

Women Entrepreneurs Finance Initiative (We-Fi)
Governing Committee Meeting
Washington, DC, November 4, 2020
MEETING SUMMARY

1. Update from the Secretariat

The secretariat presented an overview of the portfolio of the Implementing Partners, their numbers and accomplishments from the past year. The reporting takes into consideration We-Fi Portfolio and Results Summary from July 2019 - June 2020.

We-Fi has allocated about \$300 million to the Implementing partners through the three calls for proposals. The programs are expected to leverage almost 3 billion in funding for women and benefit around 130,000 WSMEs. We-Fi IPs have already mobilized \$585 million in additional funding targeting WSMEs. The mobilized funds are supplementing the We-Fi allocations for the active projects, and the full impact on WSMEs will be reported as the projects continue implementation. To date We-Fi has active projects in 39 countries and IPs engage with 73 partner institutions. We-Fi programs have reached 3,340 WSMEs, facilitated \$77.6 million in loans to women entrepreneurs, and supported 15 laws and regulations aimed at removing constraints faced by WSMEs.

The secretariat highlighted that the first round for proposals projects are on track to deliver strong programs. The secretariat reported that most of the results presented come from the 1st round IPs, which started implementation earliest - ADB Sri Lanka, IsDB and WBG. Activities adapted and continued despite the challenges brought on by the COVID-19 pandemic, and the results are in line with the expectations given the structure of each project.

Additionally, the Secretariat reported that the programs funded under the second round for proposals are in early implementation phase, and accordingly have limited results this year. EBRD and IDBG have started reporting on mobilization and the number of WSMEs benefiting from non-financing activities - typically the first indicators projects start reporting on. Similar to the 1st round IPs, the programs funded in 2nd round are expected to ramp up their reporting after they fully operationalize their programs.

All risks associated with We-Fi activities have been assessed and reported by IPs based on the We-Fi Risk Framework. All Implementing Partners have reported risks in the Low to Medium range. Some of the key risks flagged by the IPs were:

- COVID-19 social distancing restrictions impacted the pace of program implementation during 2020.
- The program activities are starting to resume, but the implementation will largely depend on the spread of the virus across different countries and the length and scope of policy measures adopted by the respective governments.
- Focus on WSMEs during COVID-19 recovery – the IPs acknowledge that the pandemic may induce changes in government priorities. However, they stress the importance that SME support programs with a gender lens are now needed more than ever.

The Secretariat provided an updated on the convenings, including the We-Fi MENA regional Summit that took place on February 16, 2020. The summit was designed to spur action to support women

entrepreneurs. Various sessions discussed new steps to lower policy and regulatory barriers, pave the way to accelerate bank lending to women, launch innovative partnerships with the private sector, and provide training and networking opportunities for invited women entrepreneurs from the region.

At the beginning of the year the Secretariat launched the “WETalks” - webinar series aimed to spur discussion about the data, solutions, and support programs that are critical to WSMEs facing challenges from the COVID-19 pandemic.

Prior to IPs individual program updates, the GC indicated a few questions and they would like the IPs to address, including:

- How IPs can support women around childcare issues that women entrepreneurs are facing during the pandemic.
- Risk framework and impact of COVID 19, including communication between IPs and the Secretariat to closely monitor implementation and adjust programs as needed.
- Assessments of how implementing partners are progressing towards achieving intended objectives, including how implementation delays or data quality challenges with recording on metrics are being addressed.
- How IPs are incorporating lessons learned from their We-Fi interventions across their broader lending portfolio.
- Input on IPs’ plans for the next 6 months

2. Implementation Progress Under the First Round and Second round of We-Fi Funding

ASIAN DEVELOPMENT BANK (ADB) – SRI LANKA

- The ADB Sri Lanka program made considerable progress towards meeting originally projected targets despite the challenging environment due to Easter attacks, political uncertainty and wide spread of COVID -19.
- Cumulatively \$6.3 million We-Fi grant blended with \$23.3 million ongoing ADB line of credit was accessed by 647 WSMEs, exceeding the original target of 616. The program promoted formalization of women’s business – 50 WSMEs beneficiaries were newly registered to be eligible for the blended finance during the reporting period. 93% of the beneficiary WSME businesses were outside of Colombo during the reporting period.
- Under the gender inclusive policy and regulatory framework component, Gender Gap Assessments were carried out for 10 participating banks, 3 government organizations and for 2 civil society organizations.
- Under the capacity building component, 201 women entrepreneurs completed training on business development and management during the reporting period.
- Due to COVID-19, the ADB business development training were transformed to virtual training courses. ADB redesigned of RCT to adapt to the virtual working environment. Data gathering will be carried out virtually, and the RCT design will be restructured given the effectiveness of the classroom training cannot be tested as originally envisioned. The COVID-19 pandemic has significantly impacted economic activities of WSMEs in Sri Lanka due to global supply chain disruption, decline in domestic demand and social distancing measures. The government has requested for additional financing of \$45million dollars to ADB. ADB requested approval from the We-Fi GC to blend the \$2.95 million We-Fi

grant with an additional ADB credit line of \$23.8 million (estimated), which will support an additional 303 WSMEs, by 2022. ADB reported that the timeline of the new financing alignment has been approved by ADB and will start early next year.

