

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL

**“Mujeres sin Filtro” – overcoming failure as a barrier to women's
entrepreneurship.**

(RG-T3800) (RG-G1038)

DONORS MEMORANDUM

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PROJECT SUMMARY

“Mujeres sin Filtro” – overcoming failure as a barrier to women's entrepreneurship. (RG-T3800) (RG-G1038)

Women entrepreneurs are essential for a vibrant private sector and sustained economic growth in Latin America and the Caribbean¹. However, unequal access to knowledge and technologies to improve the survival and success rates of women led SMEs leads to an unlevelled playing field for resources for entrepreneurs which is exacerbated by traditional norms and biases against women in business². These widespread inequalities make business failure a worse stigma for women entrepreneurs that affects their ability to bounce back, grow and learn from the experience. Furthermore, COVID-19 has created an economic crisis that disproportionately affects women entrepreneurs more than men due to the sectors they often work in (e.g., services and hospitality) and because women often must manage child- and elderly care. In addition, the fact that female entrepreneurs are more likely to fail than those of their male counterparts³ and fewer of them try a second time after failure is therefore an explicit impediment to economic development. Therefore, change management around business failure specifically adapted to women's needs is especially important for successful entrepreneurship, innovation, and a vibrant business community.

FUN⁴ is a social enterprise that is dedicated to eliminating the stigma of failure through a series of events open to the public where stories of professional failure are shared, helping the participants to overcome their fear of starting/continuing a business. This project, **Mujeres Sin Filtro**, will expand and strengthen the FUN concept in two cities through an online knowledge sharing community by diversifying the offer of content and resources and focusing explicitly on women entrepreneurs to strengthen and scale their ventures based on community development, network, key connections, and capacity building through learning from failure. The purpose is to build a grassroots women entrepreneurship community of local chapters, interconnected regionally and globally, powered by an edutainment approach with the knowledge products, experiences, resources, and connections to build a thriving ecosystem. FUN's coaching and storytelling mastery will also be provided to the 6,000 members and adjusted for designated FUN pitching sessions to corporates. The project is part of the IDBG 2025 agenda to promote gender equality and women's empowerment through innovation, the generation of knowledge, effective storytelling, inclusion, and technology specifically to women entrepreneurs and to expand this outreach to the overall entrepreneurship community.

The main beneficiaries are 6,000 women entrepreneurs that have been affected by the COVID crisis in two key cities: Mexico City and Bogotá, using FUN's Movement Enterprise business model.

¹ UN Secretary General 2017

² Research Policy. 2019 Gender gap in entrepreneurship. Guzman, Kacperczyk^b). Journal of Management. Maria Carmen Triana January 2017.

³ The difference is not as significant after controlling for the effects of industry.

⁴ See definition below

ANNEXES

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|-----------|----------------|
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Draft Resolution

AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

| | |
|------------|--|
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ACRONYMS AND ABBREVIATIONS

| | |
|-------------------|---|
| CRIG | Contingent Recovery Investment Grant |
| DICI | Diagnostic of Executing Agency Needs |
| EBITDA | Earnings Before Interest, Taxes, Depreciation, and Amortization |
| FUN | Fvckup Nights S.A.P.I de C.V. |
| HR | Human Resources |
| IDB | Inter-American Development Bank |
| IDB Invest | Inter-American Investment Corporation |
| KPI | Key Performance Indicators |
| LAC | Latin America and the Caribbean |
| MSME | Micro, Small and Medium Enterprises |
| NGO | Non-Governmental Organization |
| PSR | Project Status Report |
| PCR | Project Completion Report |
| SAPI | Sociedad Promotora de Inversión de Capital Variable |
| SME | Small and Medium Enterprises |
| SDG | Sustainable Development Goals |
| UNDP | United Nations Development Program |
| WSME | Women-led Small and Medium Enterprises |

PROJECT INFORMATION

REGIONAL

“Mujeres sin Filtro” – overcoming failure as a barrier to women's entrepreneurship.

