

**Women Entrepreneurs Finance Initiative (We-Fi)**

**Governing Committee Special Session**

Washington D.C., April 18, 2018

**SUMMARY**

*May 18, 2018*

The We-Fi Governing Committee (GC) met for a special session in Washington, D.C on April 18, 2018, on the margins of the World Bank-IMF Spring meetings. The main purpose was to discuss proposed adjustments to the Call for Proposals and Technical Review framework and process, to set the stage for the second Call for Proposals (Call) along with enhancements to the structure and format of GC meetings; these proposed adjustments were tabled for consideration in a Discussion Note prepared by the Secretariat and circulated to the GC on April 6, 2018. Other topics on the Agenda included updates on: the financial status of We-Fi, the Results Framework, and Leadership Champions. The meeting was Chaired by Geoffrey Okamoto, Deputy Assistant Secretary for Development Policy and Debt, U.S. Treasury with Hartwig Schafer, Vice President, Global Themes, World Bank. The Agenda and full list of participants are attached as [Annexes 1 and 2](#).

In his opening statement, Mr. Okamoto referenced the revised funding decision circulated by the Secretariat earlier in the week. In the absence of any objections from GC members, the decision to allocate a total of US\$120 million to the proposals submitted under the first Call by the Asian Development Bank, the Islamic Development Bank (IsDB), and the World Bank Group, was approved (see Annex 3). One member informed the GC that his government is in the process of conducting an internal due diligence on IsDB given the absence of prior relations with the Implementing Partner, and that this process had already begun and was expected to be finalized before the end of June 2018, prior to any funds being disbursed to IsDB.

**1. Update from the Trustee on the Financial Status of We-Fi**

The Trustee provided a summary of We-Fi's financial status and confirmed that the amount of signed Contribution Agreements ('Indicative Expected Resources') would currently permit additional allocations of up to approx. US\$ 175 million and that the expected amount of available cash in the trust fund would permit additional funding allocation decisions of approx. US\$ 100 million by mid-2019.

The GC asked for an update on the appetite of private sector foundations and other donors to make contributions to We-Fi. The Secretariat noted that conversations are ongoing with some foundations and that an update will be provided at the next meeting.

**2. We-Fi Results Framework**

The Secretariat provided an update on We-Fi's two overarching goals (leverage and IDA/FCS focus) as well as expected results, based on the information contained in the three approved proposals.

On leverage, it was noted that the US\$120 million allocated to the three proposals under the first Call was expected to leverage US\$1.6 billion from the private sector, international financial institutions and other sources. Further, it was noted that some 58 percent of funds allocated under the first Call were targeted at IDA/FCV countries. The GC agreed that future Calls must continue to emphasize a balance between the two overarching goals.

On results indicators, the Secretariat noted that together, the proposals approved under the first Call cover nine out of the total 12 facility-level results indicators. Further, noting that the first Call required Implementing Partners (IPs) to cover at least two of the 12 indicators, the Secretariat suggested that, in future Calls, IPs could be required to cover more indicators in their proposals. There was broad agreement among GC members that it would be good for future Calls to encourage IPs to cover a larger number of indicators in their proposals.

Further, there was agreement that We-Fi must be able to report on high-level, aggregate indicators, for example, the total number of women-owned/led small and medium enterprises (SMEs) financed by We-Fi programs and the total amount of private sector financing leveraged. In this context, it was noted that the custom indicators included in the WBG proposal might provide helpful guidance. It was agreed that the Secretariat would try to gather such information on aggregate indicators on the three proposals approved under the first Call, and update the Results Framework to include these indicators. The GC endorsed the Secretariat's proposal to complement the quantitative indicators gathered through the Results Framework with results and progress gathered through qualitative and evidence-based approaches. It was agreed that the Secretariat would share with the GC a concept note on this proposal in advance of the next meeting.

