

# **Women Entrepreneurs Finance Initiative Governance Framework**

Adopted by the Governing Committee on October 11, 2017

## I. INTRODUCTION

1. Women entrepreneurs play a critical role in economic development by creating jobs and boosting growth. However, women face numerous challenges to financing, owning and growing business, including access to capital and technology, lack of networks and knowledge resources, limited market linkages, challenging social and cultural norms, as well as legal, regulatory and policy obstacles to business ownership and development.
2. Against this backdrop, the Women Entrepreneurs Finance Initiative (We-Fi) intends to address barriers to financial access and complementary services faced by women, women entrepreneurs and women-led small and medium enterprises (SMEs), which are key sources of potential job growth in developing countries. The We-Fi aims to provide a holistic public and private approach to addressing these constraints.
3. The We-Fi will support projects, programs and activities that eliminate barriers that women face in starting and growing successful SMEs in a variety of sectors, and strengthen the enabling environment for such firms. The We-Fi will disburse resources received in a financial intermediary fund (FIF) through or to Implementing Partners to improve access to capital, provide technical assistance, and invest in other projects and programs that benefit women and women-led SMEs in WBG client countries. The We-Fi aims to leverage donor grant funding received in the FIF, and mobilize additional funding from international financial institutions (IFIs) and commercial financing by working with financial intermediaries, funds and other market actors.
4. On June 29, 2017, the Executive Directors of the International Bank for Reconstruction and Development (IBRD) approved the establishment of a FIF for the We-Fi and World Bank Group support to the We-Fi as Secretariat, Trustee and Implementing Partner;
5. The G20 Leaders' Summit held in Hamburg, Germany on July 8, 2017 welcomed the WBG's formal announcement of the launch of the We-Fi, which also contributes to the objective of the G20-Africa Partnership.

## II. OBJECTIVE

6. The objective of the We-Fi is to address financial and non-financial constraints faced by women-owned/led SMEs in IDA and IBRD eligible countries and territories. The We-Fi aims to achieve this by mobilizing more than one billion United States dollars (\$1 billion) in commercial and IFI finance for entities that provide women entrepreneurs with access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets; and for governments to improve the business environment for women-owned/led SMEs.

7. The We-Fi aims to make funding available through the Implementing Partners (as defined below) to projects, programs and activities that meet the objective of the We-Fi, and to leverage We-Fi funding to mobilize other financing to improve access to capital, provide technical assistance, or invest in other projects and programs that benefit women and women-led SMEs and strengthen the enabling environment for these businesses in the eligible countries or territories.

## III. GOVERNANCE AND ORGANIZATIONAL STRUCTURE

8. The governing and administrative bodies of the We-Fi are the Governing Committee, the Secretariat and the Trustee. The Implementing Partners will support the implementation of projects, programs and activities under the We-Fi.

### A. Governing Committee

9. The Governing Committee comprises decision-making members (Members) and non-decision-making observers (Observers).

10. **Members.** Unless the We-Fi End Approval Date is extended, Members of the Governing Committee will consist of one representative from: (a) each of those countries which are contributors to the FIF (Contributors) making the minimum amount of contribution as specified in the Operations Manual, by entering into agreements or arrangements with the Trustee (Contribution Agreements/Arrangements) prior to the first meeting of the Governing Committee or such later date as may be decided by the Governing Committee, and (b) if so decided by the Governing Committee, any other Contributor that meets the criteria set by the Governing Committee. For the avoidance of doubt, if more than one national entity of the same country are Contributors, only one representative from the same country may be designated as Member of the Governing Committee. If the We-Fi End Approval Date is extended, the Governing Committee may decide other eligibility criteria to be applied to the Contributors for the purpose of determining Members of the Governing Committee.

11. **Observers.** Observers may participate in meetings of the Governing Committee without decision-making power and in accordance with the rules of procedure of the Governing Committee. The following will be Observers:

- a) the Trustee;

- b) the Secretariat; and
- c) any other entity(-ies) approved by the Governing Committee in accordance with the Operations Manual.

12. **Chair of the Governing Committee.** The Governing Committee has a Chair chosen from among its Members. The Chair is selected by decision of the Governing Committee and serves for a term of one year. The Chair will serve in a meeting of the Governing Committee in that capacity without the right to vote. The concerned Contributor represented by the Member chosen as Chair may appoint his/her alternate to fulfil the functions of the Member during the meeting for which the Chair has been elected.

