



INVESTING IN WOMEN

PHASE 2 INVESTMENT DESIGN DOCUMENT
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The views expressed in this document are those of the design team and do not necessarily reflect the views of the Australian Government or DFAT.

ACRONYMS

AVPN	Asian Venture Philanthropy Network
BC	Business Coalition
DFAT	Department of Foreign Affairs and Trade
DLP	Developmental Leadership Program
EDGE	Economic Dividends for Gender Equality Certified Foundation
EMIIF	Emerging Market Impact Investment Fund
EOPO	End of Program Outcome
GEB	Gender Equality Branch
GIIN	Global Impact Investing Network
GLI	Gender Lens Investing
HLP	High-Level Panel
IDD	Investment Design Document
IIP	Impact Investment Partner
ISP	Implementing Service Provider
IW	Investing in Women
MEL	Monitoring, Evaluation and Learning
MGI	McKinsey Global Institute
MPD	Multilateral Policy Division
SAB	Strategic Advisory Board
SDG	Sustainable Development Goals
UNHLP	UN Secretary General's High-Level Panel on Women's Economic Empowerment
WEE	Women's Economic Empowerment
WGE	Workplace Gender Equality
WGEA	Workplace Gender Equality Agency
WSME	Women-owned and led Small and Medium-sized Enterprises

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EXECUTIVE SUMMARY

INTRODUCTION

Investing in Women (IW) is a multi-country Australian Government initiative in Southeast Asia that seeks to improve women's economic participation as employees and as entrepreneurs, and influence the enabling environment to promote Women's Economic Empowerment (WEE). It commenced in April 2016 with operations in the Philippines, Indonesia, Vietnam and Myanmar and is managed out of the Gender Equality Branch (GEB) of the Department of Foreign Affairs and Trade (DFAT) in Canberra. Phase 1 is scheduled for completion at the end of June 2019. Although the original Investment Design Document (IDD) set the strategic framework for the full duration of the program with completion in June 2023, it was agreed that this would be 'refreshed' prior to Phase 2. This updated IDD reflects: a) opportunities and constraints of the evolving operational environments; b) the policy and budgetary settings of the Australian Government; and c) lessons from Phase 1 implementation as identified through an independent Review process.

RATIONALE

The 2017 Foreign Policy White Paper¹ reiterates that Australia's national interest is served by strong and enduring prosperity in the Indo-Pacific region, and affirms the Government's commitment to being a leading development partner for Southeast Asia. This entails making a shift from traditional 'donor-beneficiary' dynamics to a more mature relationship, firmly based on economic partnerships, 'soft power' and people-to-people links, consistent with the priorities of emerging economies and middle-income countries.

The White Paper also emphasises that a fundamental barrier to this prosperity is gender inequality, a fact underpinned by a growing body of research that demonstrates the direct link between levels and quality of women's participation in the workforce and economic

¹ *Foreign Policy White Paper* (DFAT, 2017).

growth². While some progress has been made to close gender gaps in economic opportunities and outcomes, substantial challenges remain. Globally, only one in two women aged 15 and over is in paid employment compared with about three in four men, and at the same time, women take on about three times more unpaid work than men. When women are in paid work, they tend to work in jobs that reflect gender stereotypes and are characterised by relatively low earnings, poor working conditions and limited career-advancement opportunities. In relation to female entrepreneurs, WSMEs (women-owned/led small to medium-sized businesses) are significantly unserved or under-served by financial institutions, representing a USD 285 billion credit gap³.

Why the economic ‘power of parity’ continues to be largely unrealised was the focus of the comprehensive and cutting-edge research undertaken by the UN Secretary General’s High-Level Panel on Women’s Economic Empowerment (UNHLP) throughout 2016. The UNHLP underscored that investments to address these structural barriers, which affect women in all strata of society – not just poor women – are insufficient. The UNHLP identifies ‘seven drivers of transformation’ to address systemic constraints that include: a) tackling adverse norms and promoting positive role models; b) changing business culture and practice; c) ensuring legal protection and reforming discriminatory laws and regulations; and d) building financial assets.

In line with its comparative advantage in the field of workplace gender equality within the formal economy, and with its evolving foreign policy priorities, Australia, through IW, will continue to play a lead role in addressing these constraints. Innovative modalities grounded on the ‘business case’ pillar for workplace equality and investment in women entrepreneurs will be used. IW will work through, and leverage from, the inherent dynamism and competitiveness of the private sector to address structural barriers to gender equality, focused on strategic and catalytic interventions that support local leaders and coalitions to mobilise their own reform agendas.

² *McKinsey Global Institute Report, The Power of parity: advancing women’s equality in Asia Pacific* (McKinsey & Company, 2018); *Delivering through diversity* (McKinsey & Company, 2018); *The cost of gender equality. Unrealised potential: the high cost of gender inequality in earnings* (World Bank, 2018); *Investing in Women Literature Review* (IW, 2015).

³ *Giving credit where it is due: How closing the credit gap for women-owned SMEs can drive global growth* (Goldman Sachs, 2014).s

INVESTMENT DESCRIPTION

While the objectives of the Phase 1 design have been retained, the program’s scope has been tightened and feasibility optimised, with some modifications to the End of Program Outcomes (EPOO) as follows:

OUTCOME PATHWAY	END OF PROGRAM OUTCOME
1. Workplace Gender Equality (WGE)	More businesses achieve improved gender equality in their workplaces
2. Impact Investment for WSMEs	Intentional impact investments in WSMEs increase
3. Influencing Gender Norms	Positive shifts in gender norms related to WGE

OUTCOME PATHWAY 1 – WORKPLACE GENDER EQUALITY

In order for more businesses to achieve gender equality in their workplaces through changed business culture and practice, IW will continue to support the vision and operations of the Business Coalitions (BCs) established in Phase 1 and, as appropriate, assist in related government policy/regulatory reform. The BCs, comprised of influential and large businesses, are, through their leadership teams, committed to driving gender equality in the workplace and becoming ‘WGE Centres of Excellence’ within their respective country contexts. This Outcome Pathway is built on the premise, supported by international evidence⁴, that certain large businesses, with the right profile, act as role models to others and can therefore influence their practices. It is also expanded to reflect the demonstrated appetite of the BCs to be leaders in the provision of data-driven and evidence-based resources and expertise for influencing and progressing WGE reform within the Southeast Asian region. Strategic technical assistance for WGE policy reform will also be provided by IW, either through entry points identified by the BCs or through embassies and linked with other bilateral programs.