- ADB formally requested approval of the extension of the program to 30 September 2022 by email after the November 4, 2020 GC meeting and that approval was granted on an absence of objection basis on December 16, 2020.
- The ADB team noted that COVID-19 emergency support successfully included gender targets. These projects were not related to We-Fi but related to SMEs has had a positive spill over where the government is used to ADB asking for WSME targets and have strong interest in including this target in their projects. Prioritization of WSME has been included in ADB emergency support to all countries.
- ADB indicated as part of the gender gap assessment activities, the central bank required all the banks to submit their WSMEs loan portfolio data. It also flagged the challenges to collating data given differences in the definition of WSMEs applied by each institution. ADB is working closely with the Central Bank to finalize a common definition for WSMEs and trying to encourage the financial institutions to develop management information system that can segregate the women clients per the national definition.

ASIAN DEVELOPMENT BANK (ADB) – VIETNAM AND THE PACIFIC

- WAVES program was approved last year, and the first years has been focused on institutional set-up, policy dialog and awareness raising with government and stakeholders in Vietnam. There is a strong interest from the government to leverage We-Fi's impact for supporting women entrepreneurs in line with Vietnam SME law adopted in 2017.
- ADB mobilized a firm to support policy development on WSMEs in Vietnam and currently is in the process of mobilizing experts to implement the training programs.
- ADB reported that there are three transactions expected in the pipeline. One transition, expected to be approved in the upcoming days-weeks, will leverage We-Fi funding to help restructure loans for 500 women SMEs in Vietnam.
- ADB indicated that it will not be able to pursue the gender bonds program in Fiji due to the COVID-19 impact on its' very tourism depending economy. ADB will assess if a gender bond can be implemented in Fiji or if other activities will need to be pursued. ADB will revert to the GC with a more detailed plan once they analyze all options.
- Some changes have been made to the planned trainings responding to COVID-19, which now are focusing on business counseling program for existing WSMEs who are experiencing obstacles due to COVID-19 and are giving strategies to overcome these obstacles. ADB is looking at new emerging data and research on WSMEs in the region. ADB indicated that their current programs haven't considered unpaid care work even though this is one of the priority areas within ADB under their gender strategy. They are happy to consider it in the future.

AFRICAN DEVELOPMENT BANK (AfDB)

- AFAWA program is currently in the preparation stage. We-Fi funding is structured different from other AfDB Trust funds and the team worked on developing new internal systems, including how can We-Fi funds be used for blended finance.

- AFAWA will be seeking GC approval for the program to be extended to June 2025 given the time it was needed to set the We-Fi internal processes as well as the delays caused by COVID-19.
- We-Fi funding will complement AfDB financing instruments such as lines of credit, guarantees, equity investments, etc. with the aim of unlocking additional USD 432 million in financing to WSMEs. 62.7% of We-Fi funding is expected to be allocated to eligible low-income countries/International Development Assistance (IDA), of which 38.0% is to FCS.
- AfDB funding will be made available (amounts are under discussion) to complement AfDB COVID-19 response to support WSMEs, specifically to ease the liquidity challenges and pandemic impact on their businesses.
- AfDB clarified that We-Fi funding for AFAWA will be implemented by AfDB directly, while the other donor funds provided to AFAWA are primarily allocated to the part of the program called “AfDB for growth” which is going to be implemented in partnership with the African Guarantee Fund.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