(RG-T3800) (RG-G1038)

| | | | |
|--|--|--------------|------|
| Countries and Geographic Location: | Regional (Mexico and Colombia) | | |
| Executing Agency: | Fvckup Nights S.A.P.I de C.V. (FUN) of Mexico City, Mexico | | |
| Focus Area: | Knowledge economy | | |
| Coordination with Other Donors/Bank Operations: | The project will be implemented in close coordination with the We-Fi financed and IDB lab executed operation “We3A” (RG-T3755) | | |
| Project Beneficiaries: | 6,000 women entrepreneurs | | |
| Financing: | Technical Cooperation: | US\$ 150,000 | 24% |
| | Equity: | 0 | |
| | Loan: | 0 | |
| | Contingent recovery investment grant: | US\$ 200,000 | 33% |
| | TOTAL IDB Lab FUNDING: | US\$ 350,000 | |
| | Counterpart: | US\$ 268,000 | 43% |
| | Co-financing: | 0 | |
| | TOTAL PROJECT BUDGET: | US\$ 618,000 | 100% |
| Execution and Disbursement Period: | 24 months of execution and 30 months of disbursement. | | |
| Special Contractual Conditions: | Conditions prior to first disbursement will be, to the Bank’s satisfaction: (i) selection of the Project Manager; (ii) establishment of the Steering Committee; and (iii) execution of the agreement with the software development and video production agency (see Section 2.10). | | |
| Environmental and Social Impact Review | This operation was screened and classified as required by the IDB’s safeguard policy (OP-703) on February 24, 2021. Given the moderate impacts and risks, the proposed category for the project is C. | | |
| Unit responsible for disbursements | CID/CME | | |

I. The Problem

A. Problem Description

- 1.1. Unequal access to knowledge and technologies to improve the survival and success rates of women entrepreneurs, business owners and leaders offers an unlevelled playing field for resources for entrepreneurs and startups which is exacerbated by traditional norms and biases against women in business⁵. These widespread inequalities make business failure a worse stigma for women entrepreneurs that affects their ability to bounce back, grow and learn from the experience.
- 1.2. Women entrepreneurs are needed for a vibrant private sector and sustained economic growth⁶. The fact that female entrepreneurs' businesses are more likely to fail than those of their male counterparts⁷ and fewer of them try a second time after failure is therefore an impediment to economic development. Therefore, change management around business failure specifically adapted to women's needs is especially important for successful entrepreneurship and innovation.
- 1.3. For women entrepreneurs to be able to grow and strengthen their businesses they need⁸: (i) coaching and mentoring; (ii) networks and community; (iii) role models; (iv) access to finance, and; (v) access to markets and value chains. Traditional development projects to support women entrepreneurs have had limited success due to top-down approaches that lack local co-creation to spotlight the right needs at the right time, as well as for lack of community building to create sustainable and lasting results. There are few successful and scalable approaches to build connected entrepreneurial ecosystems for women business owners based on local co-creation plus global access to knowledge and community. Furthermore, the COVID-19 pandemic has created an economic crisis that heavily impacts entrepreneurs and SMEs with potential for high-impact because these ventures tend to be more vulnerable due to their need for external capital to innovate and scale faster. The crisis also affects women more than men due to the industries they often work in (e.g., services and hospitality) and because women often must manage childcare needs when schools close. Now more than ever, there is a clear and urgent need to innovate and pivot to have more resilient and successful women entrepreneurs.
- 1.4. FUN is a global movement and events series that shares stories of professional failure. Its goal is to help create systemic change by shifting the paradigms that limit people's lives, such as the stigma of failure, through access to mindset-changing knowledge and community. The purpose of this project is to expand that community and thus its impact by reaching out to and including more women business owners and leaders and adapting the services and experiences more effectively to their needs. Since 2012, FUN and its education arm The Failure Institute have built a business model around a global movement powered by local

⁵ Research Policy. 2019 Gender gap in entrepreneurship. Guzman, [Kacperczyk^b](#). Journal of Management. Maria Carmen Triana January 2017.

⁶ UN Secretary General 2017

⁷ The difference is not as significant after controlling for the effects of industry.

⁸ Fuckup community, Global Entrepreneurship Monitor, IDB and World Bank.

communities on a model that consists of events, workshops, keynotes, and programs for culture, management, and mindset change around business failure. This proposed project will create a specific arm of the FUN movement for women entrepreneurs called Mujeres Sin Filtro.

