



# BANKING ON WOMEN GLOBAL TRADE FINANCE PROGRAM

## Banking on Women Global Trade Finance Program (BOW-GTFP) Initiative

The BOW-GTFP is a first-of-its-kind initiative which will empower banks to increase trade finance to women-owned SME entrepreneurs (WSMEs) in emerging markets. The initiative works by incentivizing IFC's current net-work of 235 GTFP participating banks in 75 countries, as well as new banks entering the GTFP, to:

- increase trade finance to women importers and exporters;
- provide tools and incentives for GTFP participating banks to track business with WSMEs; and
- generate data and research that will help governments, financial institutions and others to improve the business environment for trade and increase financial solutions for women.

This innovation is supported by the Women Entrepreneurs Opportunity Facility (WEOF), a pioneering partnership launched in 2014 by Goldman Sachs *10,000 Women* and IFC's Banking on Women business. WEOF is dedicated to expanding access to capital for 100,000 women entrepreneurs in emerging markets.

**US\$1.5  
TRILLION**

...is the estimated trade finance gap globally.<sup>1</sup>

**20%**

...of exporting companies is owned by a woman.<sup>2</sup>



### Why: Challenges faced by WSMEs

A key constraint for WSMEs in developing countries is limited access to markets, and they are largely invisible in global and local value chains and export markets. The lack of access to trade finance is a serious impediment to participating in trade activities, with small firms in low-income countries most affected. When given the opportunity to enter export markets, the International Trade Centre (ITC) reports that, **“WSMEs that export tend to earn more, pay more, employ more people and be more productive than firms that only operate domestically. Yet, only one-in-five exporting companies is owned by a woman, and those women-owned business are more likely to face obstacles to trade.”**

- The global trade finance gap is estimated at \$1.5 trillion (ADB 2017).
- Half of trade finance requests for SMEs were rejected in 2015, compared to only 7% for multinational corporations (WTO 2016).
- 83% of SME exporters in Africa rated access to trade finance as an obstacle to exports; the figure was 76% in Latin America and 72% Asia (BIS 2014).

Women's economic participation represents a significant growth opportunity, which can be accelerated by better access to finance:

**US\$1.5 TRILLION**



...is the estimated amount of **credit** demanded for women-owned SMEs in emerging markets—and not met by financial institutions.<sup>3</sup>

*There is significant market demand for financial services for women business clients.*

**30% OF REGISTERED SMES GLOBALLY**



...have been created by women.<sup>4</sup>

*Women entrepreneurs are changing the landscape of the global economy, creating sustainable jobs and economic growth.*

**870 MILLION WOMEN**



...will participate in the economy for the first time in 2020.<sup>5</sup>

*The female labor force grows. Women who did not participate in the economy before will get a job or start their own businesses in this decade.*

**US\$1.7 TRILLION**



...is the estimated global women's market for **insurance** by 2030.<sup>6</sup>

**US\$20 TRILLION**



...in annual **consumer spending** is controlled by women.<sup>7</sup>

Through the BOW-GTFP Initiative, IFC and Goldman Sachs 10,000 Women are bringing an innovative solution to market through the WEOF partnership that will help financial institutions provide better trade finance solutions to women for import and export transactions to enable their business growth.

#### About Global Trade Finance Program (GTFP)

The Global Trade Finance Program (GTFP) is a well-established IFC program which extends and complements the capacity of banks to deliver trade financing by providing risk mitigation in new or challenging markets, where trade lines may be constrained. Under GTFP, IFC has issued guarantees covering over 62,000 transactions to date for more than US\$64 billion with since its inception in 2005.

#### About Banking on Women (BOW)

Banking on Women provides financing and expertise to emerging market financial institutions to expand financial services and opportunities for women customers and business owners. Through Banking on Women, IFC works with its extensive network of client financial institutions to increase access to finance for women entrepreneurs—especially those leading SMEs. This program is built on the fundamental business case that providing valuable financial services to women customers generates bottom line value for banks.

#### About IFC

The world's largest development finance institution focused on the private sector and a member of the World Bank Group. Global presence in nearly 100 countries with a triple A credit rating and with over US\$285 billion invested since 1956.

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#### About Goldman Sachs 10,000 Women

Goldman Sachs 10,000 Women is an ongoing grant making initiative to foster economic growth by providing women entrepreneurs around the world with a business and management education and access to capital. The initiative has reached women from 56 countries through a network of 100 academic, nonprofit, and bank partners. In partnership with the International Finance Corporation (IFC), Goldman Sachs 10,000 Women launched the first of its kind global finance facility in 2014 to enable access to capital to more women entrepreneurs. To date, WEOF has supported the deployment of \$1.4 billion to finance women entrepreneurs in the developing world, providing capital to more than 53,000 women business owners across 32 countries. And now, in its tenth year, the 10,000 Women curriculum is available online on Coursera, further democratizing access to a business education in more corners of the world. For more information on Goldman Sachs' investment in female entrepreneurs, visit [www.gs.com/10000Women](http://www.gs.com/10000Women)



1. 2017 Trade Finance Gaps, Growth, and Jobs Survey; ADB 2017.
2. International Trade Centre.
3. IFC MSME Finance Gap Database 2017.
4. IFC's Enterprise Finance Gap Assessment Database
5. The Third Billion, Booz & Company 2010
6. She for SHIELD: Insure Women to Better Protect All; IFC, AXA, and Accenture 2015
7. The Female Economy, Harvard Business Review 2009

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Creating Markets, Creating Opportunities