- The program operates in the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan and is 100% IDA-focused.
- Despite obstacles posed by the COVID-19 pandemic, the program has been able to achieve significant milestones over the reporting period ending 30 June 2020. EBRD signed the first Women in Business credit line for USD 1 million with the First Microfinance Company (FMFC) in the Kyrgyz Republic. FMFC has an extensive rural network and is uniquely situated to reach WSMEs in especially impoverished areas;
- A total of 41 individualized advisory projects for WSMEs were started over the reporting period, meeting its Year 1 targets. The majority of advisory projects are in the ‘digital’ space and aim to re-adapt WSMEs to the new realities of doing business during COVID-19. EBRD has adapted their training so women have more flexibility to participate during the pandemic, including virtual networking and opportunities for sharing experience, opportunities and challenges they are facing during COVID-19.
- The Programme has held two ‘Grow Your Consultancy Business’ trainings in Uzbekistan to build a local pool of consultants that are able to provide quality advice to WSMEs and has held business networking activities attended by 250+ WSMEs in the Kyrgyz Republic.
- EBRD contributed to the review of Tajikistan’s Tax Policy, which has since entered into force and allows women artisans and other home-based entrepreneurs to establish their legal status and gain access to economic opportunities.
- During 2020 EBRD conducted a survey of reached 800 business leaders, half of women were women, to assess the impact of COVID-19 on small businesses.
- EBRD announced they are planning an inter-regional workshop on November 19th in partnership of Global Alliance for Women to discuss the national definition of WSMEs in the countries and the collection of disaggregated data.

INTER-AMERICAN DEVELOPMENT BANK GROUP

- The IDBG provided a progress report for the USD24.27 million received from We-Fi for a program. Implementation commenced on July 2020, which will end on December 2024.
- During 2020 IDBG has approved four projects for a total of \$6.1 million:
 - Business Development Services and Favorable Environment for Women Entrepreneurs in Honduras for US\$2.9m , implemented by the IDB
 - WeXchange: Unleashing the Growth Potential of Women STEMpreneurs in Latin American and the Caribbean for \$450,000, implemented by IDB LAB
 - Advisory Services and a Performance-Based Incentive grant for Elcatex, a textile company in Honduras, for \$210,000, implemented by IDB Invest
 - Advisory Service Technical Assistance to Support the Growth of WSMEs in Honduras, Lower-Middle Income Countries, and Middle-Income Countries by Improving their Access to Finance, for \$2.6m, also implemented by IDB Invest
- WeForLAC requested several program adjustments from the GC over the year, which were approved by the committed, including adding Ecuador and the Dominican Republic as eligible countries for the WeForLAC program.
- IDB reported that they have created Innovative financing instruments to increase WSME access to financing: including gender bonds and performance-based incentives.
- They also reported that a manual has been created to guide project teams in using We-Fi approved definitions in identifying and reporting on women owned/led SMEs, and in working with clients to obtain responses to survey questions as a tool to establish baseline data, and track progress in obtaining results from the We-Fi results framework.
- IDB clarifies that they are striving to reach underserved segments but there are no set targets for specific minorities.

ISLAMIC DEVELOPMENT BANK (ISDB)

- The IsDB provided a progress report for the USD32.2 million received from We-Fi for a program in Burkina Faso, Nigeria and Yemen.
- The team noted that good progress had been made in Yemen, that the Nigeria project is in early implementation stage, and the activities in Burkina Faso are expected to start implementation in early 2021.
- IsDB reported that 515 WSMEs have been trained in Yemen and 342 of have received matching grants as of June 2020.
- Five Business-to-Business events were organized across the country, providing opportunities for 269 women entrepreneurs to connect with 150 market/value chain players.

- With support from We-Fi WSMEs in Yemen increased their partnerships with other local stakeholders such as Chambers of Commerce, which played a vital role in organizing events for women MSMEs and facilitating their formalization.
- IsDB indicated that they did not factor unpaid care work in his program although they reported that the bank has applied lessons learned from this program to other IsDB projects.

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 indicated that 46.2% of their We-Fi funds have already been committed to support 42 projects in 30 countries. WBG allocated more than 60% of its We-Fi resources to projects in IDA/FCS.
- WBG mobilized 429.6 m in additional private and public resources, showing a 1:4 leverage.
- WBG reported that it has reached 1,715 WSMEs and facilitated \$44.5m in financing to WSMEs.
- The program also supported 14 legislations/regulations aimed at removing constraints and supporting women’s entrepreneurship.
- 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 ecosystem
 - Expanding financial services
 - Improving market access
- WBG provided implementation highlights and beneficiary stories for the complementary public and private sector interventions each pillar.
- The GC welcomed these updates, noting that progress was encouraging. While acknowledging that the current arrangements require IPs to provide detailed progress reports on an annual basis, there was some interest among Members in receiving more frequent updates given the challenges faced in implementing activities during the Covid-19 pandemic.

Meeting Agenda

8:00-8:05 am	Welcome, Rollcall and Agenda
8:05-8:15 am	Secretariat Portfolio Update
	IP presentations
8:15-8:35 am	Asian Development Bank (both rounds)
8:35-8:55 am	African Development Bank
8:55-9:15 am	European Bank for Reconstruction and Development
9:15-9:35 am	Inter-American Development Bank Group
9:35-9:55 am	Islamic Development Bank
9:55-10:15 am	World Bank Group