⁴ E.g.: the Australian Male Champions of Change initiative.

OUTCOME PATHWAY 2 – IMPACT INVESTMENT FOR WSMEs

Consolidating its pioneering work in gender lens impact investment (GLI), IW will continue to work with existing partners and new investors, along with the broader GLI ecosystem, to increase impact investment in WSMEs. Through incentivising fund managers to provide financial services tailored specifically to WSMEs, it is expected that WSMEs will successfully use these services to grow their businesses and, as a result, reinforce the business case for investment in WSMEs, which, in turn, will lead to increased investment – thus creating a virtuous circle. This Outcome Pathway reflects IW’s continued ‘supply side’ strengthening intent, with a focus on communicating the benefits of, and tools for, investing in WSMEs to educate and influence the broader ecosystem.

OUTCOME PATHWAY 3 – INFLUENCING GENDER NORMS

With the aim of influencing the social norms that predicate workplace gender equality, IW will support local advocacy actors who are intrinsically motivated to shift negative gender attitudes and stereotypes within their respective cultural contexts. Through a catalytic approach, IW will amplify the reach and impact of non-traditional and energetic partners who have the ambition, networks and innovative thinking to experiment creatively to address deeply entrenched reform blockages – particularly using the social change potential of digital technology and social media. A concurrent aim will be to ensure that the BCs, and other IW partners, have access to locally housed repositories of the advocacy products developed through IW’s advocacy support activity.

MONITORING, EVALUATION AND LEARNING (MEL)

The approach to MEL in Phase 2 will ensure a dual focus on demonstration of results and an internal learning function to inform where, how and why change occurs. IW MEL will be undertaken collaboratively with partners, in particular the BCs, to strengthen their capability to measure, report on and learn from changes that are occurring through their own reform activity. Research will continue to play an important role in IW Phase 2, with a shift to prioritising partnerships with local/regional institutions.

SUSTAINABILITY

At its heart, IW has the primary role of a ‘convener’, rather than the more conventional ‘service delivery’ aid project modality. In this way, IW’s core business is to facilitate and strengthen relationships between other, local actors, rather than assuming a central role itself. This will be consolidated in Phase 2, in particular, as the BCs are supported to become the locally embedded private sector drivers of WGE reform within their respective countries – with, by the end of Phase 2, the capability and resources to become themselves conveners, connectors and influencers between business, government and non-state actors.

IW’s priority focus is on building and communicating the ‘business cases’ for both WGE and impact investment for WSMEs within the wider business community and impact investment ecosystem. This means that the results and changes achieved through IW’s direct partners will have a high likelihood of broad influence, thereby multiplying and sustaining impact beyond the life of IW.

1. INTRODUCTION

Investing in Women (IW) is a multi-country Australian Government initiative in Southeast Asia that seeks to improve women's economic participation as employees and as entrepreneurs, and influence the enabling environment to promote Women's Economic Empowerment (WEE). It commenced in April 2016 with operations in the Philippines, Indonesia, Vietnam and Myanmar and is managed out of the Gender Equality Branch (GEB) of the Department of Foreign Affairs and Trade (DFAT) in Canberra. Designed on the premise that influencing change in attitudes and practices related to WEE and workplace gender equality (WGE) is a long-term endeavour, IW was intended to be a 7.5-year program with two phases. Phase 1 is scheduled for completion at the end of June 2019. Although the original Investment Design Document (IDD)⁵ set the strategic framework for the full duration of the program, with completion in June 2023, it was agreed that this would be 'refreshed' prior to Phase 2. This process serves to ensure that the design is updated to reflect: a) the realities, opportunities and constraints of the evolving operational environments; b) the policy and budgetary settings and priorities of the Australian Government; and c) lessons learned from Phase 1 implementation.

1.1 INVESTMENT DESIGN DOCUMENT UPDATE PROCESS

This IDD Update is primarily informed by the independent Phase 1 Review which was commissioned jointly by DFAT and IW in July 2018. The review process involved the engagement of technical experts to review discrete program components conducted through desk-based documentation analysis and consultations with key IW technical personnel and DFAT officers in Canberra. An overarching review synthesis report, prepared by the IDD Update Leads, was then prepared and is found at Annex 5.9. Following DFAT endorsement of the Review, the IDD Update Leads, supported by the IW CEO and the GEB Assistant Director responsible for IW management, undertook a two-week in-country mission across all four IW countries. Consultations were held with embassy staff, IW personnel, key partners and stakeholders to validate (or otherwise) findings and further

⁵ *Investing in Women Initiative Design Document* (DFAT, 2015).

inform the IDD Update. This IDD Update covers Phase 2 of the program, from 1 July 2019 to 30 June 2023.

2. ANALYSIS AND STRATEGIC CONTEXT

The 2017 Foreign Policy White Paper⁶ reiterates that Australia’s national interest is served by strong and enduring prosperity in the Indo-Pacific region. However, it also emphasises that a fundamental barrier to this prosperity is gender inequality, a fact underpinned by a growing body of research that demonstrates the direct link between levels and quality of women’s participation in the workforce and economic growth⁷. This ‘business case’ for WEE was the driving analytical rationale behind the original IW IDD – a case that over the three years since the design has only become stronger, with increasingly broad-based and high-profile acknowledgement. This includes the creation in 2016 of the first-ever UN Secretary General’s High-Level Panel on Women’s Economic Empowerment (UNHLP) in the context of the Sustainable Development Goals (SDG) 2030 Agenda. The new 2030 agenda, based on 17 goals, includes a stand-alone goal on gender equality and the empowerment of women and girls (SDG 5) in recognition of the importance of WEE as a prerequisite for economic growth. In 2017 there was also the establishment of the first Women20 dialogue (W20) with a focus on Asia Pacific regional good practices and policy recommendations for G20 leaders in key areas of WEE.

