

Ministry of Foreign Affairs – (Embassy Washington)

**Meeting in the Council for Development Policy 11 September 2019**

Agenda item 7

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|---|---|
| <b>1. Overall purpose</b>                                     | For discussion and recommendation to the Minister |
| <b>2. Title:</b>  | Women Entrepreneurs Finance Initiative (We-Fi)    |
| <b>3. Presentation for Programme Committee:</b>               | 7 September 2018                                  |
| <b>4. Presentation to the Council for Development Policy:</b> | 29 November 2018                                  |



## **Women Entrepreneurs Finance Initiative (We-Fi) Genfremlæggelse i Udviklingspolitisk Råd d. 11 september.**

Ved fremlæggelse af dansk bevilling til We-Fi i efteråret 2018, efterspurgte Udviklingspolitisk Råd yderligere information på en række områder, før der kunne tages beslutning. En oversigt over handlinger taget i samarbejde med We-Fi sekretariatet for at adressere disse bekymringer, ses i dokumentet ”**Addressing Concerns**”. Følgende fem områder fremhæves:

### **1. Theory of Change**

We-Fi er det første globale initiativ, der arbejder simultant med den private og offentlige sektor for at adressere hele spektret af barriere, som kvindeligt ejet og ledet SMEs møder i udviklingslande. Forskning viser, at smalle løsninger sjældent er effektive – og We-Fi tager derfor en holistisk tilgang til økonomisk empowerment af kvinder. Programmer skal ikke kun fokusere på adgang til finansiering, men også barriere gennem lovgivning, mangel på information og netværk, uddannelse samt et fokus på at udfordre sociale normer og konstruktioner der hæmmer kvinders muligheder.

### **2. Målgruppe**

Eksisterende programmer har en tendens til at overse ”the missing middle”. We-Fi midler er derfor målrettet små og mellemstore virksomheder ejet eller ledet af kvinder. Definitionen af disse er baseret på IFC-standard, men de enkelte partnere har mulighed for at tilpasse til det konkrete program. Forskning viser, at disse virksomheder har størst potentiale til direkte jobskabelse. Fokus på disse er således med til at underbygge muligheder for at skabe økonomisk vækst. We-Fi har et strategisk mål om at arbejde i de områder som er sværest – det betyder at mindst 50 pct. af We-Fi midler skal gå til lavindkomstlande eller skrøbelige stater/situationer. To eksempler på We-Fi programmer inkluderet i programdokumentet:

- Sri Lanka: ADB arbejder med kredit kanaliseret via. kommercielle banker for at skabe 1) adgang til finansiering for kvinder 2) træning og mentorship 3) støtte gennem online e-plattform 4) opbygning af ligestillings-værktøjer i finansielle institutioner 4) teknisk støtte til regerings-institutioner.
- Yemen, Mali og Nigeria: Den Islamiske udviklingsbanks succesfulde BRAVE-Women program vil blive udvidet med støtte fra We-Fi. Programmet har et særligt fokus på kvinder i skrøbelige situationer og inkludere bl.a. undervisning, træning og samarbejde med private virksomheder

### **3. Resultatrammeverk**

We-Fi’s resultatrammeverk bygges op omkring de programmer som fonden modtager og styrekomitéen vælger at støtte. Det betyder, at man har sat overordnede strategiske mål (50 pct. IDA/FCV og 2,6 mia. private sektor kapital), mens de konkrete mål for de 12 indikatorer løbende bliver opdateret i takt med at midlerne bliver fordelt. De nuværende mål bygger på projekterne som modtog midler under første runde, samt de ansøgninger som er modtaget i anden runde. I programdokumentet er fire danske prioritetsindikatorer udvalgt.

#### 4. Partnerskaber

We-Fi har siden etableringen i 2017 haft mulighed for at 1) fungere som en ressource for nye og eksisterende initiativer globalt og regionale og 2) tage en koordinerende rolle for at samle aktører og interessenter. We-Fi Observers lavede i foråret en analyse af det samlede landskab af øvrige initiativer og We-Fi's strategiske position blandt disse. Der konkluderes, at We-Fi har en unik rolle på et efterhånden fyldt område, men der identificeres også en række områder med behov for øget koordinering. Hvorvidt koordineringen i fremtiden skal gøres mere systematisk og strategisk, givet de begrænsninger der ligger i sekretariat størrelse, overvejes i styrekomiteen.

We-Fi har også givet mulighed for et forøget samarbejde mellem de multilaterale udviklingsbanker på området for ligestilling og økonomisk empowerment af kvinder. Det har givet anledning til at større fokus på tværs af bankerne, samt en professionalisering og holistisk tilgang til den brede vifte af barrierer kvindelige entreprenører står overfor.

#### 5. Politisk risikovurdering

Donorkredsen er meget bred. Ud over en række ligesindede donorer (Norge, Nederlandene, UK m.fl.) omfatter kredsen også donorer, som Danmark ikke traditionelt har noget omfattende samarbejde med (Saudi Arabien, UAE, Rusland m.fl.). Danmark har et fundamentalt andet syn på kvinders rettigheder, end nogle af disse donorer. Det gælder f.eks. SRSR, hvor de danske holdninger heller ikke flugter med den nuværende amerikanske administrations politik. We-Fi er imidlertid målrettet kvindelige erhvervsledere i den private sektor. Alle donorer bakker, øvrige forskelle til trods, op bag denne dagsorden. Det er takket være organiseringen som FIF at We-Fi har kunnet samlet så bredt et spektrum af aktører. Det er rimeligt at antage, at flere donorer ikke ville have givet tilsvarende substantielle bidrag til området, havde det ikke været for etableringen af We-Fi. At øge bevidstheden hos disse aktører og utraditionelle donorer skaber nye muligheder, og giver en platform for dialog og diskussion. We-Fi figurerer højt på den amerikanske dagsorden og er – administrationens skepsis over for multilaterale institutioner og udviklingssamarbejde til trods – et eksempel på et område, hvor der kan samarbejdes konkret. Verdensbanken, der huser We-Fi-sekretariatet er en velkendt og troværdig samarbejdspartner med en solid gender-strategi. Danmark har sammen med ligesindede lande og partnere (f.eks. UNWomen) i styrekomiteen, derfor et godt udgangspunkt for at indgå i den politiske dialog der ligger bag den dagsordenssættende funktion, som We-Fi har haft på ligestillings området siden sin etablering.

**På baggrund af dette inviteres Udviklingspolitisk Råd til særligt at drøfte følgende centrale, strategiske spørgsmål:**

- *Som en del af arbejdet med at forbedre og opdatere We-Fi's resultat-rammeverk, er fire danske prioritetsindikatorer udvalgt (sektion 3.4 i Development Engagement Document). Finder Udviklingspolitisk Råd at disse afspejler danske strategiske interesser i We-Fi tilstrækkeligt?*
- *Hvor stor en rolle bør We-Fi spille for en mere systematisk koordinering af globale og regionale initiativer for kvindelige entreprenører – i forhold til ønsket om at fastholde lave administrative omkostninger?*
- *Hvilke tematiske områder bør Danmark tilskynde at den eksterne midtvejsevaluering dækker?*



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

Following discussion of Women Entrepreneurs Finance Initiative (We-Fi) in the Development Council in November 2018, a multiple concerns were raised. Below overview describes the action taken to address these concerns.

<b>Theory of Change</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
The Council requested a clarification of the target groups as well as the long-term theory of change.	<p>Following conversations with the Head of the We-Fi Secretariat and further elaboration of the We-Fi theory of change and target group, the program-document have been updated accordingly. The document now includes following new sections addressing these concerns:</p> <ul style="list-style-type: none"><li>- 3.1 Theory of Change</li><li>- 3.2 Target Group</li><li>- 3.3 Approach</li></ul> <p>These provide clarification of the method and target group of We-Fi as well as the long-term theory of change.</p>

<b>Result Framework</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
The Council found that the presented results framework was too weak as many issues were still to be determined. The Council emphasised the need to update the existing results framework in order to clarify the target group and the objectives on the overall portfolio level of the trust fund. The Council called for a revision of the results framework so it clearly highlighted the expected development outcomes for the fund and for specific targets for We-Fi's work to be outlined. The Council further underlined, that the baseline indicators ought to be revised in order to be better able to follow the outcome of support through the fund.	<p>The Embassy in Washington, together with a colleague from TQS, had in February 2019 meetings with the We-Fi Secretariat regarding the result framework and the annual report. Danish concerns on both the quality of the indicators and the expected continuous update of these were raised with the Secretariat. The Secretariat accordingly updated the targets in the result framework, which now are included as Annex 4 in the development engagement document. The Secretariat noted that the targets for 2019 within the Result Framework represents the first and second round of funding. The targets for 2020 and onwards will be updated after the third round, as these reflects the targets set in the approved proposals, which the Governing Committee choose to fund. Following these conversations, four targets have been chosen, which Denmark will prioritize in the monitoring of We-Fi performance and results. These have been chosen to outline the overall impact of We-Fi, but</p>

	also with a special focus on Danish strategic priorities. The special Danish targets were discussed and agreed with the We-Fi Secretariat.
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<b>Promoting Women's Economic Empowerment through MDB's</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
The Council underlined that it was difficult to see exactly how the fund would support the overall objective and how the fund would target obstacles that were particular for women entrepreneurs. Furthermore, the Council questioned the intention of mainstreaming gender into other World Bank Instruments and whether that was considered possible within the given timeframe.	<p>The program document addresses this issue directly in the section on 3.5 "Long Term Impact". The document outlines the steps taken to secure long-term impact through partnerships, program implementation and the multilateral development banks.</p> <p>The question was also raised in meetings with the Secretariat in February. The Secretariat reported that improvements in the regional MDBs approach have already been seen from the first to the second round of proposals. This change is the result of on-going conversation and collaboration between the We-Fi Secretariat and MDB's in the women's economic empowerment network – led by the We-Fi Secretariat. The establishment of We-Fi has accordingly, through this process, promoted internal change within each of its implementing partners.</p>

<b>We-Fi projects</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
The Council found it essential to obtain concrete information on results and the target group of current projects funded by We-Fi before approval of the Danish support.	<p>To address this, the following have been included:</p> <ul style="list-style-type: none"> <li>- A short description of each program in Section 3.2 "Target Group".</li> <li>- Detailed descriptions and indicator-targets for each program as Annex 2.</li> <li>- The Annual Report includes description of each programs, their implementation status and sub-projects. The report is included as supplementary material.</li> </ul> <p>Together, these additions gives an overview of the current projects, their expected results and intended target group.</p>

<b>Relations to other funds</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
The Council also asked about the relation to other funds such as the Women Entrepreneurs Opportunity Facility and questioned whether there was any overlap.	It was emphasized by the We-Fi Secretariat, that We-Fi is the first global fund of its kind. This said, there are a number of other initiatives, albeit mainly having a regional focus working partly within the same space. The Secretariat has over the last year been in contact and coordinated with

	<p>many of these organisations, funds and institutions. This has given the opportunity to assist in the establishment of new funds and knowledge sharing with already existing initiatives. Observers in the We-Fi Governing Committee have conducted a “landscape analysis and strategic positioning” paper which outlines the unique position of We-Fi in a crowded space. Based on these recommendations, it will then be up to the Governing Committee to decide on whether We-Fi should further refine its work modality towards a more systematic-approach in collaborating with other initiatives. Denmark will support this process, while keeping in mind the available resources.</p>
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<b>Project selection and Technical Panel</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
<p>The Council expressed the need for the document to outline the process of project-selection by the Governing Committee and Technical Expert Panel.</p>	<p>Following these concerns, the selection process have been described in the program documents. This includes who is eligible for funding, requirements for applications, process of selection and role of the technical expert panel. Templates used in this process have been included as supplementary materials to shed light on the process.</p>

<b>Exit Strategy</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
<p>The Council noted the relatively short time-span for the fund and in that regard the Council called for more information in relation to an exit strategy of We-Fi.</p>	<p>Following this, the exit strategy has been discussed in meetings with the We-Fi Secretariat – and the strategy have subsequently been further outlined in the program document. Denmark has additionally requested that exit strategy and a strategy for closing of the We-Fi trust fund will be included the midterm review that will take place in 2020. Terms of reference for the Mid-Term review will be discussed and approved by the Governing Committee, and we will there make sure that the subject of Exit is included in the ToR.</p>

<b>Donor Group</b>	
<b>Concerns raised</b>	<b>Action Taken</b>
<p>The Council found it positive if We-Fi could potentially engage new donors and thereby mobilise new capital for women’s economic empowerment in developing countries. However, the Council also raised a concern in relation to some of the other donors as some of them were known for working against the Danish gender agenda</p>	<p>Challenges and benefits of the donor group, as well as how the Ministry of Foreign Affairs will work within this untraditional framework are described further in the program document. This includes an emphasis of the many like-minded donors supporting We-Fi and working with Denmark through the Governing Committee.</p>

in other fora and questioned whether this represented a political risk.

**Management costs and complexity**

<b>Concerns raised</b>	<b>Action Taken</b>
The Council further expressed concern regarding the management costs and the complexity of the framework under which We-Fi was constructed	The management structure have accordingly been further clarified in the program document. Management structure and complexity will be part of the priorities for Danish engagement. While there are many benefits of the FIF-framework, it will be important to secure a strong focus on the end-beneficiaries, minimizing administrative costs and management-complexity.

# Women Entrepreneurs Finance Initiative (We-Fi)

## Key results:

- To remove the financial and non-financial constraints faced by women-owned/led SMEs and provide women entrepreneurs with access to finance, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets.
- The We-Fi facility supports activities that enhance women's access to financial services (private sector activities) and to improve the enabling environment (public sector activities).
- We-Fi addresses the "missing middle" of finance and other complementary services facing women-owned/led SMEs and assist them overcome of the many barriers to success in the marketplace.

## Justification for support:

- We-Fi presents a financing tool to tackle the full range of barriers faced by women-owned/led SMEs, including in the most challenging environments. We-Fi is the first global fund which takes a holistic public and private sector approach to promoting women's entrepreneurship by addressing the full range of constraints facing women-owned/led SME's.
- With its clear focus on women-led enterprises, We-Fi is a relevant initiative through which Denmark can promote both gender equality priorities and focus on strengthening the private sector in developing countries. Advocating for gender equality and women's rights is a high priority in "The World 2030" where Denmark's work as global defender of human rights, democracy and gender equality is specified.

## Major risks and challenges:

- We-Fi risk-analysis comprises: Strategic risks, Institutional risks, Stakeholder risks, Financial risks and Reputational risk.
- We-Fi's donor base is very broad. Not all donor countries agree with all aspects of Denmark's gender policy, however; We-Fi is an opportunity to engage on the specific topic of economic empowerment despite differences. Furthermore, a large group of like-minded partners are part of the Governing Committee with Denmark.

<b>File No.</b>	2017-25210						
<b>Country</b>	Global						
<b>Responsible Unit</b>	Africa, Policy and Development (APD)						
<b>Sector</b>	Womens Economic Empowerment						
<b>Partner</b>	World Bank Group						
	<i>DKK mill.</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Tot.</b>
<b>Commitment</b>	46						46
<b>Projected ann. disb.</b>	46						46
<b>Duration</b>	2019-2022						
<b>Previous grants</b>	DKK 23 million (2017)						
<b>Finance Act code</b>	06.38.02.12						
<b>Head of unit</b>	Lotte Machon						
<b>Desk officer</b>	Klara Therese Christensen / Anna Bach						
<b>Financial officer</b>	Birthe Elisabeth Larsen						

## Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

## Strategic objectives:

We-Fi works with two facility level objectives: The total number of women-owned/led SMEs financed by We-Fi program/projects, and the total amount of additional funding mobilized from commercial institutions and international finance institutions.

## Justification for choice of partner:

The World Bank Group is one of the largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. The World Bank Group is the only global multilateral development bank and together with its emphasis on shared prosperity and the equality between genders, it constitutes an experienced and powerful partner.

## Summary:

Small and Medium-sized Enterprises (SMEs) play an important role in economic growth and job creation in developing countries. While the SME sector in most developing countries has seen impressive development, it has not yet reached its full potential. It is widely recognized that women entrepreneurs play a critical role in economic development by boosting growth and creating jobs. Yet, women still today face numerous challenges to financing, owning, and growing a business. We-Fi address these financial and non-financial barriers faced by women-owned/led SMEs by mobilizing more than USD 1,6 billion for entities that work towards improving the business environment for women entrepreneurs in developing countries.

## We-Fi Total Budget as of June 30<sup>th</sup> 2019

Cash Receipts	USD 255.88 million
Investment Income earned	USD 6.12 million
Contributions not yet received	USD 97.41 million
<b>Total Potential Resources</b>	<b>USD 359.41 million</b>
<b>Total Potential Danish Contribution</b>	<b>USD 10.65 million</b>





**UDENRIGSMINISTERIET**

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

## **Development Engagement Document**

*(Annex A to Contribution Agreement)*

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## Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
DKK	Danish Kroner
EBRD	European Bank for Reconstruction and Development
FIF	Financial Intermediary Fund
HRBA	Human rights-based approach
IBRD	International Bank for Reconstruction and Development.
IDA	International Development Association.
IDB	Inter-American Development Bank
IFC	International Finance Corporation.
IFI	International financial institutions.
IP	Implementing Partner of We-Fi.
IsDB	Islamic Development Bank
MDB	Multilateral Development Bank
SDG	Sustainable Development Goals
SME	Small and medium enterprises
UN	United Nations
USD	United State dollar
W20	Women20 - official G20 network of women.
We-Fi	Women Entrepreneurs Finance Initiative

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## 1. Introduction

Women Entrepreneurs Finance Initiative (We-Fi) is a financial facility established in a collaborative partnership among 14 governments, eight multilateral development banks (MDBs), and other public and private sector stakeholders, in cooperation with the World Bank as host and Trustee. The objective of the facility is to address financial and non-financial constraints faced by women-owned/led small and medium (SME) enterprises in developing countries.

Denmark has committed to support the facility. The present development engagement document details the objectives and management arrangements for the Danish support to We-Fi as agreed between the parties.

### Parties

Parties to the Contribution Agreement are:

Ministry of Foreign Affairs Denmark  
and  
International Bank for Reconstruction and Development (the 'Bank') as trustee of Women Entrepreneurs Finance Initiative (We-Fi) trust fund.

The We-Fi Facility rests, as a Financial Intermediary Fund, under the World Bank's Global Themes Vice-Presidency.

The Documentation guiding the cooperation is outlined in the Contribution Agreement, and includes the following key documents:

- 1) The Contribution Agreement
- 2) We-Fi Governance Framework
- 3) We-Fi Operations Manual
- 4) We-Fi Results Framework
- 5) We-Fi Risk Management Framework.

This development engagement document is annexed to the Contribution Agreement with the IBRD and constitutes an integrated part hereof together with the documentation specified below. Additional supplementary materials which guide the oversight and monitoring include a series of documents provided to the Governing Committee such as Annual Report 2018, Annual Work Plans for the We-Fi Secretariat, and financial reports.

### Contributions

Denmark commits to a contribution to the engagement of

DKK 46,000,000

Together with Denmark's previous support for We-Fi with DKK 23 million in 2017, the additional contributions in 2019 will cover the Danish engagement for the complete lifetime of the We-Fi fund from October 2017 to October 2022.

