

Request for Applications

Women Enterprise Impact Investment Fund: Partnering to Unlock Investment Capital for Women Enterprises

Request for Applications

Deadline to submit applications: **4 October 2019, 23:59 ICT**

1. SUMMARY OF THE REQUEST FOR APPLICATIONS

Objective: ESCAP's objective is to partner and provide grant funding for: 1) the establishment of a women enterprise impact investment fund; or 2) to expand an existing impact investment fund to specifically invest in women enterprises¹ in the Asia-Pacific Region.

This call for applications asks applicants to take a gender lens investing approach, meaning investing with the specific intent to create a positive impact on women. However, the focus goes beyond women as individuals but **specifically focuses on supporting women enterprises**. This can be in the form of investing in enterprises which are majority owned by women (51%), managed by a woman, majority of the board members are women, and/or supporting enterprises which support, empower and develop the capacities of women.

Project Implementation Timeline: 15 November 2019 – 15 December 2022² (39 months within this time frame).

Application Calendar

- Publication date: 06/09/2019
- Deadline to submit the request for clarification: 27/09/2019
- Final deadline for applications: 04/10/2019 23:59 ICT

For any questions regarding the application process, please send inquiries to: escap-cwe@un.org

Applications should be returned to ESCAP by email to escap-cwe@un.org no later than midnight on 04/10/2019 23:59 ICT. Applications must follow the submission format as outlined in the [Application Template Technical Proposal](#) and [Budget Proposal](#).

¹ Women enterprises are defined as enterprises that are majority owned by women (51%), managed by a woman, majority of the board members are women and/or enterprises which support, empower and develop the capacities of women. Therefore, male owned enterprise can be considered, if the senior management or board structure is 51% women, or if the enterprises core business works to support, empower and develop the capacities of women.

² Note that the fund will be required to report results and impacts achieved for 1 year beyond the agreement timeline, to ensure sustainability and documentation of results.

2. ABOUT THE UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC (ESCAP)

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations for the Asia-Pacific region. Made up of 53 Member States and 9 Associate Members, with a geographical region home to around two thirds of the world's population. Established in 1947 with its headquarters in Bangkok, Thailand, ESCAP works to overcome some of the region's greatest challenges by providing results oriented projects, technical assistance and capacity building to member States in the following areas: Macroeconomic Policy, Poverty Reduction and Financing for Development; Trade, Investment and Innovation; Transport; Environment and Development; Information and Communications Technology and Disaster Risk Reduction; Social Development; Statistics; Sub-regional activities for development and Energy.

ESCAP provides a forum for its Member States to promote regional cooperation and collective action in pursuit of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, assisting countries to achieve shared economic growth and social equity. Our vision is to be the most comprehensive multilateral platform for promoting cooperation among Member States to achieve inclusive and sustainable economic and social development in Asia and the Pacific.

For more information on the ESCAP, see www.unescap.org.

3. ABOUT ESCAP'S CATALYSING WOMEN'S ENTREPRENEURSHIP PROJECT

Women's entrepreneurship is increasingly being recognized as a key catalyst for advancing women's economic empowerment in the Asia-Pacific region. By setting up and managing a business, women can achieve economic independence, overcome poverty through asset building, and improve their well-being as well as that of their families and communities. Research has shown that compared with male business owners, women business owners hire more women employees.³ Women also tend to use their incomes more productively since, as one study shows, women devoted 90 cents of every dollar they earn on their families including on children's education, health and nutrition, compared to 30-40 cents by men.⁴

ESCAP's research illustrates that while entrepreneurs in general face considerable barriers, women entrepreneurs face additional disadvantages which hold them back from achieving their full potential. Example of barriers that limit opportunities for women to establish, manage and develop an enterprise, include: a) policies and legislation that are blind to the specific circumstances, needs and interests of women; b) limited access to finance, credit and ICT; c) limited opportunities for capacity development; and d) discriminatory socio-cultural norms. Such barriers jeopardize their capacity to start-up a business and grow their businesses, preventing them from fully participating in the economy. As a result, it undermines the potential for women entrepreneurs to be 'agents of change' in their communities and to foster growth, employment and poverty reduction in the Asia-Pacific region.