- 1.5. The main beneficiaries are women entrepreneurs that have been disproportionately affected by COVID-19 in two key cities: Mexico City and Bogotá. These cities have been selected because their relatively large amount of WSMEs and well-developed entrepreneurship ecosystems will enable Mujeres sin Filtro to reach sustainability faster and to allow future inclusion of other cities in the region that have more incipient entrepreneurial ecosystems. A potential participant is a single mother in a Mexican city who has just started a business to connect other single mothers to remote freelance work with larger corporations. Due to COVID and a lack of connections in her personal network, she is not able to meet potential clients. After attending a Mujeres Sin Filtro event and connecting with other participants, she gets exposure with other freelancer women, contacts with top women entrepreneurs, mentors, and strategic partners. Then she becomes a speaker herself in one of the events, which allows her to get in contact with corporations interested in her company's services, she connects with a mentor and enrolls in a specific incubator for women entrepreneurs which enables her to strengthen her company so that she can pivot and make her business profitable again.
- 1.6. The project will have local women coordinators that will create Mujeres sin Filtro communities with mainly online events during the pandemic and in-person events when the situation so permits. Mujeres Sin Filtro will target women entrepreneurs with the potential of building inclusive, sustainable, and resilient ventures and will make an extra effort to also reach low-income women from traditionally excluded populations. These include small business owners, freelancers, one-person businesses, and startups. The knowledge sharing model that will be used to grow Mujeres Sin Filtro is built to reach communities that are historically excluded from entrepreneurial ecosystems. FUN has reached many lower income communities in LAC in cities like like Port Au Prince, Santiago del Estero, Tucumán, Maracaibo, etc., and will leverage that network to expand Mujeres Sin Filtro. The Mujeres Sin Filtro events will become a channel for inclusion of women entrepreneurs that are not connected to the high-impact ecosystem. Initially it will focus on members or extended community of FUN's partners for initiatives on gender equality: Promujer, Dalia Empower, 1,000 Mujeres de Cambio, Momlancers, Bolder, Vital Voices, etc. These partner organizations are focused on inclusive models that cater to underserved communities to increase diversity.

II. The Innovation Proposal

A. Project Description

- 2.1. The project aims to strengthen the women entrepreneurs through the establishment and growth of the Mujeres Sin Filtro model and online knowledge sharing community, promoting the creation, scale, and relaunch of their businesses.

- 2.2. Mujeres Sin Filtro will expand and strengthen the FUN concept in Latin America through a platform by diversifying the offer of content and resources and focusing explicitly on women entrepreneurs to strengthen and scale their ventures based on community development, networking, key connections, and capacity building through learning from and managing failure. The goal is to build a grassroots women entrepreneurship community of local chapters, interconnected regionally and globally; powered by an edutainment digital platform with the knowledge products, experiences, resources, and connections to build a thriving ecosystem. FUN's coaching and storytelling mastery will also be provided to the members, and even adjusted for designated FUN pitching sessions to corporates. Through innovation, the generation of knowledge, effective storytelling, inclusion, and technology FUN will continue to expand its outreach to the entrepreneurship community.
- 2.3 At the center of Mujeres Sin Filtro lies the generation and crowdsourcing of new knowledge around the failure and success of women's entrepreneurship and the conversion of this knowledge into practical products and presenting them on a high-powered platform that will have the capacity to expand and scale the community and the impact of FUN. The digital platform will use multimedia, crowdsourcing, and community-building technologies to create an *edutainment* place that scales capacity building through content, digital experiences (webinars, live streams, surveys), partnerships and methodologies. In addition, it will give access to key resources inside and outside Mujeres Sin Filtro, such as financing, service providers, open innovation, and connect with local partners for providing capacity building, resources, and knowledge for women founders, including legal, accounting, HR and team building, and fundraising to partner in every city with a local women entrepreneur organization, to create a truly global to local, "*glocal*", movement.
- 2.4 Mujeres sin Filtro will also add to the wider community as a content generator and local outreach for the IDB Lab initiative WeXchange. Through this complementarity, the WeXchange platform can benefit from the data and research generated by the Failure Institute, as well as from the trainings and content of Mujeres Sin Filtro. This platform can complement the WeXchange platform and vice versa which in turn will facilitate local and global connections through digital community boards and time-banks. The local Mujeres Sin Filtro coordinators can also act as WeXchange "agents" that can expand the WeXchange community; WeXchange participants can also enjoy the FUN corporate network as a source of knowledge and funding. The model will transform the relationship FUN has today with the corporates from "event organizers" into a gateway to the women entrepreneurship ecosystem. The corporates will then provide the knowledge, experience, connections on the one hand, and scout for relevant solutions and collaborations with the women entrepreneurs on the other. Finally, FUN events for corporates/VC will be organized where women startup founders pitch their ideas and their failures, and vice versa – having the corporate partners sharing their failures and experiences with the members of the women founder's community and serving as role models.
- 2.5 There is also the possibility in the future to connect with other IDB Lab initiatives such as NEXT and Kala and it can complement the IDB/KIC initiative *El Confesionario*. Furthermore, the FUN model and more specifically *Mujeres Sin*