## **2. Background**

Small and Medium-sized Enterprises (SMEs) play an important role in economic growth and job creation in developing countries. While the SME sector in most developing countries has seen impressive development, it has not yet reached its full potential. It is widely recognized that women can play a critical role in economic development by boosting growth and creating jobs. Yet, women still today face numerous challenges to financing, owning, and growing a business. Overwhelmingly, the evidence shows that narrow solutions are rarely effective. Promoting women's entrepreneurship is likely to require tackling constraints on various fronts – including access to finance (loans, equity capital, insurance, savings, etc.); unfavourable policy, legal and regulatory environments; access to information/networks; access to specific skills – both hard and even more importantly soft skills; promoting changes to norms and behaviours; and creating market opportunities and linkages for women's businesses.

To address these challenges, the World Bank's (WB) Board of Executive Directors in June 2017 approved the Women Entrepreneurs Finance Initiative, an initiative endorsed by the G20 Leaders at the 2017 Summit in July. Upon establishment, support to We-Fi exceeded expectations. We-Fi managed to secure commitments from 14 countries totalling USD 348 million, which meant the fund was able to set an initial target of mobilizing a total of USD 1.6 billion in additional funds from the private sector, donors, governments and other development partners. A target, which has since been updated with each funding round.

We-Fi presents a financing tool to tackle the full range of barriers faced by women-owned/led SMEs, including in the most challenging environments. We-Fi is the first global fund which takes a holistic public and private sector approach to promoting women's entrepreneurship by addressing the full range of constraints facing women-owned/led SME's. We-Fi supports by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets. At the same time, it supports governments and other institutions to create an enabling environment for women entrepreneurs.

## **3. Development Engagement Objective**

### **3.1 Theory of Change**

Women-owned/managed businesses play a significant role in economic development by boosting growth and creating jobs. These businesses are often, and in many countries, more likely to be micro or small in size, and tend to be concentrated in retail and service sector. In the low and middle income countries data indicates that up to 75 pct. of women-owned business are in consumer-oriented sectors (against 45 pct. of male entrepreneurs). A major constraint that SMEs faces in general is lack of access to financial services. Lack of financial services is especially a problem for women-owned business. For developing countries, it is assessed that about 70 pct. of women-owned business in the formal sector are unable to access financial services on adequate terms. This in combination with other constraints facing women-owned business such as lack of networks and knowledge that enables them to access business opportunities and establish professional connections effectively means that women-owned business does not reach their full growth potential.

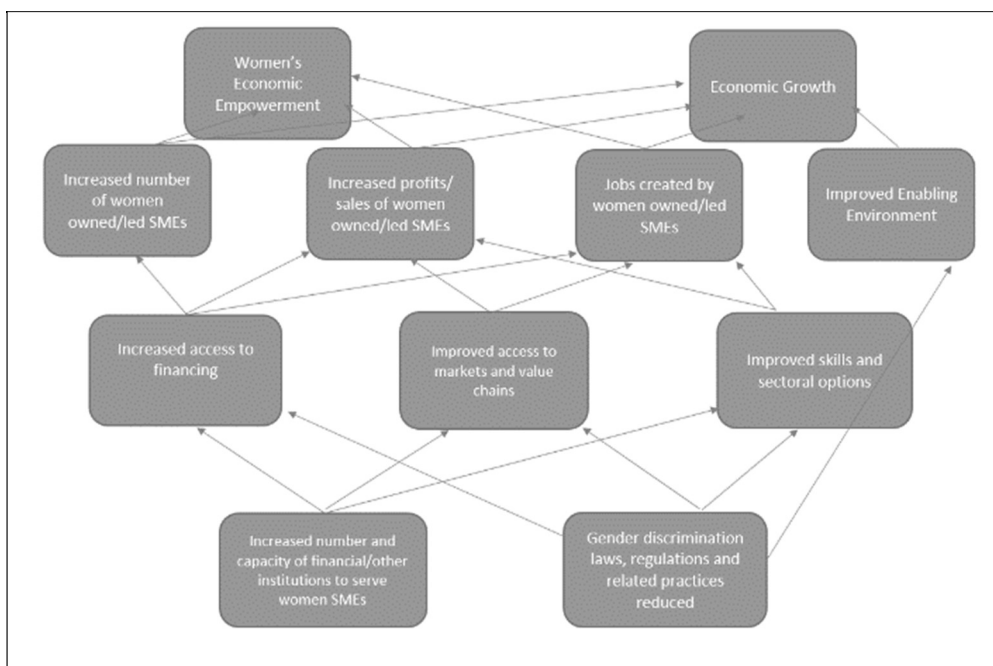
The We-Fi facility supports activities that address the constraints faced by women-owned businesses, both private sector activities as well as public sector activities in order to enhance women's access to financial services (private sector activities) and to improve the enabling environment (public sector activities). The focus is on the so-called 'missing middle' of service to the women-owned SMEs, the size of business, which are too big for micro finance institutions and too small and perceived too risky for formal banks.

We-Fi aims to boost economic development, growth and create jobs. The main assumption behind We-Fi is that by the provision of grant funds from donors, the We-Fi facility is enabled to provide funding through financial intermediaries to activities, which will unlock the barriers faced by women and leverage private sector and other funding for financing of women-owned enterprises. The expectation is that the provision of approx. USD 350 million of grant funding, We-Fi will unlock (leverage) approx. USD 2.6 billion in funding for women-owned SMEs.

The facility will provide financing through implementing entities for debt financing, venture capital, and risk sharing instruments, which in combination with advisory services and technical assistance, will encourage banks and non-banks such as insurance companies to expand their female customer base. Complemented with public sector activities that will help governments to improve business and legal environment for women, the We-Fi contributes to building an eco-system for women-owned SMEs that will unlock the barriers faced by women-owned SME's in developing countries and help them grow their business.

Through the financial contribution to the trust fund, Denmark will support all modalities and instruments in We-Fi. Research indicates that a multi-dimensional approach as We-Fi is more like to succeed than more narrow approaches, however a multi-dimensional approach also requires significant efforts and knowledge. Given its experience, track record and strong learning environment, the World Bank will provide valuable inputs to the change process.

Denmark's support to the We-Fi facility is provided through a World Bank managed joint donor fund (a trust fund structure) – hence the theory of change for the Danish engagement is based on the theory of change for the We-Fi facility, outlined in the diagram below. Through the result framework, Denmark will be able to measure to what extent We-Fi is reaching women in the poorest and most fragile communities in the world, as well as a regional focus on sub-Saharan Africa. Furthermore, Denmark will keep focus on ambitious targets for private sector engagement – aligned with the Danish priorities to use development aid to catalyze and crowd in private investments. The Danish priorities and objectives are presented in Section 3.4 and 3.8.



## **Projects Approved 1<sup>st</sup> and 2<sup>nd</sup> Round of Funding**

### *Summary of Annex 2*

#### **Asian Development Bank, Sri Lanka – *first round***

ADB is Implementing Partner and has been granted USD 12.6 million to work with credit channeled through commercial banks to create 1) access to finance for women 2) training and mentorship 3) support through online e-platform 4) building gender equality tools in financial institutions 4) technical support for government institutions. Project implementation started in July 2018.

#### **Islamic Development Bank, BRAVE Women – *first round***

IsDB is Implementing Partner and has been granted USD 32 million to expand the successful BRAVE-women program. The program has a special focus on women in fragile situations and include teaching, training and collaboration with private companies. Geographical focus is Yemen, Nigeria and Mali and project implementation started in fall of 2018.

#### **World Bank/IFC, Global Initiatives – *first round***

The World Bank and IFC have launched a number of initiatives around the world with the USD 75 million granted from We-Fi. Examples are a tourist sector AirBnB data project, e-commerce programs in the MENA region, a global network of companies focusing on supply-chain diversity, as well as a number of projects focusing on training and advice - of female entrepreneurs, financial institutions and public sector institutions. The program work in three priority regions – South Asia, Middle East and North Africa and Sub-Saharan Africa.

#### **African Development Bank, AFAWA – *second round***

AfDB is implementing partner and has been granted USD 61.8 million. The program's overarching objective is to improve access to finance for WSMEs across the African Continent using a unique risk sharing mechanism exclusively dedicated for WSMEs as well as overcoming some of the institutional challenges constraining access to finance by women.

#### **Asian Development Bank, WAVES – *second round***

ADB is the implementing partner and has been granted USD 20.2 million. The program will include the Pacific and Vietnam, and it consists of three components: 1) access to finance, 2) enabling environment and 3) capacity building development of WSMEs.

#### **European Bank for Reconstruction and Development, Women of the Steppe – *second round***

EBRD is implementing partner and has been granted USD 22.9 million. The program takes a holistic approach to tackle demand-side, supply-side and enabling environment constraints, thereby sparking systemic change at the market and firm-level, building on the EBRD's direct exposure to and experience with serving women entrepreneurs in the region.

#### **Inter-American Development Bank, WeForLAC – *second round***

IDBG is the implementing partner and has been granted USD 24.3 million. The objective is to promote the growth of WSMEs by developing innovative and catalytic programs, building the entrepreneurial ecosystem in challenging country environments, generating important data to fill knowledge gaps and promoting intelligent public policy and private sector initiatives.

### 3.2 Target Group

There is ample evidence that increased economic participation by women, women entrepreneurs, and women-owned/led small and medium enterprises generates high returns, by creating jobs, increasing incomes, and reducing poverty, with benefits for communities and societies at large.

We-Fi presents a tool to foster women's entrepreneurship in developing countries. It has been designed to:

- Support women-owned or led small and medium enterprises across developing countries by providing them with access to finance, capacity building, networks and mentors, and opportunities to link with domestic and global markets;
- Work with governments and other institutional players to improve the business environment for these enterprises.

We-Fi's focus on women-owned/led SMEs, rather than on micro or large enterprises, is driven by findings that SMEs are more likely than microenterprises to develop into the high growth firms that create jobs, boost productivity, raise incomes and spur economic development. Yet, the majority of enterprises owned by women in developing countries tend to be micro or small in size, and informal in nature. Women-owned/led SMEs face what is often named the "missing middle" of finance and other complementary services and typically need to overcome a host of barriers to succeed in the marketplace. They need specialized types of support different from microenterprises or large firms.

We-Fi uses the IFC definition of SMEs, which assesses firms based on assets, sales, employees or loan size. For example, SMEs are considered firms with 10 to 300 employees; firms that qualify for loans between \$10,000 and \$1 million, etc. However, since We-Fi aims to support women entrepreneurs across the business lifecycle – IPs in their proposals can customize this definition to reflect the needs of their programs. This also allows regional variations, so programs can take into account sectors and countries where women tend to lead smaller firms.

### 3.3 Approach

The approach is to work with the regional development banks as implementing partners, through a project granting system. We-Fi Secretariat publishes calls for proposals from the regional MDBs. So far three rounds of calls are planned. The programs and projects approved from the first round of funding span across all regions. Approximately 43 pct. of the funding is expected to go towards sub-Saharan Africa; the countries covered include Cameroon, Cote d'Ivoire, Ghana, Kenya, Mali, Mozambique, Nigeria, Senegal, Tanzania, Zambia. Around 26 pct. is expected to go towards South Asia, covering Bangladesh, India, Pakistan and Sri Lanka. Approximately 20 pct. of funds are expected to be used in the Middle East North Africa (MENA) region, and with the remaining amount is anticipated to support engagements in East Asia and the Pacific, Europe and Central Asia, and Latin America and the Caribbean. A detailed overview of current projects is found in Annex 2.

For the second round of calls, the following MDBs submitted project proposals, which were approved in April 2019<sup>1</sup>: Asian Development Bank (USD 20.2 million) to work in Vietnam and the Pacific; African Development Bank (USD 61.8 million) covering work in 21 countries across Africa; Inter-American Development Bank Group (USD 24.3 million) proposing programs in Honduras, El Salvador, Guatemala, Mexico, Colombia, Brazil and Peru; and EBRD (USD 22.9 million) to work in Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan.

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<sup>1</sup> The total amount of finance requested in the second round exceeded the available funds. Accordingly three of the implementing partners approved for funding (ADB, AfDB and IDB) received a grant smaller than their project proposals. These MDB's will accordingly update their program-descriptions based on the funds allocated.



There has accordingly been granted USD 119.9 million during the first round of funding and USD 129.2 million during the second round. With the current paid in amount to the trust fund, it is assessed that there is sufficient funding to have a third call for proposal. This is projected to take place in 2020 (expected to be in the 2<sup>nd</sup> half).

<i>Mio. USD</i>	Implementing Partner (IP)	We-Fi Investment	IP Exp. Investment	Exp. Private Investment	Add. Public Resources	Exp. Leveraged Resources
Round 1	ADB		23	2	-	38
	IsDB	32	4	42	15	93
	WBG	75	225	1.101	168	1.569
Round 2	ADB	20	147	59	-	226
	AfDB	62	337	75	21	495
	EBRD	23	80	35	2	140
	IDB	24	110	132	3	269
Total		249	927	1.445	208	2.829

### 3.4 Results Framework

The We-Fi facility aggregated results frame will serve as the framework for monitoring the performance of the facility (Annex 4). The format and content were approved by the Governing Committee in October 2018. The framework includes 12 indicators. For each of the indicators, the baseline for the facility is for all indicators assumed to be zero from the outset as this is a new initiative.

The facility level Results Framework includes a mix of output indicators capturing the financial mobilization objectives and the improved capacity of institutions to serve women-led SMEs, as well as intermediate outcome indicators such as increase in sales/profit and change in number of employees. Each of the programs supported under We-Fi will have its own explicit results frame, in sync with the We-Fi facility-level results framework. While individual programme is required to provide results contributing to the overall We-Fi results it is not required that each programme contribute to all 12 indicators.

Programs will vary depending of the geographical area and relevant obstacles targeted. Hence, each of the programs funded will not deliver targets on each of the 12 indicators in the result framework. The Governing Committee chose this approach to secure flexibility to fund different a variety of types of programs supported. This also makes it possible to work in some of the most difficult areas, as part of the effort to reach fragile and conflict-affected situations. The current targets within the Result Framework only represents the first and second round of funding. The targets will accordingly be updated after third round, and depends on the proposals which the Governing Committee choose to fund. We-Fi seeks to contribute to global knowledge through learning-by-doing and evidence generation across the portfolio. The evaluations will guide project course correction, help fill the knowledge gap in the field, and inform dialogue with stakeholders.

Denmark has chosen four indicators that will be of special focus throughout the trust fund lifespan. These are based on the We-Fi's overall Result Framework considering Danish priority areas; they will be used as guidance of Danish engagement in the Governing Committee. These four indicators are seen below.

Result Framework: Danish Priority Indicators			
Project title		Women Entrepreneurs Finance Initiative (We-Fi)	
Project objective		Address financial constraints faced by women-owned/led SMEs. Address non-financial constraints faced by women-owned/led SMEs. Increase in number and capacity of women-owned/led SMEs to access markets.	
Impact Indicator			
Baseline	Year		
Annual target	Year		
Outcome		Overall facility level: Women-owned SMEs have improved access to financing.	
Outcome indicator		Amount of additional funding mobilized from commercial institutions and IFIs.	
Baseline	Year	2017	0
Target	Year	2022	USD 2,1-2,6 billion ( <i>previously USD 1.6 billion</i> )
Output 1		Address financial and non-financial constraints for women in fragile and conflict-affected situations.	
Output indicator		Number of fragile and conflict-affected countries reached with We-Fi programs based on country-definitions developed by We-Fi Secretariat.	
Baseline	Year 0	2017	0
Annual target	Year 2	2019	5
Annual target	Year 4	2021	5
Annual target	Year 6	2023	5 – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Target	Year 6	2023	15 – <i>To be Revised after approval of programs under 3<sup>rd</sup> round</i>
Output 2		Increase in number and capacity women-owned/led SMEs.	
Output indicator		Number of women-owned/led SMEs reached through We-Fi programs globally.	
Baseline	Year 0	2017	0
Annual target	Year 2	2019	45,000
Annual target	Year 4	2021	69,000
Annual target	Year 6	2023	100,000 – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Target	Year 6	2023	215,000 – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Output 3		Boost economic development, growth and create jobs as a result of support for women-owned SMEs	
Output indicator		Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs	
Baseline	Year 0	2017	0
Annual target	Year 2	2019	57,400
Annual target	Year 4	2021	38,185
Annual target	Year 6	2023	60,000 – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Target	Year 6	2023	155,585 – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Output 4		Secure funding for programs working with women-owned/led SMEs in Sub-Saharan Africa.	
Output indicator		Share of total We-Fi funding directed at countries in Sub-Saharan Africa.	
Baseline	Year 0	2017	0
Annual target	Year 2	2019	42,8 pct.
Annual target	Year 4	2021	50 pct.
Annual target	Year 6	2023	55 pct. – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>
Target	Year 6	2023	55 pct. – <i>To be revised after approval of programs under 3<sup>rd</sup> round</i>

### 3.5 Long Term Impact

Central in Danish engagement and strategic priorities is securing long-term impact on the subject of economic empowerment of women through the We-Fi initiative. Two points are worth mentioning, as part of this effort to secure long-term impact:

- 1) Due to the set-up as a FIF We-Fi has managed to bring together representatives from a broad-spectrum of stakeholders participating in different capacities within the We-Fi framework. It is fair to anticipate that these donors would not have made contributions to gender facilities had it not been for the establishment of the We-Fi. Raising awareness among these stakeholders and untraditional donors creates possibilities for additional progress.
- 2) Due to continuous contact between We-Fi and the MDB's in the application process, MDB's are gradually professionalising and improving their approach to women's economic empowerment. This process includes obligations to build a solid result framework and demonstrate added value of the supported projects to the benefit of women entrepreneurs. The requirements make it necessary for the MDBs to re-shape programs, scale up efforts and create a comprehensive approach to addressing women-owned/led SME's face.

<b>Contributor</b>	<b>Mio. USD</b>
Australia	10.0
Canada	15.6
China	10.0
Denmark	10.6
Germany	56.9
Japan	50.0
Netherlands	10.0
Norway	10.7
Russia	10.0
Saudi Arabia	50.0
South Korea	10.0
United Arab Emirates	50.0
United Kingdom	9.5
United States	50.0
<b>Total</b>	<b>353.3<sup>2</sup></b>

### 3.6 Contributors

We-Fi is unusual in its diverse group of contributors. At some level this group of donors can be said to constitute a degree of reputational risk for Denmark. On the other hand, We-Fi includes a number of donors that are normally not found in facilities promoting women's development. It is fair to anticipate that these donors would not have made such substantial contributions to gender facilities had it not been for the establishment of the G20 recommended We-Fi Facility. We-Fi has become an opportunity to engage these within a firm framework for donor coordination and development dialogue on gender issues. Accordingly, We-Fi has become a platform to engage with these countries on women's economic empowerment. It is important to recognize that Denmark's has a fundamental different view on women's rights and women's empowerment than some of the other donor-countries. Nevertheless, We-Fi has shown it can be possible to engage on specific topics despite differences, without having to go for the lowest denominator. Considering this, Denmark has together with traditionally like-minded countries, an important role to play in this context. Denmark is among a large group of like-minded countries, with several countries contributing at a level equal. The Ministry of Foreign Affairs will use the Governing

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<sup>2</sup> Total amount exceed the initial total commitment announced at the launch in 2017 due to currency changes.

