The Banking on Women GTFP rebate facility empowers banks to provide trade finance to women SME entrepreneurs by incentivizing a network of IFC’s current 235 GTFP participating banks in 75 countries, as well as new banks entering the GTFP program to:

- increase trade finance to women importers and exporters
- encourage GTFP participating banks to track business with WSMEs, which has been proven to increase overall financial services to the target group, and
- enable participation in capacity building activities related to WSMEs through current GTFP advisory platform.

**How does it work?**

- GTFP partner banks are eligible to up to 20 bps pa (or up to 20% rebate, whichever is lower) performance rebate component for transactions with WSMEs.
- Rebates are paid twice a year (April and October), formalized through a Swift message send by the GTFP partner bank.

**Definition of WSME**

- Private sector company with a loan/trade finance instrument from a financial institution with a value of up to US$2 million (equivalent) AND
- Either ≥51% owned by a woman/women OR ≥20% owned by a woman/women; and has ≥1 woman as CEO/COO (President/Vice-President); and has ≥30% of the board of directors comprised of women, where a board exists.

**Challenges faced by WSMEs**

A key constraint for Women Small and Medium Enterprises (WSMEs) in developing countries is the limited access to markets. Women tend to operate in less productive sectors and are largely invisible in global and local value chains and export markets.

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 SME finance gap in emerging markets is estimated at $2.6 trillion. Analysis indicates that 2/3 of that gap is for short-term finance (IFC/McKinsey report 2010).

- 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, figure was 76% in Latin America and 72% Asia (BIS 2014).
- Lack of access to trade finance is a serious impediment to participating in trade, with small firms in low-income countries most affected.
The financing gap represents a huge opportunity for financial institutions willing to support WSMEs:

**US$1.5 TRILLION**
...is the estimated amount of credit demanded for women-owned SMEs in emerging markets—and not met by financial institutions.

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

**870 MILLION WOMEN**
...will participate in the economy for the first time in 2020.

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.

**30% OF REGISTERED SMES GLOBALLY**
...have been created by women.

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

**US$1.7 TRILLION**
...is the estimated global women’s market for insurance by 2030.

**85% OF HOUSEHOLDS**
...identify women as the main decision makers in the household.

**US$20 TRILLION**
...in annual consumer spending is controlled by women.

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**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 58,000 transactions to date for more than US$60 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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www.ifc.org/GTFP
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