13. **Roles and Responsibilities of the Governing Committee.** The Governing Committee is the supreme governing body of the We-Fi. The roles and responsibilities of the Governing Committee include:

- a) discussing and approving strategic plans and principles of the We-Fi;
- b) adopting this Governance Framework, and approving any amendment thereto in accordance with its provisions;
- c) adopting the Operations Manual, and approving any amendment to thereto, in accordance with its provisions;
- d) endorsing and monitoring the results framework for the We-Fi;
- e) reviewing funding requests submitted for projects, programs and activities (Funding Requests) and approving allocations of FIF resources (Allocations) based on such requests and subject to funding availability in the FIF as determined by the Trustee;
- f) approving workplans and Allocations of indicative budgets for the governing and administrative bodies of the We-Fi;
- g) reviewing progress reports from the Implementing Partners as compiled by the Secretariat and the annual report prepared by the Secretariat;
- h) reviewing financial reports from the Trustee and financial information from the Implementing Partners as compiled by the Trustee;
- i) requesting the Secretariat to initiate commissioning of the mid-term review and the final independent evaluation of the We-Fi, and reviewing the reports from such mid-term review and final independent evaluation;
- j) developing and approving a Terms of Reference of the Women Entrepreneurs Leadership Group, including its membership; provided, for the avoidance of doubt, the Women Entrepreneurs Leadership Group neither form part of the governance

of the We-Fi nor have any decision-making authority over the operations of the We-Fi; and

- k) exercising such other incidental functions as may be required to achieve the purposes of the We-Fi.

14. **Decision Making.** Decisions of the Governing Committee will be made by consensus. For the purposes of the We-Fi, consensus does not necessarily imply unanimity. A dissenting Member that does not wish to block a decision may state an objection to be recorded in the meeting minutes (or by written statement for electronic decision making). A Member may also record an abstention without stating a view or blocking a decision.

15. **Decision-Making at a Meeting.** Decisions by the Governing Committee may be made at meetings, including face-to-face, audio or video participation.

16. **Decision-Making without a Meeting.** In the circumstances set forth in the Operations Manual, decisions by the Governing Committee may be made between meetings by email or other electronic communication media using a no objection procedure in lieu of a meeting, in accordance with the procedures set out in the Operations Manual.

17. **Governing Committee Meetings.** Unless otherwise decided by the Governing Committee, the Governing Committee is expected to meet twice a year or as needed, with at least one annual physical meeting. The costs of such meetings will be included in the Secretariat's administrative budget approved by the Governing Committee.

## **B. Secretariat**

18. The Secretariat is responsible for managing the day-to-day operations of the We-Fi. It operates as part of the World Bank, led by a Head and comprised of a small team of professional and administrative staff employed by the World Bank. The Secretariat carries out its roles and responsibilities in accordance with World Bank policies and procedures.

19. **Roles and Responsibilities of the Secretariat.** The roles and responsibilities of the Secretariat include:

- a) supporting meetings of the Governing Committee and facilitating the no-objection procedure for Governing Committee's decision-making without a Meeting;
- b) preparing the Operations Manual and any amendment thereto for consideration by the Governing Committee;
- c) receiving and screening Funding Requests from Implementing Partners to ensure completeness and consistency with this Governing Framework and the Operations Manual, before transmitting to the Governing Committee for consideration;

- d) notifying the Trustee of Allocations approved by the Governing Committee; and consulting with and providing other information to the Trustee, as necessary, to assist in day-to-day administration of the FIF;
- e) reviewing and compiling progress reports from Implementing Partners and seeking any additional information if necessary, for distribution to the Governing Committee, and preparing the We-Fi annual report;
- f) supporting the Governing Committee in commissioning the mid-term review and the final independent evaluation;
- g) providing guidance to Implementing Partners on the We-Fi's processes and requirements as approved by the Governing Committee;
- h) in consultation with the Chair, preparing proposed decisions for consideration by the Governing Committee;
- i) managing relations with the Contributors in consultation with the Trustee, and with the Implementing Partners and other relevant partners and stakeholders, in consultation with the Chair as appropriate;
- j) managing the We-Fi website and providing public information on the We-Fi, including developing and executing a communications plan as agreed to by the Governing Committee; and
- k) performing other functions as may be necessary for facilitation of the operations of the We-Fi.

### **C. Trustee**

20. The IBRD serves as the Trustee for the We-Fi, and carries out its roles and responsibilities in accordance with the World Bank policies and procedures. The Trustee receives funds from Contributors and holds those funds in the FIF pursuant to the terms of Contribution Agreements/Arrangements entered into with the Contributors.

21. **Roles and Responsibilities of the Trustee.** The roles and responsibilities of the Trustee include:

- a) subject to the availability of applicable resources in the FIF and to the terms of the Contribution Agreements/Arrangements, committing, transferring and/or using FIF resources in accordance with the Allocations and other funding approved under this Governance Framework. Commitments and transfers of the FIF resources to the Implementing Partners will be made in accordance with the financial procedures agreements entered into between the Trustee and the Implementing Partners (Financial Procedures Agreements);

- b) requiring and accepting from the Implementing Partners certain periodic financial reports in accordance with the Financial Procedures Agreements;
- c) providing to the Governing Committee regular reports on the financial status of the FIF; and
- d) collaborating with the Secretariat and furnishing it with necessary information to assist the performance of its functions.