This growing international attention on the ‘smart economics’ rationale for women’s equality at work has been further consolidated through the release in April 2018 of the *McKinsey Global Institute (MGI) report, The Power of parity: advancing women’s equality in Asia Pacific*⁸. This updated economic analysis demonstrates that by advancing women’s equality – specifically through increasing women’s labour force participation in quality jobs and their representation in entrepreneurship and business leadership positions – the economies of the Asia Pacific could boost their collective GDP by USD 4.5 trillion a year by 2025, a 12 percent increase over business-as-usual GDP. Similarly, McKinsey’s latest research on the impact of diversity in business⁹, specifically focused on Asia, shows that companies in the top quartile for gender diversity on their executive teams are 21 percent more likely than other firms to report above-average profitability; the figure three years

⁶ *Foreign Policy White Paper* (DFAT, 2017).

⁷ *Investing in Women Literature Review* (IW, 2015).

⁸ *McKinsey Global Institute Report, The Power of parity: advancing women’s equality in Asia Pacific* (McKinsey & Company, 2018).

⁹ *Delivering through diversity* (McKinsey & Company, 2018A).

earlier was 15 percent. With regard to entrepreneurship, women owned/led small and medium-sized enterprises¹⁰ (WSMEs) continue to be a large source of job creation for women – of the nearly 7 million WSMEs in the formal sector in developing regions, over one-half (around USD 3.5 million) are in Southeast Asia. However, the growth potential of these businesses remains untapped due to barriers in accessing capital; Goldman Sachs estimates that by closing the credit gap for women by 2020, incomes per capita could be on average around 12 percent higher by 2030¹¹.

2.1 DEVELOPMENT PROBLEM / ISSUE ANALYSIS

While some progress has been made to close gender gaps in economic opportunities and outcomes, substantial challenges remain – and this despite continuing advances in education and rising incomes in much of the world. Globally, only one in two women aged 15 and over is in paid employment compared with about three in four men, and at the same time, women take on about three times more unpaid work than men. When women are in paid work, they tend to work in jobs that reflect gender stereotypes and are characterised by relatively low earnings, poor working conditions and limited career-advancement opportunities. Women are particularly under-represented in the high-growth science, technology, engineering, and mathematics (STEM) jobs. And when women do the same jobs as men or perform work of equal value, they are paid less on average than men; although the size of the pay gap varies considerably around the world¹². In terms of women in business leadership, extreme gender inequality prevails; in the Asia Pacific region women hold only one in four positions at the manager level and above. While the share of women sitting on company boards doubled between 2011 and 2016 from 6 to 13

¹⁰ The definition of a WSME used throughout is as follows: i) a Woman-**owned** SME refers to an enterprise with ≥ 51% ownership/stake held by women, prior to any investment. A Woman-**led** SME exhibits all the following characteristics: ≥20% ownership/stake held by women, prior to any investment; ≥1 woman as CEO/COO (President/Vice-President) or equivalent level, within 100 days of the investment; ≥30% of the board of directors being women (within 100 days of the investment) where a formal board exists.

¹¹ *Giving credit where it is due: How closing the credit gap for women-owned SMEs can drive global growth* (Goldman Sachs, 2014).

¹² *Leave no one behind – A call to action for gender equality and women’s economic empowerment. UN Secretary-General’s High Level Panel on Women’s Economic Empowerment* (UNHLP, 2016).

percent, this is still a very low share.¹³

In relation to female entrepreneurs, WSMEs are unserved or under-served by financial institutions, representing a USD 285 billion credit gap¹⁴. While Southeast Asia is the fastest growing region for impact investing and there is now an increasing appetite for gender lens investment (GLI)¹⁵, even within GLI investments, less than 10 percent (USD 3.6 million into eight deals) went to WSMEs between 2007 and 2017 in Vietnam, Philippines and Indonesia. Moreover, the majority of investors that consider gender impact do so only after investment, rather than using gender impact to inform investment decisions a priori. Thus, a gender credit gap exists not only with formal financial institutions, but also within impact investing.¹⁶ A common factor cited for a lack of WSME investment are the difficulties in developing a robust pipeline¹⁷ – efficient sourcing of WSMEs deemed investable – and challenges in access to capital are particularly acute for WSMEs at the start-up and early stage of growth. Contributing to perceptions of higher risks, their limited operating history points to unsteady revenue streams and a lack of fixed assets for collateral – all prerequisites to access most commercial forms of financing. For banks and financial institutions, women are perceived wrongly as riskier and higher cost clients – as overall lower return clients. Financial institutions are likely to lend to entrepreneurs that they know well, reinforcing unconscious biases and gender stereotypes along the way.

Why the economic ‘power of parity’ continues to be largely unrealised was the focus of the comprehensive and cutting-edge research undertaken by the UNHLP throughout 2016. This identified four overarching systemic constraints for WEE: a) adverse social norms; b) discriminatory laws and lack of legal protection; c) the failure to recognise, reduce and redistribute unpaid household work and care; and d) a lack of access to financial, digital and property assets. Addressing gender biases and entrenched social attitudes about women’s and men’s role in society and work – specifically in terms of household and child-

¹³ McKinsey & Company, 2018

¹⁴ Goldman Sachs, 2014.

¹⁵ Gender lens investments are investments made into companies, organisations, and funds with the explicit intent to create a positive impact on gender. See Annex 1 for full glossary of terms.

¹⁶ Almost 90% of capital invested using a gender lens has targeted microfinance institutions, and on-lending to micro-entrepreneurs, rather than the SME market segment - *The landscape for impact investing in Southeast Asia* (GIIN, 2018).

¹⁷ Ibid.

care responsibilities, status and capability – are also emphasised in the MGI report as essential for progress in all aspects of gender equality within the economy.

