

## Investing in Women Phase 2 (2019-23) Mid-Term Review, August 2021

Review undertaken by Learning4Development, with Pathway 1 Review by Alinea Whitelum and Pathway 2 by Sagana.

### Summary of Management Response

The Department of Foreign Affairs and Trade (DFAT) thanks those who participated in the mid-term review of Phase 2 of Investing in Women (IW) across the 3 Pathways – Pathway 1: Workplace Gender Equality, Pathway 2: Impact Investment for Women’s Small and Medium Enterprises, and Pathway 3: Influencing Gender Norms. We welcome the findings of the three review reports and the consolidated Review Report. DFAT agrees with the overall findings that IW is a *“highly relevant and strategic program”*, that is *“likely to reach its end of program outcomes”* and has *“secured a strong reputation for DFAT and Australia as an international thought leader in women’s economic empowerment”*. The reports’ recommendations for IW have been fully or partly accepted (with some modification or further consideration required by DFAT and the implementing partner) and are on track to be implemented during the remainder of the current IW program to June 2023. In several instances the reviewers have recommended IW continue on its current trajectory with no suggested changes to implementation.

The recommendation that *“there remains an important role for DFAT to continue to influence an ecosystem of business leaders, capital providers and women’s economic empowerment actors in Southeast Asia”* confirms DFAT’s intention to design a successor program to Investing in Women, and the review recommendations are being considered as part of a design process. Some of the review recommendations relate to longer term approaches to the governance and program delivery which may inform both the remainder of IW and the successor program

Individual management responses to the recommendations

*(Italics indicate review text)*

## Overall Program Review Recommendations

Overall Program Recommendations	Response	Explanation	Action plan	Timeframe
<p><b>Recommendation 1</b>  <i>DFAT should re-establish a focused governance mechanism to increase the profile and work of IW within DFAT and facilitate closer strategic engagement between IW and DFAT's South East Asia Division (SED).</i></p>	Agree in part	DFAT acknowledges the importance of continuing to promote IW's work within DFAT and to keep relevant Divisions and missions informed of the design process for a successor program. However, the solution may not be to reinstate a single dedicated governance mechanism for this program alone, particularly as governance mechanisms are established for the broader range of gender equality programming in Southeast Asia.	A preferred approach will be discussed within DFAT and with the managing contractor.	By Dec 2021
<p><b>Recommendation 2</b>  <i>DFAT and IW should explore opportunities for maximising synergy between IW's existing resources and program commitments and bilateral priorities in the area of women's economic empowerment.</i></p>	Agree	<p>IW will support synergies where they align with the Theory of Change and are within resource and capacity constraints.</p> <p>The review recommends: <i>Any new areas of IW focus would need to be resourced through additional bilateral funding or planned under a future WEE program in the region.</i></p>	<p>IW and DFAT to include on the agenda for the next round of quarterly updates with posts.</p> <p>Design for a successor program to consult Australian missions in Southeast Asia and bilateral programs. Also explore in light of DFAT's broader Southeast Asia gender equality programming plans.</p>	Oct 21- Feb 22

## Pathway 1 Review Recommendations

Pathway 1 (P1) Recommendations	Response	Explanation	Action plan	Timeframe
<p><b>Recommendation 1</b>  <i>P1 should consider developing a 6-monthly Communications Plan for DFAT Posts outlining research, publications, events, and other opportunities.</i></p>	Agree	While most activities and events for P1 are planned well in advance, final timing regularly shifts in response to local context. Similarly, timing of publications and dissemination of research is dependent on completion of activities within often shifting timeframes. Some public diplomacy opportunities may arise at short notice. In these cases, DFAT will be notified through the IW-DFAT Fortnightly Report.	IW will create a forward plan that covers all three Pathways, for the coming 6-month period and update as circumstances change.	By Nov 2021
<p><b>Recommendation 2</b>  <i>DFAT should consider providing Business Coalitions (BC) and Boards with an early indication of a commitment to a continued phase beyond mid-2023. This will provide reassurance to BCs and Boards, and enable IW, DFAT, and BCs to better plan for sustainability beyond 2023.</i></p>	Agree in part	<p>Agree, however, guaranteed commitment beyond 2023 cannot be provided at this stage.</p> <p>BCs should continue to demonstrate effectiveness and outcomes, which will inform the design process for the successor program.</p>	DFAT to inform BCs at relevant points in the process as the successor program is developed e.g., approval of the concept note, approval of design and commencement of tender process.	From Oct 2021
<p><b>Recommendation 3</b>  <i>Following an indication from DFAT to continue funding beyond mid-2023, P1 should consider facilitating local business advisors to work with BCs and their Board to develop roadmaps towards sustainability tailored to the country-</i></p>	Agree	Once DFAT communicates intentions for a successor program, IW will work with BCs on scenarios towards sustainability for after 2023. IW's Business Development consultant is well placed to support this.	IW to action	From Nov 2021