### **3. Discussion on Future Calls for Proposals, Technical Review Process and the Format and Structure of Governing Committee meetings**

In introducing this session, Mr. Schafer noted that the goal was to ensure that the necessary framework has been updated so that We-Fi can attract and support projects of the highest quality in the next round and approve them in a timely and efficient manner. He thanked GC members for their constructive feedback during the Dubai meeting and in the weeks following that meeting, and noted that the Discussion Note prepared as background to this session built on that feedback along with best practices in other Financial Intermediary Funds (FIFs).

Members strongly endorsed the importance of this topic to ensure more predictability and transparency for all parties. They flagged, in particular, the importance of further enhancements to the rules and procedures governing the Call for Proposals and funding review and allocation processes, including the format in which proposals need to be submitted and rules governing review by the GC, as well as to the rules and procedures governing GC meetings.

#### ***Call for Proposals:***

There was broad support from the GC on the suggestions tabled in the Note to adjust the rules and processes governing the Call for Proposals to ensure that subsequent Calls provide adequate clarity and guidance to IPs, so that expectations are better aligned between IPs and the GC, efforts can be focused in a more efficient manner, and the GC receives proposals of the highest quality.

GC members agreed that proposals submitted by IPs should be required to include more detailed, standardized information on *mobilization/leverage targets*, *partnerships*, and *risk identification and management*. Proposals should also set out expected results across countries for multi-country proposals. It was agreed that the review *process* should be structured to allow sufficient time for review by all concerned parties.

Specifically, on the topic of *mobilization/leverage*, members noted that proposals should be required to present more clearly the amounts of additional resources mobilized from public and private sectors, and for the latter, a standardized approach established for measuring private sector leverage that ensures comparability across proposals. Some members felt that leverage should be more strictly defined to include only private sector resources mobilized.

It was agreed that the proposal template would require IPs to carefully document the *risks* associated with their specific proposal, and how the IP would manage those risks, using its fiduciary and safeguards policies.

On the question of *single vs. multi-country proposals*, several GC members noted that while they agreed with the Secretariat's suggestions on providing more clarity on what multi-country proposals should include (e.g., details on countries of work, proposed activities, and partnerships), this should not be construed as an effort to set a higher bar for multi-country proposals or to discourage the submission of such proposals. In fact, it was noted that multi-country proposals would be welcomed.

On setting *funding request/allocation ceilings* on proposals, in general, the GC felt that while assigning a hard ceiling per proposal or per country would be complicated, and would work against the merit-based approach that underpins We-Fi, leaving the call open without guidance was also unfair to IPs if the GC did in fact have an implicit ceiling in mind. The GC agreed to provide general guidance and signaling to IPs about the overall envelope amount available in the next Call, the GC's interest in ensuring a diversity of multilateral development bank implementing partners, and the number of proposals expected to be awarded.

On the issue of *operational restrictions* that some members may have with regard to specific countries, while the benefits of communicating such restrictions as early in the process as possible were recognized, it was noted that the Board paper on We-Fi presented to the World Bank's Board defined which countries would be eligible. It was also noted that IPs determine eligibility of projects/programs in accordance with their respective policies and procedures. Further, member country policies could change during the Call and Technical Review process.

Regarding the optimal *balance between leverage and IDA/FCV goals*, it was noted that proposals approved under the first round of financing are expected to result in resources leveraged far in excess of the overall target for We-Fi over its lifetime. Members agreed that there is value in exploring a new, more ambitious leverage target. Members also agreed that striking a balance between the leverage and IDA/FCS goals should continue to be a portfolio level objective of We-Fi and that in future Calls, IPs should continue to be encouraged to submit proposals that focus on both goals. It was also agreed that the Secretariat would provide real time updates to the GC on how the facility is performing on these twin goals whenever possible.