Filtro can be offered to IDB Invest as added value to their clients and in collaboration with IDB/GDI it could be used by public sector clients as well.

- 2.6 The *Key Cities* model will be used to make *Mujeres Sin Filtro* sustainable and scalable. These key cities will in turn lead the creation of more local chapters that are globally connected. The model is based on having a full-time leader per city (instead of licensing as member), trained and immerse in FUN's culture, to improve 4 KPIs: quality of events and stories, external communications, talk video content, and partnerships. By improving these, FUN will start having enough enterprise leads to make the operation financially sustainable over time, and more importantly, increase its impact.
- 2.7 These experiences, resources, and strategy will allow FUN to benefit from expanding its model in the intersection of entertainment, education, and media to leverage the new wave of Edutainment, which is being rapidly accelerated with digitalization due to COVID-19 impact. FUN is now uniquely positioned to cater to the urgent need of entrepreneurs and SMEs for applicable knowledge, innovation and change management to become more resilient. This can contribute significantly to building the communities that create the mindset, culture, and knowledge which allow entrepreneurs to pivot and emerge strengthened from the COVID-19 crisis. These connections will also include an investment aspect, where selected founders could attract investments from IDB Lab and connections to funds in the IDB Lab portfolio.
- 2.8 **Component I: Creating the online knowledge sharing community.** (IDB Lab: US\$200,000; and Counterpart: US\$ 112,000). The objective of this component is to increase the knowledge products' impact by reaching larger audiences by developing the software, increasing the content, diversifying the inventory of knowledge products, and creating community-building functionalities. This will serve as exposure for *Mujeres Sin Filtro* and an entry-point to the community and connect WSMEs with key resources for higher resilience and scalability and build long-term business relationships to strengthen the community and its long-term impact. *Mujeres Sin Filtro* will offer services and products for the women entrepreneurs to access and use to strengthen their business skills and businesses such as online courses and videos, connections to mentors, incubators, and accelerators. The activities are: (i) define technical architecture and services and products content; (ii) create and launch workflows to leverage content and users from event series; (iii) develop and launch knowledge functionality; (iv) produce premium content and digital experiences of women entrepreneurs; and (v) develop and launch user registration, community functionalities, and content preferences.
- 2.9 The project will subcontract a software development and video production agency to design and build the digital tools and content. The executing agency will also connect with existing groups and associations focused on WSMEs to increase the content's reach within the right audience and beneficiaries.
- 2.10 The expected outputs of this component are: (i) launching the online learning community with video and user profile/connection functionalities, (ii) reach 5,000 visits per month to the knowledge products, (iii) 20 training courses offered and at least one mentoring network per city; (iv) 1,000 women finishing at least one online

course and/or connecting to a mentor through the community; (v) 6,000 registered WSMEs on the Mujeres Sin Filtro community, and; (vi) 100 mentors connected to the Mujeres sin Filtro community.