Pathway 1 (P1) Recommendations	Response	Explanation	Action plan	Timeframe
<i>specific economic and business environments.</i>				
<b>Recommendation 4</b> <i>P1 to consider working with BCs and Board Chairs to conduct a governance review for each BC</i>	Agree	<i>Noting that there would likely be some standards but also some local tailoring, with a focus on the Board membership and governing arrangements that are fit-for-purpose to deliver BC growth and sustainability.</i>	IW to action. Each BC has recently completed a governance assessment as part of their annual Operational Assessment.	This work has commenced and will continue through FY21-22.
<b>Recommendation 5</b> <i>P1 to continue its focus on strengthening BCs as Centres of Excellence targeting technical capacity, operational competencies, and efficiencies.</i>	Agree	<i>This focus is critical if BCs are to expand their membership and services and sustain growth.</i> Work related to this recommendation is ongoing and progress is closely monitored. The design for the successor program will explore necessary adjustments to the model in light of progress and challenges to date.	IW to action. Design to consider.	Ongoing
<b>Recommendation 6</b> <i>P1 team should continue its focus on delivering the Client Engagement Framework (CEF).</i>	Agree	<i>This will help to streamline and strengthen BC services, and gather data and evidence to build evidence on the business case for WGE. As the CEF is just being rolled out, seeking feedback from businesses will be important to ensure it is fit-for-purpose in a business context.</i>	IW to action - work related to this recommendation is ongoing.	Ongoing
<b>Recommendation 7</b>	Agree	<i>This could help to build a knowledge base to inform the design of activities in a future phase to address gender and</i>	IW to action. P1 has actively integrated the work of P3 within P1	Ongoing

Pathway 1 (P1) Recommendations	Response	Explanation	Action plan	Timeframe
<i>P1 could facilitate learning between P1 and P3 on influencing gender norms and Workplace Gender Equality (WGE).</i>		<i>social norms within the workplace. Any opportunities within current plans to integrate P3 gender and social norms work within P1 should be taken up. P1 will continue to engage in work across Pathways when such opportunities do not detract from P1 priorities or adversely impact the capacity of P1 to meet end of program outcomes.</i>	activity when appropriate opportunities have arisen. DFAT to ensure internal visibility of relevant connections. Design of successor program to actively consider and incorporate.	
<b>Recommendation 8</b> <i>P1 to maintain the current focus of policy reform work on corporate sustainability reporting and plan for follow-through support.</i>	Agree	<i>The expected work that will flow from this includes encouraging members (and other businesses) to report voluntarily and providing technical support to businesses to enable them to do so. P1 could explore ways to promote businesses that adopt voluntary WGE reporting, building their status and profile to incentivise other businesses.</i>	IW to action - work related to this recommendation is ongoing.	Ongoing
<b>Recommendation 9</b> <i>If P1 were to increase its focus on policy reform in Vietnam, given expressed interest from Post, it would be appropriate for the Post to resource this work and this may have implications for the contract that would need to be considered by DFAT Gender Equality Branch (GEB). P1 could consider a strengthened role for the Country</i>	Agree in part	This is outside the scope of the current agreed IW design and annual plan.	IW and DFAT will consider whether/how best to accommodate and resource, working closely with the Embassy in Hanoi.	Ongoing