#### ***Technical Review Process:***

The GC endorsed the proposals to improve the quality and standardization of external reviews, and making the process more manageable for all concerned parties. In this context, there was agreement to utilize a *technical expert panel*, which would produce a single assessment per proposal, to ensure standardization and better comparability across the proposals reviewed. The panel's role would be to provide technical assessments of the proposals submitted by IPs, as inputs for decisions to be made by the GC. Further, there was agreement that the technical review panel should have a degree of independence and should operate transparently, reviewing proposals for merit, based on information in the application. Comments and questions from the panel to IPs would be made in writing and shared with other applicants.

As noted above, it was agreed that the proposal template would require IPs to carefully document the risks associated with their specific proposal and how the IP would manage those risks, using its fiduciary and safeguards policies. This would be assessed during the review process, and monitored during implementation.

There was also agreement that the *approach and timeline would be* clearly articulated in the Technical Review documentation that will be submitted to the GC for endorsement, taking into consideration the need for sufficient time for all concerned parties.

#### ***Structure of GC Meetings:***

There was broad agreement on the proposals tabled to ensure that GC meetings are structured such that they balance: (a) the quality of discussion with efficiency in decision-making; and (b) transparency with the need for confidentiality.

The GC agreed that there was value in attending meetings in person twice a year. A video conference connection would be made available for alternates. There was also a discussion on the importance of intersessional dialogue among GC members to build consensus and ensure that all parties are sufficiently well-versed on We-Fi issues ahead of official GC meetings. One member suggested creating a working group for We-Fi GC members and/or World Bank Executive Directors' advisors to discuss issues as needed between biannual meetings.

Members felt that it would be useful to develop a clear set of rules and procedures governing GC meetings, including IP participation in meetings, and ensure sufficient time for deliberations.

#### **4. Information Sharing**

There was broad support for the proposals tabled to promote transparency in We-Fi's operations and enhance coordination among partners. Specifically, the following was agreed:

- Once a Call for Proposals has closed, proposals would be shared across all IPs, with the exception of information that an IP marks as clearly as confidential;
- Technical review comments would also be shared across IPs, except with respect to information marked by IPs as confidential;
- Information on the programs/projects approved for funding by We-Fi would be posted on We-Fi's dedicated website (IP proposals, or if necessary, redacted versions);
- In addition to the documents listed for public disclosure in the Operations Manual, GC meeting summaries/minutes would be posted on We-Fi's website, after being cleared by the GC.

#### **5. Update on We-Fi Leadership Champions**

The Secretariat provided an update to the GC on the list of We-Fi Champions, based on nominations received since the Dubai meeting and on steps taken since the Dubai meeting on engaging the Champions. It was noted that while Champions understood their role was to advocate and raise awareness around We-Fi in their individual capacities, there was interest among Champions to meet at least once as a group. The Secretariat would explore the possibility of organizing such a gathering during the World Bank Annual Meetings in Bali later this year.

#### **6. Other issues**

The following additional issues were tabled and discussed by the GC:

- **Private Sector Window:** Some GC members put forth the idea of setting up a window to engage with the private sector directly. It was suggested that the initiative could be tested on a pilot basis. There was broad-based support for this idea but also an awareness of the legal implications and extensive due diligence process that would be required. The Secretariat agreed to develop a concept note on this topic by early September.

- The GC agreed not to revisit, at this time, the issue of **Observers**.

## 7. Next steps:

The following next steps were agreed:

- The Secretariat will revise the Call for Proposals documents, application template, and Technical Review documents based on the agreements reached and guidance provided during the meeting, as well as a rules and procedures note on GC meetings, and circulate those drafts to the GC by end-June 2018 for discussion at an interim GC meeting, organized via video-conference, in mid-July 2018;
- The Secretariat will collect available information on fiduciary and safeguards policies from each of the IPs and share them with GC members;
- The Secretariat will circulate to the GC a Concept Note on the proposed private sector window by early September for discussion at the next face-to-face GC meeting;
- *Timing of the next GC meeting*: The GC agreed that the next face-to-face meeting would be in October, 2018 on the margins of the World Bank-IMF Annual Meetings in Bali;
- *Timing of the second Call for Proposals*: The second Call for Proposals will be issued immediately following the Bali meeting.