

**Women Entrepreneurs Finance Initiative (We-Fi)  
Governing Committee Meeting  
Washington, DC, April 10, 2019  
MEETING SUMMARY**

The We-Fi Governing Committee (GC) met in Washington, DC on April 10, 2019. The meeting brought together some 50 representatives from the 14 We-Fi contributor governments, Implementing Partners (IPs), and Observers from UN Women, W20, Vital Voices, and the One Campaign. The meeting was chaired by Geoffrey Okamoto, Acting Assistant Secretary for International Finance and Development, United States Department of the Treasury, with Mathew Haarsager, Deputy Assistant Secretary for International Finance and Development Policy, United States Department of the Treasury, as his Delegate for some sessions, and facilitated by the We-Fi Secretariat, led by Priya Basu, Head of Secretariat. The Agenda and full list of Participants are attached.

The Chair noted his appreciation for the work that had gone into ensuring the rapid and significant progress made by We-Fi since its formal establishment in October 2017. The Chair provided an overview of the agenda and the goals for the meeting, and following a minor adjustment to order, the agenda was adopted.

The key topics discussed, decisions taken, and agreements reached at the meeting are summarized below.

**1. Update from the Secretariat**

The Secretariat highlighted publication of We-Fi's first Annual Report which outlined the key accomplishments of the first year. These included We-Fi's swift set-up; the first round of funding of \$120 million allocated for programs and projects implemented by the Asian Development Bank, Islamic Development Bank, and World Bank Group, expected to collectively mobilize additional resources of \$1.6 billion; the second call for proposals; preparation of policy, procedural and framework documents; and a significant body of communications and global advocacy initiatives. It was noted that in its first financial year (FY2018), We-Fi's operating costs (covering the Trustee and Secretariat) were \$1.65 million, or under 0.5% total resources committed by contributors to We-Fi's initial five-year term.

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

The Trustee presented an update on the financial status of the We-Fi Financial Intermediary Fund (FIF) as of March 31, 2019. Contribution agreements totaling USDeq.353.26 million had been executed, of which USD253.54 million has been paid-in. Regarding funds held in trust, it was reported that USD202.37 million was held as of March 31, 2019, including funds reserved for transfer based on previous GC decisions. USD 55.16 million had been transferred to date, for projects, fees, and administrative budget, meaning that 55% of allocated funds remained to be transferred.

In terms of unrestricted cash available to support new funding decisions, USD131.89 million was available as of March 31, 2019. Based on signed contribution agreements, an additional USDeq.99.72 million was expected to be received by June 30, 2022. Given this, it was noted that if the GC decided to make allocations totaling USD130 million to the second call for proposals, excluding potential reflows, approximately USDeq.101.61 million was expected to be available by June 30, 2022 for allocation by the GC to a third call for proposals. It was noted that based on We-Fi's initial term, the GC could continue to

make allocations until October 31, 2022. Any reflows received after October 31, 2022 would be returned to contributors on a pro-rata basis following the closure of the FIF.

The Trustee advised that its cost-recovery methodology for FIF Trustee costs would be changing in due course, and confirmed that the implications of this change would be largely revenue-neutral at the FIF portfolio level. In response to a question about the rate of return on FIF resources invested, the Trustee noted that funds were invested with the principle of capital preservation.

### **3. Implementation Progress Under the First Round of We-Fi Funding**

The IPs that received financing under the first round presented updates on project implementation.

#### **Asian Development Bank (ADB)**

- The ADB, which received USD12.6 million for a project in Sri Lanka, began implementation in August 2018 with an end-date of December 2020. The project has mobilized an additional USD25.3 million from other sources and there are advanced discussions to mobilize an additional USD15 million.
- As of December 31, 2018, USD7.6 million of We-Fi resources had been transferred to ADB, of which USD2.8 million had been disbursed for project activities.
- Update on implementation: Under the Access to finance component, 314 WSMEs have received principal paydown grants totaling \$2.8 million; under the gender inclusive policy and regulatory framework component, consultants have begun consultations with stakeholders; under the capacity building component, training for 250 women entrepreneurs will start in May 2019; under the component on strengthening evidence, the impact evaluation has been designed and will be implemented alongside grants and training.
- Lessons learned: The ADB team noted that some of the key lessons learned from implementation to date included the following: bankers need a lot of explanation on how a principal paydown benefits their clients; early coordination with the government helps speed up implementation; partnering with an established training provider can go a long way.