Pathway 1 (P1) Recommendations	Response	Explanation	Action plan	Timeframe
<i>Manager to support this work given her networks and expertise.</i>				
<b>Recommendation 10</b> <i>P1 to continue to operate flexibly and responsively to support BCs as they navigate uncertainties in the coming period.</i>	Agree	P1 to continue current approach	IW to action - work related to this recommendation is ongoing.	Ongoing
<b>Recommendation 11</b> <i>P1 to continue its focus on deepening local partnerships and strengthening those with the most potential to support BC membership growth and build influence.</i>	Agree	Agree, with a potential focus on partners that could strengthen BCs' position as Centres of Excellence in the private sector.	IW to action - work related to this recommendation is ongoing.	Ongoing
<b>Recommendation 12</b> <i>P1 to continue efforts to bring about operational efficiencies that will help BCs expand and strengthen, particularly in delivering the CEF.</i>	Agree	<i>Good examples to date include the recent automation of BC client data, to reduce workload and enable BCs to support more firms at scale. IW's panel of local WGE experts is another good example of building efficiencies.</i>	IW to action - work related to this recommendation is ongoing. A WGE panel has been recruited to support the technical work of IW and the BCs. A number of templates and processes have been revised, or are currently under revision, to increase efficiency.	Ongoing
<b>Recommendation 13</b> <i>The IW P1 team to identify ways to further streamline and find efficiencies in</i>	Agree	<i>P1 could review audit timing to align DFAT audits with local audit cycles.</i>	IW P1 has aligned local audit cycles with IW audits for FY21-22. BC Progress Reports and monthly	Complete. Continue to look for opportunities to streamline communication,

<b>Pathway 1 (P1) Recommendations</b>	<b>Response</b>	<b>Explanation</b>	<b>Action plan</b>	<b>Timeframe</b>
<i>program administration, reporting, and communications.</i>			reporting templates have been reviewed and streamlined.	reporting and program administration.
<b>Recommendation 14</b> <i>Following DFAT's commitment to design a continued phase beyond mid-2023, IW and DFAT to consider engaging in an open dialogue with BCs on models of future support from a business angle, and what it would mean in terms of DFAT support and funding.</i>	Agree	Agree, this will be considered during remainder of IW and will inform the design process for the successor program. IW will consult with DFAT and support this dialogue.	IW and DFAT to action	2022
<b>Recommendation 15</b> <i>P1 to continue its strong MEL support to BCs on the CEF MEL requirements.</i>	Agree	<i>As implementation progresses, P1 should continue to work with the BCs to identify ways to refine and simplify the CEF MEL based on feedback from firms.</i>	IW to action - work related to this recommendation is ongoing.	Ongoing
<b>Recommendation 16</b> <i>P1 to continue efforts to support cross-BC learning and sharing of good practices, which could be facilitated through a shared platform.</i>	Agree	<i>P1 also to continue developing case studies and analysis that contribute to the WGE business case, and work with BCs and Boards to package and communicate these in a business setting.</i>	Cross-BC learning sessions are being facilitated (online) by IW (MEL and P1) on a range of topics. Case studies of BC members will be developed over the remainder of the program. The IW communications team will work with P1 and MEL to disseminate.	Ongoing

## Pathway 2 Review Recommendations

Pathway 2 (P2) Recommendations	Response	Explanation	Action plan	Timeframe
<p><b>Recommendation 1</b> No changes to investment partnership structure over the next two years.</p>	Agree	<p>Pathway 2 has built a network of investing partners with deep expertise in each target country. Additionally, the partners use diverse investment strategies and structures to deploy capital with a gender lens. The Pathway 2 team should continue to support the partners in fully deploying their allocated capital. There is no need for any significant changes in the partnership structures.</p>	<p>IW will continue to monitor capital deployment and reallocate where required. In the context of COVID-19, IW will continue to review investing partnerships, assess the impact of the pandemic on investing activities, and determine appropriate course-corrective actions to preserve programmatic gains through the remainder of the IW program.</p>	Ongoing
<p><b>Recommendation 2</b> Ensure continuation of results ahead of program close.</p>	Agree	<p>P2 should use the next two years to:</p> <ul style="list-style-type: none"> <li>• Crystalize plans for the program to exit the investment structures with partners</li> <li>• Push Phase 1 partners to provide plans to exit their investments in WSMEs in a timely fashion</li> <li>• Ensure ownership and resourcing of content, tools and examples, either through a DFAT program or another ecosystem player like GenderSmart Investing Summit and/or AVPN</li> <li>• Create mechanisms and funding to follow up at the end of fund life cycles, to fully capture and amplify the program's success. To facilitate a fair comparison, IW should publish performance results at an IW portfolio level rather than at each fund's level. While this will highlight the program's</li> </ul>	<ul style="list-style-type: none"> <li>• IW will work with eight investment partners to finalise their investment structures to redeploy DFAT capital post grant exits. Detailed exit strategies will be developed.</li> <li>• Knowledge resources and relevant tools are shared on the IW website and those of partners (Intelicap, Value for Women, AVPN and GenderSmart Investing Summit). This will ensure that P2 resources are available to the investing ecosystem beyond IW's lifespan.</li> <li>• IW will publish performance results at a portfolio level.</li> </ul>	Ongoing