Out of the estimated 315 million formal MSMEs in developing countries around the world, only 73.5 million or 23% are owned by women. Out of these 73.5 million MSMEs, 39% are partially or fully credit constrained. The finance gap for women-owned MSMEs in developing countries is estimated at \$1.5

³ The Asia Foundation and APEC, Asia Pacific Economic Cooperation. (2013). *Access to Trade and Growth of Women's SMEs in APEC Developing Economies: Evaluating Business Environments in Malaysia – Philippines – Thailand*. San Francisco: The Asia Foundation.

⁴ World Bank (2011). *World Development Report 2012: Gender Equality and Development*. Washington, DC: World Bank.

trillion, or 32% of the total finance gap for MSMEs. For women wanting to start or expand a business, access to finance is key⁵.

ESCAP's project: ***Catalyzing Women's Entrepreneurship: Creating a Gender-Responsive Entrepreneurial Ecosystem***, is funded by the Government of Canada through Global Affairs Canada. Overall, the project is a five-year initiative, aimed at addressing three key overarching barriers faced by women entrepreneurs: (1) enabling policy environment and regulatory challenges, (2) **access to finance**, and (3) use of information and communication technologies (ICT) by women entrepreneurs. Overall, the project aims to crowd-in investment capital, competition and innovation, and increase the range and reach of services supporting women entrepreneurs. **In total the project aims to directly support 20,000 women entrepreneurs by December 2023.** This Request for Applications will be one of the many access to financing mechanisms deployed under this project, which is expected to contribute to a portion of the overall 20,000 women reached.

This project uses a variety of mechanisms to address the financing challenges faced by women enterprises, these mechanisms consist of: a grant based innovation (challenge) fund approach, women enterprise impact bond by supporting the bond structuring and impact measurement, and through supporting the establishment and/or expansion of a women enterprise⁶ impact investment fund in the Asia and Pacific region.

This Request for Applications (RFA) is designed to support the development of a Women Enterprise Impact Investment Fund.

4. ELIGIBILITY AND REQUIREMENTS

4.1 Overview:

Through this Request for Applications (RFA) ESCAP intends to partner with one or several impact investment funds, to unlock capital for underserved women enterprises. ESCAP will provide financial support for the development and/or expansion of existing impact investment mechanisms to specifically invest in women enterprises in the project's target countries.

ESCAP's grant can be used to support the funds operational development/expansion costs, legal fees, identification/building an investor network, market research, identification of investable women enterprises, portfolio management, capacity building and monitoring of impact.

It is expected that the impact investment fund would bring in the investment capital necessary to provide equity⁷ investment to women enterprises.

4.2 Who can Apply?

Applications are open to all organizations which hold a **not-for-profit status**. A proof of the organization's not-for-profit status will be required as part of the application process.

⁵ MSME Finance Gap Report, 2017

⁶ This consists of enterprises that are majority owned by women (51%), managed by a women, majority of the board members are women and/or enterprises which support, empower and develop the capacities of women.

⁷ Loan or guarantee financing can also be considered.

Applications are also open to other UN, government and multilateral entities, who have the skills and expertise in developing similar initiatives.

4.3 Target end customers

The impact fund should focus on supporting women entrepreneurs through the provision of equity investments⁸. As mentioned, this call for applications asks applicants to take a gender lens investing approach through investing in enterprises that are majority owned by women (51%), managed by a women, majority of the board members are women and/or enterprises which support, empower and develop the capacities of women.

While a gender lens investing approach is taken, the impact fund can and should impact both men and women. However, the purpose of this Request for Applications is to specifically support women enterprises, as defined above. Therefore, beneficiaries will be measured as follows:

Direct Beneficiaries

- # of women enterprises receiving investment
- # of women benefiting from the investment (women employees, women run enterprises in the company's value chain, etc.)

Indirect Beneficiaries

- # of men benefiting from the investment (male employees, male run enterprises in the company's value chain, etc.)
- # of men and women indirectly benefiting from the investment, i.e. family members, etc.

Please ensure that in the application, the target women enterprise direct beneficiaries are clearly stated, while indirect beneficiaries are also stated separately. If possible, please disaggregate the target beneficiaries by target country. If further disaggregation is possible in terms of market sector, type of enterprise, etc. please also provide this information.