#### **Islamic Development Bank (IsDB)**

- The IsDB provided a progress report for the USD32.2 million received from We-Fi for a program in Mali (USD9.1 million), Nigeria (USD14.3 million) and Yemen (USD8.8 million). Implementation (starting with Yemen) commenced on July 1, 2018 and will end on June 30, 2023.
- As of December 31, 2018, USD1.1 million of We-Fi resources had been transferred to IsDB, of which USD498,541 had been disbursed for program activities (in Yemen).
- Update on implementation: The team noted that good progress had been made under the first component, on business resilience capacity-building. The local executing agency had identified candidates for Business Advisors in five regions and work on designing the training curriculum had commenced. Work on the second component (business recovery/financial support) had not commenced and the third component (value chain resilience) was not applicable to Yemen. Under component 4, on the BRAVE IT Platform, an online application form had been developed. Work on component 5, on the impact evaluation, had not started. Good progress had been made with component 6, related to the creation of the Project Management Unit, leveraging off the ongoing infrastructure for the BRAVE program.
- Lessons learned: The team noted that several lessons had begun to emerge, notably, that the amount targeted for matching grants (USD5,000) might be too high for WSMEs in Yemen; a well planned

promotional and awareness campaign is vital for reaching potential beneficiaries; it is important to ensure a sufficient supply of business advisors ahead of implementation.

- Some of the emerging risks that the team is working to mitigate include the following: First, to address the risk of an insufficient number of business advisors to cover all targeted beneficiaries (400) in one round, a two-phase approach may be adopted. Second, to address the risk of an under-deployment of grants due to the inability of WSMEs to provide matching grants of USD 5,000, a Brave Bridge-finance with Partner Banks is being developed to support potential beneficiaries. Third, to address the risk that some registered WSMEs might drop out, extra hand-holding support is being provided in a phased manner.

### **World Bank Group (WBG)**

- The WBG, which received USD75 million, split between IFC (USD49.4 million) and WB (USD25.7 million), reported that implementation had commenced in May 2018, with an end investment date of April 2023 and a program end-date of December 2030. The team confirmed that the total mobilization target remained at USD1.49 billion and that more than 50% of resources would be devoted to projects in IDA/FCS.
- As of December 31, 2018, USD17 million had been transferred from the We-Fi FIF to IFC, of which USD1.6 million had been disbursed for project activities. USD 25.7 million had been transferred to the World Bank, of which USD2.1 million had been disbursed for project activities.
- The team noted that We-Fi is recognized as a signature program that will test innovations and scale up successful models to support WSMEs around three pillars: strengthening entrepreneurial ecosystems, expanding financial services and improving market access.
- The program covers 24 projects across 25 countries, including 9 IFC projects and 13 World Bank projects. WB and IFC are working together to implement country approaches in Bangladesh, Cote d'Ivoire, Nigeria, Pakistan, Zambia and across MENA. Progress has been made under each of the three pillars.
- Key results achieved to date: USD150 million of new financing committed for onlending to WSMEs by We-Fi supported institutions (against an overall target of USD870 million); six financial service providers have updated or implemented new screening procedures or financial products and services for women-owned/led SMEs (the target is 85).
- Lessons learned: The team noted that implementation of We-Fi projects had highlighted opportunities for global and country level collaboration across the World Bank Group and other implementing partners. Joint delivery models of the following types were emerging:
  - Developing and piloting asset-based finance products in Africa that leverage WB work on collateral registries and IFC's advisory and investment services with banks. Collaboration emerging in Nigeria, Zambia, and potentially expanding to other countries.
  - IFC work with private sector clients can inform WB engagements on policy and regulatory reforms related to the entrepreneurial ecosystem and access to finance and markets.
  - Leveraging IFC Financial Institution and Corporate clients to provide access to finance and markets for WSMEs involved in WB projects. Collaboration emerging in Bangladesh, Cote d'Ivoire, MENA, Mozambique, Pakistan, Senegal, and Tanzania.

The GC welcomed these updates, noting that progress was encouraging. In response to questions around low disbursement ratios to date, the IPs noted that implementation was still at an early stage and that the ratios would pick up next year.

## **4. Communications Strategy**

World Bank External and Corporate Relations (ECR) Manager Nicole Frost presented the We-Fi communications strategy, noting input from the Secretariat, ECR, We-Fi observers and IPs. The strategy seeks to build global support, inspire future investments, keep donors engaged, and take a selective approach to communications and advocacy efforts, to achieve value for money.

