

U.S. Agency for International Development
Report to Congress on the Implementation of the Women’s Entrepreneurship and
Economic Empowerment Act of 2018

Pursuant to the Women’s Entrepreneurship and Economic Empowerment (WEEE) Act of 2018 (Public Law 115-428), the U.S. Agency for International Development (USAID) submits this report on our implementation of the Act.

Background

Equality between women and men and women’s empowerment are core priorities of the foreign policy of the United States, as the President’s [*National Security Strategy*](#) makes clear: “Societies that empower women to participate fully in civic and economic life are more prosperous and peaceful.” Women make up the majority of the world’s poor, and inequalities between women and men prevail in incomes, wages, access to finance, ownership of assets, and control over the allocation of resources. Therefore, women’s entrepreneurship and economic empowerment are critical to achieve inclusive economic growth at all levels of society. Today, a lack of access to financial services impedes women’s economic inclusion. Roughly one billion women around the world are left out of the formal financial system, and, as a result, many women rely on informal avenues of saving and borrowing that are riskier and less reliable. Among other consequences, this lack of access to finance hampers the success of women entrepreneurs who seek to run or grow small and medium-sized enterprises.

Women’s economic empowerment also is inextricably linked to other fundamental human rights that are essential to women’s ability to thrive as economic actors, such as living lives free of violence and exploitation; benefitting from formal and informal education; and having access to registration, identification, and citizenship documents.

The WEEE Act strengthens USAID’s programming to promote gender equality and women’s empowerment; builds upon the success of our work in financing microenterprises; and expands the universe of our potential partners. Although the WEEE Act is only a year old, its implementation presents opportunities to address the needs of women and the very poor through financial and technical support for micro, small, and medium-sized enterprises; advocacy for expanding property and other rights; and improvements in the enabling environment for business and the free market in developing countries.

Improvements to the International Gender Policy Environment for Women

USAID recognizes that achieving the goals of the WEEE Act and integrating gender equality and women's empowerment into all of our programming requires effective systems and strategies. The provisions outlined in the WEEE Act are foundational to this end; they affirm many of the processes and requirements already carried out by USAID while enabling us to take an enhanced and more systematic approach.

Policy Update

USAID has taken a series of steps to implement the requirements of the WEEE Act, most crucially a forthcoming update to our Gender Equality and Female Empowerment Policy (Policy), which dates from 2012. The update to the Policy will align it more closely with the objectives set forth in the WEEE Act by reinforcing the Agency's work around reducing gender disparities in access to resources; eliminating gender-based violence and mitigating its harmful effects; and increasing the capability of women and girls to exercise their rights, determine their own life outcomes, and influence household, political and community decision-making. The update to the Policy will also extend its objectives to emphasize secured property rights and land tenure for women and improved access by women and girls to education. The revised Policy will strengthen existing requirements, including those related to gender analysis, indicators, training, the integration of gender equality and women's empowerment throughout the USAID Program Cycle, and the use and collection of data to reduce disparities between women and men across a greater number of sectors.

Requirements for Gender Analyses

A robust gender analysis, as defined in the WEEE Act, is essential to ensure USAID's plans and programs at every level have identified, and are addressing, the most-relevant gender gaps and socio-economic issues to improve the lives of women and girls and achieve U.S. development objectives. During the past year, USAID has expanded our existing requirement for a gender analysis at strategic and programmatic levels to include activity-level work.

In early 2020, USAID will launch a new Agency-wide database that will aggregate and compile gender analyses by our Missions and Operating Units to inform our strategies and the design of our projects and activities. The database will help our staff track gender analyses by region, country, and sector across the Agency. USAID will continue to track our investments in gender equality and women's empowerment and gender-based violence through budget attributions; however, beginning with programming with funds from Fiscal Year 2019, USAID has added a new Sub-Key Issue specifically to follow our investments in women's economic empowerment.

Trainings and Technical Assistance

To enable our staff to integrate gender equality and women's empowerment across the USAID Program Cycle, the Agency has expanded our training courses, to include the new Policy (upon

its release), the WEEE Act, and other recent strategies and initiatives, including new offerings for implementing partners. Washington-based staff also will provide more technical assistance on gender analyses, the design of programs, and evaluation.

Notably, USAID held a global conference in November 2019 that brought together, for the first time, our gender advisors, Washington-based leadership, and employees who are involved in promoting gender equality and women's empowerment stakeholders at more than 50 of our field Missions. The group learned about the requirements of the WEEE Act, the Women's Global Development and Prosperity (W-GDP), and best practices and resources in gender-related programming, with the goal of building a stronger Agency Community of Practice on equality between women and men and women's empowerment.

Investments in Micro, Small, and Medium-Sized Enterprises

Findings and Evidence

Through decades of experience in evaluation, USAID has learned that traditional microfinance is only one piece of a larger strategy to alleviate poverty sustainably. Additional interventions are required to generate economic growth and create jobs. These include access to a variety of appropriate financial services, the creation of an enabling environment that fosters the formation and growth of firms, and improved access to knowledge about how to identify and pursue business opportunities. Together, these can create economic pathways for all, especially for women, as employees of growing firms, as business owners, and as sole proprietors.

USAID also has learned that the most-appropriate set of financial services and other interventions differs depending on the target population. For households classified as very poor, savings can be the most important financial service, combined with tools and assistance to help smooth incomes when earnings are inconsistent (such as in smallholder farming), which builds resilience to keep families from sliding deeper into poverty. Access to credit is most beneficial for firms that are growth-oriented, such as micro, small, and/or medium-sized enterprises (MSMEs). This evidence and experience strongly suggests that expanded focus to growing MSMEs is critical to create jobs and achieve greater development impact.

In emerging markets, small and medium-sized enterprises (SMEs)¹ create four out of five new jobs. The inclusive growth and job-creation led by SMEs helps poor and very poor households escape poverty the most.² As captured in the WEEE Act, greater alleviation of poverty can occur by expanding our focus from traditional microenterprise-only assistance to include MSMEs, by enabling and leveraging free-market forces to the greatest extent possible. This

¹ <http://www.worldbank.org/en/topic/smefinance>

² Mueller, B., & Chan, M.-K. (2015). Wage labor, agriculture-based economies, and pathways out of poverty. Washington, DC: United States Agency for International Development. Retrieved from http://pdf.usaid.gov/pdf_docs/PA00KDMT.pdf

creates more inclusive and sustainable pathways out of poverty for the poor and very poor on the Journey to Self-Reliance.

Actions Taken

USAID has already begun to incorporate MSMEs into our Program Cycle and budget-formulation process, and has dedicated staff and resources to guide our field Missions on best practices and approaches to meet the objectives of the WEEE Act. The Agency has established a working group to address all questions and concerns from our staff in these areas quickly. In addition, USAID is incorporating key elements and evidence on entrepreneurship and economic empowerment into our forthcoming updated *Economic-Growth Strategy*, as well as in the Bureau- and Office-level plans for [Private-Sector Engagement](#) across the Agency.

Going Forward

USAID is conducting a thorough analysis of our existing data-collection methods applicable to the WEEE Act. The objective is to streamline our gathering and reporting of data by incorporating collection into existing systems and processes, while at the same time enriching the quality and analytical input of the data received. To this end, USAID is working across the Agency to inform and align our targets and indicators. These data will enable staff across the Agency to employ the objectives of the WEEE Act into their work more easily, and to communicate better the importance and results of this work to U.S. taxpayers and other stakeholders.