As outlined in the World Bank report, *The cost of gender equality. Unrealised potential: the high cost of gender inequality in earnings*, losses in human capital wealth caused by structural gender equality take place within all work contexts and in all countries¹⁸. However, despite the increased focus by donors over the previous 30 years on gender issues in the achievement of development outcomes, including in Asia, the UNHLP noted that there are insufficient investments to address these identified structural barriers, which affect women in all strata of society – not just poor women. This is due to the fact that viewing gender equality as both an imperative and a strategy for wholesale national and regional wealth increase, with significant ramifications for private sector business practice and widespread social and cultural norms, has not been the conventional lens of donor development assistance programs.¹⁹ It is important to note, nevertheless, that an increasing number of large private sector companies such as the Nike Foundation, Exxon Mobil and Goldman Sachs, are taking action to improve female participation, and are increasingly advocating the business case for gender equality.

The Country Context Papers²⁰ developed by IW in Phase 1 provide more specific country-level detail around these issues and constraints for the four IW countries.

2.2 EVIDENCE-BASE / LESSONS LEARNED

Informed by the evidence base, the UNHLP specifies ‘seven drivers of transformation’ to address the four key identified constraints for WEE detailed above. These are illustrated in Figure 1. Each driver has either demonstrated impact in reducing gender gaps or is promising, in the sense that experience and analysis to date suggest valuable potential. While the inter-connectedness of each driver is reinforced, there is a particular emphasis on challenging the discriminatory norms that limit women’s access to work and often devalue their work – “changing norms should be at the top of the 2030 Agenda to expand

¹⁸ *The cost of gender equality. Unrealised potential: the high cost of gender inequality in earnings* (World Bank, 2018).

¹⁹ UNHLP, 2016.

²⁰ See <https://investinginwomen.asia/?s=country+context+paper&wow=search-knowledgehub>

women’s economic opportunities”.²¹ It is also noted that priorities are context-specific and what is effective differs across countries based on their specific development, institutional and cultural conditions.



Figure 1: Seven primary drivers of women’s economic empowerment

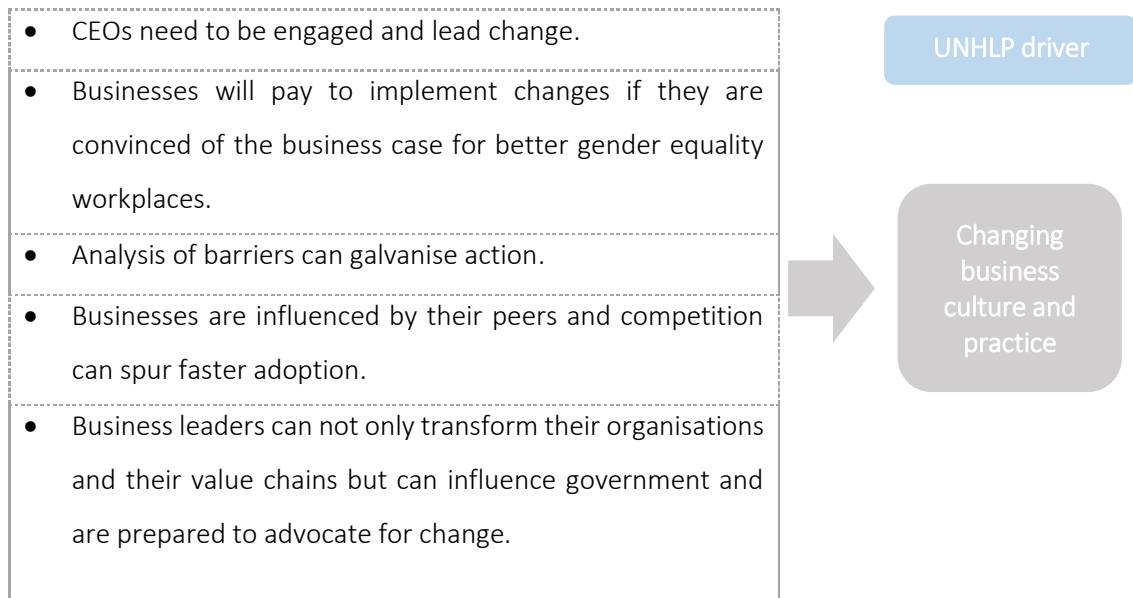
These drivers complement and are consistent with the conclusions drawn by the MGI report for priority areas of action: a) focus on higher female labour-force participation, with steps to address unpaid care work as a priority to boost economic growth; b) address women’s underrepresentation in business leadership positions; c) improve access to digital technology; and d) shift social attitudes about women’s role in society and work.

The UNHLP does acknowledge that important gaps in data and evidence constrain understanding of what works to achieve WEE. This was also the finding of the original IW IDD which stated that the evidence base on effective interventions, particularly for

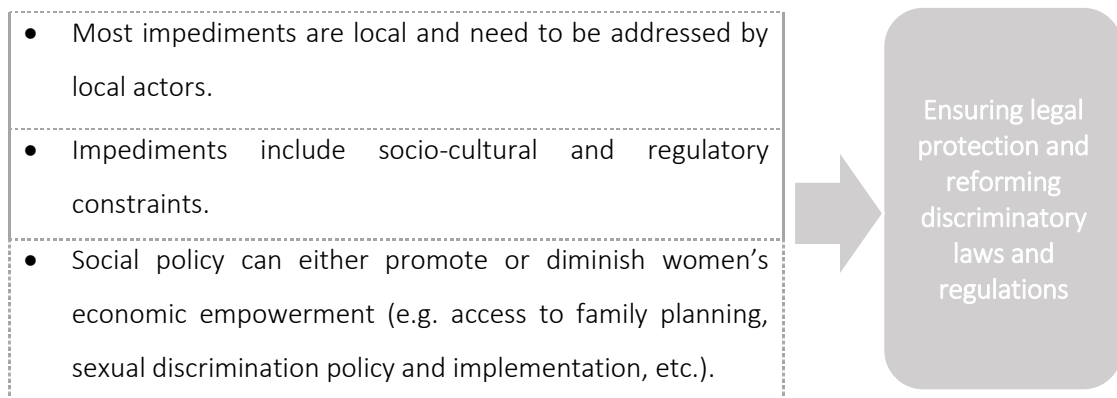
²¹ Ibid

achieving gender equality for women in the formal economy, was “uneven and patchy”. Nevertheless, the UNHLP analysis validates and adds to the analysis on which the original IW design was developed which, in summary, included:

