



WORLD BANK GROUP

Jim Yong Kim
President

March 19, 2018

MEMORANDUM OF THE PRESIDENT TO THE EXECUTIVE DIRECTORS

Women Entrepreneurs Finance Initiative (We-Fi): Update and Request for Revision to We-Fi's Geographic Scope

1. I am pleased to share an update on the Women Entrepreneurs Finance Initiative (We-Fi) and to recommend for your approval a proposed expansion of the geographic scope of the We-Fi, to cover any territory that is eligible to receive financing from the World Bank through trust funds administered by the World Bank, in addition to World Bank Group borrowing countries.
2. **Background:** The Executive Directors approved the establishment of a financial intermediary fund (FIF) for the We-Fi on June 29, 2017. At that meeting, the Executive Directors also approved the recommendation for the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) (collectively, World Bank) to support the facility as Trustee and Secretariat, and as Implementing Partner, alongside other multilateral development banks (MDBs).
3. In the Board Paper, the World Bank's Management undertook to update the Board if the "final structure, governance and operating arrangements deviate significantly from the description provided in this paper."¹
4. Following the Executive Directors' approval to establish a FIF for We-Fi, it was announced at the G20 Leaders' Summit in Hamburg in July 2017. The World Bank convened two technical meetings with the initial contributors of We-Fi to develop the governance framework and operations manual for the initiative. These documents were adopted by We-Fi's Governing Committee (hereafter referred to as "the Governing Committee") at its first meeting on October 11, 2017.
5. **Updates and Key Milestones since Board Approval.** We-Fi is poised to signal a turning point for women entrepreneurs across the developing world by leveraging USD 1 billion through projects that maximize financing for development and demonstrate real scale and impact, including in the most difficult environments.

¹ Par. 58, Women Entrepreneurship Facility: Establishment of a Financial Intermediary Fund, R2017-0147, June 9, 2017.

6. Fourteen countries have made financial pledges to We-Fi, including Australia, Canada, China, Denmark, Germany, Japan, Netherlands, Norway, Republic of Korea, Russian Federation, Saudi Arabia, United Arab Emirates, United Kingdom, and the United States. To date, contributors have pledged USD 348 million (equivalent) to be paid-in over a five-year period.

7. We-Fi opened for business in October 2017. The first call for proposals was launched on October 12, 2017 and it closed on December 15, 2017. To leverage the World Bank's relevant thematic knowledge and expertise, the We-Fi Secretariat was established in the Global Themes Vice Presidency of the World Bank.

8. The following MDBs have entered into financial procedures agreements with the Trustee of the We-Fi FIF, which is necessary for such MDBs to receive We-Fi funding as Implementing Partners: Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank (IDB), Inter-American Investment Corporation (IDB Invest), International Finance Corporation (IFC), Islamic Development Bank, and the World Bank.²

9. At its second meeting on February 12-13, 2018 in Dubai, UAE, the Governing Committee discussed the proposals submitted under the first call and reached agreement on indicative funding approvals amounting to a total of USD 120 million: USD75 million combined for the World Bank and IFC; USD 12.55 million for the Asian Development Bank; and USD 32.24 for the Islamic Development Bank.³

10. Any activity the World Bank implements with We-Fi funding will be approved by Management in accordance with the policies and procedures for approving Bank-executed and Recipient-executed activities financed by World Bank administered trust funds.

11. **Revision to the Geographic Scope.** With regard to the issue of geographic scope, paragraph 31 of the Board Paper states that “programs supporting women, particularly targeting women entrepreneurs and women-led SMEs [small and medium enterprises], as the intended final beneficiaries, in all WBG [World Bank Group] borrowing countries would be eligible.”

12. In the months following Board approval, We-Fi Contributors have expressed their desire to ensure that resources reach underserved women, including women operating in fragile environments. In order for We-Fi activities to be carried out in such environments, We-Fi Contributors have requested that the geographic scope of We-Fi be expanded to include any territory that is eligible to receive financing from IBRD and/or IDA, including through trust funds administered by the World Bank.⁴ This includes West Bank and Gaza, which is not a member of the World Bank.

² The African Development Bank is pre-accredited to become an Implementing Partner but has not yet entered into a financial procedures agreement with the Trustee.

³ The Governing Committee decided not to allocate funding to the EBRD and IDB under the first call but encouraged both institutions to submit proposals under the next call.

⁴ Further, at its meeting on February 12-13, 2018, the Governing Committee agreed, based on requests from several contributors, that only those IBRD and/or IDA eligible countries and territories that are Official Development Assistance (ODA) eligible countries or territories may benefit from We-Fi funding. The following IBRD and/or IDA

13. World Bank trust funds provide flexibility to provide assistance to non-members where there is a determination by the Executive Directors that such assistance would benefit the members of the World Bank⁵, and the World Bank has been providing support to projects and programs in West Bank and Gaza through trust fund financing. In this case, Management also believes that We-Fi support to such territory that is eligible to receive financing from the World Bank through trust funds would be for the general benefit of the members of the World Bank.

14. **Recommendation.** Based on the foregoing, I recommend that the Executive Directors approve the proposed expansion of the geographic scope of We-Fi to include any territory that is eligible to receive financing from the World Bank through trust funds administered by the World Bank.

Jim Yong Kim
President

by Kristalina I. Georgieva
Chief Executive Officer

eligible countries are not eligible for ODA: Bulgaria, Chile, Croatia, Poland, Romania, Russian Federation, St. Kitts and Nevis, Trinidad and Tobago, and Uruguay.

⁵ There are several precedents where the Bank has administered trust funds that provide assistance to non-members in cases where the Executive Directors have determined that such assistance benefits the membership of the Bank as a whole (See the various legal analyses presented in the legal memorandum by the Acting Vice President and General Counsel, entitled "World Bank Assistance to East Timor," dated September 30, 1999 (SecM99-666)).