities to connect with other actors in the sector both locally and regionally. It is important to take sector specific circumstances into account in the design of activities and build mechanisms for peer-support.

Women's entrepreneurship is challenged by negative stereotypes and perceptions about entrepreneurship, which can discourage them from starting and growing their businesses as well as from entering to traditionally male dominated sectors. It is important to design the activities taking this into account in the outreach strategies as well as embed awareness raising components into the activities. At the same time, mentoring and role models, including woman-to-woman mentoring, are highly valued by women entrepreneurs and can also help tackle some of these stereotypes and show positive example.

Starting early 2023, the TEI IYBA, supports new, early-stage and women-led enterprises in selected African countries. In addition, the TEI improves the business and investment climate for start-ups and strengthens the entrepreneurial culture in the partner countries. This Action can build on the approach and, together with the TEI initiatives, further develop service capacities and support programmes, especially for early-stage women-led businesses shaping the ecological transformation.

Component 2: financial Inclusion

Category	**Risks**	**Likelihood (High/Med/Low)**	**Impact (High/ Medium/Low)**	**Mitigating measures**
Risks related to the external environment	Natural disaster/ potential social unrest following elections/ regional or global pandemic may disrupt planned physical events or on site activities	Low	Med	All planned activities would take into considerations the potential contraints on international travel, with virtual tools as back up.
Risks related to implementation structures	Event where the implementing partner does not have the adequate resource to deliver project (staff, technology, processes, prior experience in managing similar project).	Low	Low	Establish implementing structures that deliver with effective project management oversight (Project Steering Committee), review meetings, close collaboration between technical teams
Risks related to actors involved	Countries cannot participate, as a result of external and domestic economic risks arising from global recessions	Low	Med	Close communication and collaboration with participating countries in the design and development of the project activities including the in-country implementation support.
Risks related to the target group	Insufficient uptake due to the lack of political and governance aspirations, which may result in project not receiving its due attention and not given the priority including participation to events organised.	Low	Low	Close monitoring of participating countries' engagement throughout the implementation of the action. Possibility to include hybrid participation. Designing activities in line with the TEI IYBA flagship in close coordination with EU Delegations and partner countries to ensure full alignment Organising regular coordination meetings with the relevant organisations and stakeholders to

				ensure timely advancement and alignment.
Risks related to planning, process and systems	Risk 5 A gender blind, neutral or negative context and problem analysis (particularly in the area of financial inclusion) could reinforce existing gender inequalities and non-achievement of the women's empowerment expected results of the Action and/or hinder its efficiency and sustainability	**M**	**M**	Knowledge and tools for gender analysis are available. Gender-sensitive monitoring, specific gender indicators, use of sex-disaggregated data and specific evaluation of gender equality results are in place. Gender mainstreaming is applied in all phases of the Action. Expertise in gender and gender economic empowerment/financing will be ensured in all country-teams.

Lessons Learned

The relevance of financial inclusion as a practical solution for building resilience and inclusive financial system have been reinforced by the COVID-19 pandemic. Financial regulators are often among the few institutions in their respective countries that have the capacity to address enormous challenges of the kind created by crises, like COVID-19. However, inclusive financial sectors are one of the key pre-requisites for delivering effective policy interventions that reach those most affected by the crisis. For example, cash transfers need to reach the poorest in remote locations, stimulus packages need to reach the smallest of businesses who are most vulnerable in a crisis. However, they need t o be deployed in a safe manner with adequate client protection consumer awareness and education measures in place in order to ensure they reach the right people and provide maximum benefit. Digital Financial Services (DFS) have a central role in creating such inclusive and resilient financial systems. The knowledge, understanding and frameworks of DFS that have been developed by African regulators under recent years made it possible to deploy practical evidenced-based policy solutions to mitigate the impact of the crisis such as the COVID-19 pandemic.