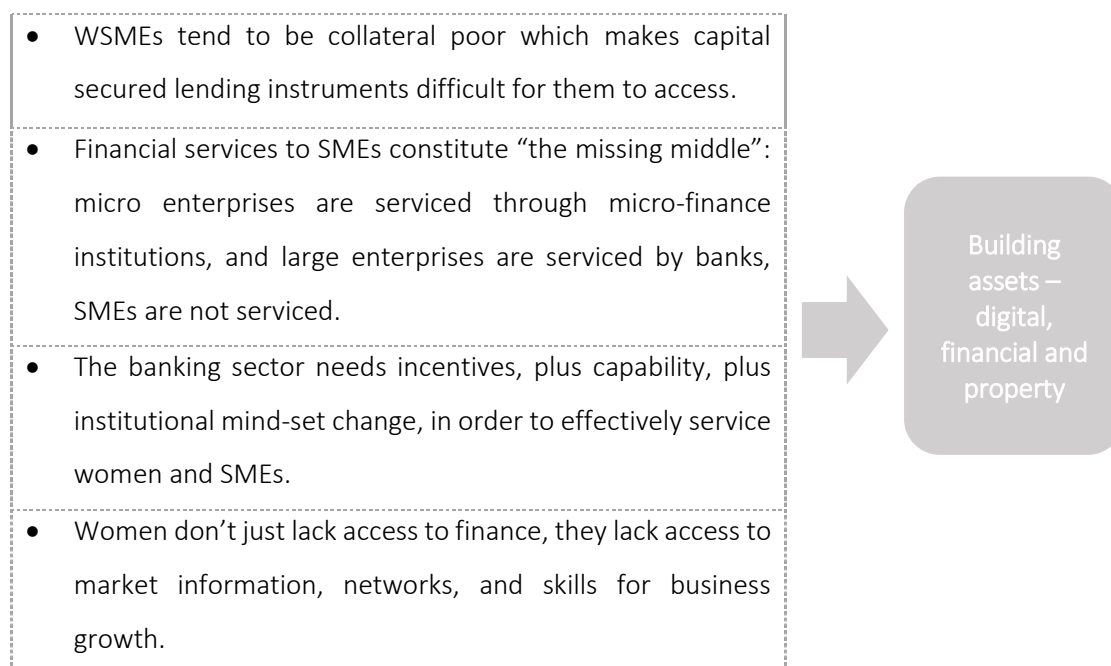
a) Encouraging businesses to adopt better gender equality standards (UN Women, ILO, IFC, Harvard, and Male Champions of Change, Australian Workplace Gender Equality Agency, ADB).



b) Removing regulatory/social impediments to women’s economic empowerment (DFID, USAID, IFC, World Bank, ILO).



c) Encouraging the banking sector to develop new lending instruments better suited for women-run SMEs and strengthening women entrepreneurs (IFC, UNCTAD, World Bank, Goldman Sachs, IFC, USAID, Austrade Women in Global Business).



The IW Phase 1 Review and in-country consultations also identified a number of broad key lessons that further build the evidence base to inform IW Phase 2 implementation directions. In summary, these are as follows:

- i. Working with corporate decision-makers to address deeply held institutional norms and business practices related to gender equality within the workplace is pioneering territory for development initiatives; viewing gender equality and WEE as not only issues for ‘poor’ women but ones that exist at all socio-economic levels, requiring targeted and differentiated initiatives, is conceptually new.
- ii. Corporate decision-makers often have direct influence into government policy-making process and often hold significant advocacy sway.
- iii. Data available against WGE indicators within the formal sector in Southeast Asia has been virtually non-existent, exacerbated by low levels of Human Resource Management capacity, including personnel, tools, systems and strategies.
- iv. A lack of knowledge and application of laws and regulations relevant to WGE can be as significant as discriminatory laws themselves.

- v. There are low levels of understanding of the importance of, and modalities for, closing the credit gap for investment into WSMEs with the bulk of donor assistance directed towards supporting microfinancing mechanisms for micro-enterprises.
- vi. WEE advocacy has largely been conducted by non-government organisations with a primary focus on addressing poverty eradication, with limited work challenging structural gender norms, and conscious and unconscious bias.

2.3 STRATEGIC SETTING AND RATIONALE FOR AUSTRALIAN / DFAT ENGAGEMENT

In line with Australia's adoption of a 'new development paradigm'²², and within an increasingly contested aid environment, the 2017 White Paper reiterates the Australian Government's commitment to ensuring it is a leading development partner for Southeast Asia. This entails marking a shift from traditional 'donor-beneficiary' dynamics to a more mature relationship, firmly based on economic partnerships, 'soft power' and people-to-people links, and consistent with the priorities of emerging economies and middle-income countries, which include Indonesia, the Philippines and Vietnam.

This shift places engagement with the private sector at the heart of Australia's aid investments, with a focus on strategic and catalytic interventions that support local leaders and coalitions to mobilise their own reform agendas. There is explicit recognition that on issues such as inclusive growth and sustainable development many businesses are major players, linking corporate objectives to social as well as economic goals, and influencing policy and setting international standards. The White Paper also acknowledges that in a globalised world with widespread digital communication, there is increasing ability of individuals and non-state actors to influence trends and outcomes of international significance.

DFAT's recent publication of 10 years of findings from its flagship political economy research initiative, the Developmental Leadership Program (DLP), similarly validates the efficacy of approaches that work with influential leaders in relationally, politically and communication-savvy ways.²³ It underscores the primary utility of aid programs not as

²² *Australian aid: promoting prosperity, reducing poverty, enhancing stability* (DFAT, 2014).

²³ *Inside the black box of political will: 10 years of findings from the Developmental Leadership Program* (DFAT/DLP, 2018).

supply-driven actors, but rather as relationship-based conveners and facilitators that create space for, and expand the influence of, local leaders to make positive change happen.