4.4 Targeted Countries for the Impact Investment Fund are:

- Pacific: **Fiji, Samoa,**
- South Asia: **Bangladesh, Nepal**
- South-East Asia: **Cambodia, Viet Nam**

It is highly desired that applicants strive to launch the fund in all 6 of the target countries, or in target countries covering all 3 regions. Applicants with investor networks open to investing in one or more of the above six countries, will be prioritized in the selection process.

While the above countries are the priority target countries, consideration will be given to applications focused on the additional countries below:

- Pacific: Vanuatu.
- South Asia: India, Sri Lanka, Pakistan.
- South-East Asia: Lao PDR, Myanmar

Though not preferred, the applicants can also suggest other countries as part of their investment coverage, apart from the above countries mentioned, but limited to the Asia-Pacific region.

⁸ Loan or guarantee financing can also be considered and should be fully explained in the application.

The applicant must provide a clear rationale for the countries selected. If the applicant proposes countries outside of the 6 priority countries listed, the applicant must also indicate the approximate amount of funds to be used to support the impact fund beyond the 6 target countries mentioned above.

4.5 Fund Investment Amount and Impact:

The size of the Impact Investment Fund and total number of women entrepreneurs benefitting through the Fund has not been defined in this RFA. **In the application form, it will be important to clearly state the anticipated size (amount in US\$) of the Impact Investment Fund and the number of women entrepreneurs benefitting from the fund.** It is requested that the fund total and number of women entrepreneurs benefitting, be accompanied by supporting evidence (i.e. market analysis, existing pipeline of investors and investable enterprises, etc.)

4.6 Fund Investment Timeline:

Investments under the Impact Fund made through December 2022 will be considered and measured under the project. By December 2022, all capital provided by ESCAP to the grantee should also have been spent. Beyond the duration of the financial agreement between ESCAP and the grantee, 1 year of additional results monitoring, as aligned with the Catalyzing Women's Entrepreneurship project timeline, will be undertaken by ESCAP to document and ensure sustainability of results.

5. SCOPE OF THE WORK

As part of this project, the applicant is expected to increase access to finance for women enterprises resulting in enterprises growth, increased income, increasing access with value chains and/or increased employment.

As part of the agreement, the applicant is expected to undertake the following:

- Design or redefine the fund strategy and implementation plan with a gender lens, focusing on the specific needs of women enterprises;
- Develop a robust deal flow pipeline;
- Increase the amount of the Funds investable capital by expanding the number of Fund's Limited Partners;
- Develop a strong impact measurement framework;
- Launch a Women Enterprise Impact Fund;
- Invest in women enterprises as defined in this document⁹;
- Through impact investment into women enterprises, benefit women entrepreneurs' employees, people dependent/involved in the entrepreneur's supply chain, and household level impacts;
- Increased investors knowledge of the importance of investing and supporting women enterprises;
- Work with ESCAP to ensure learning from the implementation of the Impact Fund are shared widely to influence private and public stakeholders.

⁹ As defined above, a women enterprise consists of enterprises that are majority owned by women (51%), managed by a women, majority of the board members are women and/or enterprises which support, empower and develop the capacities of women.

6. EXPECTED ACTIVITIES AND WORKING PLAN

The project workplan and activities will vary based on the stage of the impact fund (newly developed or expanding to a new market segment). Applicants are expected to provide a detailed workplan and budget for the activities to be undertaken under the project. Please refer to the [Budget Proposal Template](#).

The project period is 39 months, with an estimated start date of 15 November 2019 and end date of 31 December 2022. The applicant is encouraged to continue the fund beyond this time period, however the financial agreement between ESCAP and the partner will close as of 31 December 2022. The institution will be required to provide data for monitoring purposes for 1 additional year (through 31 December 2023).

Beyond the workplan activities the partner will be expected to develop a robust impact monitoring framework. The partner will be required to provide financial performance monitoring through quarterly financial reports; half yearly impact reports; and annual audited financial reports as well as annual impact performance reports.