The team noted that a key element of continuing to build global support for We-Fi and its goals was to build the narrative around entrepreneurship as a tool to help women build better futures for themselves, their families and their communities. A powerful way of doing this would be to show-case the stories of successful women entrepreneurs, as the “Faces of We-Fi”. It was recognized that while it is too early to tell the stories of We-Fi beneficiaries, the stories of women entrepreneurs from other programs could be harnessed immediately to this end. It was agreed that feedback would be sought from the GC as this effort took shape.

The team noted that the Leadership Champions had been engaged by the Secretariat over the past year to varying degrees according to their level of interest and commitment. They would be provided with a package of content for their advocacy including social media and data such as the recent material that had been provided to them by the Secretariat on the latest World Bank Group *Women Business and the Law Report* in February 2019.

The Communications Strategy was welcomed by the GC. There was strong support for the sharing of stories from women entrepreneurs in developing countries. Members supported the suggestion for We-Fi to organize two major events, per year, and asked for more notice for future Leadership Champion involvement. Thought would be given to highlighting and communicating We-Fi’s mobilization impact, illustrating that many of the projects supported by We-Fi would not have been possible otherwise.

Responding to requests from Members, the Secretariat agreed to provide details of the We-Fi Regional Summit in Abidjan and feedback on its outcomes, including the Call to Action.

There was an appetite for increased communications content on the We-Fi website, including on We-Fi funded programs and projects. Some Members suggested that it would be good to include foreign language content, in languages such as Mandarin and Russian.

The GC noted that there were no male Leadership Champions and that We-Fi could benefit from male advocates. GC Members who had not yet nominated Champions were encouraged to consider nominating men. It was noted that World Bank CEO Kristalina Georgieva had taken over as a We-Fi Leadership Champion while acting as Interim President, and that the new World Bank Group President would confirm who would continue in this role.

In response to a question about using the terms “LICs” and “MICs” in the Strategy, the Secretariat agreed to check that this was consistent with past practice. (The Secretariat subsequently adjusted the language in the Communications Strategy to “eligible countries/territories”, to make it consistent with the terminology used in other documents).

**Decision:** The GC endorsed the Communications Strategy.

## **5. Second Round Funding Decisions**

GC Members met in a closed session to discuss Funding Allocations for the proposals submitted under the second round. Agreement was reached to increase the funding envelope for the second round to an amount of up to US\$129,180,000, in principle.

Members approved a Funding Allocation for the full amount of the Funding Request of US\$22,900,000 from the European Bank for Reconstruction and Development (EBRD) for its “Women of the Steppe” program with an allocation as follows:

- US\$21,800,000 for program components I through VI as listed in the Funding Request, program visibility and program evaluation; and
- US\$1,100,000 for Implementing Partner fees/costs related to program management and administration.

Members further decided to approve, in principle, US\$ 61,800,000 for the Funding Request from the African Development Bank (AfDB) for its “Affirmative Finance Action for Women in Africa” (AFAWA) program; US\$20,200,000 for the Funding Request from the Asian Development Bank (ADB) for its “Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific” (WAVES) program; and US\$ 24,280,000 for the Funding Request from the Inter-American Development Bank Group (IDBG) for its “Women Entrepreneurs for Latin America and the Caribbean” (WeForLac) program, subject in each case to the submission of a revised Funding Request in line with the Governing Committee’s guidance.

To enable the formal approval of Funding Allocations for these three proposals, Members provided the following guidance:

- The AfDB was encouraged to resubmit its Funding Request in an amount not greater than US\$61,800,000 with the understanding that (a) the amount requested for the First Loss Risk Sharing facility would be reduced by at least US\$10,000,000 and (b) costs for Project Management would be reduced by at least US\$2,000,000. Fees/costs related to program management and administration should not be greater than 7% of the requested revised funding for program activities. The revised Funding Request should be submitted to the Secretariat by April 22, 2019 (subsequently extended to April 24) for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.
- The ADB was encouraged to resubmit its Funding Request in an amount no greater than US\$20,200,000 with the understanding that (a) the proposal would cover activities in Vietnam and the Pacific; (b) the amount of US\$12.7 million originally requested for activities in Indonesia would be removed from the request; and (c) the US\$1.5 million originally requested for the contingency budget would be removed from the request. Fees/costs related to program management and administration should not be greater than 7% of the requested revised funding for program activities. The revised Funding Request should be submitted to the Secretariat by April 22, 2019 (subsequently extended to April 24) for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.
- The IDBG was encouraged to resubmit its Funding Request in an amount no greater than US\$24,280,000 with the understanding that (a) the amount of US\$5.1 million originally requested for weB 2.0 would be removed from the request; (b) the amount of US\$3.2 million originally requested for the WeToolkit would be removed from the request; and (c) the amount of US\$1.5 million originally requested for Argentina would be removed from the request. Fees/costs related to program management and administration should not be greater than 7% of the requested revised funding for program activities. The revised Funding Request should be submitted to the



Secretariat by April 22, 2019 (subsequently extended to April 24) for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.