Australia's *Gender Equality and Women's Empowerment Strategy*²⁴ makes clear that a fundamental dimension of the positive change to be supported by the aid program is addressing gender-based inequality. Specifically, this Strategy posits Australia's support to WEE as 'smart economics' – not only the 'right' thing to do in terms of addressing inequitable power dynamics, but also as necessary for broad-based economic growth within the region. The Strategy also emphasises Australia's recognised leadership and advocacy on WEE, particularly with respect to WGE. This is similarly acknowledged by both the UNHLP and MGI report, which cite specifically the effectiveness of Australia's Male Champions of Change initiative²⁵ and the work of the federal Workplace Gender Equality Agency (WGEA). McKinsey also published in November 2017 its research on Australia's world-leading practice in the field: *Women in leadership: Lessons from Australian companies leading the way*.²⁶

It is also important to note that a specific focus on improving gender equality within formal private sector employment is complementary to other existing DFAT WEE initiatives in the region, which primarily address issues of social protection, increasing livelihoods and support for marginalised women²⁷.

Finally, the independent review of IW's work to date in impact investment for WSMEs found that it has been "deep, innovative and unrivalled internationally"²⁸ with the opportunities currently being leveraged in Southeast Asia helping to shape the impact

²⁴ *Gender equality and women's empowerment strategy* (DFAT, 2016).

²⁵ The initiative activates peer groups of influential male leaders to step up beside women and act as advocates for gender equality. The coalition has grown from a group of eight of Australia's largest corporations to five peer groups of around 90 CEOs, government department heads and board directors.

²⁶ *Women in leadership: Lessons from Australian companies leading the way* (McKinsey & Company, 2017).

²⁷ E.g.: 'Empowering Indonesian Women for Poverty Reduction' in Indonesia, 'Aus4Equality' in Vietnam targeting ethnic minority women. See also, *Australia advancing women's economic empowerment through aid, trade and economic diplomacy* (DFAT, 2017).

²⁸ *Report of the external review of Component 2 of the Investing in Women initiative* (Jackson & Alvarez, 2018).

investment market worldwide. This presents Australia with a strategic opportunity to continue to be a lead global player in pioneering approaches to development financing, where the gender dividend is being recognised as crucial to achieving inclusive growth.

While DFAT's new strategy for Southeast Asia is currently under development, in light of the above, and confirmed by in-country consultations with Australian embassy staff, IW will only increase in its alignment with the priorities of the aid program in Southeast Asia. In summary, and as outlined further in Section 3, key features of IW's consistency with DFAT policy settings include:

- It is grounded on the 'business case' pillar for workplace gender equality and investment in women entrepreneurs, consistent with the productivity priorities of emerging economies
- It is a catalytic investment, working through and leveraging from, the inherent dynamism and healthy competitiveness of the private sector to address structural barriers to gender equality
- It is focused on convening key leaders and role models within business to support their power for advocacy and policy and practice influence
- Through these influential relationships, it expands the points of engagement and traction for Australia's broader respective bilateral partnerships
- Through its work with impact investors, it uses market-based development financing approaches which show clear results in economic transformation within the local private sector
- It trials new approaches to social norm change through supporting non-traditional advocacy influencers who utilise the potential of digital communications
- It complements Australian Government investments in Southeast Asia focused on other dimensions of women's economic empowerment²⁹
- It provides the opportunity to showcase and build upon Australia's recognised credentials and comparative advantage in driving WGE reform for improved

²⁹ While IW will therefore continue to work in its 'niche' areas of addressing gender equality in formal sector employment, the program will ensure it keeps abreast of evolving international and academic thinking around WEE and evolving nature of 'work', in which traditional definitions of formal and informal employment are themselves changing – see for example, *The World Development Report 2019: The Changing Nature of Work* (World Bank, 2018).

productivity and employee well-being

- It uses experimental and innovative approaches to aid delivery, which provide the Australian aid program with an opportunity to 'act as an exemplar'³⁰ and lead the conversation on cutting edge modalities, including GII and business coalitions for workplace reform.

³⁰ Innovation Strategy (DFAT, 2017).

3. INVESTMENT DESCRIPTION

3.1 PROGRAM LOGIC AND EXPECTED OUTCOMES

The IW Phase 1 Review found that, broadly speaking, the objectives and logic driving the Phase 1 Design remain valid. The original goal of the investment, ‘to contribute towards women’s economic empowerment³¹ to enable inclusive economic growth in Southeast Asia’, is supported by the growing business case that continued regional growth requires the harnessing of all resources and potential available – including women. However, to make more explicit the specific focus area of IW’s contribution to this goal, this IDD Update has included a subordinate ‘Purpose’ statement – ‘economic participation of Southeast Asian women in formal sector employment and as entrepreneurs is increased’. The original design’s three distinct objectives supporting this goal (and now purpose) – a) increasing the number of women in the formal sector and the number of quality work opportunities for women; b) growing WSMEs³² through stimulating access to investment; c) influencing the enabling environment to support and promote women’s economic empowerment – are directly in line with the priority areas identified by both the HLP and MGI report.

Nevertheless, the Review did find that at this stage of implementation – building upon emerging strengths and entry points for reform and Australia’s comparative advantage – it is opportune to tighten the focus of the program’s scope and optimise its feasibility, with some modifications to the investment’s End of Program Outcomes (EOPO). These are now

³¹ Phase 2 retains the original design definition of Women’s Economic Empowerment as follows: ‘Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Economic empowerment increases women’s access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women’s economic empowerment and participation are fundamental to strengthening women’s rights and enabling women to have control over their lives and exert influence in society’.

revised as follows:

OUTCOME PATHWAY	END OF PROGRAM OUTCOME
1. Workplace Gender Equality	More businesses achieve improved gender equality in their workplaces
2. Impact Investment for WSMEs	Intentional impact investments in WSMEs increase
3. Influencing Gender Norms	Positive shifts in gender norms related to WGE

Figure 2 provides a ‘concept map’ of the IW Phase 2, making explicit the alignment of IW objectives and focus pathways with UNHLP framework, as well as the foundational policy drivers as a flagship investment for the Australian Government. The concept map also highlights the following:

- i. Changes in consciousness, including conscious and unconscious bias, and increasing visibility and collective voice, are pre-conditions for any transformative change regarding WEE and efforts to achieve this must be mainstreamed across all program activity
- ii. Further building the evidence base to inform ‘what works’ within the drivers of WEE, and building the WEE business case, requires concerted resourcing and prioritisation of applied research across work-streams that is contextually rooted
- iii. Linked to the above, Monitoring, Evaluation and Learning (MEL) activity should not be situated externally to program operations, but rather MEL findings should be strategically used for advocacy for change.