22. Neither the Secretariat nor the Trustee has responsibility for: (a) the use of funds transferred to Implementing Partners from the FIF and activities carried out therewith, or (b) reviewing the appropriateness of any decision by the Governing Committee. Each Implementing Partner is responsible for reporting to the Governing Committee on the use of FIF funds transferred to it and its activities carried out therewith in accordance with the respective Financial Procedures Agreement.

23. Support to the We-Fi is provided by the Trustee and the Secretariat on a full cost recovery basis, to be covered by the FIF. The Trustee and the Secretariat, respectively, will submit annually (or such other periodicity as may be agreed with the Governing Committee) a work plan and indicative budget to the Governing Committee for allocation of FIF funds to cover the full costs of services to be provided by the Trustee and the Secretariat in the upcoming period, subject to an end of budget period adjustment on the basis of full cost recovery for the services provided during that period.

#### IV. OTHER

24. **Implementing Partners.** The World Bank, the International Finance Corporation (IFC), other multilateral development banks (MDBs) pre-accredited by the Governing Committee as set forth in the Operations Manual, and such other entities accredited by the Governing Committee through a process satisfactory to the Trustee, as set out the Operations Manual (collectively, the IP Eligible Entities) are eligible to become Implementing Partners for the We-Fi. IP Eligible Entities may participate in the We-Fi as Implementing Partners by entering into Financial Procedures Agreements with the Trustee, after which they become eligible to submit Funding Requests to the We-Fi through the Secretariat to seek Allocations.

25. **Roles and Responsibilities of Implementing Partners.** Without prejudice to the provisions of the Financial Procedures Agreements, the roles and responsibilities of each Implementing Partner include:

- a) administering the FIF funds transferred to it, including the use of the funds and activities carried out therewith, in accordance with (i) its applicable policies and procedures, (ii) the provisions of the Financial Procedures Agreement and the applicable terms and conditions under which Allocations to the Implementing Partner have been approved, including the applicable provisions of the Governance Framework and the Operations Manual;

- b) conducting discussions with beneficiaries of We-Fi funding on projects, programs and activities that can benefit from We-Fi support, as appropriate;
- c) providing implementation and/or implementation support to the beneficiaries of We-Fi funding, as applicable;
- d) providing financial and progress reporting to the Governing Committee through the Trustee and the Secretariat; and
- e) cooperating on reviews and evaluations of the We-Fi under terms acceptable to the Implementing Partners.

## V. OPERATIONAL MODALITY

26. **Operations Manual.** The Secretariat will prepare, for adoption by the Governing Committee, the Operations Manual and any amendment thereto, setting out, among others, rules and procedures for Governing Committee business, and operating principles and guidelines for the operations of the We-Fi, including eligibility, resource allocation criteria, process and a common format for Funding Requests, disclosure and conflict of interest.

27. **Geographic Scope.** Any projects, programs or activities in any country or territory that is eligible to receive funding from the IBRD and/or the International Development Association (IDA, and together with IBRD, the World Bank), including through a trust fund administered by the World Bank, is eligible to receive funding from the We-Fi.

## VI. DURATION; AMENDMENT

28. **We-Fi Operations Start Date.** The Governing Committee may neither consider nor approve any Allocation of FIF resources for projects, programs and activities until Contributions Agreements/Arrangements have been signed for an aggregate amount of no less than one hundred million United States dollars (USD 100,000,000) equivalent (We-Fi Operations Start Date). For the avoidance of doubt, the Governing Committee may approve Allocations for budgets of the Trustee and the Secretariat at any time prior to such date.

29. **We-Fi End Approval Date.** Unless the IBRD's role as Trustee of the FIF is terminated earlier in accordance with the provisions of the Contribution Agreements/Arrangements (FIF Early Termination), the Governing Committee may approve any Funding Request for Allocation of FIF resources until October 31, 2022 (We-Fi End Approval Date). The Trustee may receive any Contribution payments from Contributors up to the We-Fi End Approval Date. The We-Fi End Approval Date may be extended by a decision of the Governing Committee with the agreement of the Trustee.

30. **We-Fi Term.** Save for the case of FIF Early Termination, the Trustee may, for five (5) years (or such longer period as agreed by the Trustee) after the We-Fi End Approval Date (We-Fi Term), continue transfers of FIF funds to the Implementing Partners with respect to the Allocations approved by the Governing Committee on or before the We-Fi End Approval Date. Following the end of the We-Fi Term, the Trustee, the Secretariat, and subject to paragraph 29 above, the Governing Committee may continue performing its respective functions on an as needed basis, as agreed by the Governing Committee.

31. **Implementing Partner Implementation Period.** The proposed implementation period of a project, program or activities undertaken by an Implementing Partner will be set out in the respective Funding Request submitted by the Implementing Partner for approval of Allocation by the Governing Committee. Such implementation period may extend beyond the We-Fi Term to meet the needs of concerned project, program or activities.

32. **Amendment to this Governance Framework.** This Governance Framework may be amended by a Governing Committee decision by consensus with the agreement of the Trustee.