The current period of global turbulence and new risks to financial stability has moved the importance of financial inclusion of women, youth and other vulnerable groups to the core of mainstream economic thinking. Underpinning this is an understanding that greater financial inclusion not only provides opportunities for the unbanked and disadvantaged population, but equally, serves as a catalyst for numerous international development goals. We are increasingly witnessing a global convergence of policy and regulatory issues and concerns in areas such as inclusive FinTech, cybersecurity, data privacy, consumer protection and empowerment, and the greening of the financial system. Policy innovations in these areas today come as much from the South as the North, thus creating a fertile ground for policymakers from Europe and Africa to learn from one another. Global collaboration, cross pollination, structuring, and systematic peer engagement to accelerate financial inclusion will be needed more than ever in the period ahead. This project provides a unique vehicle to advance policy peer learning among policymakers in Europe and Africa

3.5. The Intervention Logic

Component 1: Women's Entrepreneurship

The Action is designed based on the underlying assumption that support structures and services for women entrepreneurs are insufficient to boost the number of women-led MSMEs. The majority of MSMEs remain informal or fail during the growth stage. They have difficulties to access finance as needed. Isolated support interventions like start-up support are not effective for bridging the so-called 'valley of death' in order to reach commercial viability. The early growth stage is particularly important, as it is a time when enterprises build their track record, which is the basis for future business development and commercial financing. The Action tackles multiple challenges for African women entrepreneurs, including entrepreneurial capacities, bankability, and lack of conducive entrepreneurial ecosystem, including access to finance, access to networks and market access. Through these improved and gender-responsive support functions, women-led MSMEs can increase their competitiveness and thereby creating more jobs and profits for their companies. Through the creation of positive role models and successful women-led MSMEs, also in sectors that are traditionally male-dominated, gender stereotypes of women entrepreneurs will be reduced and thereby counteracting some adverse gender-norms.

A direct effect of the action will be the economic empowerment of the women entrepreneurs with additional business capacities and stronger support structures, as well as creation of more employment due to an increased survival rate of supported MSMEs and accelerated growth. The Action will also contribute to structural changes in partner countries, including by strengthening the entrepreneurial ecosystem for women entrepreneurs and by promoting women entrepreneurs as an attractive market segment for financial institutions. Moreover, the successful women entrepreneurs serve as role models in their societies and encourage other women and girls to follow their professional aspirations.

Component 2: Financial Inclusion

The action aims to support policymakers and regulators in Sub-Saharan Africa to develop and implement sustainable financial inclusion policies in the areas of digital financial services, financial inclusion of young women as well as on inclusive green finance, this project will build practical and evidence-based knowledge on effective financial inclusion policies and regulations through peer-learning model and constant exchange. The Africa Financial Inclusion Policy Initiative (AfPI) will be the primary vehicle to deliberate and discuss key regional financial inclusion challenges and priorities and device the strategic vision for financial inclusion in the region. Policymakers and financial regulators will also benefit from the development of policy guidance through the established working groups, which will bring them together to discuss regulatory issues related to Digital Financial Services and promote digitalisation as the main drive for financial inclusion, taking a more proactive and tailored policy response that considers the unique needs and behaviour of young people and women in general, advancing the understanding of how green finance can be developed and tailored to advance mitigation and adaptation amongst MSMEs, among others. Capacity building programs will also adopt a bottom-up approach that strongly focuses on enabling members to translate knowledge on financial inclusion policies, regulators and supervision into concrete policy actions, while also providing grant and/or technical support through in-country implementation program to members. In turn, these interventions will enhance the capacity of institutions in Sub-Saharan Africa to develop and implement effective financial inclusion policies in the thematic pillars of this project.

Through the peer-learning model, this project also facilitates the engagement with private sector partners through a Public-Private Dialogue (PPD) platform, where through these knowledge exchanges it aims to deepen the engagement and collaboration between policymakers and private sector partners by providing a trusted and inclusive platform for open deliberation of issues as well as bringing private sector expertise to inform policymaking process. Concurrently, this project also facilitates peer-learning between countries in Sub-Saharan Africa with European policymakers and financial regulators through developing-developed countries dialogue (3D) on policy innovation.