Committee platform actively to promote Danish values and priorities in coordination with these partners, and highlight the priorities previously outlined. Overall, We-Fi is an opportunity to engage these usually not-aligned partners, and the FIF-set-up together with the role of the WBG makes for a firm framework for donor coordination and development dialogue on gender issues.

### **3.7 External Partners**

Partnerships are critical to the success of a We-Fi proposal. Implementing Partners are therefore encouraged to partner with UN agencies, international financial institutions, civil society organizations, business groups, and/or other entities currently working in this field to help implement activities. The selection of projects to receive We-Fi funding contains a high focus on partnerships. It is included as a requirement for the funding proposals and part of the scoring templates for the Technical Expert Panel providing recommendations to the Governing Committee. Partnerships includes both other institutions and stakeholders within the field of economic empowerment of women, but also a focus on bringing in private sector actors. Including private sector actors is important in term of securing additional funding to the women beneficiaries of We-Fi. However, it is also possible, by engaging the private sector actors early in process, to build on their knowledge and experience. Projects focusing not only on the women and girls, but also on private companies, have a possibility to create smart, sustainable and long-term solutions.

### **3.8 External Stakeholder Analysis**

In March 2019 the We-Fi Observers conducted the *“Discussion Note by We-Fi Observers on Landscape Analysis and Strategic Positioning”*. The analysis found that since We-Fi’s establishment in 2017, a multitude of new initiatives have been announced despite the existing initiatives – making the women’s economic empowerment landscape is quite crowded. The report concludes that there is no other large-scale fund comparable to We-Fi in current operation. We-Fi’s ecosystem approach is unique and needed—bringing together investments in WSMEs with country level reforms to improve laws, policies and regulations. We-Fi’s global focus and strategic goal of allocating 50% of its resources to activities in IDA countries or in FCS further sets it apart from other funds in the space. However, compared to the growing size of the sector, or other large-scale initiatives that have impressive goals but do not directly deploy capital, We-Fi will need to continue to communicate its comparative advantage and power of its unique model. As the bulk of WSME investments are through intermediaries, such as banks, IFIs and business accelerators, We-Fi’s notable direct investment risks getting lost in the shuffle without robust positioning, due to the busy nature of the landscape and new initiatives continuing to be announced. This makes it all the more vital that We-Fi leverage its leadership opportunity to disproportionately serve the sector and drive alignment and efficiency. Furthermore, the report concludes that even with the many new funds and initiatives announced, reporting and measuring impact has lagged. The Observers provides a list of recommendations for We-Fi on how to potentially lead this effort moving forward. The analysis can be found in supplementary materials.

### **3.8 Danish Engagement**

Denmark joined We-Fi in 2017 as one of the founding members. This decision was made after taking part in the technical committee. This gave Denmark the opportunity to actively engage in the design process and exercise influence according to Danish priorities. A minimum limit for grants was set at USD 10 million. In order to reach DKK 69 million, the Danish contribution has been spread over more than one appropriation. The first grant of DKK 23 million was given in 2017.

We-Fi is fully compatible with Denmark’s strategy ‘The World 2030’ with its clear focus on private sector and gender, namely women-led enterprises. As a first global initiative of its kind, We-Fi is a platform where Denmark can promote both gender equality priorities and focus on strengthening the private sector in developing countries. Furthermore, women’s economic empowerment is a cornerstone of the 2030 Agenda for Sustainable Development. We-Fi is accordingly applicable with SDG Goal 5 “Achieve gender equality and

empower all women and girls”, SDG Goal 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” and SDG 17 “Strengthen the means of implementation and revitalize the global partnership for sustainable development” A short overview of the strategic priorities for Danish engagement in We-Fi through the Governing Committee and Leadership Council are included as Annex 5. The main strategic priorities will be:

- 1) **Evaluation and monitoring** of project implementation and continuous tracking of indicators in the result framework.
- 2) Working to secure ambitious targets for **private sector engagement** – aligned with the Danish priorities to use development aid to catalyse and crowd in private investments.
- 3) Emphasize the importance of **evidence-based** programs funded and projects.
- 4) Advocate for simplifying the implementation process and encourage the Secretariat to identify actions to keep **administrative costs** down.

Denmark will prioritize the above key areas throughout its membership in the Governing Committee. Furthermore, given the FIF-structure of We-Fi Denmark will have an increased focus on reducing complexity. This will be in focus both when selection projects for We-Fi funding as well as through a minimization of administrative costs in We-Fi secretariat. The focal point at the ministry will inform relevant departments and embassies of upcoming programs, deadlines and events and coordinate when action is needed. It is the responsibility of focal point to monitor these priorities and in dialogue with relevant departments to provide continuous feedback to the We-Fi Secretariat and the Governing Committee.

#### 4. Risk Management

We-Fi’s Risk Management Policy was adopted at the Governing Committee meeting in October 2018. The risk policy is summarized as Annex 7. The policy maps three main categories, their implications and the appropriate risk response. In addition, the annex includes a risk analysis from a Danish perspective. The Risk Management Policy is divided into three main categories: Contextual risks, programmatic risks and, institutional risks. The main contextual risk, as identified by We-Fi, relates to governance and management including lack of clarity among various parties on roles and responsibilities. The programmatic risks covers four primary risks: Risks regarding the program design and implementation arrangements, risks relating to the political and social environment of where the programs/projects will be implemented, the risk of funds not being used for their intended purposes or do not reach the intended beneficiaries and, risks relating to the environment and social safeguards. The institutional risks include the financial aspect, associated with the administration of the We-Fi is: The risks that contributors do not meet their instalment payment schedules, the risks of the program not being able to meet its commitments, risks relating to the market and interest rates and lastly, risks relating to the exchange of foreign currency. Lastly, it should be mentioned that the framework includes political risks as well. It is clear that there is a political risk in relation to the untraditional donor group funding We-Fi. This is though also seen as an opportunity to bring in new donors and new finance to women’s economic empowerment. Each Implementing Partner (IP) will be responsible for the management of risks associated with the respective projects and programs implemented by them, and reporting on such risks and mitigation measures, as appropriate, as part of its annual progress and results reporting. Furthermore, Implementing Partners have to demonstrate sufficient environmental and social safeguard measures before receiving support through We-Fi. Issues related to HRBA, Green Growth and Environmental risks will thus be handled by the We-Fi Secretariat’s Management and subjected, if and when relevant, to discussions in the Governance Committee.

The Governing Committee will have oversight of the risk management approach and risk appetite at the portfolio level. The Secretariat supports the Governing Committee in its oversight role, reviewing and compiling information provided by the IPs and Trustee to provide an overview of project/portfolio and

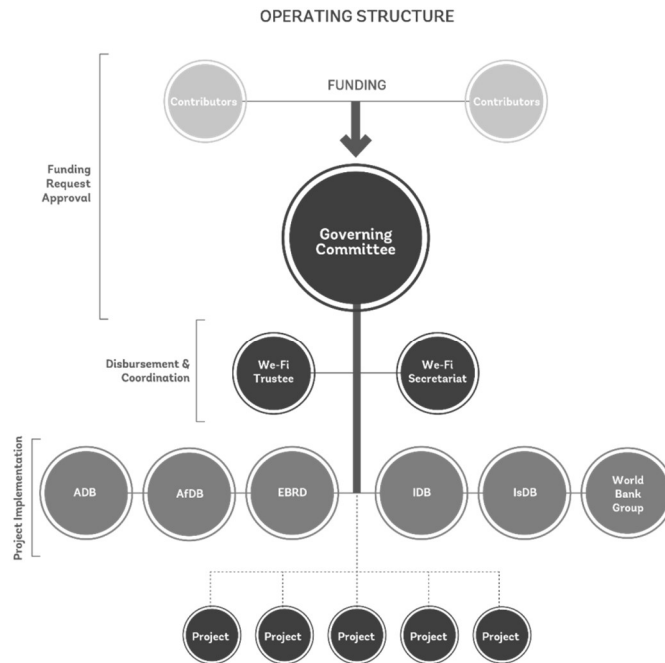
financial risks. The Secretariat is also responsible for reporting on strategic risks as identified by stakeholders in the partnership. The Trustee manage financial risks associated with administration of the FIF and its resources until they are transferred to IPs or returned to contributors in accordance with the provisions of the Contribution Agreements.

## 5. Budget

Funding approvals in the first and second call for proposal by the Governing Committee totalled USD 233.19 million. Based on pledges from donors, the available funds the financing of second call for proposal is not available yet but awaiting final contributions. An overview of the current financial statement is shown below. The Trustee submits annual and interim financial reports, giving an overview of the We-Fi's financial situation.

<i>As of June 2019</i> Currency: USD Millions	Total	% of Total
<b>Donor Pledges and Contributions</b>		
Contributions	353.29	100.0%
Pledges	0	0.0%
<b>Total Pledges and Contributions</b>	<b>353.29</b>	<b>100.0%</b>
<b>Cumulative Resources</b>		
<u>Resources received</u>		
Cash Receipts	255.88	71.2%
Investment Income earned	6.12	1.7%
<b>Total Resources Received</b>	<b>262.00</b>	<b>72.9%</b>
<u>Resources not yet received</u>		
Contributions not yet received	97.41	27.1%
Pledges	-	0.0%
<b>Total resources not yet received</b>	<b>97.41</b>	<b>27.1%</b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b>359.41</b>	<b>100.0%</b>
<b>Cumulative Funding Decisions</b>		
Projects	233.19	91.3%
Fees	15.87	6.2%
Administrative Budget	6.31	2.5%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>255.37</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>104.04</b>	
<b>Total Potential Resources Net of Funding Decisions and Operational Reserve</b>	<b>102.04</b>	
<b>Funds Available</b>		
Funds Held in Trust with no restrictions	188.30	
Approved Amounts Pending Cash Transfers	183.67	
<b>Total Funds Available to Support Governing Committee Decisions</b>	<b>4.63</b>	

Note: Sub-totals may not add up due to rounding.



## 6. Management Arrangement

The governance and management structure of the We-Fi is outlined in the Governance Framework and Operations Manual. The administrative body consists of a Governing Committee, Secretariat and Trustee – in charge of project selection, strategic framework and overall monitoring and evaluation.

### 6.1 Governing Committee

The Governing Committee is the supreme governing body of We-Fi. All contributing donors, which have made the USD 10 million threshold, have a seat in the Governing Committee. The Ministry of Foreign Affairs represents Denmark in the Governing Committee. Governing Committee meetings formulate We-Fi policies, strategies, call for proposals and approvals of allocations. Furthermore, the MFA will participate in continuous contact and additional meetings with the secretariat and members of the Governing Committee. Such conversation and meetings occur in case of special events, new initiatives as well as working groups on specific topics. It is through the Governing Committee the ministry will work for Danish priorities, strategies and focus areas.

### 6.2 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. Observers include the following organisations:

- **ONE Campaign:** International, non-partisan, non-profit, advocacy and campaigning organization that fights extreme poverty and preventable disease, particularly in Africa, by raising public awareness and pressuring political leaders to support policies and programs.
- **Vital Voices Global Partnership:** American international, non-profit, non-governmental organization that works with women leaders in the areas of economic empowerment, women's political participation, and human rights
- **UN Women:** United Nations Entity for Gender Equality and the Empowerment of Women.
- **Women20:** Official G20 engagement group forming a transnational network of women's organizations, female entrepreneurs associations and think tanks.

UN Women and W20 are both permanent members, while the others are members for a duration of one year. In addition, the MDBs that are We-Fi's implementing partners, as well as the Trustee and Secretariat, have observer seats. In the spring of 2019, the Observers conducted the "Landscape Analysis and Strategic Positioning" document found in supplementary material.

### **6.3 Trustee**

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.

### **6.4 Secretariat**

Secretariat manages day-to-day operations; prepares policies and procedures and facilitates decision-making; monitors and reports on We-Fi's project portfolio; manages partner relations and stakeholder engagement; and handles outreach and communications. The Secretariat submit work plans and indicative budgets to the Governing Committee for allocation annually. The secretariat is comprised of a small team of four professional and administrative staff employed by the World Bank.

### **6.5 Implementing Partners**

Project implementation is led by Implementing Partners that are screened and accredited by the We-Fi Governing Committee. The following regional accredited MDBs are eligible to apply for We-Fi funding African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, IDB Invest, International Finance Corporation, Islamic Development Bank Group, and World Bank (the International Bank for Reconstruction and Development and the International Development Association). They can apply for funding of programmes which support women entrepreneurs and women SMEs in WBG borrowing countries.

### **6.6 Project Selection Process**

The Secretariat issues calls for proposals on a periodic basis, after approval by the Governing Committee. Funding requests are submitted to the Secretariat by Implementing Partners. The Secretariat screens each funding request submitted to ensure completeness and consistency. Eligible funding requests are reviewed by an independent Technical Expert Panel. Decisions of the Governing Committee are 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 minutes.

#### **Criteria for funding**

Through calls for proposals We-Fi seeks projects that demonstrate comprehensive and strategic approaches to supporting the growth and impact of women's entrepreneurship. We-Fi seeks a portfolio of projects that demonstrate:

- 1) Mobilization/leverage of significant additional funding from other sources.
- 2) A focus on low-income countries, IDA and/or fragile and conflict-affected countries/territories and/or underserved women entrepreneurs in middle-income countries.
- 3) Effective use of grant financing or blended finance.
- 4) Complementarity between public and private sector activities, and coordination with existing or planned activities of other development partners or initiatives.
- 5) Partnerships with organizations that have a strong track record for developing innovative approaches and delivering results.

We-Fi welcomes proposals for global/regional, multi-country, and single-country programs. The minimum threshold for a We-Fi funding request is USD 10 million. Allocation decisions will be made by the We-Fi



Governing Committee based on the strength of the proposal, keeping in mind the overall composition of the portfolio. For proposals targeting Africa, special consideration will be given to activities in G20 Compact Countries. Furthermore, special consideration will also be given to proposals that focus on women entrepreneurs operating in rural settings. We-Fi has a strategic goal of allocating 50 pct. of its resources to activities in the poorest countries and in fragile and conflict-affected situations. The Governing Committee have agreed that the first and second call for proposal do not have a thematic focus, but that this can be considered in the third call following an assessment of the portfolio gaps at the time.

### Technical Expert Panel

The Technical Expert Panel will be comprised of five leading experts, with collective expertise in gender, entrepreneurship, finance, public policy and program design, management and monitoring, with a deep understanding of developing country contexts. The role of the Technical Expert Panel is to assess the proposals that have been assigned by the We-Fi Secretariat, score each proposal based and provide written summary. The criteria builds upon the funding principles and is summarized below. Proposals will be scored on the extent to which their activities are likely to have a lasting, sustainable impact. Countries in which public sector investments are made should demonstrate a commitment towards lowering legal and regulatory barriers to, or aid in, the promotion of women’s entrepreneurship. Private sector activities should demonstrate how they will lead to commercially viable long-term business results for the private sector.

Subsequently, the panel meet and submit a single, consolidated assessment per proposal to the Secretariat. The experts are chosen by the Secretariat, but subject to approval by the Governing Committee.

<b>We-Fi Scoring Summary</b>	
1. Strength of program design and development impact	40 points max
2. Mobilization of additional funding	15 points max
3. Reaching IDA-eligible countries, fragile and conflict-affected states/territories, or underserved women entrepreneurs in other contexts	15 points max
4. Demonstrating the effective use of grant financing/blended finance	10 points max
5. Complementarity between private and public-sector activities	10 points max
6. Partnerships	10 points max

## 7. Leadership Champion Group

In relation to We-Fi a group of ‘Leadership Champions’ have been formed. The role of Leadership Champions is to mobilize global support for women entrepreneurs through high-level advocacy initiatives, including by highlighting We-Fi-supported projects. During its first year, communications and advocacy has been centred on creating a wider understanding of We-Fi’s rationale, objectives and structure; building the public narrative; establishing a brand; and raising support. Each of the members of the Leadership Group have individual engagement plans, which specify the focus areas of the member. The ministry is currently in the process of choosing a new Leadership Champion to represent Denmark in the group. On the basis of an active engagement plan for the Danish Leadership Champion, Denmark will through We-Fi continue work on highlighting innovative, gender-smart solutions to help women-owned/led SME’s start and grow, promoting collaboration across the public and private sectors, and mobilizing international support for women’s economic empowerment.

The Leadership Champion Group have so far met three times. There are currently no concrete plans for next event featuring the group.

## 8. Financial Management

FIF's are financial arrangements that group public and private resources in support of international initiatives, enabling the international community to provide a direct and coordinated response to global priorities. Set up as a FIF, means that We-Fi includes an extra level from the donor to the beneficiary, creating increased complexity and higher management costs. However, this framework gives the opportunity to pool funds, coordinate among MDB's and in this case optimize involvement of private market actors. Consistent with other FIFs, We-Fi operates on a full cost recovery basis. Costs for all services provided by the Trustee, Secretariat and implementing partners are covered by contributions to the FIF, subject to annual budgets submitted for the Governing Committee's approval. The operating costs of We-Fi in its first two years were USD3.5million, or under 1 pct. of total resources committed by donors.

The World Bank currently oversee several FIFs. For all FIFs, the World Bank provides a set of agreed financial services that involve receiving, holding and investing contributed funds, and transferring them when instructed. Examples of other FIF's include the Global Fund to Fight AIDS, Tuberculosis and Malaria, Global Environment Facility (GEF), Advance Market Commitment for vaccines (AMC) and International Finance Facility for Immunisation Company (IFFIm). The Trustee carries out its roles and responsibilities in accordance with the World Bank policies and procedures. The financial management structure of We-Fi is further described in the We-Fi Governance Framework (listed as supplementary material).

The institutional set-up for implementation, given by the structure of the FIF, requires a continuous focus on administrative overhead costs and securing that the implementation model does not increase in complexity. The ministry will advocate for simplifying this process and encourage the Secretariat to identify actions that will keep administrative costs down and enhance efficiency.

## 9. Monitoring and Evaluation

We-Fi places high importance on results monitoring and evaluation - and on learning. To ensure consistent monitoring and performance measurement of project results, a comprehensive results framework is applied to all projects. The framework captures both facility-level and project-level results and includes core indicators to help document progress toward We-Fi objectives.

Proposals must clearly define expected targets and will be scored to the extent they include a robust results framework. Proposals are required to describe the mechanism that will be used to monitor and evaluate We-Fi financed activities. Strong proposals will also have a comprehensive plan for gathering and sharing data and building capacity in areas where data gaps exist. Therefore, each funding request will include project-level indicators. The selection process consequently includes a high focus on quality assurance before programs are approved for funding. Implementing Partners funded in the first round accordingly presented strong result-frameworks. Furthermore, the Results Reporting Templates provides a strong foundation for the Secretariat to report on a facility level.

Each implementing partner that receives funding from the We-Fi will report annually on progress and results for all activities to the We-Fi Secretariat. This measurement should occur at the program level, and there is flexibility to adapt tracking and monitoring based on lessons learned during the life of the Facility. Furthermore, the IP's will annually report an assessment of risk management, summary of underlying projects as well as stories from the field. The Secretariat will consolidate reporting into an annual implementation results report and submit it to the Governing Committee. A further description of these and the reporting requirements can be seen in the supplementary material.