- 2.11 **Component II: Strengthening the Mujeres Sin Filtro model.** (IDB Lab: US\$150,000; Counterpart US\$93,600). The objective of this component to launch and grow the Mujeres Sin Filtro model by operating in key cities until reaching financial sustainability by creating a grassroots community of WSMEs by leveraging FUN's licensing event series model. Two full-time community coordinators will be hired in the two key cities. It will focus on effectively reaching WSMEs and building local grassroots community chapters in the cities and it will adjust its enterprise model to a new gender-focused offering with the goal to achieve long-term sustainability. The expanded business ecosystem for women entrepreneurs will benefit the women through a larger network of business strengthening services, connections to peers and anchor companies and their value chains and having better access to finance and markets.
- 2.12 The activities are: (i) create brand, design, legal contracts, operations manuals, communications templates, email segmentation, partnerships guidelines, and technology support for community leaders; (ii) onboard and train two local community coordinators in Mexico City and Bogotá; (iii) align their operations with functional areas: admin, communications, content generation, video, tech support. Launch and scale event series licensing model in other cities, and; (iv) strengthen the large enterprise product offering to make the business model financially sustainable.
- 2.13 The project will partner with existing WSME and women leadership community initiatives to coordinate and license the event series model, initiatives, and key resources for the strengthening of WSMEs, as well as with corporations and large companies for knowledge exchange and business activities with the community members.
- 2.14 The expected outputs of this component are: (i) two key cities launched organizing 30 events per city per year during two (2) years; (ii) 100 partnerships with companies and entrepreneurs to provide services (mentoring etc.) to the community, and (iii) two entrepreneurship initiatives implemented per city, and (iv) 6,000 women attending to the events in both cities.

B. Project Results, Measurement, Monitoring and Evaluation

- 2.15. The project is expected to increase accessibility for business strengthening services and products for women entrepreneurs and enable those who have experienced business failure to bounce back and relaunch their ventures. Of the 6,000 registered women entrepreneurs, 250 will scale their businesses and at least 500 will launch new business ventures in the following 2 years. This will be achieved by organizing at least 60 Mujeres sin Filtro events in the two cities from which at least 1,000 women will finish an online course and 100 mentors will provide support to the women through the online system.
- 2.16. The FUN team will be responsible for collection of data and reporting on results and achievements. FUN will develop a monitoring plan at the start of the project

that will ensure tracking and measuring of indicators. Progress in monitoring these indicators will be facilitated by FUN internal systems. Additionally, FUN will report to the Bank every six months through a Project Status Report (PSR) and submit a Project Completion Report (PCR) on the project's final outcomes.

- 2.17. The executing agency together with the IDB Lab team will produce a knowledge product which will capture the experience of the project and determine actions for scaling up the results. Several elements will be analyzed in this activity; (i) how have individual women and their enterprises experienced and been affected by the project? (ii) how effectively has the model been able to attract WSMEs; (iii) what are the main benefits for the participating WSMEs; and (iv) how have the main business indicators of the WSMEs been affected? and (iv) has the participation affected survivability and restart of WSMEs?

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. This project is aligned with the IDBG Institutional Strategy (2010-2020) policy objective of accelerating economic and social development in a sustainable way, through increasing productivity and innovation. The project relates directly with the objective to support expansion of new and better performing SMEs - through the facilitation of enhanced use of technology, with the goal to stabilize climate change. It is also designed to improve factors related to climate change and environmental sustainability; a cross-cutting issue defined in the Update to the Institutional Strategy 2016-2019. The project hopes to contribute to two of the three major development challenges in the region: (i) social exclusion and inequality; and (ii) low levels of productivity and innovation. The project is also aligned with the IDB Group's cross-cutting themes of promoting gender equality and diversity with the IDB Gender Action Plan and the IDB Lab gender action plan as it aims to empower women in business and harness their ability to lead, innovate and grow their businesses.
- 3.2. The project is also aligned with the IDB Country Strategies for the two participating countries, including the IDB Country Strategy for Mexico 2019-2024 (GN-2982), specifically with the equitable access development priority area, through the strategic objective of strengthen the labor market; and with the IDB Country Strategy for Colombia 2019-2022 (GN-2972), which among the strategic objectives include to promote equity for women, through the strategic objective of reducing the social and gender employment gap.
- 3.3. The project complements the UN SDGs, centered on sustaining strong social services, basic rights, and gender equality. Specifically, the project is aligned with the Gender SDG 5.5 objective to "ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life" and SDG 5.B to "enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women". Additionally, the project is also aligned with the SDG 8 of Decent Work and Economic Growth, by supporting entrepreneurship activities and innovation (SDG 8.3), and, also, with SDG 10 of Reducing Inequalities by

empowering and promoting the social and economic inclusion of WSMEs (SGD 10.2).

