



INVEST SNAPSHOT: WOMEN'S WORLD BANKING CAPITAL PARTNERS FUND II

BLENDED FINANCE FOR WOMEN'S ECONOMIC EMPOWERMENT

Women's economic empowerment is crucial for breaking cycles of poverty and promoting economic growth. Dedicated to supporting economic empowerment for women, USAID's Office of Gender Equality and Women's Empowerment approached INVEST eager to leverage its resources and catalyze commercial investment to improve financial inclusion for low-income women. INVEST identified Women's World Banking (WWB) Capital Partners Fund II, managed by WWB Asset Management (WAM), as an ideal opportunity for this investment. Building on the success of their first fund, this fund will lead to increased financial inclusion for low-income women in Africa, the Middle East, and the Indo-Pacific region, enabling more women to access loans, develop credit, build savings, and purchase insurance.



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WOMEN'S WORLD BANKING CAPITAL PARTNERS FUND II

- \$100 million blended finance fund
- Global focus
- Invests in women-focused inclusive finance companies
- Strong digital financial services component
- Seeks 15-18 percent net return for commercial investors

\$500,000

CATALYTIC CONTRIBUTION

Because USAID can't act as a traditional investor—it can't hold equity and typically does not deploy debt—INVEST identified a new way for USAID to support blended finance vehicles, designing the Agency's first subcontract-based first-loss investment approach. Through INVEST, USAID provided a \$500,000 catalytic contribution to WWB Capital Partners Fund II, a \$100 million blended finance fund. To make this approach work, INVEST structured a deliverables-based contract in which the deliverable is the fund's successful capital raise. By supporting the fund, USAID mitigated risk for commercial investors, incentivizing them to invest. Additionally, establishing the contract allowed WAM to inform potential investors of USAID's commitment, thereby enhancing the appeal of the investment by way of the USAID stamp of approval.

Because USAID's Office of Gender Equality and Women's Empowerment sought to prioritize digital financial inclusion as a key criterion of the investment, INVEST combined \$100,000 in technical assistance with the catalytic contribution, strengthening the fund's due diligence capabilities around digital financial services. With this technical assistance, WAM will assess the digital potential of its portfolio companies and provide guidance to those in need of assistance.

DEVELOPMENT RESULTS

Digital strategies are essential for expanding the reach of financial products and services to low-income women in developing countries. There are one billion unbanked women throughout the world. However, two-thirds of unbanked adults have access to a mobile phone, which means that mobile saving accounts can create tremendous opportunity for women in developing countries where self-employment is the norm.

When these self-employed women keep money in their home, the men in their family may take control of it, or social pressures may dictate that the women share it with their relatives. As a result, these female microentrepreneurs cannot invest the money in their ventures or their long-term savings. For women who do not have the ability to open a bank account locally, mobile savings accounts provide them with an alternative to keeping cash in the home. Studies have also shown that self-employed women in possession of a mobile savings account report having greater household decision-making power than those without one. Mobile savings accounts therefore not only empower women economically but also have the potential to alter the societal norms that keep millions of women in subordinate positions in their families.



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