The Governing Committee is expected to commission a midterm review of the We-Fi starting in the third year following the date of the first transfer to an IP. The midterm review will, inter alia, (i) draw lessons learned, (ii) assess progress towards the Objective, and (iii) recommend any changes to design and

management. The Governing Committee will commission an independent evaluation, five years after the first transfer to an IP or as otherwise agreed by the Governing Committee, to be carried out by the World Bank's Internal Evaluation Group (IEG).

The We-Fi programme is also subject to a Danish review towards the end of the fifth year of the programme. The review will provide recommendations on the Danish exit from the trust fund.

## 10. Exit Strategy

We-Fi's lifespan is intended to be time-bound and subject to periodic reviews. The working hypothesis for We-Fi is an initial 10-year period, where:

- **The first five-year** period is the 'granting' period during which the total contribution to the trust fund is committed and agreements signed with IPs. The last date by which the Governing Committee can approve funding request for allocation, which is October 31, 2022. to be followed by,
- **The second five-year** period for consolidation of implementation and conclusion of activities

### Closing of trust fund

The Trustee will hold the trust fund account active until IPs have provided final accounts and returned unused funds to the Trustee. Any funds remaining in the trust fund account at the final closure of the trust fund account will be returned to the contributors on a pro-rata basis.

An Exit-matrix has been set-out from the initiation of the Facility, in compliance with the WBG requirements. The Exit matrix will be subject to a review during the planned midterm review of We-Fi during the 3<sup>rd</sup> quarter of 2020. While the timeline for Denmark's engagement will be guided by the midterm review recommendations; however, Denmark will review its engagement in year five, aiming at setting a final date of Denmark's participation in the Governing Committee.

## Annex 1: Context Analysis

### 1. Overall development challenges, opportunities and risks

*Briefly summarise the key conclusions from the analyses consulted and their implications for the programme regarding each of the following points:*

#### Global Development Challenges

- Women's economic empowerment is a cornerstone of the 2030 Agenda for Sustainable Development. Broad evidence show that women are lagging behind men in terms of the number of female business owners, the size of women-owned businesses, and their access to economic resources.
- Women entrepreneurs play a critical role in economic development by boosting growth and creating jobs. The gap in female entrepreneurship is especially apparent in low-income economies, where evidence show that women are much less likely to start a new business.

#### Key Statistics on Women's Economic Empowerment

- It is estimated that women-owned entities represent just over 30 pct. of formal, registered businesses worldwide. Yet, 70 pct. of women-owned SMEs in developing countries are either shut out by financial institutions or are unable to receive financial services on adequate terms to meet their needs. This results in a nearly USD 300 billion annual credit deficit to women-owned SME's. Gender gaps in entrepreneurship are associated with decreased income and aggregate productivity. Losses are estimated to be significantly higher in developing countries compared to developed countries.
- Globally, only 50 pct. of working-age women are in the labour force, compared to 77 pct. of men. In addition, studies estimate that a full-potential scenario in which women play an identical role in labour markets to men's, as much as 26 pct., could be added to global annual GDP in 2025
- In low-income countries only 35 pct. of adults has a bank account, which is a prerequisite for participating in the formal economy. Women lag behind men on account ownership across all regions.

#### Sustainable Development Goals

- We-Fi is directly applicable with SDG Goal 5 "Achieve gender equality and empower all women and girls" – and especially focusing on target 5.4 and 5.5. It is believed that We-Fi in this context will contribute to indicator 5.5.2 "Proportion of women in managerial positions" and indicator 5.4.1 "Proportion of time spent on unpaid domestic and care work by sex, age and location".
- We-Fi additionally address SDG Goal 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" specifically through target 8.3 and 8.5 through its focus in growth of small- and medium-sized enterprises and securing employment for all women and men.
- SDG Status Report: "While some forms of discrimination against women and girls are declining, gender inequality continues to hold women back and deprives them of basic rights and opportunities. Empowering women requires addressing structural issues such as unfair social norms, attitudes, and progressive legal frameworks that put men and women at the same level."
- In addition it reports, that in three quarters of the 79 countries with data available around 2016, less than 38 pct. of senior and middle management positions are occupied by women, with the lowest rates in Northern Africa and Western Asia and in Central and Southern Asia.

#### We-Fi Addressing Barriers for Development

- Women face many challenges to grow their businesses, including limited access to finance and capital, lack of access to technology and knowledge products, insufficient skills development and lack of networks. In addition, barriers to female entrepreneurship are reinforced by other gender inequalities, such as low financial inclusion of women, the gap in education, and legal rights disparities. To increase women's earnings and human capital wealth, investments throughout the life cycle are needed, from early childhood development and learning in schools to building job-relevant skills that employers demand, encouraging entrepreneurship and innovation, and ensuring that both women and men have equal access to opportunities and resources.

#### List the key documentation and sources used for the analysis:

- Women, Business and the Law 2018, World Bank Group

- How to Measure the Gap between New Female and Male Entrepreneurs?, Policy Research Working Paper, World Bank.
- The Power of Parity: How Advancing Women’s Equality can add \$12 trillion to Global Growth”, McKinsey Global Institute
- Gender and Financial Inclusion, International Center for Research on Women
- Verden 2030, Udenrigsministeriet 2017.
- Progress towards the Sustainable Development Goals, Report of UN Secretary-General

**Are additional studies / analytic work needed? How and when will it be done?**

- There is no need to conduct additional contextual studies or analyses.

## 2. Fragility, conflict, migration and resilience

***Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:***

- The importance of female entrepreneurship for economic development is widely recognized. Numerous studies demonstrate the positive impact of female entrepreneurs on economic growth and development, as well as sustainable and durable peace. Economies characterized by high levels of female entrepreneurial activity are more resilient to financial crises and experience economic slowdowns less frequently.
- The proposed support to We-Fi is closely linked to fragility, conflict, migration and resilience. Women without access to financial services are vulnerable and often exposed to external shocks.

**Danish areas of expertise**

- The private sector can be an essential partner for sustainable peace by providing economic opportunities and employment, by supporting the development of strong institutions for governance, and by engaging with the communities where their operations or products have an impact. Denmark has significant experience with such work.

**Humanitarian/Development linkages**

- By creating long-term solutions and opening opportunities, We-Fi will indirectly be targeting conflict, migration and resilience by investing in low income countries and fragile states. Gender Equality accordingly also serves as an indicator for the Global Peace Index.

**List the key documentation and sources used for the analysis:**

- Progress towards the Sustainable Development Goals, Report of UN Secretary-General
- Global Peace Index [www.economicsandpeace.org](http://www.economicsandpeace.org)
- UN Women [www.unwomen.org](http://www.unwomen.org)

**Are additional studies / analytic work needed? How and when will it be done?**

- There is no need to conduct additional contextual studies or analyses.

## 3. Assessment of human rights situation (HRBA) and gender

***Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:***

**Human Right Standards (international, regional and national legislation)**

- Attaining equality between women and men and eliminating all forms of discrimination against women are fundamental human rights. 104 economies still have laws preventing women from working in specific jobs, 59 economies have no laws on sexual harassment in the workplace, and in 18 economies, husbands can legally prevent their wives from working.
- The Convention on the Elimination of All Forms of Discrimination against Women, adopted by UN General Assembly in 1979 reports that to accelerate women’s actual equality in all spheres of life, States might use temporary special measures for as long as inequalities continue to exist. The Convention thus reaches beyond the narrow concept of formal equality and aims for equality of opportunity and equality of outcome.
- Gender gaps in educational attainment, discrimination and social norms shape the terms of female labour force participation. When they do, they are more likely to work part-time, in the informal sector, or in occupations that have lower pay. These disadvantages translate into substantial gender gaps in earnings, which in turn decrease women’s bargaining power and voice.
- The development discourse increasingly recognizes the influence of norms and social institutions, including the

extent to which gender-based discrimination embedded in gendered norms and social institutions shapes women's financial inclusion. Breaking down financial/non-financial barriers for female entrepreneurs is an essential part of We-Fi's result framework.

- As a donor, Denmark will through the Governing Committee keep the human rights issues on the agenda and ensure that We-Fi continuously addresses this satisfactory.

**Human Rights Principles (PANT)**

**Participation**

- Women face many challenges to grow their businesses, including limited access to finance and capital, lack of access to technology and knowledge products, insufficient skills development and lack of networks. In addition, cultural attitudes play a strong role in influencing the status of women in society and in work. Attitudes among both men and women shape the level of gender parity considered appropriate or desirable within each society.
- We-Fi works towards addressing both financial/non-financial constraints faced by women-owned/led small and medium enterprises. These include strengthened capacity of the financial sector to serve women, mobilization of USD 1 billion from commercial institutions and IFIs, and reduced gender biases in laws and policies.

**Accountability**

- We-Fi is built upon a result framework with targets including more female owned/led SME's, improvements in firm performance, improved enabling environment for women, and reduced financial and non-financial barriers faced by women owned/led SME's. This result framework will be followed closely through engagement in We-Fi Governing Committee.
- Implementing Partners have to demonstrate sufficient environmental and social safeguard measures before receiving support through We-Fi. Issues related to HRBA, Green Growth and Environmental risks will thus be handled by the We-Fi Secretariat's Management and subjected, if and when relevant, to discussions in the Governance Committee.

**Non-discrimination**

- Women entrepreneurs in developing countries are often disadvantaged from the start, having fewer professional connections, role models, and mentorship opportunities, which can adversely affect their businesses in the long run. It is in this context, which We-Fi has chosen to focus on the specific group: Women led/own SME's in developing countries.

**Transparency**

- Through advocacy, public events, Leadership Champions and online media platforms, We-Fi work towards transparency of process, projects and results. Advocating for women's economic empowerment globally is a central part of We-Fi's work.

**Gender**

- Through the objective and result framework, We-Fi focus on gender inequality – with emphasis on the gap between female and male entrepreneurs and women's economic empowerment in developing countries.

**Youth**

- Youth constitute a very significant part of the female entrepreneurs in developing countries, and are accordingly directly or indirectly impacted by We-Fi projects.

**List the key documentation and sources used for the analysis:**

- Women, Business and the Law 2018, World Bank Group
- Women's Rights are Human Rights, UNHR Office of the High Commissioner
- Gender and Financial Inclusion, ICRW
- Unrealized Potential: The High Cost of Gender Inequality in Earnings, World Bank Group 2018

**Are additional studies / analytic work needed? How and when will it be done?**

There is no need to conduct additional contextual studies or analyses.

**4. Inclusive sustainable growth, climate change and environment**

***Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:***

**Risk and challenges to inclusive sustainable growth and development**

- Working with the financial inclusion industry play an important role in relation to the sustainability agenda. The

industry is to an increasing extent adding environmental impact, climate impact and sustainable growth to the factors considered as measures of success. However, much more has to be done to strengthen all stakeholders involvement.

**Rights and Access to Natural Resources**

- By removing barriers for women owned/led SMEs in both public and private sector institutions/networks, We-Fi both directly and indirectly address norms on women's access to resources, their mobility, and their social interactions, as well as attitudes toward women's economic activity and financial autonomy.

**List the key documentation and sources used for the analysis:**

- The WBG's Climate Change Action Plan, April 2016

**If this initial assessment shows that further work will be needed during the formulation phase, please list how and when will it be done?**

There is no need to conduct additional contextual studies or analyses.

**5. Capacity of public sector, public financial management and corruption**

***Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:***

**Public Sector Engagement for We-Fi**

- Given the need for both public and private sector interventions, We-Fi supports complementary approaches through two windows. The Public Sector Window help governments improve the business environment by identifying and addressing regulatory and legal constraints, creating market opportunities and developing innovative programs.

**The corruption situation and relevant anti-corruption measures and reforms**

- The implementing partners (IP) are committed to, consistent with their policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the funds. In the event that an IP determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to activities financed by We-Fi funds that result in the IP opening an investigation into such allegations, the IP shall, in accordance with its applicable policies and procedures: (i) take appropriate action with respect to such allegations and, where relevant, seek appropriate redress, and (ii) as soon as practicable, inform the contributors of the outcome of the investigation; provided that the contributors agree to keep such information confidential on the terms agreed with the IP, unless such information is already publicly available.

**List the key documentation and sources used for the analysis:**

- We-Fi Operations Manual
- World Bank Findex, Financial Inclusion Data <http://datatopics.worldbank.org/financialinclusion/topic/gender>

***Are additional studies / analytic work needed? How and when will it be done?***

There is no need to conduct additional contextual studies or analyses.

**6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy**

***Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:***

- The objectives of We-Fi are relevant, both in a global context and in regions/countries where Denmark has significant cooperation engagements. We-Fi is directly compatible with Denmark's strategy 'The World 2030' in its focus on women entrepreneurs.
- Monitoring are based on We-Fi's results framework and indicators. Danish policy priorities will be pursued through the Governing Committee. As a membership of the Leadership Champion Group, Denmark work on raising awareness and communicate results to a broad audience.

**Areas of Engagement**

- The We-Fi Leadership Champions is a high-level advocacy group to mobilize global support for women entrepreneurs and for We-Fi's objectives. This includes Engagement plans that are individualized in accordance with each Champion's respective expertise, background, standing, availability, and interests. Minister for Development Cooperation is representing Denmark as a member of this group.
- Denmark has significant experience in private sector engagement through the Investment Fund for Developing Countries (IFU) and the SDG-fund. Denmark's participation in We-Fi will accordingly underline private sector engagement focus.

<ul style="list-style-type: none"> <li>- Advocating for gender equality and women’s rights is a high priority in Denmark’s strategy for development cooperation “The World 2030”. These advocacy efforts cover promotion through media platforms and a strong focus on economic empowerment of women. As a donor of We-Fi Denmark will continue this work through online channels and include We-Fi content in this regard.</li> </ul>
<p><b>List the key documentation and sources used for the analysis:</b></p> <ul style="list-style-type: none"> <li>- The World 2013</li> <li>- Strategic Framework for Gender Equality, Rights and Diversity in Danish Development Cooperation</li> </ul>
<p><b>Are additional studies / analytic work needed? How and when will it be done?</b></p> <p>There is no need to conduct additional contextual studies or analyses.</p>

<p><b>7. Stakeholder analysis</b></p>
<p><b>Briefly summarize the key conclusions and implications for the programme of the analysis of the below points:</b></p>
<p><b>Stakeholders</b></p> <ul style="list-style-type: none"> <li>- We-Fi is a collaborative partnership among 14 governments, eight multilateral development banks (MDBs), and other public and private sector stakeholders, hosted by the World Bank Group.</li> <li>- The founding financial contributors are: Australia, Canada, China, Denmark, Germany, Japan, the Netherlands, Norway, the Russian Federation, Saudi Arabia, Republic of Korea, the United Arab Emirates, the United Kingdom and the United States. These 14 governments committed over USD 340 million to launch the facility’s activities.</li> <li>- Project implementation is led by Implementing Partners (IP’s) that are screened and accredited by the We-Fi Governing Committee. Under the first call for proposals, the following MDBs were eligible to apply as Implementing Partners: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, IDB Invest, International Finance Corporation, Islamic Development Bank Group, and World Bank.</li> </ul>
<p><b>Stakeholder risk and coordination</b></p> <ul style="list-style-type: none"> <li>- Stakeholder risk are mitigated by receiving funds from well-established contributors to WBG trust funds, the use of established FIF Implementing Partner entities, and approval by the Governing Committee of an Operations Manual that clearly establish the decision-making role of the Governing Committee and roles and responsibilities of all parties.</li> <li>- We-Fi is unusual in its very diverse group of contributors, including partners not usually participating in donor coordination forums. At some level this particular group of donors can be said to constitute reputational risk for Denmark. On the other side We-Fi is also an opportunity to engage these usually not-aligned partners, and the IFI-set-up together with the role of the WBG makes for a firm framework for donor coordination and development dialogue on gender issues.</li> <li>- The Ministry of Foreign Affairs represents Denmark in the We-Fi Governing Committee. Considering the heterogeneous group of partners who have pledged funding to the facility, Denmark has together with traditionally like-minded countries, an important role to play in this context. Commitment to the values and development goals outlined in “The World 2030” will guide this work together with a strong focus on results.</li> </ul>
<p><b>List the key documentation and sources used for the analysis:</b></p> <ul style="list-style-type: none"> <li>- We-Fi Governance Framework</li> <li>- We-Fi Operations Manual</li> </ul>
<p><b>Are additional studies / analytic work needed? How and when will it be done?</b></p> <p>There is no need to conduct additional contextual studies or analyses.</p>



## Annex 2: Current Project Summary

<b>Enabling an Empowering Business Environment for Women Entrepreneurs in Sri Lanka</b>		
<b>Implementing partner</b>	Asian Development Bank (ADB)	
<b>Grant</b>	USD12.6 million	
<b>Timeline</b>	Start: July 6 <sup>th</sup> 2018. Finalized: December 2020	
<b>Countries</b>	Sri Lanka	
<p>Since 2016, ADB has successfully supported women owned/led SMEs in Sri Lanka. With the We-Fi grant, ADB's initiatives to benefit women entrepreneurs would be further scaled up through more extensive training support that builds women's business and leadership skills, an innovative financing model designed to incentivize banks to lend to women SMEs and technical support to government to build inclusive policies for women-owned/led SMEs.</p> <p>The development objective of the program is to enable women entrepreneurs to enjoy greater agency in the labour market, decision-making power within the household, and voice in community and public decision-making processes. It is designed to: (i) facilitate access to finance for up to 616 women-owned/led SMEs in Colombo and lagging areas of Sri Lanka; (ii) build capacity, provide access to training and mentoring for 250 women entrepreneurs; (iii) support an additional 450 WSMEs through e-platform; (iv) provide direct investment and advisory support to 10 participating financial institutions to improve gender-inclusive financial products and services to women; and (v) offer technical assistance to government agencies to improve the policy and regulatory environment.</p> <p>The project builds on an existing line of credit channelled via commercial banks in Sri Lanka, and the ADB is working closely with national-level partners, including 10 participating financial institutions, the government of Sri Lanka, and local chambers of commerce in implementing the project. The ADB is coordinating with the IFC, which has an ongoing gender program in Sri Lanka funded by Australia that links women entrepreneurs to finance, insurance, consumer protection and childcare.</p>		
Number of women-owned/led SMEs reached globally	Target	1,316
Number of direct jobs created by women-owned/led SMEs	Target	n.a.