The above was summarized to the IPs orally at the meeting. The Secretariat was asked to share the detailed guidance with the IPs in writing. Members noted that IPs should be directed to adhere as closely as possible to the guidance, with the understanding that there was some room to adjust, where it made sense, within the agreed funding limits.

## **6. Update from World Bank Vice President for Human Development, Annette Dixon**

World Bank Vice President for Human Development, Annette Dixon, addressed the GC as the VP responsible for the We-Fi Secretariat. She noted the enormous progress made since We-Fi was announced at the G20 in July 2017, pointing to the record pace at which We-Fi was established and became operational, with a robust governance and operating structure. She noted We-Fi's key accomplishments since its inception, including processing two rounds of funding through well-designed calls for proposals and rigorous evaluations, global advocacy work, including with Leadership Champions, and engagement across the landscape of women's entrepreneurship and economic empowerment initiatives. She thanked the We-Fi Secretariat team led by Priya Basu for the tremendous job in getting We-Fi to where it is.

She informed the GC that realignment changes at the World Bank affecting the global practice model would have implications for We-Fi's corporate positioning and that the Secretariat would be moving from the Human Development Vice Presidency to the World Bank CEO's office, under the Strategic Initiatives Unit led by Director Samir Suleymanov. Further, she informed the GC that Wendy Teleki would be taking on the role of Secretariat Head.

The VP agreed to circulate a note to the GC setting out the new arrangements.

The GC echoed the VP's sentiments regarding the tremendous initial success of We-Fi and strong accomplishments to date, acknowledging the Secretariat Head's instrumental role.

In response to a question from the GC, the VP also provided an update on the We-Fi Regional Summit in West Africa and indicated that details would be circulated to the GC after the Summit.

## **7. Landscape Analysis and Strategic Positioning**

We-Fi Observers led a discussion on a landscape analysis and strategic positioning paper prepared by them, and circulated in advance of the meeting, outlining options for leveraging the We-Fi platform to facilitate coordination among relevant players by convening consultations to identify gaps, foster data and information sharing and enhanced transparency.

The GC welcomed the report but did not committing the Secretariat to taking on a convening role in the women's entrepreneurship space, noting the commitment to maintaining a lean and efficient Secretariat. It would seek advice from the World Bank as the host of We-Fi on what it is willing to propose in coordination with We-Fi's Observers and IPs, and what the cost implications would be.

## **8. We-Fi Private Sector Facility Working Group Update**

The Secretariat provided a summary of the outcomes from the Private Sector Facility (PSF) Working Group's first meeting that took place on April 9, 2019, with discussions to continue offline.

Four options were outlined for ongoing consideration:

1. Hire advisors/consultants to conduct an in depth assessment of the outcome funding proposal universe along the lines suggested in the U.S. concept paper that had been shared with the PSF Working Group;
2. Hire advisors/consultants to produce a more authoritative comparative analysis of a range of "innovative" financing mechanisms, development impact bonds (DIBs) and the like, gender bonds, challenge funds, guarantees etc. The analysis would include an assessment of the particular needs for which the instrument might best suited, as well as the costs and benefits of the alternative mechanisms analyzed;
3. Hire advisors/consultants to independently assess the innovation and needs addressed (or at least intended to address) under the programs/projects funded under the first and second rounds, identify needs that remain unaddressed (or underemphasized in the current portfolio) and provide suggestions on how these unmet needs could be met through the introduction of new financial structures/mechanisms such as outcome-based finance options, gender bonds, challenge funds etc., and consideration of implementation partners and co-investors. This assessment would then be used to tailor a portion of the 3<sup>rd</sup> call to solicit proposals from the MDBs to accomplish this;
4. Report that the working group could not reach a consensus on the next steps and seek reaffirmation from the GC for the WG to continue its efforts, including further research into options as well as an analysis of the relative merits of introducing new, innovative mechanisms vs. maintaining the status quo in terms of We-Fi's business model.

The GC noted that a separate financing window might not be necessary if a third call for proposals was carefully framed, avoiding legal issues some donors might have with their contributions going to a PSF. Discussions would continue within the Working Group to reach a consensus and a recommendation would be submitted to the GC for future deliberation.