



FEMALE ENTREPRENEURSHIP FUND TECHNICAL ASSISTANCE FACILITY - FEF-TAF

SECTOR | Impact finance

DURATION | 36 months (initial phase funded by MFA of Luxembourg) / 60 months (overall duration of the FEF-TAF depending on fundraising)

TARGET GROUPS

- financial intermediaries;
- investees of the FEF and women-led small and medium-sized enterprises (WSMEs);
- customers of the FEF investees.

BUDGET | EUR 3 million



CONTEXT

Women globally face significant barriers to fully developing their economic potential due to social, cultural, legal, and economic obstacles. The SICA (Central American Integration System) region is not an exception, especially when it comes to access to loan beyond microcredit. This issue is particularly pronounced in the “missing middle” range of loans between USD 10,000 and USD 100,000 and highlights a critical shortfall in effectively directing resources to WSMEs and their specific needs.

To address these shortcomings, financial intermediaries need support to change the way they assess WSMEs and to become more gender inclusive by putting in place corrective measures, such as gender inclusive policies and procedures, risk management and gender-sensitive product design. Simultaneously, WSMEs require capacity development and tailored technical assistance to decrease their risk perception in the eyes of financial intermediaries.

The Female Entrepreneurship Fund (FEF) was created in 2024 to channel financial resources to support WSMEs in the SICA region alongside its Technical Assistance Facility, the FEF-TAF. The FEF-TAF, separate yet parallel to the FEF, has been designed to support both direct FEF investees, as well as WSMEs, receiving credits through these financial intermediaries.

OBJECTIVES

The objective of the FEF-TAF is aligned with the theory of change of the FEF and thus supports the FEF’s three main objectives.

The FEF-TAF aims to enhance access to financial services for women entrepreneurs by supporting financial intermediaries in designing products and services, improving underwriting processes, and refining marketing and onboarding strategies that respond to women entrepreneurs needs. It also seeks to mainstream gender within the financial intermediaries by identifying biases and developing strategies, action plans, and interventions to improve workplace equity. Additionally, the FEF-TAF focuses on strengthening and building resilience of WSMEs thanks to tailored technical assistance and capacity development.

Operating in the SICA region, the FEF-TAF aligns its interventions with the portfolio composition of the FEF.

BENEFICIARIES

The direct beneficiaries are financial intermediaries that are FEF investees and WSME customers of these institutions. Indirect beneficiaries include women entrepreneurs who are current or potential customers of the financial intermediaries, as well as practitioners in the SICA region and beyond who benefit from best practices, studies, lessons learned, and tools shared by the FEF-TAF.

EXPECTED RESULTS/CHANGES

The FEF-TAF is structured around three results to achieve its objectives.

Result 1: enhanced gender inclusion of the financial intermediaries' products and services and incorporation of this dimension within their organisation

To close the financial gap affecting WSMEs, financial intermediaries need support to overcome gender bias, a better understanding of their female clientele and assistance in the design of products and services that address the specific needs of WSMEs. Furthermore, financial intermediaries need to understand where they stand in terms of gender inclusion and to develop appropriate strategies and action plans to fully and consistently incorporate this dimension within their organisation. The FEF-TAF will provide specific technical assistance based on identified gaps and priorities.

Result 2: enhanced productivity, profitability and gender inclusion of WSMEs

The FEF-TAF aims to provide enterprise-tailored technical assistance based on the specific needs and objectives of WSMEs financed by FEF and eligible for the FEF-TAF grant. The support provided to WSMEs will be customised to the enterprise's needs and supplementary to other existing support programmes. The FEF-TAF will only finance technical assistance that is not available or readily accessible to entrepreneurs due to its cost or specific feature. This assistance can take various forms, such as software investment, coaching, staff secondment, training etc.

Result 3: improved impact measurement and monitoring, gender related capacity development and knowledge management of FEF and FEF-TAF

Impact measurement and monitoring are crucial to showcase results, inform investors and donors of the impact performance of the FEF and its TAF and to allow corrective measures and continuous improvements, as well as accountability of the use of funds. In addition, knowledge management and learning are a key component of the FEF-TAF to make key knowledge resources and information available to the FEF community to improve both the performance of investees, the FEF and the FEF-TAF; and to generate, share and disseminate important lessons learned, best practices and tools with key stakeholders and the wider inclusive and impact finance sector.

STAKEHOLDERS

The FEF-TAF is designed to leverage the experience and complementary expertise of CENPROMYPE and LuxDev. They have established a close cooperation and working relationship with both Iford, the Asset manager, and Total Impact Capital, the Investment adviser. This ensures smooth collaboration to identify, design and implement the technical assistance in accordance with FEF priorities. Thus, the FEF-TAF integrates the so-called FEF mechanism that includes the TAF and the investment fund.

Powered	Fund sponsors and managers of the TAF supporting financial intermediaries and WSMEs		
Asset manager	Investment execution (KYL, AML, contracts)	ESG, risk management, and compliance	
	Treasury and FX hedging	Data management and reporting	
Investment adviser	Lead fundraiser		
	Investment sourcing	Due diligence	Monitoring
Governance	The Board and Investment Committee oversee impact measurement, refine underwriting practices, and monitor institutions supporting women-led SMEs, ensuring thorough due diligence		

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