<b>Business Resilience Assistance for Value-adding Enterprises for Women (BRAVE Women)</b>		
<b>Implementing partner</b>	Islamic Development Bank (IsDB)	
<b>Grant</b>	USD 32 million	
<b>Timeline</b>	Start: Fall of 2018	
<b>Country</b>	Yemen, Nigeria and Mali	
<p>To effectively support the business success of women entrepreneurs at the microenterprise level, women’s entrepreneurship development (WED) interventions should address more barriers to women’s entrepreneurship beyond limited access to finance and business skills. The proposed “BRAVE WOMEN” program is therefore an attempt to support female owned/led business and address barriers to women entrepreneurship in selected value chains in the Middle East and Africa, namely in Yemen, Mali and Somalia, three of the most vulnerable countries in Africa and the Middle East. The program will complement ongoing initiatives in these countries by the IP and other partners, with an emphasis on a women only skills training and access to finance scheme, aimed at boosting entrepreneurship and job security.</p> <p>The project development objective is to enhance the resilience of women-owned/led SMEs in fragile context as potential engines for innovation, employment, and improved standard of living.</p> <p>Expected results in the three countries include business (i) resilience training for 1500 WSMEs; (ii) matching grants to 1,200 of those women-owned/led SMEs for business development and upgrading; and (iii) collaboration with 60 business associations, and establishment of open-source IT platforms in each country to track interactions between women-owned/led SMEs and the executing agency.</p>		
Number of women-owned/led SMEs reached globally	Target	1,500
Number of direct jobs created by women-owned/led SMEs	Target	2,400

**Creating Finance and Markets for All  
/ World Bank Entrepreneurs Finance Initiative**

<b>Implementing partner</b>	IFC in close collaboration with the World Bank and other partners / World Bank in close collaboration with the IFC and other partners
<b>Grant</b>	USD 75 million
<b>Timeline</b>	Start: 2019
<b>Country</b>	South Asia, Middle East/North Africa & Sub-Saharan Africa

USD 49 million is allocated to the International Finance Cooperation (IFC) to lead private-sector initiatives, and USD 26 million is allocated to the World Bank (WB) to lead public-sector related activities. The WBG We-Fi Program seeks to promote women’s economic empowerment by providing comprehensive solutions, at scale, to address the full range of barriers facing women entrepreneurs. The integrated IFC and WB approach is focused on enhancing women’s confidence, capacity, capital and community to run and grow successful businesses through a set of high-impact projects jointly implemented by the IFC and WB teams.

The WB We-Fi Program will foster the development and growth of women-owned/led SMEs across three priority regions – South Asia, Middle East and North Africa and Sub-Saharan Africa using a mix of region- and country-specific approaches, and testing and replication of innovative solutions. The regional programs focus on creating e-commerce platforms and supply chain opportunities to help women-owned/led SMEs access markets and trade. Country-level implementation will address the specific training and capacity need of women entrepreneurs through mechanisms such as promoting literacy through digital technology; personal initiative training; mentoring and networking opportunities.

The WBG approach is organized around three pillars: (i) strengthening the entrepreneurial ecosystems, (ii) expanding financial services, and (iii) improving market access. The WB and IFC are closely coordinating the program implementation and will engage in collaborative activities in eight selected country projects (Bangladesh, Cote d'Ivoire, Mozambique, Nigeria, Pakistan, Senegal, Tanzania and Zambia), regional initiatives in MENA and West Africa and other markets as opportunities arise.

Overall, the WBG program expects to engage with 85 commercial clients and leverage an additional USD 454 million in funding through co-investments from IFC and the private sector, and USD 167 million in additional government and bilateral donor investment for women entrepreneurs. We-Fi will achieve additional leverage of USD870 million in loans that will be provided by financial institutions to women-owned/led SMEs above and beyond the funding provided by We-Fi and its co-investors.

Number of women-owned/led SMEs reached globally	Target	43,000
Number of direct jobs created by women-owned/led SMEs	Target	55,000

<b>Affirmative Finance Action for Women in Africa (AFAWA)</b>		
<b>Implementing partner</b>	African Development Bank (AfDB)	
<b>Grant</b>	USD 61,8 million	
<b>Timeline</b>	Start: July 2019. Completion: June 2025	
<b>Country</b>	The program's activities will be implemented in eight (8) low income countries: Ethiopia, Mauritania, Niger, Senegal, Sierra Leone, Tanzania, Uganda and Zambia; eight (8) fragile countries: Burundi, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Mali, Mozambique, and Zimbabwe; three (3) middle income countries: Botswana, South Africa and Tunisia; and two (2) blend countries: Kenya and Nigeria.	
<p>The program's overarching objective is to improve access to finance for Women-owned-led Small and Medium Enterprises (WSMEs) across the African Continent using a unique risk sharing mechanism exclusively dedicated for WSMEs as well as overcoming some of the institutional challenges constraining access to finance by women. By employing a holistic approach, the program will offer innovative and tailored financial instruments, including a women focused first loss risk sharing facility, specialized capacity building trainings to financial institutions and WSMs, as well as targeted initiatives to dramatically transform the business enabling environment for WSMEs.</p> <p>The program will serve a diverse range of countries in Africa, from low income countries to fragile and middle income countries. However, the program will mainly service low income/fragile countries in which women entrepreneurs are underserved in accessing financing, accessing markets, knowledge, and mentoring programs.</p> <p>The project consists of four components: 1) improving access to finance for WSMEs; 2) AfDB will provide capacity building services to women entrepreneurs, including access to mentoring, entrepreneurship training courses and know-how to grow their businesses in collaboration with strategic partners implementing complementary projects; 3) improvement of the enabling environment for WSMEs by working with central banks and relevant regulatory authorities to review and strengthen policies to support WSMEs; and 4) reinforcement of existing special initiatives funded by the AfDB and others to improve access finance, markets and increase the number of bankable women entrepreneurs in sectors frequently overlooked by mainstream financiers.</p>		
Number of women-owned/led SMEs reached globally	Target	40,000
Number of direct jobs created by women-owned/led SMEs	Target	28,000

<b>Woman Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES)</b>				
<b>Implementing partner</b>	Asian Development Bank (ADB)			
<b>Grant</b>	USD 20,2 million			
<b>Timeline</b>	Start: 2019. End: 2024.			
<b>Country</b>	The Pacific and Vietnam			
<p>The WAVES program is inspired by the overwhelming majority of women’s businesses who remain trapped in the ‘missing middle’, struggling to access finance, in the global region with the largest small and medium enterprise (SME) financing gap. WSMEs in the region are doubly disadvantaged due to the absence of specialized programs responding to their needs and the gender-specific market constraints: they remain invisible and overlooked despite their high potential as economic actors. In response, WAVES will build up capacity across the entrepreneurship eco-system in Indonesia, the Pacific and Vietnam with the objective to foster long-term behavior change among key stakeholders in the private and public sectors, and to strengthen WSMD’s capacity and skills to run successful business.</p> <p>The program consists of three components: 1) access to finance through innovative and ambitious financial approaches including performance-based leading (Vietnam) and the first gender bond in Southeast Asia and the Pacific to be issued in Fiji; 2) enabling environment that will work with national partners including government agencies, civil society organizations and women’s business associations to develop stronger WSME-focused policies, regulations and action plans; and 3) capacity building development of WSMEs through financial literacy and business acceleration programs, mentorship and networking opportunities, as well as supporting WSMEs in the technology industry through a tailored ‘bootcamp’, angel investor opportunities and national exposure.</p>				
Number of women-owned/led SMEs reached globally			Target	5,105
Number of direct jobs created by women-owned/led SMEs			Target	5,750

<b>Women of the Steppe</b>		
<b>Implementing partner</b>	European Bank for Reconstruction and Development (EBRD)	
<b>Grant</b>	USD 22,9 million	
<b>Timeline</b>	Start: July 2019. End: June 2029.	
<b>Country</b>	Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan	
<p>The program takes a holistic approach to tackle demand-side, supply-side and enabling environment constraints, thereby sparking systemic change at the market and firm-level, building on the EBRD's direct exposure to and experience with serving women entrepreneurs in the region.</p> <p>The program would be implemented through six components: i) dedicated financing for women-led SMEs; ii) risk mitigation instruments; iii) technical assistance to local banks; iv) access to know-how for woman-led SMEs; v) network-building activities to strengthen the impact of women entrepreneurs; vi) policy reform and advocacy activities.</p> <p>The program will achieve impact on three levels: i) increase access to finance and building the skills and know-how of women entrepreneurs to develop their businesses, increasing competitiveness and put these women-led businesses on a sound path to growth; ii) creating shifts in the financial sector by demonstrating to banks, microfinance institutions and leasing companies that lending to this segment is commercially viable and overall assisting them to better serve the needs of women as clients; and iii) remove structural barriers that women find to grow and operate their businesses and empowering women and women-led enterprises so that they become a more widespread feature of business culture, thereby providing role models for women.</p>		
Number of women-owned/led SMEs reached globally	Target	4,200
Number of direct jobs created by women-owned/led SMEs	Target	80

<b>Women’s Entrepreneurship for Latin America and the Caribbean (WeForLAC)</b>		
<b>Implementing partner</b>	Inter-American Development Bank Group (IDBG)	
<b>Grant</b>	USD 24,3 million	
<b>Timeline</b>	Start: July 2019. End: December 2024	
<b>Country</b>	Honduras, El Salvador, Guatemala, Mexico, Colombia, Brazil, Peru and Argentina	
<p>The general objective of the IDBG WeForLAC proposal is to promote the growth of WSMEs by developing innovative and catalytic projects and programs, building the entrepreneurial ecosystem in challenging country environments, generating important data to fill knowledge gaps and promoting intelligent public policy and private sector initiatives. The specific objectives of WeForLAC are to improve: i) WSMEs’ access to finance; ii) WSMEs’ access to markets; iii) WSMEs’ access to skills and networks; and iv) the entrepreneurship ecosystems for WSMEs.</p> <p>Honduras, an IDA country, will be the principal country in which a series of coordinated public and private sector initiatives will be implemented to support the growth of WSMEs. 45 pct. of We-Fi resources will be devoted to Honduras. Lessons learned in Honduras will be applied to the rest of region, with a focus on lower middle-income countries (LMICs), eg. Guatemala and El Salvador</p>		
Number of women-owned/led SMEs reached	Target	19,252
Number of direct jobs created by women-owned/led SMEs	Target	4,355

## Annex 3: Partner Analysis

### Summary of stakeholder analysis

We-Fi is a collaborative partnership among 14 governments, eight multilateral development banks (MDBs), and other public and private sector stakeholders, hosted by the World Bank Group. Project implementation is led by Implementing Partners (MDBs) screened and accredited by the We-Fi Governing Committee. MDBs are encouraged to partner with UN agencies, international financial institutions, civil society organizations, business groups, and/or other entities currently working in this field to help implement activities. We-Fi includes a number of donors that are normally not found in facilities promoting women's development. It is fair to anticipate that these donors would not have made such substantial contributions to gender facilities had it not been for the establishment of the We-Fi. With WBG hosting the secretariat and trustee makes for a firm framework for donor coordination and development dialogue on gender issues. Stakeholder risk have accordingly been mitigated by receiving funds from well-established contributors to WBG trust funds, the use of established FIF Implementing Partner entities, and establishment of the decision-making role of the Governing Committee.

### Criteria for selecting program partners

We-Fi was announced in July 2017 at the G-20 Summit in Hamburg as an innovative, new facility to supports women-led businesses and works with governments to improve the laws and regulations stifling women entrepreneurs in developing countries. The initiative received broad international support. This meant, that in April 2018 when We-Fi announced its first funding allocations, the initial round of grant allocations alone mobilized twice the amount originally targeted for We-Fi over its lifetime. It is against this backdrop, the unique opportunity that We-Fi presents combined with a strong partnership with the World Bank Group, that We-Fi was chosen as program partner.

### Brief presentation of partners

The World Bank Group is one of the largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. In fiscal year 2017, the WBG committed USD 61.8 billion in loans, grants, equity investments and guarantees to its members and private businesses. It is governed by 189 member countries and delivers services out of 130 offices with nearly 15,000 staff located globally. The Women Entrepreneurs Finance Initiative (We-Fi) is organized as a Financial Intermediary Fund (FIF) and is a collaborative partnership among 14 governments, 8 multilateral development banks, and other public and private sector stakeholders, hosted by the World Bank Group. The World Bank Group is the only global multilateral development bank and together with its emphasis on shared prosperity and the equality between genders, it constitutes an experienced and powerful partner.



## Summary of key partner features

Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the programme (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
The World Bank Group	<p>Providing low-interest loans and grants to developing countries for the investment in education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and natural resource management.</p> <p>Offer support to developing countries through policy advise, research and analysis and technical assistance.</p>	<p>Medium.</p> <p>The World Bank Group has an annual turnover of USD 43.6 billion (2017), and We-Fi budget is in this context relatively small.</p> <p>The We-Fi project is nevertheless a high priority for the WBG, and especially within the field of gender equality constituting a large platform for cooperation within different countries.</p>	<p>Medium.</p> <p>The World Bank Group serves as the Trustee and Secretariat for We-Fi and is thereby the legal owner and administrator. WBG therefore acts as both strategic and financial stakeholder.</p> <p>Nevertheless, it is the Government Committee, and thereby the donor countries, which is the decision making entity and who approves funding requests.</p>	<p>Through the We-Fi Secretariat, the WBG issues calls for proposals and manages the technical review process for submitted proposals.</p> <p>As Trustee, WBG receives funds and is in charge of coordination of disbursements.</p> <p>WBG is, as the other MDB's, also responsible for the project implementation for specific projects.</p>	<p><b>Strength:</b> WBG has a lot of experience and expertise in working with financial intermediary funds.</p> <p><b>Weaknesses:</b> As a separate trust-fund We-Fi is not integrated into mainstream WBG-activities.</p> <p><b>Opportunities:</b> Can constitute a platform for further cooperation and advocacy within the field of gender equality Within the WBG.</p> <p><b>Threats:</b> Changes in WBG management could lead to a reprioritization of We-Fi</p>	<p>We-Fi is intended to run for a five-year period plus another five-year period to conclude the activities.</p> <p>Denmark will review its engagement in the facility in year three of implementation and will then decide on a possible exit strategy.</p>

## **Annex 4: Result Framework**

### **Aggregate facility indicator:**

- The total number of women-owned/led SMEs financed by We-Fi programs.

### **Objective 1: Address financial constraints faced by women-owned/led SMEs**

- *Indicator 1:* Amount of non-We-Fi financing committed by We-Fi supported institutions to We-Fi supported activities, disaggregated by IDA/FCS countries
- *Indicator 2:* Amount of new financing given to women-owned/led SMEs by We-Fi supported institutions, disaggregated by IDA/FCS countries
- *Indicator 3:* Number of financial service providers that have updated or implemented a) new screening procedures, or b) financial products and services for women-owned/led SMEs, disaggregated by IDA/FCS countries
- *Indicator 4:* Number of financial service institutions that have put in place a system for capturing and reporting data on women-owned/led SMEs, disaggregated by IDA/FCS countries

### **Objective 2: Address non-financial constraints faced by women-owned/led SMEs**

- *Indicator 5:* Number of institutions supported by We-Fi that have updated or put in place non-financial products/support services for women-owned/led SMEs, disaggregated by IDA/FCS countries
- *Indicator 6:* Number of public sector institutions supported by We-Fi that have put in place a system for capturing and reporting data on women-owned/led SMEs, disaggregated by IDA/FCS countries
- *Indicator 7:* Number of rigorous impact evaluations commissioned by We-Fi supported institutions
- *Indicator 8:* Number of companies that have collected sex-disaggregated data on women-owned/led SMEs in their value chains and installed a procurement baseline and targets, disaggregated by IDA/FCS countries
- *Indicator 9:* Number of legal and regulatory reforms supported by We-Fi to remove constraints and support to women's entrepreneurship, disaggregated by IDA/FCS countries

### **Objective 3: Increase in number and capacity of women-owned/led SMEs to access markets**

- *Indicator 10:* Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi supported institutions, disaggregated by IDA/FCS countries
- *Indicator 11:* Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi served institutions that report increased sales or profits, disaggregated by IDA/FCS countries
- *Indicator 12:* Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs

**RESULTS FRAMEWORK**

The objective of We-Fi is to address financial and non-financial constraints faced by women-owned/led small and medium firms in IDA and IBRD eligible countries and territories. We-Fi aims to achieve this by mobilizing more than \$1 billion in commercial and international financial institution (IFI) finance for institutions 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 small and medium firms.

The Facility Level Results Framework includes outcome and output indicators capturing the financial mobilization objectives and the improved capacity of institutions to serve female SMEs, as well increases in the number of female SME and increases in their capacity and performance. The Governing Committee may adapt tracking and monitoring, as well as add new indicators, based on lessons learned during the life of the Facility.

IP Results Frameworks must include the aggregate indicator below (SMEs financed) AND at least two of the Facility Level Indicators (Column 4) must be used.

Outcomes	Outputs	Facility Level Indicators	Description	Source		SDG Linkages
		Total number of women owned/ led SMEs supported by We-Fi. <u>Total Target: \$114,373</u> <u>First Round Target: 45,816 (ADB: 1,316, IsDB: 1,500, WBG: 43,000)</u> <u>Second Round Target: 68,557 (ADB: 5,105, AfDB: 40,000, EBRD: 4,200, IDB: 19,252)</u>	Cumulative number of WSMEs supported by We-Fi programs.	Secretariat/Implementing Agencies	Annual	<u>SDG 5 Target: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.</u>
Outcomes	Outputs	Project Level Indicators	Description	Source	Frequency	SDG Linkages
Mobilization of at least \$800 million from commercial institutions and IFIs	DRAFT - Methodology for calculating targets under review for consistency among all Implementing Partners.	<u>Indicator 1:</u> Amount of non- We-Fi financing committed by We-Fi supported institutions to We-Fi supported activities, disaggregated by IDA/FCS countries. Baseline: 0 (2017) <u>Total Target: \$2.1b - \$2.6b</u> <u>First Round Target: \$1.6b (ADB: \$25.3m, IsDB: \$61m, WBG: \$ 1.491m)</u> <u>Second Round Target: \$1.0b (ADB: 206m, AfDB: 433m, EBRD: 117m, IDB:247m)</u>	Amount (US\$) of non-We-Fi financing committed by We-Fi supported institutions for activities for women owned/led SMEs. A We-Fi supported institution is defined as any institution receiving financial support or executing a program or activity on behalf of the Implementing Partner.	Secretariat/Implementing Agencies	Annual	<u>SDG1 Target: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.</u>
		<u>Indicator 2:</u> Amount of new financing given to women- owned/led SMEs by We-Fi supported institutions, disaggregated by IDA/FCS countries. Baseline: 0 <u>Total Target: \$2.4b - \$2.8b</u> <u>First Round Target: \$1.7b (ADB: \$37.9m, IsDB: \$93m, WBG: \$1,566m)</u> <u>Second Round Target: \$1.1b (ADB: 226m, AfDB: 495m, EBRD: 140m, IDB: 271m)</u>	The amount (US\$) committed to women-owned/led SMEs participants by We-Fi served institutions.	Secretariat/Implementing Agencies	Annual	<u>SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</u>