Pathway 2 (P2) Recommendations	Response	Explanation	Action plan	Timeframe
		<i>success, it will prevent unfair comparisons of individual funds with commercial funds.</i>		
<b>Recommendation 3</b> <i>Shift focus towards market-based success outcomes.</i>	Agree	<i>For most of the program, the Pathway 2 team has focused on input metrics like capital deployed, private market and public market leverage achieved, etc. As the program will come to a close in two years, the focus should shift towards performance metrics. It is still too early in the program for exits, therefore it may still be too early to measure exit multiples and increase in valuations. However, the program should start focusing on market-based metrics like follow-on rounds, growth in revenues and profitability, loan repayments, etc. that can be used as indicators of success.</i>	IW tracks market-based metrics and changes in valuation of portfolio companies of Phase I partners. Aggregated valuation of each investment portfolio will be reported to DFAT. For the Phase II partners, it remains too early to track the changes in valuation. This activity will be considered for post-2023 portfolio tracking. DFAT is provided with an annual Impact Report which summarises funding mobilised and socio-economic impact of the investments.	By July 2022 For successor program
<b>Recommendation 4</b> <i>Change mindsets around barriers faced by women entrepreneurs.</i>	Agree	<i>Pathway 2 should work with a market-building partner like AVPN to open a conversation around the cultural and systemic barriers faced by women entrepreneurs. The program could create guidance for capital allocators to address the most common gender-specific barriers like:</i> <ul style="list-style-type: none"> <li>• <i>The perceived pregnancy risk</i></li> <li>• <i>Different ways in which women entrepreneurs present themselves and their business</i></li> <li>• <i>Perceived lack of female investment talent to fill senior investment roles</i></li> </ul>	IW provides impact investing partners with comprehensive technical assistance for change management. IW has a clear methodology for gender lens integration for capital allocators. The P3 team provides inputs to refine this approach when appropriate. IW's gender lens investing advisor, Value for Women, supports and works with all the three industry partners on this agenda and has also launched a How-to-Guide that covers the wider agenda including some of the examples highlighted in the recommendation. IW will work with AVPN to explore further opportunities to discuss these barriers.	Ongoing

Pathway 2 (P2) Recommendations	Response	Explanation	Action plan	Timeframe
<b>Recommendation 5</b> <i>Continue to collaborate with EMIIF.</i>	Agree	<i>Pathway 2 should continue working closely with EMIIF to consider investments in their investment partners, to ensure continued growth capital is available to the best WSMEs and removing barriers on their path to being shining examples of success.</i>	IW work related to this recommendation is ongoing	Ongoing
<b>Recommendation 6</b> <i>Continue Gender Lens Investing Fellowship.</i>	Agree in Part	<i>Pathway 2 is working with AVPN and Sasakawa Peace Foundation on creating a GLI fellowship. This fellowship and similar educational programs should be continued to educate capital allocators and eventually to help them move from capability building to action, perhaps eventually with a commitment to do so. Agree, subject to outcomes of review of initial round of fellowships.</i>	IW will undertake a review of the first round of fellowships and, subject to the outcomes of the review, consider its approach to support any further cohorts of the GLI Fellowship.	Feb-March 2022
<b>Recommendation 7</b> <i>Understand the need for fundraising support.</i>	Agree	<i>During Phase 2, Pathway 2 prioritized partners with a stronger presence and deeper expertise in each target country. However, in some cases, this strategy resulted in smaller partners with relatively less experience raising and managing funds. And structurally, first-time fund managers find it challenging to raise their first funds. Because of the COVID-19-related disruption, all partners are finding fundraising more challenging than ever. The Pathway 2 team is aware of this problem and has pushed ecosystem partners to make the relevant introductions to HNWIs, foundations and DFIs, but this has not been successful – despite great</i>	IW will conduct meetings with the Phase 2 investing partners to map their fundraising challenges and the support required. IW will consider additional support for these funds as identified during the assessment.	Ongoing