7. ESCAP FUND USE AND BUDGET

Through this RFA process, ESCAP funds can be used to support the Impact Investment Fund's: operational development/expansion costs, legal fees, identification/building an investor network, market research, identification of investable women enterprises, portfolio management, capacity building, and monitoring of impact.

Please note that each application received will also be judged with the consideration of value for money. As noted above, it is important to ESCAP that Impact Investment Funding mechanisms be developed in all 3 project regions and therefore multiple RFA grantees may be selected under this call for applications. The total funding amount available for this RFA is circa US\$ 1.3 million. Therefore, in order to ensure the ESCAP investment can cover multiple regions, a funding cap has been set. Applicants can request up to US\$500,000 per region covered and up to US\$ 1.3 million to cover priority project countries in all 3 regions.¹⁰

8. ESCAP DUE DILLIGENCE AND MONITORING

While the grantee is expected to develop a robust impact monitoring framework and will be required to report to ESCAP on project achievements, ESCAP will also conduct assessments, due diligence, monitoring and evaluation of the project. This will be undertaken to ensure quality and impact of results, as well as document learnings for broader public and private sector knowledge.

¹⁰ For example, if an application covers 2 regions Bangladesh, Nepal (South Asia) and Cambodia (South East Asia) the maximum threshold that can be requested is US\$ 1 million. If an application covers only Cambodia and Vietnam (South East Asia), the maximum threshold that can be requested is US\$ 500,000. If an application covers, for example, Bangladesh, Cambodia and Fiji (3 regions), up to US\$ 1.3 million can be requested. Please note that regional coverage is not the only consideration and value for money will need to be demonstrated.

9. PARAMETERS OF THE AGREEMENT

Outputs and deliverables

The written outputs and deliverables of the work undertaken through this project are considered a public good, unless otherwise agreed. Thus, outputs and deliverables will be placed in the public domain with the intent that they can and should be freely and widely used by other parties. The data and information of individuals supported under this project will be kept anonymous, unless otherwise agreed by the end beneficiary. Investor pipelines and other sensitive investor/client information will also be kept anonymous, unless otherwise agreed.

Team Support

This project is seen to be a partnership between ESCAP and the grantee. ESCAP will work closely with the grantee to ensure strong project delivery and results. This will include where required, coordination on communication and marketing materials, technical assistance provided by ESCAP as needed, financial support provided through grant funding, and coordination and support for regulatory approvals that may be required leveraging ESCAP's strong constituency of government partners.

Agreement and Duration

The winning applicant is expected to sign a **Letter of Agreement (Grant Agreement)** with ESCAP. Sample of the ESCAP [Letter of Agreement template](#) and [Agreement Terms and Conditions](#) has been made available. The payment schedule will be mutually discussed and agreed upon between the winning applicant and ESCAP. Clear milestones will be established through the agreement to ensure that the project funds are being utilized in line with the objectives and key performance indicators of the project. Disbursement of project funds will be aligned to the achievement of the agreed milestones and objectives. If you have any questions regarding the Letter of Agreement, please email escap-cwe@un.org with your inquiry.

Language

The deliverables, as well as any and all related correspondence exchanged by the organization and ESCAP, shall be written in English.

10. ELIGIBILITY REQUIREMENTS AND EVALUATION CRITERIA

Minimum qualification criteria

- Applications are open to all organizations which hold a not-for-profit status provided that the applicant demonstrate prior experience and capability of proposed staff members in creating or managing an Impact Investment Fund. A proof of the organization's not-for-profit status will be required as part of the application process. Applications are also open to other UN entities, government and multilateral organizations who have the skills and expertise in developing similar initiatives.
- Have proven understanding of Asia-Pacific region and can legally operate in the targeted countries mentioned.
- Provide written confirmation ([Annex 1](#)) that the organization has reviewed the [ESCAP Letter of Agreement template](#) and [Agreement Terms and Conditions](#) and is prepared to sign it without

revision to ESCAP's standard legal text.

- The application submission must be complete and received on time.