Improved Access to Finance	Strengthened capacity of the financial sector to serve women	<p><b>Indicator 3:</b> Number of financial service providers that have updated or implemented a) new screening procedures or b) financial products and services for women- owned/led SMEs, disaggregated by IDA/FCS countries.  <u>Baseline:</u> 0  <u>Total Target:</u> 134  <u>First Round Target:</u> 92 (ADB: 7, IsDB: n/a, WBG: 85)  <u>Second Round Target:</u> 42 (ADB:7, AfDB: 14, EBRD: 16, IDB: 5)</p>	The number of financial services providers that, as a result of We-Fi financing, have improved their ability to support women-owned/led SMEs.	Secretariat/Implementing Agencies	Annual	SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
		<p><b>Indicator 4:</b> Number of financial sector institutions that have put in place a system for capturing and reporting data on women-owned/led SMEs, disaggregated by IDA/FCS countries.  <u>Baseline:</u> 0  <u>Total Target:</u> 30  <u>First Round Target:</u> 7 (ADB: 7, IsDB: n/a, WBG: n/a)  <u>Second Round Target:</u> 23 (ADB: 5, AfDB: n/a, EBRD:16, IDB: 2)</p>	Number of financial sector institutions that have put in place a system for capturing and reporting data on women- owned/led SMEs.	Secretariat/Implementing Agencies	Annual	SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
		<p><b>Indicator 5:</b> Number of institutions supported by We- Fi that have updated or put in place non-financial products/support services for women-owned/led SMEs, disaggregated by IDA/FCS countries.  <u>Baseline:</u> 0  <u>Total Target:</u> 8  <u>Target:</u> <u>First Round:</u> 0  <u>Second Round Target:</u> 8 (ADB: 3, IDB: 5)</p>	Number of institutions supported by We-Fi that have updated or put in place non- financial products/support services for women-owned/led SMEs,	Secretariat/Implementing Agencies	Annual	SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
		<p><b>Indicator 6:</b> Number of public sector institutions supported by We-Fi that have put in place a system for capturing and reporting data on women- owned/led SMEs, disaggregated by IDA/FCS. <u>Baseline:</u> 0  <u>Total Target:</u> 11  <u>First Round Target:</u> 10 (WBG)  <u>Second Round Target:</u> 1 (ADB)</p>	Number of public sector institutions supported by We-Fi that have put in place a system for capturing and reporting data on women-owned/led SMEs	Secretariat/Implementing Agencies	Annual	SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
Reduced non-financial barriers faced by women owned/led SMEs	Strengthened capacity of public and private sector institutions to serve women- owned/led SMEs	<p><b>Indicator 7:</b> Number of rigorous impact evaluations commissioned by We-Fi supported institutions.  <u>Baseline:</u> 0  <u>Total Target:</u> 16  <u>First Round Target:</u> 6 (ADB: 1, IsDB: 1, WBG: 5)  <u>Second Round Target:</u> 10 (ADB: 1, AfDB: 3, EBRD: 1, IDB: 5)</p>	The number of rigorous impact evaluations of We-Fi supported interventions commissioned by IP's (or their executing agencies) to learn about what works and improve activities for women- owned/led SMEs. A rigorous impact evaluation is defined by the evaluation design (quasi- experimental and experimental) which can be used to attribute change at any program or project outcome level.	Secretariat/Implementing Agencies	Annual	SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

		<p><u>Indicator 8 (as appropriate):</u> Number of companies that have collected sex-disaggregated data on women-owned/led SMEs in their value chains and installed a procurement baseline and targets, disaggregated by IDA/FCS countries. Baseline: 0 Target: [TBD]</p>	<p>The number of companies supported by We-Fi that have collected sex-disaggregated data on women-owned/led SMEs in their value chains and installed a procurement baseline and targets.</p>	<p>Secretariat/Implementing Agencies</p>	<p>Annual</p>	<p>SDG 8 Target: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>
Improved Enabling Environment	Reduced gender biases in laws and policies	<p><u>Indicator 9:</u> Number of legal and regulatory reforms supported by We-Fi to remove constraints and support to women's entrepreneurship, disaggregated by IDA/FCS countries. Baseline: 0 Total Target: 25 First Round Target: 5 (WBG) Second Round Target: 20 (ADB: 1, AfDB: 5, EBRD: 14)</p>	<p>The number of reforms undertaken by the public sector to support the creation and growth of women-owned/led SMEs. IPs to specify type of reform.</p>	<p>Secretariat/Implementing Agencies</p>	<p>Annual</p>	<p>SDG 5 Target: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws and Target: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p>
More female owned/led SMEs	Increase in number of female owned/led SMEs in entrepreneurship support programs supported by the We-Fi	<p><u>Indicator 10:</u> Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi supported institutions, disaggregated by IDA/FCS countries. Baseline: 0 Total Target: 17,442 First Round Target: 4,316 (ADB: 616, WBG: 3700) Second Round Target: 13,126 (ADB: 2,230, EBRD: 716, IDB: 10,180)</p>	<p>The number of women-owned/led small and medium SMEs in entrepreneurship support programs in We-Fi served institutions.</p>	<p>Secretariat/Implementing Agencies</p>	<p>Annual</p>	<p>SDG 5 Target: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.</p>
Improvements in firm performance	Women-owned firms show increased sales and profits	<p><u>Indicator 11:</u> Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi served institutions that report increased sales or profits, disaggregated by IDA/FCS. Baseline: 0 Total Target: 11,264 First Round Target: 2,622 (ADB: 62, IsDB: 960, WBG: 1,600) Second Round Target: 8,642 (ADB: 1,487, AfDB: 1,200, EBRD: 120, IDB: 5,835)</p>	<p>Number of women-owned/led SMEs in entrepreneurship support programs in We-Fi served institutions that report increased sales or profits.</p>	<p>Secretariat/Implementing Agencies</p>	<p>Annual</p>	<p>SDG 1 Target: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p>
SME contribution to economic growth	Jobs created by female-owned/led SMEs	<p><u>Indicator 12:</u> Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs. Baseline: 0 Total Target: 95,585 First Round Target: 57,400 (IsDB: 2,400, WBG: 55,000) Second Round Target: 38,185 (ADB: 5,750, AfDB: 28,000, EBRD: 80, IDB: 4,355)</p>	<p>Number of direct jobs, disaggregated by sex, created by women-owned/led SMEs that have received financial or other support from We-Fi served institutions.</p>	<p>Secretariat/Implementing Agencies</p>	<p>Annual</p>	<p>SDG 8 Target: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>

## Annex 5: Strategic Priorities

### Evaluation and monitoring

- a) Induce the We-Fi Secretariat to commit to a deadline for improving and finalising the results framework – including the establishment of baselines.
- b) Ambitious targets for private sector engagement and especially mobilisation of private capital. Work towards an overall review of the FIF governance structure, and how this arrangement has affected We-Fi's operations.

### Private Capital

- a) Emphasize the need to attract private capital both on a portfolio level and in the projects approved for funding by the Governing Committee.
- b) Working to secure maximization of the capital mobilized by the private sector in We-Fi – aligned with the Danish priorities to use development aid to catalyse and crowd in private investments.

### Evidence-based projects

1. Secure that programs funded are based on already existing research and evidence on best practices.
2. Existing knowledge on development impact and economic empowerment of women should be used to full extend to maximize effectiveness and impact of the projects implemented under We-Fi.

### Gender mainstreaming

- a) Continue the focus on mainstreaming of gender efforts in the World Bank Group as well as additional implementing partners. We-Fi implementing partners the MDB's will be required to rethink gender aspects of their private sector development portfolio in order to come into consideration for economic support from the fund.

### Management

- a) Advocate for simplifying the implementation process and encourage the Secretariat to identify actions to keep administrative costs down.
- b) Monitor the content and regularity of narrative reporting by the secretariat and share these will appropriate departments in the ministry.
- c) Coordinate Danish mid-term review towards the end of third year of the programme, including potential coordination with other donor-countries.

**Women Entrepreneurs Finance Initiative (We-Fi):  
Administrative Budgets for Trustee and Secretariat  
for the Period July 1, 2018 to June 30, 2019 (FY19)  
and July 1, 2019 to June 30, 2020 (FY20)**

1. The purpose of this note is to: (1) provide an update to the Governing Committee (GC) on the Trustee and Secretariat's actual and estimated expenses for the period July 1, 2018 to June 30, 2019 (FY19) and (2) present for the GC's approval the estimated budgets of the Trustee and Secretariat for the period July 1, 2019 to June 30, 2020 (FY20).

2. In June 2018, the GC approved estimated budgets for FY19, with the understanding that these would be subject to adjustment, as necessary, at the end of the fiscal year. Table 1 below provides an overview of expenses incurred to date and projected expenses up to June 30, 2019, against the budgets approved for FY19, as well as estimated budgets for FY20 for the Trustee and Secretariat.

**Table 1: Secretariat and Trustee Costs for FY19 and FY20**

	Approved FY19 Budget (USD)	Estimated FY19 Actuals (USD)	Estimated FY20 Budget (USD)
Trustee	423,000	423,000	428,000
Secretariat	1,567,000	1,422,500	2,128,876
<b>Total</b>	<b>1,990,000</b>	<b>1,845,500</b>	<b>2,556,876</b>

**A. Trustee Budget**

3 The estimates reflect the Trustee's best estimate of the fees, costs and expenses for the fiscal year 2020 (FY20) and revised estimates for the fiscal year 2019 (FY19) based on a full cost-recovery basis and information available at the time of estimation.

4. As highlighted to the We-Fi Governing Committee at their April 10, 2019 meeting, the World Bank looks forward to rolling out a new pricing structure for trustee services provided to FIFs, which seeks to provide increased transparency and predictability while remaining within the World Bank's policy of full cost recovery. Due to a shift in FIF fee implementation deadlines, this new approach will be rolled out in phases, with the increase of 1 basis point to the fee for investment management services applicable from FY20, and the flat fee approach for legal, accounting and reporting, and financial and program management applicable from FY21. If there is any change in the approved budgets for FY20, the Trustee will submit the revised budgets based on the actuals at the end of FY20 for the Governing Committee's approval. For FY19, no adjustment is required based on estimated FY19 actuals.

5. The Trustee's costs and expenses arise from delivery of four distinct service components: financial and program management, investment management, accounting and reporting, and legal services. Services provided under these headings include:
- **Financial and program management:** Costs are based on staff time required for the management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, processing cash transfers to We-Fi Implementing Partners using World Bank financial systems and procedures, and financial reporting. Following the establishment of We-Fi in FY18, FY19 costs also include the estimated staff time and expenses required to finalize donor Contribution Agreements and execute Financial Procedures Agreements with We-Fi Implementing Partners in FY19, and to provide support to the We-Fi Secretariat and Governing Committee. Overall FY19 financial and program management costs are expected to be slightly lower than originally estimated (USD228,600 against an estimate of USD240,000) due to lower than anticipated number of financial transactions and the decision not to proceed with exploring a bespoke Private Sector Facility.
  - **Investment management:** Investment management fees are calculated as a flat fee of 3.5 basis points (i.e. 0.035%) of the average annual balance of the undisbursed cash in the Trust Fund for FY19 and 4.5 basis points (i.e. 0.045%) of the average annual balance of the undisbursed cash in the Trust Fund for FY20. The revised projected average balance over the FY19 fiscal year is higher than originally estimated (USD153 million against USD50 million) due to slower than anticipated draw-down of commitments by We-Fi Implementing Partners under We-Fi's first round of funding and higher than anticipated contributions received upon the execution of all donor Contribution Agreements.
  - The increase in investment management fees from 3.5 basis points (bps) in FY19 to 4.5 bps beginning FY20 is due to the increase in complexity of Assets Under Management (AUM) and associated costs since they were last reviewed in 2003. In keeping with the pace of evolving industry trends and to continue delivering first class asset management service for trust funds, additional resources are needed to cover the costs of complex investment options and strategies, products, process implications of regulatory requirements imposed on counterparties and markets, increased cost of compliance, and systems development and maintenance. To cover the costs of these developments and also to preserve the full cost recovery principle by ensuring sustainable business development and sound operational risk practices in line with new technological, regulatory and market environment, an increase in asset management fees of 1 basis point is required. The actual investment management costs may vary depending on the actual average liquidity level during FY20. The estimated average balance for the We-Fi FIF across FY20 is approximately USD172 million. In the event the average



balance is lower or higher, investment management fees will be adjusted accordingly at the end of FY20.

- **Accounting and Reporting:** Costs are based on the management of the accounting model for the Trust Fund, clearance of governance arrangements as they impact trust fund financial arrangements, contribution and other agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.
- **Legal services:** These costs include drafting, negotiation and processing of donor Contribution Agreements, Financial Procedures Agreements with We-Fi Implementing Partners and other legal agreements as needed. The estimate also covers staff time to provide policy advice and legal review on governance and legal issues as they may impact We-Fi and the services of the Trustee. Overall FY19 legal costs are expected to be slightly lower than originally estimated (USD99,000 against an estimate of USD115,000) due to the decision not to proceed with exploring a bespoke Private Sector Facility. Legal costs in FY20 are expected to be slightly lower than for FY19, following the execution of all outstanding We-Fi Contribution Agreements and Financial Procedures Agreements within FY19.

Table 2: FY19 and FY20 Trustee estimated costs and expenses

	Approved FY19 Amounts (USD)	Estimated FY19 Actuals (USD)	Estimated FY20 Amounts (USD)
<b>Trustee costs</b>			
Financial and Program Management	240,000	228,600	210,100
Investment Management	18,000	53,600	77,100
Accounting and Reporting	50,000	41,800	42,900
Legal Services	115,000	99,000	97,900
<b>Total</b>	<b>423,000</b>	<b>423,000</b>	<b>428,000</b>

#### B. Secretariat Budget

6. FY19 Expenses. The Secretariat's costs and expenses in FY19 arose from five distinct service components: Program Management, Travel, Facility-level Monitoring and Evaluation, Communications and Advocacy, and support for the work of the Governing Committee:

- **Program Management:** This item refers to staff and short-term consultants engaged in the delivery of core program management and administration as well as miscellaneous expenses related to the day-to-day running of the Secretariat. Program management and administration costs for FY19

came below the original estimates. In part, this reflects internal efficiencies and in part, it is due to the fact that while the original estimate budgeted for a new Strategy and Operations Officer to come on board by early 2019, Bank Management subsequently decided to postpone this recruitment pending an internal reorganization.

- **Travel:** This category includes staff and STC travel costs related to GC meetings and other events. Actuals were lower than expected.
- **Governing Committee:** This Item refers to costs associated with the work of the Governing Committee, including the costs of hosting meetings and payments to technical experts engaged for assessing proposals. For FY19, this line item included the logistical costs of arranging two Governing Committee meetings, travel expenses of observers who participated in those meetings, and fees paid to the technical experts for the review of proposals received under the third Call for Proposals.
- **Facility Monitoring and Evaluation (M&E):** This item refers to costs associated with the preparation and production of the annual progress report, which were lower than expected, given that most programs/projects only started to roll out towards the end of the year.
- **Communications and Advocacy:** For FY19, these costs include the organization of the first meeting of the We-Fi Leadership Champions in New York in September 2018, the maintenance and management of the We-Fi website; social media outreach and other media and publication costs such as publishing banners and posters. They also include a contribution of \$10,000 towards the preparation of the We-Fi Abidjan Summit; the bulk of the costs related to the Summit-- totaling over \$150,000 -- were borne by the World Bank, AfDB and IsDB.

In parallel with those discussions, we have put together a budget for the coming year for your approval and an accompanying FY20 high-level work plan, which are attached. The Budget includes funding for the five full-time positions previously approved, as well as continued funding for travel, communications and governing committee and M&E activities. As discussed with many of you, several GC-approved activities will require modest additional budget, including:

- implementation of the enhanced Communications Plan approved at the April Governing Committee meeting, which will be overseen by a Senior Communications Officer;
- funding for the PSF follow-on activities approved as of May 29 on an absence of objection basis (see below)
- full staffing of the Secretariat team for the five approved positions over the course of the year, whereas in FY19 the plan and actuals included several positions which were not staffed for the full duration.

7. **FY20 Budget.** The Secretariat has drafted a high-level work plan for FY2020 that reflects the ongoing activities of the Secretariat, new activities approved by the Governing Committee and a consultative process undertaken with the Governing Committee members. The Budget reflects the work required to undertake the ongoing and new activities included in that plan. A copy of the work plan is being shared alongside this budget.

8. The Secretariat Budget includes funding for the five full-time positions previously approved, as well as continued funding for travel, communications and governing committee and M&E activities. Approved staff positions include: a Secretariat Head responsible for leading the work of the Secretariat; a Senior Operations Officer responsible for new calls, advocacy and partnerships; an Operations Officer responsible for Governing Committee processes, coordination with Implementing Partners and monitoring & evaluation; a Communications Officer; and a Team Assistant.

Several GC-approved activities require additional budget, including:

- **Enhanced Communications Plan** (Endorsed April 2019): There is an increase in the communications expenses linked to the enhanced Communications Plan approved by the Governing Committee at the April meeting. This includes expanded communications as clients and beneficiaries become available and results come in; communications around more regular high-level events and advocacy; and improved website and social media channels. To oversee the implementation of a communications plan of this intensity and high-level engagements, the World Bank would elevate the Comms Officer to a more senior level (Grade G).
- **PSF/Innovation Round Next Steps** (Approved May 29, 2019): The Governing Committee has recently taken the decision to follow-up on the Private Sector Facility discussion with engagement of a consultant/advisor. The consultant is expected to identify gaps and opportunities with the goal of using the final round of funding for greater innovation, partnership and performance-based mechanisms. Preliminary thinking is that the process would include covering the external expenses related to (i) undertaking rapid diagnostic and analytics to identify the key gaps (ii) conducting a consultative process to generate innovative new ideas to address the identified gaps through the organization of a series of up to four thematic workshops with leading private sector players, implementing partners and potential co-funders; and (iii) designing specific challenges for the third round focusing on the key gaps and encouraging the IPs to partner with the private sector to propose more innovative and results-focused activities. The budget for this activity would cover non-secretariat / non-staff expenses.
- **Full Staffing Levels** (approved for 2019 Budget): The team is expected to be fully staffed as per the approved staffing plan for the entire year, whereas previously the Senior Operations Officer position was only budgeted for half the year, which has an impact on staff and travel expenses. Increased seniority of the Senior Comms Officer will also have an impact on the staff costs in the Program Management category.

In addition, Governing Committee expenses will decline slightly as Governing Committee meetings will be held in Washington, DC and documentation expenses are expected to be low. Furthermore, Expenses for a second Regional Summit have not been included as they will need to be assessed based on location and the funding appetite of other potential sponsors.

**Table 3: FY18 and FY19 Secretariat estimated costs and expenses**

	Approved FY18 Amounts (USD)	Estimated FY18 Actuals (USD)	Estimated FY19 Amounts (USD)
<b>Secretariat costs</b>			
Program Management	1,254,000	1,144,000	1,564,776
Travel	78,000	55,500	96,000
Governing Committee	95,000	96,100	60,000
Facility-level M&E	25,000	11,200	25,000
Communications and Advocacy	115,000	115,700	203,100
<b>Secretariat Sub Total</b>	<b>1,567,000</b>	<b>1,422,500</b>	<b>1,948,876</b>
<b>PSF / Innovation Round</b>			180,000
<b>Secretariat Total</b>			<b>2,128,876</b>

**C. Proposed Decision**

9. The We-Fi Governing Committee is requested to approve an estimated budget of USD 428,000 to cover the estimated costs and expenses of the Trustee for FY20; and USD 1,948,876 to cover the estimated core expenses of the Secretariat, and USD 180,000 for the PSF/Innovation Round in FY20.

**D. Next Steps**

10. Upon Governing Committee approval of the FY20 Trustee and Secretariat budgets, the Trustee will transfer the amounts approved from available resources in the We-Fi Trust Fund to the Trustee and Secretariat.

## Annex 7: Risk Management Policy

Below matrix is based on the risk management policy as drafted by the We-Fi Secretariat, which is to be developed further during the fall of 2018. The policy is expected to be finalized and approved during the Governing Committee meeting in October 2018. Likelihood and Impact has been assessed on the background of this policy as well as experience from We-Fi's first year.

### Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Governance and Management Risk	Low	Major	The governance and management structure of the We-Fi is clearly outlined in the Governance Framework. Furthermore, the World Bank has extensive experience in providing capacity development to partners, and likewise capacity to manage and utilise technical assistance.	Any possible changes in internal cooperation/processes are followed closely by Denmark in the Governing Committee.	<ul style="list-style-type: none"> <li>- Lack of clarity among various parties on roles and responsibilities;</li> <li>- Poor coordination between Governing Committee and Secretariat;</li> <li>- Failed internal processes, people and systems.</li> <li>- Secretariat receives incomplete or late information from IPs, jeopardizing its ability to provide timely and accurate reporting to the Governing Committee.</li> </ul>

### Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Program Design and Implementation Arrangements	Low	Major	The eligible implementing partners are institutions with wide-ranging experiences in programme implementation and capacity building and are expected to be quick and effective to respond to any incidents relating to the identified risks.	Close relationship between Secretariat and IP's will be the foundation to react to any residual risks.	<ul style="list-style-type: none"> <li>- Is program design informed by lessons of previous programs/projects in this sector/country?</li> <li>- Is the choice of the executing agency appropriate? Does the design of the project take into account the risks of the operating context and propose appropriate mitigation measures?</li> <li>- Do the program team members have the right "skill mix" to administer, implement, or supervise this project</li> <li>- Will the program require major procurement not common for this sector/country? Will the program require transfer of funds between multiple government levels?</li> </ul>

					<ul style="list-style-type: none"> <li>- The risk that the program is supply rather than demand driven. Has the program been discussed with potential counterparts?</li> <li>- The risk that program outputs and outcomes are not communicated specifically and precisely, so that concerned partners do not get what they need, when/how they need it.</li> </ul>
Political Social and Governance	Medium	Minor	Same as above.	Same as above.	Includes risks relating to the political and social environment where the programs/projects will be implemented. This may include political developments that could impact the project including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance have been adopted and implemented in the context of the project or operational engagement.
Fiduciary (FM-Financial Management, Procurement, Disbursement, Fraud and Corruption)	Low	Major	Same as above.	Same as above.	<ul style="list-style-type: none"> <li>- The risk that program funds will not be used to achieve value for money with integrity in delivering project's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/contractors or program participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other wilful acts committed to circumvent the law.</li> <li>- The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. The assessment should also look at which procurement and contract</li> </ul>

					administration arrangements/practices provide reasonable assurance that the project will achieve intended results.
Environment and Social Safeguards	Low	Major	Same as above.	Same as above.	Risk that safeguards are not properly applied in project design, and that their implementation may not achieve their objectives with respect to possible impacts on people and environment.

### Institutional risks

<b>Risk Factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk response</b>	<b>Residual risk</b>	<b>Background to assessment</b>
Contributor Non-Payment	Low	Major	Denmark is in the Governing Committee, where strategic and decision-making procedures take place. Denmark will be updated if any risk-related instance should occur, and stand part in the risk response.	Not expected as member countries are well known World Bank contributors.	Represents the risk that contributors do not meet their instalment payment schedules as set out in their Contribution Agreements.
Basis of Commitment	Low	Major	Same as above.	Same as above.	Represents the risk that the program will be unable to meet the commitments (transfer funds to MDBs) as they are needed per the FPAs and Commitment Letters from Trustee to IPs, adversely affecting the program's financial position and reputation.
Market and Interest Rate	Medium	Minor	Same as above.	Same as above.	The risk of loss to We-Fi FIF balances arising from investment management activities on balances held in the FIF.
Foreign Exchange	Medium	Minor	Same as above.	Same as above.	The risk that fluctuations in currency exchange rates will reduce the USD equivalent value of unpaid instalments in foreign currency in which a Contribution Agreement is denominated.

## Risk Management Denmark

Risk analysis of Denmark's donor-platform in We-Fi:

- The strategic risks that activities financed may not be aligned with the World Bank strategy and priorities or may duplicate other World Bank financing. This risk will be mitigated through the Governing Committee and World Bank capacity as Trustee, Secretariat, and Implementing Partner. Furthermore, there is a risk that multiple Implementing Partners could result in fragmentation and duplication. This will be mitigated through the single governance framework and operating procedures agreed by all partners. The Governing Committee, supported by the Secretariat, will ensure coordination and harmonization across the Implementing Partners. When submitting funding proposals, Implementing Partners will be required to confirm that projects are consistent with respective country strategies and contain results frameworks.
- Institutional Risk covers i.e. the somewhat complex institutional set-up for implementation. Only accredited Multilateral Development Bank's (MDB) are eligible to apply for support from the facility; however, the MDBs are expected to collaborate with other organisations, e.g. United Nation (UN), private sector, and national governments for implementation. This may cause long lead times from design over application and approval of funding, to actual implementation, and that total administrative cost will be high. This risk aspect will be followed closely through a close relationship with between the Secretariat, Implementing Partners and Governance Committee. Hence, Denmark will advocate for enhanced focus on monitoring IPs adherence to E&S best practices and ensuring that IPs have acceptable E&S safeguards.
- Stakeholder risk will be mitigated by receiving funds from well-established contributors to World Bank trust funds, the use of established FIF Implementing Partner entities, and approval by the Governing Committee of an Operations Manual that will clearly establish the decision-making role of the Governing Committee and roles and responsibilities of all parties.
- Financial risk will be mitigated by the use of grant or non-reimbursable capital contributions to the FIF, and by Trustee commitments to Implementing Partners based on cash available in the trust fund. The risk that insufficient funds are contributed to render We-Fi effective will be mitigated by the use of an 'effectiveness condition' i.e., that no project/program funding decisions may be made by the Governing Committee until contributions amounting to at least USD 100 million have been confirmed by way of signed agreements with the Trustee.
- A Reputational Risk should also be taken into account. We-Fi is unusual in its diverse group of contributors, including partners not usually participating in donor coordination forums. At some level this particular group of donors can be said to constitute reputational risk for Denmark. On the other side We-Fi is also an opportunity to engage these usually not-aligned partners, within a firm framework for donor coordination and development dialogue on gender issues. Furthermore, Implementing Partners will have to demonstrate sufficient environmental and social safeguard measures before receiving support through We-Fi. Issues related to HRBA, Green Growth and Environmental risks will thus be handled by the We-Fi Secretariat's Management and subjected, if and when relevant, to discussions in the Governance Committee, where Denmark is a member.



## Annex 8: List of supplementary materials

#	Document / Material	Source
1	Contribution Agreement and Amendment	Ministry of Foreign Affairs
2	Financial Report	We-Fi Secretariat
3	Governance Framework	We-Fi Secretariat
4	Operations Manual	We-Fi Secretariat
5	Scoring Template Project Selection	We-Fi Secretariat
6	We-Fi Countries Eligible for Funding	We-Fi Secretariat
7	Results Reporting Template for Approved Projects	We-Fi Secretariat
8	Risk Management Framework	We-Fi Secretariat
9	Board Document June 2017	We-Fi Secretariat
10	Board Document June 2018	We-Fi Secretariat
11	We-Fi Annual Report 2018	We-Fi Secretariat
12	Stakeholders Analysis	We-Fi Observers

## Annex 9: Communication Plan

What?	When?	How?	Audience(s)	Responsible
Mobilizing global support for women entrepreneurs and the objectives of We-Fi.	When speaking at appropriate national and international events/speaking arrangements.	At participation by Champions in specific events such as World Bank or partner speaking events.	Attendees at World Bank or partner speaking events, as well as attendees at public speaking arrangements for the We-Fi champions.	Department of Africa, Policy and Development
Highlighting effective and/or innovative interventions	When contributing to the publication of written material.	In relation to the contribution to publications – writing.	Followers of the We-Fi champions on social media.	Department of Growth and Employment
Promoting collaboration on women’s entrepreneurship	Occasionally on social media platforms.	Incorporation of We-Fi talking points into existing public speaking engagements at appropriate national and international platforms.  Organization of events to promote We-Fi in local context.  By the use of social media, (e.g. Twitter).	Private sector engagement as well as CSO’s/NGO’s working within this field.  Partner organizations of “Implementing Partners”	The Danish Embassy in Washington DC.  We-Fi Secretariat.

## Annex 10: Project Action Plan

Time line	Action	Responsible
Primo-January	1. Collecting materials: <ul style="list-style-type: none"> <li>- Draft Annual Report</li> <li>- Project Applications</li> </ul> 2. Making decision on potential Washington-trip in conversation with We-Fi and Birthe/KFU.	Embassy in Washington
January	Re-writing DED addressing UPR concerns.	Embassy in Washington
15-02-2019	Finalized DED send to Birthe/KFU.	Embassy in Washington
19-02-2019	Meetings with We-Fi in Washington on Result Framework/Theory of Change.	Birthe/KFU, Embassy in Washington
End February	Meeting with offices in Ministry on new DED.	Embassy in Washington, APD, BVB
11-03-2019	Programme Document with appropriation cover sheet forwarded to KFU ready for meeting in Programme Committee.	Embassy in Washington
21-03-2019	Meeting in Danida Programme Committee.	Embassy in Washington
April	Re-visit of Development engagement Documents	Embassy in Washington
23-04-2019	Programme Document with appropriation cover sheet forwarded to KFU ready for meeting in UPR.	Embassy in Washington
11-09-2019	Presenting We-Fi at UPR.	Embassy in Washington
September	The minister approves the programme <ul style="list-style-type: none"> <li>- Resumé from Danida External Grant Committee</li> </ul>	KFU start process
	Signing of legally binding agreements We-Fi <ul style="list-style-type: none"> <li>- Commitment letter</li> </ul>	Embassy in Washington
	Register commitment in MFA's financial systems before end of 2018.	Embassy in Washington

## Annex 11: Quality Assurance checklist for appraisal of projects

File number/F2 reference: 2017 - 25210

Programme/Project name: Women Entrepreneurs Finance Initiative

Programme/Project period: 2018-2022.

Budget: DKK 46 million

### Presentation of quality assurance process:

A concept note was presented and approved by the Program Committee on September 7<sup>th</sup> 2018 noting a need for further strategic and project adjustment laying out the framework for the subsequent process. The draft Development Engagement Document are send to appraisal on October 23<sup>rd</sup> and the outcomes of the appraisal will be included in the final Development Engagement Document presented to the Council for Development Policy on November 29<sup>th</sup> 2018.

✓ The design of the programme/project has been appraised by someone independent who has not been involved in the development of the programme/project.

*Comments: TQS (Birthe Elisabeth Larsen) conducted the desk appraisal during week 45 2018.*

✓ The recommendations of the appraisal has been reflected upon in the final design of the programme/project.

*Comments: Yes - all recommendations from the appraisal has been taken into account in the finalization of the programme.*

✓ The programme/project complies with Danida policies and Aid Management Guidelines.

*Comments: Yes.*

✓ The programme/project addresses relevant challenges and provides adequate responses.

*Comments: The objective of the program is directly compatible with Denmark's strategy 'The World 2030' as well as SDG 1, 4 and 8.*

✓ Issues related to HRBA/Gender, Green Growth and Environment have been addressed sufficiently.

*Comments: The focus area of the program is women's economic empowerment.*

✓ Comments from the Danida Programme Committee have been addressed (if applicable).

*Comments: Yes – the comments have been addressed and laid foundation for the development of the programme document.*

✓ The programme/project outcome(s) are found to be sustainable and is in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

*Comments: Yes – the Development Engagement Document includes description and details of the implementation process.*

✓ The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

*Comments: Development Engagement Document includes results framework and a basis for monitoring the results of the projects. Further development of Result Framework will be of high priority for Danish engagement in We-Fi Governing Committee.*

✓ The programme/project is found sound budget-wise.

*Comments: Yes.*

✓ The programme/project is found realistic in its time-schedule.

*Comments: Yes.*

✓ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

*Comments: Yes – engagement with other donors is continuous through the work in the Governing Committee.*

✓ Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

*Comments: Yes.*

✓ The executing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

*Comments: Yes – all implementing partners are well-known and trustworthy partners of the MoFA.*

✓ Risks involved have been considered and risk management integrated in the programme/project document.

*Comments: Yes. Risk Framework have been addressed in the Development Engagement Document.*

✓ In conclusion, the programme/project can be recommended for approval: **yes**

Date and signature of desk officer:

Date and signature of management:

## Quality Assurance checklist: Updated DED for Danish Contribution to Women Entrepreneurs Finance Initiative

File number/F2 reference: 2017-25210  
 Programme/Project name: Women Entrepreneurs Financing Initiative Trust Fund  
 Programme/Project period: 2019 - 2022  
 Budget: DKK 46 M (previous: DKK 23 M in 2017 = total DKK 69 M)

### Background

Women Entrepreneurs Finance Initiative (We-Fi) is a platform to scale up financing to activities addressing financial and non-financial constraints faced by women-owned/led small and medium sized (SME) business. The aim is to mobilize USD 1.6 Billion for the initiative. Denmark expressed political support to the We-Fi initiative from the design phase indicating an intention to provide financial support to the tune of DKK 69 million (approx. USD 10 million) over a three-year period subject to approval by the granting authorities. The early pledging of support enabled Denmark to participate in the WB-led technical committee preparing the MDTF documents and later in 2017 to participate in the Governing Committee (GC) and thereby exercise influence on the design of We-Fi and preparation of key documents.

The WB Board approved framework for We-Fi serves as the basic framework document for the Trust Fund through which the donor financing is channelled, and hence also for the Danish contribution to the Fund. In addition, the Embassy in Washington has prepared a Development Engagement Document (DED) as prescribed by the Aid Management Guidelines. The DED is annexed to the contribution agreement.

The first financial contribution of DKK 23 million to We-Fi was committed in 2017 and planned to be followed by a contribution of DKK 46 M in total to be committed over two years, i.e. in 2018 and 2019 with DKK 23 M in each year. When the We-Fi proposal for additional contribution of DKK 46 M was presented to the Development Committee in November 2018, the Committee raised multiple concerns and requested:

- *Clarification of the target group and elaboration of the theory of change*
- *Revisit the results framework as it was found too weak*
- *Clarification of the exit strategy*

### Quality assurance process:

With the WB serving as both the host for the We-Fi Secretariat and the Trustee for the We-Fi Trust Fund, and Multilateral Development Banks (MDB) serving as responsible partners for implementation (so-called Implementing Partners (IP)). These are all well know partners with whom Denmark has prior positive experiences, the We-Fi is considered a low risk engagement. We-Fi is managed in compliance with WB procedures and is subjected to WB

quality assurance mechanism. It has therefore been deemed sufficient with a light appraisal process focusing on the adequacy of DED, including annexes, and provision of recommendations to enable the finalization of the document before presentation for approval.

TQS has provided guidance to the Embassy throughout the process of developing the documents for the contributions to the We-Fi, including the quality assurance of the DED for the initial grant of DKK 23 M in 2017 and a desk appraisal in 2018 of the DED for the additional DKK 46 M. Further, TQS has engaged with the Embassy during the process of addressing the Development Committee's comments and hence the revision of the DED for the DKK 46 M contribution. The TQS involvement has included meetings with the Head of We-Fi Secretariat (19 – 22 February) for discussions on especially the results framework, theory of change and the exit process. Based on the information received from the We-Fi Secretariat TQS has worked with Embassy on updating the DED, including providing specific input to the theory of change, results framework, and exit strategy.

The revision process has also included consultation with VBE and UPF.

With the direct involvement of TQS in the revision process and discussion with We-Fi Secretariat on specific issues, including agreeing on targets for the results frame and discussion of the theory of change, and exit strategy, it is found that the involvement of TQS cannot be deemed independent and not involved in the development of the documentation. However, TQS has not been involved in the design of the We-Fi programme and has not been party to the We-Fi Governance structure. It is noted that the DED has been subjected to the standard internal TQS peer review.

Observing that the We-Fi Facility and Trust Fund has been subjected to World Bank quality assurances and is managed according to WB procedures, TQS and the Embassy finds it responsible to conclude from a technical point of view that the programme is ready to be presented for a renewed discussion by the Development Committee, and notes the following:

- With the limitations mentioned above, the design of the programme/project has been assessed by someone independent who has not been involved in the development of the programme/project.
- The programme/project complies with Danida policies and Aid Management Guidelines.
- The programme/project addresses relevant challenges and provides adequate responses to challenges faced by women-owned SMEs.
- Comments from the Danida Programme Committee (07.09.18) have been addressed.
- Comments from the Council for Development Policy (29.11.18) have been addressed (see Annex).

- The programme/project outcome is found to be sustainable and is in line with the national development policies and/or in line with relevant thematic strategies.
- The overall We-Fi results framework has been updated. Based on this, a sub-set of Danida-relevant indicators has been selected for the DED, which will serve as the basis for the monitoring of the engagement. It is noted that it is not possible to attribute specific results to specific inputs in a Multi-Donor Trust Fund, hence Danida's reporting will be an extract of the overall We-Fi annual results reporting.
- The programme/project is found sound management and budget-wise.
- The executing partner(s) is/are found to have the capacity to properly manage and report on the funds for the programme/project and lines of management responsibility are clear. The Governance Framework and the Annexed Operations Manual clearly outlines the management structure for the We-Fi facility and processes for selection of projects.

In conclusion, based on technical assessment the proposal for a further contribution to We-Fi Trust Fund of DKK 46 million can be recommended for approval.

Date and signature of Embassy: 11/3-19, Anders Ørnemark & Anna Cecilie Friis Bach

Date and signature of TQS: 11/3-19, Birthe Elisabeth Larsen



Ministry of Foreign Affairs – Danida

**Desk Appraisal**  
**of**  
**Women Entrepreneurs Finance Initiative Trust Fund**  
**(2018 - 2019)**

F2 2017-25210

November 2018

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## Abbreviations

ADB	Asian Development Bank
AfDB	African Development Bank
DA	Desk Appraisal
DED	Development Engagement Document
DKK	Danish Kroner
E&S	Environmental and Social Safeguards
GC	Governing Committee
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IP	Implementing Partner
MDB	Multilateral Development Bank
MDTF	Multi-Donor Trust Fund
MFA	Ministry of Foreign Affairs
M&E	Monitoring and Evaluation
OM	Operations Manual
PAP	Process Action Plan
PC	Programme Committee
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
TOC	Theory of Change
TQS	Technical Quality Support
UK	United Kingdom
UN	United Nations
US	United States
USD	United States Dollars
WB	World Bank Group
We-Fi	Women Entrepreneurs Finance Initiative

## Overall Conclusion

The overall conclusion of the desk appraisal is that the development engagement is ready to be presented for approval. The Women Entrepreneurs Finance Initiative addresses the financial and non-financial challenges faced by women in growing their businesses. The underlying assumption behind the initiative is that reducing the barriers faced by women-entrepreneurs, the women-led SMEs will contribute to economic growth and job creation. The initiative is relevant both in relation to the Sustainable Development Goals (1, 5 and 8) and in relation to the Danish priority areas as outlined in the 'World 2030'.