Across all focus areas of the action, this component will a) generate vital new knowledge and guidance through its established platforms for policy peer learning and exchange, b) enhance the institutional capacity of SSA countries to implement evidence-based and impactful financial inclusion policies, and c) to strengthen regional voice on key financial inclusion policy issues from Africa at the global level. As a result, it is envisioned that policymakers and financial regulators in Sub-Saharan Africa will develop and implement sustainable financial inclusion policies that will address the challenges faced by the target population.

3.6. Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.
On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.
The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To increase the economic empowerment and financial inclusion of women in Sub-Saharan Africa in order to create more decent and green jobs in selected African economies.	1.1 Increased number of decent jobs, of which a certain % are in green jobs (disaggregated by sex and age and disability) 1.2 Number of women-led supported enterprises that are linked to financing, disaggregated for green finance	1 2	1 2	1 Intervention M&E System 2 Intervention M&E System 3. Intervention M&E System	*Not applicable*
Outcome 1	1 An increased number of African women entrepreneurs have access to seed-capital and have enhanced business capacities	1.1 Number of women entrepreneurs receiving seed capital. 1.2 Number of women entrepreneurs that a. Have introduced new practices/innovations in their business following the support received from the action; or b. Confirm an increase in their business capacities Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, sustainable transport, and clean water sources, for family consumption or for productive uses. (GAP III key outcome indicators). Disaggregated by location and disability	1.1 1.2	1.1 1.2	1 Intervention M&E System 2 Intervention M&E System	Businesses of supported women entrepreneurs have a higher survival rate, grow faster, and create more employment in comparison to their peers and contribute the overall economic development of their economies

Outcome 2	2 An increased number of African women entrepreneurs have better market access due to a conducive entrepreneurial ecosystem at local and regional level	2.1 Number of women-led enterprises reached by the Action with enhanced business capacity in one of the following categories: i) 10% turnover increase ii) staff increase iii) women entrepreneurs or firms gained access to a value chain iv) women entrepreneurs or firms reached sector specific standards 2.2 Number of gender-responsive entrepreneurship development services developed or adapted	2.1 2.2	2.1 2.2	1 Intervention M&E System 2 Intervention M&E System	
Outcome 3	3 An increased number of African women entrepreneurs have access to formal financial services	3.1 Number of local and regional financial actors that have been reached to offer products and services that reach an increased number of women entrepreneurs 3.2 Number of women entrepreneurs that a. Have been supported in applying b. Have applied to additional financing c. Have been linked to existing MSME financing and gender lens investing initiatives			1 Intervention M&E System 2 Intervention M&E System	
Output 1 **related to Outcome 1**	1.1 Provision of seed-capital, training, mentoring and other business development services to women entrepreneurs, with a particular focus on sectors with green potential.	1.1.1Number of women entrepreneurs that have completed entrepreneurial support programmes, with a focus on enterprises with a green potential, disaggregated by	1.1.1	1.1.1	1 Intervention M&E System	

		age, location, disability and other status				
Output 2 related to Outcome 1	1.2	1.2.1 1.2.2	1.2.1 1.2.2	1.2.1 1.2.2	1.2.1 1.2.2	
Output 1 related to Outcome 2	2.1 Strengthening the local and regional entrepreneurial ecosystem for women entrepreneurs by supporting entrepreneurship actors in better serving women entrepreneurs, including incubators, accelerators, chambers of commerce and other support services as well as financial actors such as commercial banks, MFIs, impact funds, Business Angels and Venture Capital funds.	2.1.1Number of entrepreneurship actors that have been reached to enhance the provision of ecological sustainable and gender-responsive entrepreneurship development services 2.1.2 Number of entrepreneurial ecosystem actors that have enhanced their capacities and services towards women-led enterprises	2.1.1 2.1.2	2.1.1 2.1.2	1 Intervention M&E System 2 Intervention M&E System	
Output 2 related to Outcome 2	2.2	2.2.1 2.2.2	2.2.1 2.2.2	2.2.1 2.2.2	2.2.1 2.2.2	
Output 1 related to Outcome 3	3.1 Support closing the financing gap between seed capital and full bankability (valley of death) of grantees by linking them to local and regional commercial financial actors supported in the component 1.2 as well as guarantee and blending projects (financed for example by DFIs, including EFSD instruments)	3.1.1 Number of financial institutions that have enhanced their capacities and services towards women-led enterprises			1 Intervention M&E System 2 Intervention M&E System	