Other requirements and qualifications

- Previous experience with impact investment funds, in the context of the Asia-Pacific region.
- Have a strong network of investors willing to invest in a women enterprise impact investment fund.
- Existing investor capital or institutional capital to support the initiation of the fund.
- Confirmed human resources to cover all planned/required activities.
- Current presence in the Asia-Pacific region preferred.
- Previous experience in targeted countries preferred.
- Experience working with financial institutions, Micro Small and Medium Enterprises, impact investors, donors, guarantee funds and/or stock exchanges.
- Experience working with international organisations and understanding of the challenges of working with them preferred.
- Commitment and ability to provide on-site resources (e.g. staff, consultants) as needed.

Structure of the Application

- Please refer to the ESCAP [website](#) for all of the application materials. We ask that you download the [Full Technical Proposal](#), [Budget Proposal](#) and [Annex 1 – Submission Confirmation](#) and ensure that the application is filled out using the templates provided. The application should be returned by email to: escap-cwe@un.org. **Any applications received NOT following the application template or any alterations to the application template will be automatically disqualified.**
- Additional documents or links to documents may be included at the applicant's discretion.

Submission of the Application

- Applicants who have any questions regarding the RFA should submit their questions by email to: escap-cwe@un.org
- To submit the final application, please send it by email to escap-cwe@un.org with the subject line: RFA-ESCAP-Women Enterprise Impact Investment Fund
- The **deadline** to submit the application is **4th October 2019, 23:59 ICT**. **Applications received after this date will be automatically eliminated.**

Evaluation Process

The decision will follow the following timeline and process:

- Applications received by **4th October 2019, 23:59 ICT**.
- Applications reviewed and shortlisted by the ESCAP Innovative Financing Team.
- Shortlisted applications will be reviewed through an expert Investment Committee. All committee members will be required to sign a non-disclosure and all applicant information will be strictly confidential.
- Selected applications will be informed and taken forward to ESCAP's Grant's Committee for approval.
- The target date for the conclusion of the grant agreement is **15 November 2019**.

Evaluation Scoring and Criteria

Technical Proposal (including CVs of team): 700 Points

Organization and Partner Information		Points Obtainable
1.	Expertise of Firm / Organization / Partners and Capital Structure	200
2.	Proposed Implementation Plan and Approach	400
3.	Management Structure and Key Personnel	100
Total		700

Expertise of Firm / Organization / Partners and Capital Structure		Points Obtainable
1.1	Reputation of Organization and Partners / Credibility / Reliability / Industry Standing	50
1.2	General Organizational Capability which is likely to affect implementation - Financial stability - Expertise and strength of partners, holding company, etc. - Age/size of the firm - Experience on Similar Programme / Projects - Experience on working in Asia Pacific and targeted countries - Work for ESCAP/donor or other major multilateral organizations in the past	50
1.3	Status of the Fund's Capital Structure - Strength of sector level networking and collaboration capacities to raise capital and - other requirements - Amount of investment capital raised - Donor, investor, stakeholders, networking expertise - Limited Partner profile	100
Total Part 1		200

Proposed Implementation Plan and Approach		Points Obtainable
2.1	- Overall quality of application and applicant's understanding of the RFA and the goal of the Impact Investment Fund. - Proposed implementation timeline aligned with ESCAP objectives	50
2.2	- Country selection and rationale for selection - Coverage of the projects priority target countries - Entities capacity and ability to legally operate in the selected country	150
2.3	- Investment strategy thesis - Target fund size US\$ and investment focus - Appropriateness of fund characteristic for the target market	100
2.4	- Number of women entrepreneurs directly benefitted from the impact investment fund - Number of women entrepreneurs directly benefitted from the impact investment fund in the 6 primary target countries - Number of indirect beneficiaries reached	100
Total Part 2		400

Management Structure and Key Personnel (CV's of the team)		Points Obtainable
3.1	Proven ability/experience in impact investing	25
3.2	Evidence of experience working in Asia – Pacific region	25
3.3	Evidence of experience on raising capital	25
3.4	Proven ability on project management, knowledge management and monitoring and evaluation and impact assessment	25
Total Part 3		100

Financial Proposal (300 points)

1. To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by ESCAP. **(225 points maximum)**
2. Has the proposer suggested any innovation or provided a compelling argument in delivering the services that are able to deliver value for money to ESCAP? **(75 points maximum)**

Total 1,000 points.