- 3.4. The project will be implemented in close coordination with the We-Fi financed and IDB lab executed operation “We3A” (RG-T3788) and the divisions of INE/INE and SCL/GDI. In addition, the project will contribute with the IDB Group at the regional level to advance gender equality and women’s economic empowerment, generating synergies with the Bank’s Social Division area in the lines of equitable, diverse development, 21st century skills and future jobs.

B. Scalability

- 3.5. FUN’s strategy for scale is based on creating mindset-changing experiences and content, that grow the offline and online community which attracts more inbound high-margin enterprise clients, that allows for the creation of more and better knowledge and experiences. Historically, FUN has achieved all its growth organically by creating better processes and a more tightly connected community. Once the cities in the project reach financial sustainability, the movement can also scale geographically into more insipient ecosystems that will require more support to achieve its growth potential and high impact. FUN has the ambition to make inroads in all of LAC, including C&D countries. Currently they have active teams in El Salvador, Guatemala, Haiti, Honduras, Bolivia, and Nicaragua and are planning to expand those activities when they have strengthened their overall financial sustainability.

C. Project and Institutional Risks

- 3.6. Financial sustainability risks: There is a risk that due to the economic situation in the cities and the prevailing uncertainties among small enterprises and entrepreneurs that FUN will not attract enough followers and participants and therefore will not be able to build the necessary scale to sustain Mujeres sin Filtro as a business model. This can be mitigated by making the model more resilient and cost efficient and increasing the efforts to connecting as many as possible of the existing WSMEs and partnering companies in that ecosystem which would create enough scale for providing the FUN model with financial sustainability and reach a viable path for long term sustainability and growth for the business model.
- 3.7. **Potential risks affecting the women entrepreneurs:** General biases against women in business may affect the competitiveness of the women led businesses due to less access to traditional finance and markets. Lingering effects from the pandemic such as school closures and lock downs may also affect the reactivation of the local economies. Price fluctuations of products, services and commodities or other inputs are potential risks to the business performance of the participating women. These risks will be mitigated by providing support services, connections, and capacity building to strengthen the companies’ resilience and performance.

IV. Instrument and Budget Proposal

- 4.1 The project has a total cost of US\$618,000, of which US\$350,000 (57%) will be provided by the IDB Lab in terms of USD 150,000 as a non-reimbursable technical cooperation, and USD 200,000 as a contingent recovery investment grant (CRIG).

USD 268,000 (43%) will be provided as counterpart financing by the executing agency.

| Project Categories | IDB Lab (USD) | Counterpart (USD) | Total (USD) |
|--|----------------|-------------------|----------------|
| Component 1: Building the online knowledge sharing community | 200,000 | 112,000 | 312,000 |
| Component 2: Strengthen the Mujeres Sin Filtro model | 150,000 | 93,600 | 243,600 |
| Project Administration | - | 56,400 | 56,400 |
| Audit | | 6,000 | 6,000 |
| Grand Total | 350,000 | 268,000 | 618,000 |
| % of Financing | 57% | 43% | 100% |

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. **Fvckup Nights S.A.P.I de C.V. (FUN)** is a purpose-driven social enterprise focused on the triple-bottom line. Since 2012, FUN and its education arm The Failure Institute⁹ have built a business model around global movement powered by local communities on a model that consists of events, workshops, keynotes, and programs for culture, management, and mindset change around business failure. The movement now includes more than 300 companies, NGOs, and academic institutions such as Google, Unilever, Coca-Cola, Harvard Business School, the UNDP, IFC, and many more. The communities are currently active in 320 cities of 90 countries with more than 1m attendees, several millions of online members, and more than half a million downloads of its knowledge resources. In the last 3 years they switched from being a non-profit organization to having a sustainable business model that allows them to expand resources and further impact. Leticia Gasca, one of the co-founders of the Failure Institute, has a decade of experience as an entrepreneur, investor, mentor, and data reporter. She was named Global Shaper of the World Economic Forum and in 2014 she was named Gifted Citizen for leading one of the 30 most innovative projects in the world. Leticia is the author of the book *Surviving Failure* and one of the most recognized business failure researchers in the world. FUN has been recognized or awarded by Global Shapers of the World Economic Forum, Gifted Citizen, and World Innovation Expo¹⁰.

