

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

### **Governing Committee Meeting – Third Call for Funding**

July 7 & 9, 2020

The We-Fi Governing Committee (GC) held virtual meetings on July 7 and 9, 2020 on We-Fi's Third Call for Funding. The meetings brought together We-Fi contributor governments, Implementing Partners (IPs), and Observers from UN Women, W20, and Vital Voices. The meeting was chaired by Mathew Haarsager, Deputy Assistant Secretary for International Finance and Development Policy, United States Department of the Treasury, and facilitated by the We-Fi Secretariat, led by Wendy Teleki, Head of Secretariat. The Agenda and full list of Participants are attached.

The Chair provided an overview of the agenda and the goals for the meeting. The key topics discussed, questions, agreements reached, and decisions taken at the meeting are summarized below.

#### **1. Updates from the Secretariat**

The Secretariat highlighted that the Third Round for Funding used the newly developed Thematic call for proposals been designed to help IPs focus on the biggest gaps and opportunities in We-Fi's theory of change and create space for more innovation and partnership development. This round had an initial focus on three themes, 1) Women-led SMEs in Value Chains, 2) Leveraging Disruptive Technologies for WSMEs, and 3) Early Stage Finance. In light of the challenges faced by WSMEs by COVID-19, the Governing Committee agreed to provide a grace period of four weeks in order to allow IPs to consider how the changing context would affect WSMEs and develop COVID-19 specific responses. The Secretariat also indicated that proposals this round demonstrated a material increase in private sector partnerships and use of results-based mechanisms when compared to previous rounds.

#### **2. Updates from the Trustee**

The Trustee presented an update on the financial status of the We-Fi Financial Intermediary Fund (FIF) as of June 30, 2020. They reemphasize that the value of signed contribution agreements have totaled USD \$352.52 million. Of this, the trustee had received USD \$299.66 million. Based on Governing Committee decisions, the Trustee has committed USD \$258.19 million for projects, Fees and Admin Budget from inception of the We-Fi Trust Fund to June 30, 2020, of which USD 147.26, million had been transferred. Trustee mentioned that funds held as of June 30 totaled USD \$164.20 million.

The Trustee confirmed that as of June 30, 2020 USD \$51.26 million in funds are available to support Governing Committee decisions on the third call for funding. A further USD \$52.86 million is expected to become available for allocation by June 30, 2022, based on the value of outstanding donor instalments due under signed contribution agreement.

#### **3. GC discussion- Third round Funding**

At its meeting on July 9, 2020 the We-Fi Governing Committee discussed Funding Allocations for the proposals submitted under the third call for proposals. Agreement was reached to increase the funding envelope for the third call to an amount of up to *US\$ 51,260,000* in principle.

The Governing Committee noted that the minimum threshold for funding requests under the third call for proposals had been set at US\$10 million, as reflected in the Decision Note of December 3, 2019, and that each of the funding requests submitted under the third call had complied with this minimum threshold. The Governing Committee agreed that the minimum threshold would not apply to any revised funding requests that are submitted in response to the Governing Committee’s guidance as set forth below.

The Governing Committee further decided:

1. To encourage the **European Bank for Reconstruction and Development (EBRD)** to resubmit its funding request for its “Stepping Up for Women” program in an amount not greater than US\$ 7,364,688 with the understanding that: (a) the amount originally requested for activities in Turkey be removed from the request; (b) sub-component 3.2 be removed from the request; and (c) the request to simplify the definition of women-led SMEs be removed. Fees/costs related to program management and administration should not be greater than 7% of the revised funding for program activities. The revised Funding Request should be submitted to the Secretariat no later than July 27, 2020 for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.
2. To encourage the **Inter-American Development Bank Group (IDB Group)** to resubmit its funding request for its “Women Entrepreneurs Aspire, Activate, Accelerate (WE3A)” program in an amount not greater than US\$ 14,715,756 with the understanding that the amounts originally requested for activities in Columbia, Panama, and Peru be removed from the request. Fees/costs related to program management and administration should not be greater than 7% of the revised funding for program activities. The revised Funding Request should be submitted to the Secretariat no later than July 27, 2020 for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.
3. To encourage the **Islamic Development Bank (IsDB)** to resubmit its funding request for its “Empowering West African Women Small and Medium Enterprises in Rice Value Chains (EWASME)” program in an amount not greater than US\$ 11,250,000 with the understanding that cost reductions should focus on program management support where feasible. Fees/costs related to program management and administration should not be greater than 7% of the revised funding for program activities. The revised Funding Request should be submitted to the Secretariat no later than July 27, 2020 for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.
4. To encourage the **World Bank Group (WBG)**, to resubmit its funding request for its “Enhancing Seed Capital, Technology, and Value Chain Solutions for WSMEs” program in an amount not greater than US\$ 16,054,780 with the understanding that (a) the amount originally requested for Mongolia Value Chains be removed from the request, (b) the amount originally requested for Scaling Early Stage Finance for Women-led SMEs Pillar activities be revised to approximately US\$ 4,870,000 with the removal of activities in Djibouti, Egypt, Kenya, and West Bank and Gaza, and global and regional investment services revised to approximately US\$ 4,000,000; (c) the amounts requested for research and business development be revised to approximately US\$ 800,000 and US\$100,000, respectively; and (d) the request to simplify the definition of women-led firms be removed. Fees/costs related to program management and administration should not be greater than 7% of the revised funding for program activities. The revised Funding Request should be submitted to the Secretariat no later than July 27, 2020 for consideration of a Funding Allocation by the Governing Committee under its two-week no-objection decision process.

It is expected that the results and risk frameworks will be revised by each IP to align with the operational and budget revisions. Implementing Partners are also asked to work with the Secretariat to harmonize similar indicators proposed for the results framework.

#### **4. Other Matters and Next Steps**

The Secretariat provided an overview of the definition exceptions requested in their proposals, they included the following:

- Counting firms which have women in management positions, irrespective of ownership or board composition, as eligible WSMEs. (*EBRD, WBG*)
- Counting cooperatives owned and led by women as eligible WSMEs. (*WBG*)
- Flexibility to include women-led early stage enterprises (i.e. pre-revenue / may not have employees) as eligible WSMEs. (*IDB, WBG*)
- Increasing the threshold of employees from 300 to 499, to take into account labor intensive businesses. (*EBRD*)

It was decided that the exception requested to ‘count firms which have women in management positions, irrespective of ownership or board composition, as eligible WSMEs’ would not be granted.

The Secretariat also confirmed that it will continue to work with IPs to harmonize impact indicators and align results frameworks to include relevant/ harmonized thematic indicators.

The following next steps were agreed during the meeting:

- The Trustee agreed to develop financial scenarios for future rounds of funding and share with the GC.
- New observers need to be selected in the coming months, and suggested nominations will be sent to the GC in the coming months.
- The 2020 Annual Meetings are scheduled to take place virtually from October 12-18, 2020. The Secretariat will follow-up with the GC to consider the approach and schedule for a fall GC meeting.
- The Secretariat will share the GC’s guidance on funding requests with Implementing Partners.