Summary of recommendations:

- *It is recommended that the text in § 1.2: Documentation be enhanced with information on the relationship between the Contribution Agreement and the DED, also the key We-Fi documents, such as the Governance Framework should be listed.*
- *It is recommended that the Embassy, in the Governing Committee, advocates for simplifying the implementation model and encourage the Secretariat to identify actions that will keep administrative costs down and enhance efficiency.*
- *It is recommended that the Embassy, in the Governing Committee, advocates for simplifying the implementation model and encourage the Secretariat to identify actions that will keep administrative costs down and enhance efficiency.*
- *It is recommended that the DED be annexed a summary of the issues Denmark will focus on in the Governing Committee.*
- *It is recommended that the We-Fi programme be subject to a Danish Mid-term review towards the end of year 3 of the programme. The review will provide recommendations on the areas for future focus in the GC as well as inform the eventual further financing and/or the Danish exit from the MDTF.*

## 1. Introduction

The World Bank Group's (WB) Board of Executive Directors in June 2017 approved the Women Entrepreneurs Finance Facility (We-Fi). The objective was to establish a platform that would allow for scaling up financing to activities addressing financial and non-financial constraints faced by women-owned/led small and medium sized (SME) business, aiming at mobilizing up to USD 1 Billion for the Multi-Donor Trust Fund (MDTF). The initiative, which was endorsed by the G20 Leaders at the 2017 Summit, was widely welcomed internationally and initial pledges amounted to approximately USD 341 million. Fourteen countries have made financial pledged to date, including Australia, Canada, China, Denmark, Germany, Japan, Netherlands, Norway, Russia, Saudi Arabia, South Korea, United Arab Emirates, United Kingdom, and the United States. Based on extensive international support the target has been revised upwards, aiming now to mobilize USD 1.6 Billion for the Facility.

Denmark expressed political support to the We-Fi initiative from the design phase indicating an intention to provide financial support to the tune of DKK 69 million (approx. USD 10 million) over a three-year period subject to approval by the granting authorities. The early pledging of support enabled Denmark to participate in the WB-led technical committee preparing the MDTF documents and later in 2017 to participate in the Governing

Committee (GC) and thereby exercise influence on the design of We-Fi and preparation of key documents, including the Operations Manual (OM) and the Risk Management Framework. The first financial contribution of DKK 23 million to We-Fi was committed in 2017 to be followed by a contribution of DKK 46 million in total to be committed over two years, i.e. in 2018 and 2019 with DKK 23 million in each year.

The Facility has two windows: a private and a public sector window. It provides financing to implementing partners (IP) for financing of activities that will give women entrepreneurs access to debt, equity, venture capital, insurance products, capacity building, networks and mentors, and opportunities to link with domestic and global markets, and to governments to improve the business environment for women-owned/led small and medium sized enterprises.

## **2. Desk appraisal**

The objective of the desk appraisal (DA) is to provide quality assurance (QA) of the proposed development engagement for a contribution to the WB-led MDTF of a total of DKK 46 million to be committed over two years with DKK 23 million in each of the years 2018 and 2019. The QA includes an assessment of the adequacy of Development Engagement Document (DED), including annexes, and provision of recommendations to enable the finalization of the document before presentation for approval.

With the World Bank group serving as both the Secretariat and the Trustee for the We-Fi Facility, and other Multilateral Development Banks (MDB) as Implementing Partners (IP), all well know partners with whom Denmark has prior positive experiences, the We-Fi is considered a low risk engagement. TQS was involved in the quality assurance of the initial grant in 2017, and has provided sparring during the preparation of the present phase hence the Programme Committee (PC) approved that the quality assurance process of the proposed DKK 46 million would be a light DA, building on the DA from 2017. A focus of the 2017 DA was the documents related to the MDTF, i.e. Contribution Agreement, the Governance Framework, and the Operational Guidelines (which included the We-Fi Facility results frame). These documents are unchanged and remains in force for the MDTF. The 2018-DA will avoid duplication and focus only on the completeness of the Danish development engagement document and on follow up on issues recommended in 2017-DA. The DA acknowledge that the Danish DED mirrors the Wi-Fi MDTF documents and that the MDTF documents constitutes annexes to the DED.

TQS (Birthe Elisabeth Larsen) conducted the desk appraisal (DA) during week 45.

## **3. Preparation process**

The WB, as the Trustee, handled the preparation of the We-Fi Facility, setting up of the Secretariat, and the MDTF. The process followed the established practice for WB managed thematic trust funds, which, based on previous experiences, is assessed to be adequate. We-Fi specific analyses have not been provided, however, the WB team handling the We-Fi preparation process and now later the implementation, has full access to the WB's significant knowledge-bank, hence, through the access to WB analysis and studies, there has been sufficient information to guide the preparation of the facility. Denmark, as a Contributing

Partner (CP), participated in the preparation process as a member of the technical committee, and utilized the opportunity to influence the design and promote Danish priorities.

A Concept Note was presented to the Programme Committee (PC) September 2018 by the Embassy in Washington. The PC found the objective of the Facility important and recommended the preparation for the new commitment to continue. The PC recommended the involvement of relevant units in Ministry of Foreign Affairs (MFA) in the preparation process. The DA notes that the draft DED was circulated to relevant MFA units, and comments have been taken on-board in the DED. In general, the DA finds that the PC's observations and recommendations have sufficiently been addressed in the DED.

The WB Secretariat has not been consulted/involved in the preparation of the DED for this proposed appropriation. Reasons are that the WB Secretariat was consulted for the DED for the 2017 grant and very little has changed in relation to this DED. It is the Contribution Agreement (CA) for the MDTF, which regulates the relationship between the WB and Denmark, the DED is an annex to the CA. The DED builds on the documentation for the We-Fi Facility and the MDTF's documents, but is mainly an internal MFA document, which will serve as a key instrument for the MFA management and monitoring of the engagement.

The DA finds that the preparation of the We-Fi Facility, as well as the preparation of the Danish appropriation are adequate.

- *It is recommended that the text in § 1.2: Documentation be enhanced with information on the relationship between the Contribution Agreement and the DED, also the key We-Fi documents, such as the Governance Framework should be listed.*

#### **4. Project/programme**

##### ***Relevance of the programme and its objectives***

While it is acknowledged that SMEs hold significant potentials to boost economic growth, not least in developing countries, the full potential of the SME sector is yet to be harvested. Women-led/owned SMEs face many challenges to grow their businesses, these includes limited access to finance and capital, lack of access to technology and knowledge products, insufficient skills development, and lack of networks. Also, in many countries, especially Africa, the enabling environment is not conducive for women-led businesses. The We-Fi Facility is a relevant initiative because it aims at addressing these financial and non-financial constraints in IDA and IBRD eligible countries and territories. The Facility is designed to support projects and programmes that eliminate barriers that women face in starting and growing their SME business in a variety of sectors and projects that will strengthening the enabling sector for these businesses. It is a relevant initiative in relation to the Sustainable Development Goals (Goals 1, 5 and 8). In addition, the We-Fi Facility is compatible with Denmark's strategy "The World 2030 and relevant, both in a global context as well as in relation to regions/countries where Denmark has significant development cooperation engagements.

With its clear focus on women-led SMEs, We-Fi holds the potential to be a relevant initiative through which Denmark can promote both our gender equality priorities as well as our focus on strengthening the private sector in developing countries.

### ***Theory of Change and expected effectiveness***

The underlying assumption behind the We-Fi Theory of Change (TOC) is that provision of public funds will unlock additional private funds for women entrepreneurs and that addressing the financial and non-financial barriers for women-led SMEs We-Fi will help to grow the private sector and thereby boost economic growth in developing countries and contribute to job creation. The DA notes that as the Danish contribution is provided through a MDTF arrangement it is not possible to attribute specific outputs and results to the Danish financing and it will thus not be meaningful to unfold a TOC specifically for the Danish contribution; the overall We-Fi TOC guides the Danish contribution.

The institutional set-up for implementation is very complex. Funds are channelled from the We-Fi Facility to eligible MDBs (e.g. AfDB and ADB as Implementing Partners (IP)) based on approved applications. Either the IPs will then finance activities directly or they will channel funds further on to project implementers. The MDBs are expected to collaborate with other organisations, e.g. ILO/UN, private sector partners, and national governments for implementation. This may cause a very long lead-time for the design over application and approval of funding, and further to actual implementation. The risk that total administrative cost will be very high is significant in a scenario where each part in the delivery chain will bear administrative cost. The We-Fi Facility has as yet only had one first round of allocation of resources (April 2018?). Hence, there is insufficient data to assess efficiency of the Facility and the underlying programmes. The multi-layered implementation structure causes a very long and administrative heavy process, which the DA assesses, constitutes a risk that efficiency can be negatively influence; this is a concern, which Denmark needs to be cognisant of and raise in the GC.

- *It is recommended that the Embassy, in the Governing Committee, advocates for simplifying the implementation model and encourage the Secretariat to identify actions that will keep administrative costs down and enhance efficiency.*

### ***Results framework***

It is neither possible to have a specific results frame for the Danish contribution for the same reasons as for TOC. The We-Fi Facility's overall results frame (the 'facility' results frame) will serve as the framework for monitoring the Danish engagement in We-Fi. The DA observes that the We-Fi Facility's results-frame has improved since the presentation in 2017 the DA notes that it is yet no fully developed, e.g. it operates with indicators at a very aggregated level with no baseline and targets defined for the number of business supported or jobs created. The We-Fi Facility's results framework needs to be further unfolded and improved with specific annual targets and expected results to provide an adequate basis for monitoring of results and outcomes. While there is evidence that Denmark, together with likeminded donors, has requested for targets and base line data be included, the We-Fi Secretariat has not provided such as yet, why there is still some work to be done on the results frame.

The DA also notes that the We-Fi secretariat has not as yet provided any narrative reporting for the past year, but has hitherto limited the reporting to quarterly financial reports. The OM stipulates that the We-Fi Secretariat will consolidate the reports received from the IP into an annual results report for review by the GC. While the DA acknowledges that the OM sufficiently outlines the reporting (p. 7 of OM), the DA also notes that the OM does not specify the reporting period or deadlines for when the reporting should be provided. The relatively long work stream for reporting (from the end recipient to IP to We-Fi Secretariat) constitutes a risk that the reporting provided to the GC will be delayed and information outdated by the time it reaches GC, and thereby hampering effective monitoring of the Facility.

- *It is recommended that the Embassy consult with likeminded donors on how to further the demand for an improved results framework for the We-Fi Facility and also seeks clarification on timelines for provision of narrative progress reporting for GC to be effective in its oversight role.*

### ***Alignment and donor coordination***

The group of We-Fi donors is a very diverse group of contributors. It includes both countries normally not seen as providers of finances for women's development, and normally not through a common framework, e.g. Saudi Arabia and Russia, and countries, which traditionally have gender equality as a high priority and often work through common frameworks like e.g. Denmark and UK. The We-Fi Facility constitutes an opportunity to engage these 'usually not-aligned' partners under a coordinated framework under the development effectiveness agenda. However, the very diverse group of contributing partners also constitutes a risk. The text in the DED acknowledges and sufficiently addresses the risk associated with the common donor arrangement.

### ***Partner Commitment and capacity of partner institution(s)***

The DA assesses the partner commitment and capacity of the partner institution as satisfactorily. The WB as the Trustee has demonstrated its commitment to the We-Fi Facility throughout the preparation process, and has the necessary capacity to manage the Facility. The WB has extensive experience in providing capacity development to partners, and likewise capacity to manage and utilise technical assistance. The eligible MDBs (IPs) are likewise institutions with extensive experiences in programme implementation and capacity building. Denmark's prior experiences with WB managed trust funds are generally good.

### ***Management***

The governance and management structure of the We-Fi Facility is sufficiently summarized in the DED, and further a clear outline is found in the Governance Framework (GF) and the (OM). It includes the GC, the WB-led Secretariat, and the WB as Trustee. The division of roles and responsibilities is sufficiently described. All contributors to the MDTF have a seat in the GC. The Secretariat, responsible for the day-to-day management, carries out its role in accordance with World Bank policies and procedures, which the DA assesses to be adequate and deemed sufficient to provide the necessary safeguards of the funds provided.



The DA appreciates that the DED makes it clear in various sections areas, which Denmark will give special focus on through its seat in the GC. It would be helpful if the DED includes an annex summarizing the different issues, which Denmark will focus on in the OC.

- *It is recommended that the DED be annexed a summary of the issues Denmark will focus on in the Governing Committee.*

### ***The adequacy of the proposed monitoring system***

Monitoring and evaluation (M&E) of the We-Fi Facility will be done in managed accordance with the WB policies and procedures for MDTFs. The M&E system will be subject to WB internal approval processes; hence, it would be safe to conclude that the monitoring will be of a quality and standard at par with the Danida guidelines. The financial monitoring seems well in place at the Facility level, and the quality of the financial reports provided at Facility level is good. In light of the absence of annual targets and baseline data in the overall results frame, combined with the absence of a clear TOC and the very long work stream for the results reporting, it is impossible at this stage to assess the quality of the monitoring and reporting. Neither is it possible to assess whether processes and procedures are in place for the We-Fi Secretariat to effectively monitor that the ToC remains valid or adjustments need to be made to the programme.

- *It is recommended that the We-Fi programme be subject to a Danish Mid-term review towards the end of year 3 of the programme. The review will provide recommendations on the areas for future focus in the GC as well as inform the eventual further financing and/or the Danish exit from the MDTF.*

### ***Risks***

The We-Fi Facility has developed a risk management framework, identifying strategic, portfolio, and financial risk, which may constitute a threat to the achievement of We-Fi's objective, and setting-out the roles and responsibilities for risk management. We-Fi's risk management framework is comprehensive; it outlines sufficiently the risks and identifies relevant risk management measures. The risk framework also outlines the level of risk appetite. It is noted, that We-Fi has a balanced approach to risk – the risk appetite at the strategic and financial level is low, while the appetite at portfolio level is medium<sup>1</sup>.

The DED captures the risk associated with Denmark's participation in the We-Fi platform. Co-financing with non-traditional development partners in combination with IPs with whom Denmark has little or no implementation experience may, or may not, constitute an institutional risk for Denmark. The inclusion of non-traditional partners in the MDTF constitutes an opportunity, but it also includes the risk that Denmark may find it difficult to promote Danish values and priorities or might constitute a reputational risk. The DA finds that the relevant risks to the Danish engagement have been sufficiently analysed and relevant mitigating measures identified.

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<sup>1</sup> The We-Fi operates with 5 levels on a risk appetite scale: High, Medium-High, Medium, Low-Medium, and Low. A 'low' risk appetite implies averse to risk and avoid risk at almost any cost; a 'medium' risk appetite implies acceptance of a balanced approach to risk-taking if the risk can be monitored and corrective actions can be taken early.

## **5. Process Action Plan (PAP)**

The PAP annexed to the DED is realistic. The DA has not noted anything, indicating that conclusion of the process is not achievable. Further, since all legal document has already been finalised with the WB, the DA notes that the finalisation process for expressing commitment to the new funding is straightforward and possible to conclude as foreseen in December 2018.

Birthe Elisabeth Larsen  
KFU, 9 November 2017

# **Terms of reference for desk-appraisal of Women Entrepreneurs Finance Initiative (We-Fi)**

## **1. Background**

Denmark joined the Women Entrepreneurs Finance Initiative (We-Fi) in 2017 as one of the founding members. This decision was made after taking part in the technical committee, which gave Denmark the opportunity to actively engage in the design phase and later the implementation process and hence exercise influence according to Danish priorities. We-Fi is organized as a Financial Intermediary Fund (FIF) under IBRD (World Bank). The limit for grants has been set at USD 10 million. The Danish commitment has been spread over more than one appropriation. The first grant of DKK 23 million was given in 2017 to be followed by two grant of the same size, one in 2018 and the other in 2019, subject to approval by the granting authorities. Denmark's early participation in 2017 allowed the Minister for Development Cooperation to participate in We-Fi's establishment at the World Bank's Annual Meetings in October 2017.

We-Fi is fully compatible with Denmark's strategy 'The World 2030' with its clear focus on women-led enterprises. It is a relevant initiative through which Denmark can promote both gender equality priorities and focus on strengthening the private sector in developing countries. Furthermore, women's economic empowerment is a cornerstone of the 2030 Agenda for Sustainable Development. Broad evidence show that women are lagging behind men in terms of the number of women-led business or - ownership, the size of women-owned businesses, and their access to economic resources.

It is against this backdrop, that the Embassy of Washington presents the Development Engagement Document proposing a commitment of a contribution of a total of DKK 46 million, with DKK 23 million to be committed in 2018 and further DKK 23 million to be committed in 2019; to be disbursed during the remaining period of We-Fi until 2022.

## **2. Programme formulation related challenges**

This proposal is a continuation of the funding committed in 2017 and hence built upon this previous engagement with We-Fi. This second round of funding have though given an opportunity to look into the lessons learned from the first year of We-Fi and the longer time-frame have created the opportunity for a further and broader discussion of priorities for Denmark through the engagement with We-Fi.

The preparation phase has included collaboration between the departments Growth and Employment (VBE), Development Policy and Financing (UPF), Multilateral Cooperation and Climate Change (MKL), and Technical Quality Support (TQS).

## **3. Objective of the desk appraisal**

The objective of the desk appraisal (DA) is to provide quality assurance of the proposed development engagement for contribution to the World-Bank led Multi-Donor Trust Fund for Women Entrepreneurs Finance Initiative (We-Fi) for 2018 and 2019. This will include an assessment of the Development Engagement Document, including annexes, and provide

recommendations to enable finalisation of the document before presentation to the Council for Development Policy planned for November 29<sup>th</sup> 2018.

#### **4. Scope of work**

The desk appraisal will take off-set in the quality assurance/desk-appraisal document prepared in 2017 for the first contribution to the We-Fi. The desk appraisal will build on the 2017-assessment and will concentrate on, but not necessarily be limited to, an assessment of the subsequent key aspects:

- The theory of change applied, and the expected effectiveness and efficiency of the assistance, considering time, input, results and constraints
- The programme objectives and quality of the results framework; whether the results framework, indicators and monitoring framework of the programme provide an adequate basis for monitoring results and outcomes
- The documentation provided by the programme team to substantiate: Commitment to the programme by the engagement partners and the capacity of the partner institutions to implement the engagement and to absorb and manage the support.
- The management of the programme, including whether the proposed organisation and resources allocated for programme and engagement management as well as risk management are adequate and reassuring.
- Assumptions, risks and pre-conditions, i.e. whether these have been sufficiently analysed and whether relevant mitigating measures are included.

#### **5. Methodology**

We-Fi Development Engagement Document builds on experience from the first phase and relevant MFA) staff has participated throughout formulation process. As such, it has been agreed that a **desk-appraisal** will be sufficient to address the activities identified in the scope of work above.

Danida Guidelines for Programmes and Projects' (January 2018 version) serves as the guiding framework for the desk appraisal.

#### **6. Outputs**

The outputs of the appraisal will be:

1. A short appraisal report responding to the above objectives and scope of work with specific recommendations and text input for the draft programme document (including the engagement documents and appendices).
2. A summary of recommendations overview as per the standard appraisal annex.
3. Debriefing session (with Embassy in Washington DC).

The following timeline will apply:

- All relevant appraisal documents submitted to the desk appraisal team no later than October 23<sup>rd</sup> 2018.

- Appraisal report to be submitted to the Embassy in Washington no later than November 6<sup>th</sup> 2018.

### **7. Team composition**

The desk team will be made up of: Birthe Elisabeth Larsen (TQS).

### **8. Duration and timing**

The appraisal team will conduct the desk-appraisal from October 23<sup>rd</sup> to November 6<sup>th</sup> 2018.

### **9. Documents**

- Draft programme document including relevant appendices.
- Appropriation Cover Note
- Supplementary Materials as listed in Annex 6.

Additional background documents can be provided on request.