It should also be noted that, as emphasised by the UNHLP, the different drivers of WEE transformation – and therefore IW’s three Outcome Pathways – are inter-related and cross-reinforcing.

CONCEPT MAP

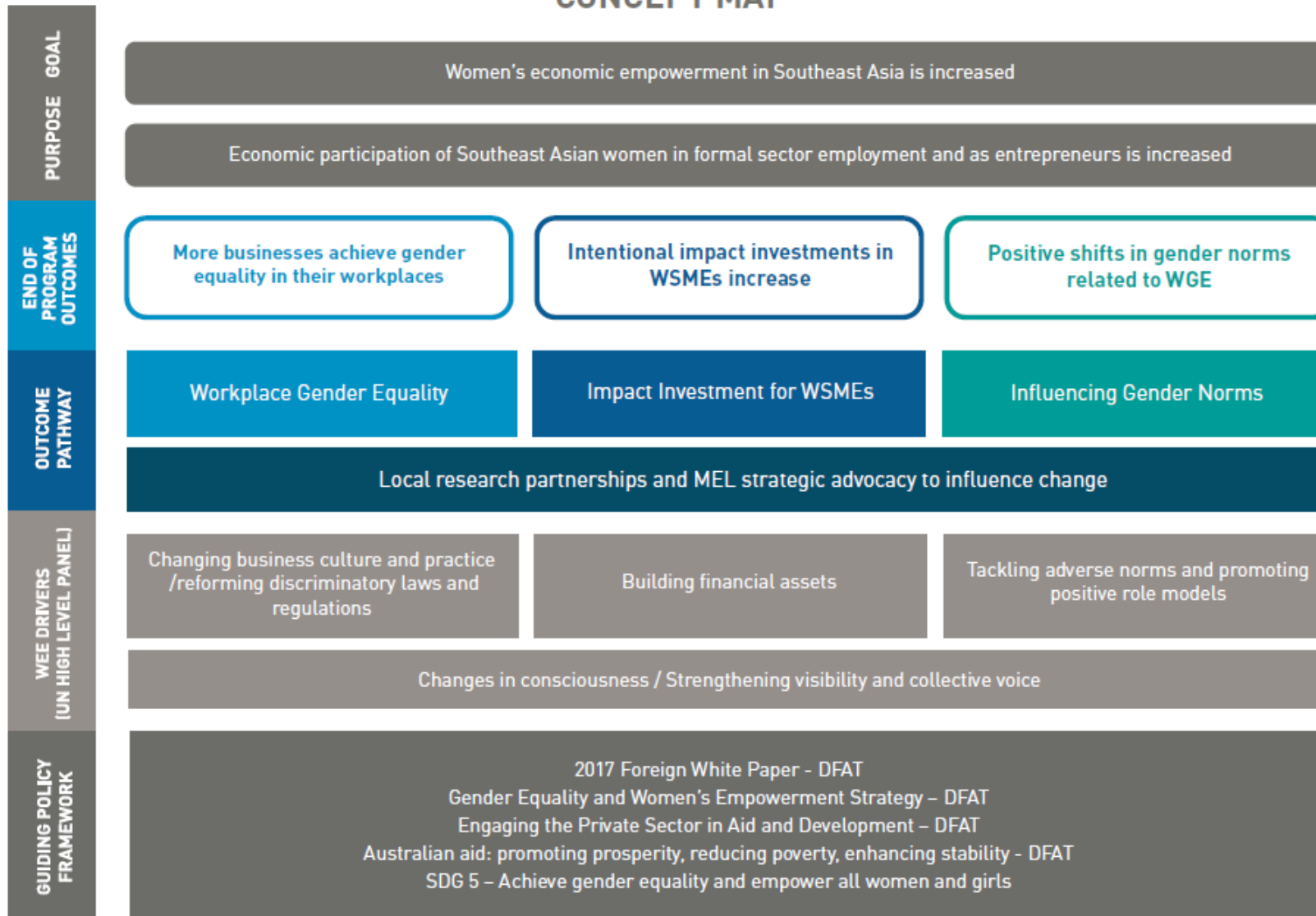


Figure 2: IW Phase 2 Concept Map

3.2 OUTCOME PATHWAYS

The four IW Outcome Pathways (Components) of the original IW Program Logic have been reduced to three, and renamed to focus on the results that these work-streams are aiming to achieve as opposed to the mechanisms employed to achieve these results. This shift is outlined below:

OUTCOME PATHWAY	PREVIOUS NOMENCLATURE	DESCRIPTOR
1. Workplace Gender Equality	1. Business Partnerships 3. Government Partnerships	Work to influence large employers to adopt gender equitable work practices, encourage others to do the same, and, as appropriate, influence government to progress policy change supportive of WGE.
2. Impact Investments for WSMEs	2. Investing in Women in Business	Leverage private investments in WSMEs, and influence the impact investing ecosystem such that it is WSME-friendly.
3. Influencing Gender Norms	4. Advocacy and Communications Platform	Support local partners to amplify and sustain their advocacy efforts focused on shifting attitudes and practices related to gender and work.

OUTCOME PATHWAY 1 – WORKPLACE GENDER EQUALITY

In order for more businesses to achieve gender equality in their workplaces through changed business culture and practice, IW will continue to support the vision and operations of the BCs established in Phase 1 and, as appropriate, assist in related government policy/regulatory reform.