Component 2: Financial Inclusion

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Increase access and usage of quality financial services and promote financial inclusion for the underserved in Sub-Saharan Africa	% of SSA countries with increased level of financial inclusion	N/A (2024)	(FINDEX 2027)	Global FINDEX Database	*Not applicable*
Outcome	Enhanced regulatory environment to advance financial inclusion (in DFS and Consumer Risk, Financial Inclusion of Youth and Women and Inclusive Green Finance) in regulatory institutions in Sub-Saharan Africa	Percentage of Sub-Saharan Africa countries that implement financial inclusion policies and regulations with gender-sensitive approach	0 (2023)	**30%** (2025)	AFI Policy Change Survey	
Output 1	SSA countries develop financial inclusion policies and regulations to advance Digital Financial Services while managing consumer risks	Number of member institution that develop DFS-related policies and regulations	0 (2023)	**15** (2025)	AFI Policy Change Survey	
Output 2	SSA countries develop financial inclusion policies and regulations to enhance the financial inclusion of youth and women	Number of member institutions that develop policies and regulations to enhance the financial inclusion of youth and women	0 (2023)	**7** (2025)	AFI Policy Change Survey	
Output 3	SSA countries develop financial inclusion policies and regulations on Inclusive Green Finance	Number of member institutions develop policies and regulations on Inclusive Green Finance	0 (2023)	**3** (2025)	AFI Policy Change Survey	
Output 4	Knowledge exchange and learnings between financial regulators and private sector partners to advance financial innovation	Number of knowledge exchange events held with the participation of at least 1/3 of women (if possible).	0 (2023)	**5** (2025)	Post-Event Evaluation Report	

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner countries.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of adoption of the Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[7].

4.3.1. Direct Management (Grants)

(a) Purpose of the grant

The grant will be awarded for the implementation of all the objectives and results described in Section 3, namely the Overall Objective to increase access and usage of quality financial services and promote financial inclusion for the underserved in Sub-Saharan Africa. And the specific objective of this action: to develop and implement a number of financial inclusion policies in Sub-Saharan Africa states.

(b) Type of applicants targeted

The applicant targeted needs to be a legal entity, such as NGOs, able to provide qualitative support to regulators across SSA in order to increase access and usage of financial services and promote financial inclusion for the underserved in Sub-Saharan Africa. It should be based in SSA and include a high number of national regulators in its network.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a global network of financial inclusion policy making and regulatory institutions. Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an entity that will be selected using the following criteria: its status as a qualified network of regulators in the sphere of financial and economic policies as well as its substantial presence in Sub-Saharan Africa. The selected entity will implement activities with specific characteristics that require a particular set of technical competences, and high degree of specialisation; the activities concerned do not fall within the scope of a call for proposals. Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics that require a particular type of body, corresponding on article 195(f) of the Financial Regulation.

4.3.2. Indirect Management with an entrusted entity

[7] www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Component 1 (Women's Entrepreneurship) may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) or a consortium of EU MS Organisations under the leadership of GIZ ('organisation'). GIZ is pillar-assessed and has implemented the pilot of this action ('Women Entrepreneurship for Africa' Programme).[8] This implementation entails activities referred to in the Section 3 Component 1, which contributes to increasing the economic empowerment and financial inclusion of women in Sub-Saharan Africa in order to create more decent and green jobs in Sub-Saharan Africa). The envisaged entity has been selected using the following criteria: (i) GIZ has a wide geographic coverage and pertinent experience in implementing similar actions; (ii) it has already an experience building partnership to support entrepreneurship initiatives; and (iii) it will increase aid effectiveness and transparency.