Pathway 2 (P2) Recommendations	Response	Explanation	Action plan	Timeframe
		<p><i>efforts from the team. Pathway 2 should work with the investing partners to understand these challenges and inform the ecosystem or future programs of what is most needed.</i></p> <p>This problem is a structural issue for first-time fund managers. P2 is aware that fundraising is contingent upon established track record, which IW is helping to deepen.</p>		

## Pathway 3 Review Recommendations

Pathway 3 (P3) Recommendations	Response	Explanation	Action plan	Timeframe
<b>Recommendation 1</b> <i>P3 should develop a Plan to widely disseminate research, results and learnings from its work over the next two years.</i>	Agree	Dissemination of research will be undertaken thoughtfully, so as not to harden opinions against women's economic empowerment. Research results and learnings could also be delivered to policy makers.	IW will develop a dissemination plan as part of the FY23 Annual Plan. This will also address Recommendations 5 and 7	May 2022
<b>Recommendation 2</b> <i>DFAT GEB should explore opportunities to lead conversations with other DFAT areas to profile IW learnings about the effectiveness of social norms advocacy and canvass broader uptake of similar approaches in other DFAT programs.</i>	Agree	Explore options for IW to present to DFAT Divisions or posts. This issue will be covered during design consultations for the successor program, and the design will consider other DFAT programs working on similar issues in countries of planned implementation.	DFAT Gender Equality Branch to action	Ongoing
<b>Recommendation 3</b> <i>P3 should sustain its focus on supporting all P3 partners to build networks of influential organisations and strategic partnerships for the remaining two years of the program.</i>	Agree	Agree. P3 to continue current approach	IW work related to this recommendation is on-going.	Ongoing
<b>Recommendation 4</b> <i>P3 should ensure regular forums are conducted to promote sharing, learning and collaboration between partners and draw on insights from members of IW's Gender Norms (IGN) Advisory Panel.</i>	Agree	P3 will hold annual learning events for partners and IGN Panel advisers will be invited to these. There will also be 6-monthly IGN Panel meetings.	IW to action	Ongoing
<b>Recommendation 5</b>	Agree in part	This is linked to Recommendation 1. The extent to which IW is able to	IW to action	Ongoing

<b>Pathway 3 (P3) Recommendations</b>	<b>Response</b>	<b>Explanation</b>	<b>Action plan</b>	<b>Timeframe</b>
<i>P3 should continue to pursue opportunities to profile its work among experts in the field, such as through the ALIGN program (Advancing Learning and Innovation on Gender Norms) of the Overseas Development Institute.</i>		implement this recommendation is subject to the availability of resources as these opportunities are resource intensive.		
<b>Recommendation 6</b> <i>P3 should proactively check-in with partners to identify areas for potential follow-up MEL support.</i>	Agree	MEL methodology on measuring gender norms change may also be useful to share with other partners including with government policy makers.	IW will continue to include MEL as an agenda item on monthly partner meetings. IW will include a capacity needs focus within the partner MEL update.	Ongoing
<b>Recommendation 7</b> <i>P3 should sustain its focus on developing insights and learning papers and ensure that these collate key findings from partner research, situational analyses and campaign effectiveness.</i>	Agree	Agree. P3 to continue current approach.	See response to Recommendation 1. IW will develop a dissemination plan as part of the FY23 Annual Plan.	May 2022
<b>Recommendation 8</b> <i>P3 should consolidate and profile its research and learnings in gender stereotyping and advertising.</i>	Agree	The results of this research can also be shared with relevant agency in the country.	IW has piloted various initiatives in gender stereotyping and advertising and, over the next six months will write up learnings from these initiatives and propose next steps.	2021-22