B. Implementation Structure and Mechanism

- 5.2. FUN will establish an executing unit and the necessary structure to execute the project activities and manage project resources effectively and efficiently. FUN will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex V in the project technical files.

⁹ <https://www.thefailureinstitute.com/>

¹⁰ <https://thefutureshapers.com/innovation-failure-need-fckup-nights/>
<https://demandsolutions.iadb.org/en/speakers/detail/leticia-gasca>

<https://www.devex.com/organizations/instituto-del-fracaso-failure-institute-131308>

- 5.3. FUN will create a Steering Committee to oversee the project implementation, manage risks and address challenges. The Steering Committee will comprise of representatives from FUN and from the business communities in the respective countries. A representative from the IDB Lab may attend meetings to provide input and advice on changes that may be necessary to strengthen impact and achievement of project results as well as to foster connections with IDB Lab's technical partners in the region supporting knowledge sharing and regional scaling. The project Steering Committee will convene on a semi-annual basis or more often as necessary, to assess project progress, risks and take strategic decisions required to support achievement of results. Other members may be added to the Steering Committee upon implementation of the Project.

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1. **Contingent recovery.** This project includes a contingent recovery financing component for USD 200,000. The technical files of the project include the term sheet agreed with the executing agency. Its main elements are: If FUN's gross income (gross sales minus direct sales costs) in the full fiscal year beginning in month 36 from the signing of this execution agreement are equal to or greater than USD 1 million, FUN will reimburse the IDB Lab USD 70,000, if they are equal to or greater than USD 1.5 million, it will reimburse US \$ 100,000; and if they are equal to or greater than USD 2 million, it will reimburse USD 200,000. FUN's reimbursement to the IDB Lab will be made in 8 semi-annual payments equal to 3% of all of FUN's semi-annual income.
- 6.2. **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard IDB Lab disbursement by results, IDB Lab procurement policy¹¹ and financial management¹² arrangements as specified in Annex VI and VII, and any future policies and procedures.
- 6.3. **Results-based disbursement.** The Project will be monitored by the Country Office of Mexico in coordination with the IDB Lab Private Finance Operations Specialist. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established by the IDB Lab formerly MIF in April 2008. Project disbursements will be contingent upon verification of the achievement of milestones (pre-determined outputs critical to achievement of the development objectives). Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the results matrix indicators and project's objectives.
- 6.4. **Financial Management and Supervision.** FUN will establish and be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of the IDB Lab. For the procurement of other goods and contracting of consulting services, the Executing Agency will apply the IDB Policies (GN-2349-9 and GN-2350-9). The Executing Agency, which is a private entity, will use the private sector procurement methods specified in Annex 1 of the Operational Guidelines for Technical Cooperation Projects (OP-639).

¹¹ Link to the Policy: [Procurement of Works and Goods Policy](#)

¹² Link to the document [Financial Management Operational Guidelines](#)

VII. Information Disclosure and Intellectual Property

- 7.1. **Information Disclosure.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. This document will be disclosed and made available to the public upon approval.
- 7.2. **Intellectual Property.** The Executing Agency shall own the intellectual property rights to all works produced or results obtained under the Project. The Executing Agency hereby grants the Bank an irrevocable, world-wide, perpetual, royalty-free, and non-exclusive license to use, copy, distribute, reproduce, publicly display, and perform any and all intellectual property derived from execution of the Project, as well as to create derivative works. The Bank may grant sub-licenses to third parties without the need for new authorizations or licenses from the Executing Agency. The Executing Agency shall represent and warrant to the Bank that execution of the Project does not and will not infringe the rights of third parties, and it must do everything necessary to ensure that the Bank is able to exercise the rights set forth herein, without limitation. The Executing Agency shall release and indemnify the Bank, its staff, sub-licensees, and/or consultants from any actions which could be initiated against them in the exercise of the rights licensed to the Bank. The Bank may disseminate, reproduce, and publish any Project-related information and include with such information the name and logo of the Executing Agency.