4.3.3. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case of exceptional circumstances outside the Commission's control, the indirect management modality (in section 4.3.2) may be replaced by implementation in direct management mode through grants. The entity/entities will be selected according to the following criteria: 1) experience on promoting women's entrepreneurship and early-stage businesses; 2) experience in working with entrepreneurship support organisations, especially with supporting women entrepreneurs. 3) demonstrated capacity to promote connections to second stage financing to women entrepreneurs; 4) experience in the region (SSA).

4.4. Indicative Budget

Indicative Budget components	**Component**	**EU contribution (EUR)**
Component 1: Women's Entrepreneurship		
Indirect management with Member State Organisation	Activity 1.1 Provision of seed-capital, entrepreneurship training, and mentoring and other business development services to women entrepreneurs Activity 2.1 Strengthening the local and regional entrepreneurial ecosystem for women entrepreneurs Activity 3.1 Support closing the financing gap between seed capital and full bankability (valley of death) of women entrepreneurs	25 000 000
Component 2: Financial Inclusion		
Direct management (grant)		2 000 000
Evaluation **Audit**	May be covered by another Decision	N.A.
Totals		27 000 000

[8] Pre-identified as sub-delegated implementing partners of GIZ could be the Tony Elumelu Foundation, who has been selected as sub-delegated implementing partner in the preceding pilot program.

4.5. Organisational Set-up and Responsibilities

There will be an individual steering committee for each Component, one for Component 1 – Women's entrepreneurship and one for Component 2 – Financial Inclusion. The objective of each steering committee will be to ensure strategic overview of the intervention, oversee and validate the overall direction and policy of the respective project.

It is expected that there will be an individual project implementation unit for each Component, one for Component 1 – Women entreprneurship and one for Component 2 – Financial Inclusion. They will be responsible for the operationalisation of the activities of their respective Component. The members of each implementation unit will have the necessary expertise (including gender expertise) and experience to oversee the implementation of result areas of the action. The specific composition of each implementation unit will be determined during the negotiation of each of the contracts based on the specific description of the action.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and support to gender equality.

In collaboration with the relevant EU Delegations and Commission services, the implementing partner will be in constant exchange and communication with all local partners to ensure timely implementation of activities and political steering.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The implementing partner will be responsible for monitoring and reporting on indicators of the logframe matrix, including the collection of baselines and data collection in the inception phase of the action

All monitoring and reporting shall assess how the Action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity indicators shall be disaggregated at least by sex. The Action will monitor and report on the gender equality results achieved by the project in the evaluation phase.

The action will be monitored and supervised by the Contracting Authority on the basis of visits (e.g. PSC meetings), meetings with the final beneficiary institutions and regular reporting.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation may be carried out for this action or its components via independent consultants or through a joint mission or via an implementing partner. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Component 2 of the action is a pilot.

The evaluations will assess to what extend the Action is taking into account the human rights-based approach and how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

Commission shall inform the implementing partner at least 6 months in advance of the dates envisaged for the evaluation missions, if such an evaluation is decided. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The evaluation will be gender and human rights sensitive, assess gender equality and human rights results and implementation of rights-based approach working principles (participation, non-discrimination, accountability and transparency).

The financing of the evaluation may be covered by another measures constituting a Financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 'Communicating and Raising EU Visibility: Guidance for External Actions', it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead–be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.
Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).
The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.
In the case of ‘Group of actions’ level, add references to the present action and other action concerning the same Primary Intervention.
In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point 4.3.3, Indicative Budget.

Option 3: Contract level		
☒	Single Contract 1	Component 1: Women’s Entrepreneurship
☒	Single Contract 2	Component 2: Financial Inclusion