The BCs, comprised of influential and large businesses, are, through their leadership teams, committed to driving gender equality in the workplace and becoming pioneering ‘WGE Centres of Excellence’ within their respective country contexts. In all IW countries the BC founding members have either achieved – or are in the process of achieving – the globally recognised EDGE (Economic Dividends for Gender Equality) certification³³ and taking appropriate reform action based on the customised data generated by the EDGE diagnostic tool. Furthermore, these BCs are prioritising their role as advocates among the wider business communities, and in some cases, within government.

This Outcome Pathway continues to be built on the premise, and on international evidence,³⁴ that certain large businesses, with the right profile, act as role models to others and can therefore influence their practices. It is also expanded to reflect the demonstrated appetite of the BCs to be leaders in the provision of data-driven and evidence-based resources and expertise for influencing and progressing WGE reform within their countries and the Southeast Asian region. It should be noted that the term ‘Centre of Excellence’ is one that has been developed from the BCs’ own conceptualisation of their mission; it does not imply a formal label of recognition or requirement to meet specific criteria, but rather their intent to be acknowledged as credible organisations sought out as sources of WGE expertise and experience.

The Outcome Pathway also recognises that embassies have existing entry points into policy reform related to WGE through their broader bilateral policy reform agenda and that these

³³ EDGE is the leading global assessment methodology and business certification standard for workplace gender equality. It provides a three-tiered certification – EDGE Assess, EDGE Move and EDGE Lead – based on objective and measurable evidence of a current status within an organisation. Certification focuses on: strong gender balance; insignificant gender pay gap; effective policies and practices for gender equitable career flows; and an inclusive culture in terms of career development opportunities – edge-cert.org.

³⁴ For example, and as noted, the Australian Male Champions of Change initiative.

entry points, as well as those identified by the BCs, should be capitalised upon through targeted technical assistance.

The key assumptions for this Outcome Pathway are:

- i. That gender equitable workforce practices in large businesses will lead to improved business performance and positive socio-economic outcomes for women in Southeast Asia (based on the business case evidence outlined in Section 2)
- ii. That the BCs, particularly through their influential Board leaders, will be able to influence positive change in culture and practice within their individual companies, as well as generate appetite from the wider business community through advocacy of the business case/s (based on progress to date – see Review at Annex 5.9 – and in-country consultations)
- iii. That EDGE head office continues to support and develop a mutually constructive relationship with BCs (based on progress to date)
- iv. That through their credibility, influence, networks, and advocacy, BCs will be seen by both the private sector and government as trusted partners in progressing policy and regulatory reform related to WGE (based on progress to date and in-country consultations)
- v. That some Australian embassies in IW countries have existing entry points for progressing WGE-related policy and regulatory reform (based on in-country consultation with embassy personnel)
- vi. Similarly, through its broader strategic MEL, advocacy and relationship-building, it is assumed that IW will be seen as a trusted partner for Australian embassies in IW countries to support their policy influencing agenda related to WEE (based on in-country consultations with embassy personnel).

OUTCOME PATHWAY 2 – IMPACT INVESTMENTS FOR WSMEs

The recently launched Global Impact Investing Network (GIIN) Report³⁵ confirms a strong growth forecast for impact investment³⁶ in Southeast Asia. It also confirms a growing

³⁵ GIIN, 2018.

³⁶ This design uses its definition of impact investing from the Global Impact Investing Network (GIIN): Impact Investments are investments made into companies, organisations and funds with the intention to generate social and environmental impact alongside a financial return.

appetite for GLI, and support for WSMEs in particular. However, action is hampered by limited understanding of both the concept and effective strategies and entry points.

Building on its work to date and recognised leadership in the field, IW will continue to collaborate with existing impact investing partners (IIP) and new investors (including within Asia), along with the broader GLI ecosystem, to incentivise impact investment in WSMEs. Through products and services tailored specifically to WSMEs, it is expected that IW's IIPs will deploy capital with a gender lens. WSME businesses will successfully grow their business and produce investment returns on par with male-led entrepreneurs. As a result, these realised market opportunities will reinforce the business case for investment in WSMEs, leading other investors to follow suit – thus creating a virtuous circle.

This Outcome Pathway reflects IW's continued 'supply side' strengthening focus with priority given to demonstrating and effectively communicating the benefits of investing in WSMEs as a means to influence the broader impact investment community to adopt this intentional gender lens. IW will revise its current Impact Investing Strategy in light of the Phase 2 design and this will continue to be iteratively adapted throughout implementation, with a particular consideration of broader developments within DFAT related to its approach to impact investing agency-wide.

The key assumptions for this Outcome Pathway are:

- i. Impact investors are motivated to move capital with a gender lens in Southeast Asia (based on current ecosystem research³⁷)
- ii. There is sufficient time for investors to source and close and implement deals (based on progress to date)
- iii. There are sufficient investable WSMEs at suitable early and growth stage (based on progress to date and additional IW incentives for preparatory non-financial support in Phase 2)
- iv. WSME investments demonstrate commercial viability on par with their male counterparts.

³⁷ GIIN, 2018.

OUTCOME PATHWAY 3 – INFLUENCING GENDER NORMS

In order to influence the social norms predicating workplace gender equality, IW will aim to support local advocacy actors who are intrinsically motivated to shift negative gender attitudes and stereotypes within their respective cultural contexts. In line with IW's *Advocacy Strategy* (January 2018), and building on lessons from the Phase 1 partners, the approach will be to amplify the reach and impact of new, non-traditional and energetic partners who have the ambition, networks and innovative thinking to experiment creatively to address deeply entrenched reform blockages – particularly utilising the social change potential of digital technology and social media. Concurrently, IW will build up a repository of advocacy products developed through its range of advocacy support activity. A specific focus will be ensuring that the BCs, and other IW partners, have access to these products, with the intention that these are ultimately housed by the BCs, as a core resource supporting their 'WGE Centre of Excellence' vision.

The key assumptions for this Outcome Pathway are:

- i. That there are non-traditional advocacy actors with high influence potential who are committed to working for WEE (based on progress to date and in-country consultations)
- ii. That the advocacy initiatives supported by IW will be useful to a range of IW partners, particularly the BCs.

The revised Program Logic for Phase 2 is below at Figure 3:

PHASE 2 PROGRAM LOGIC

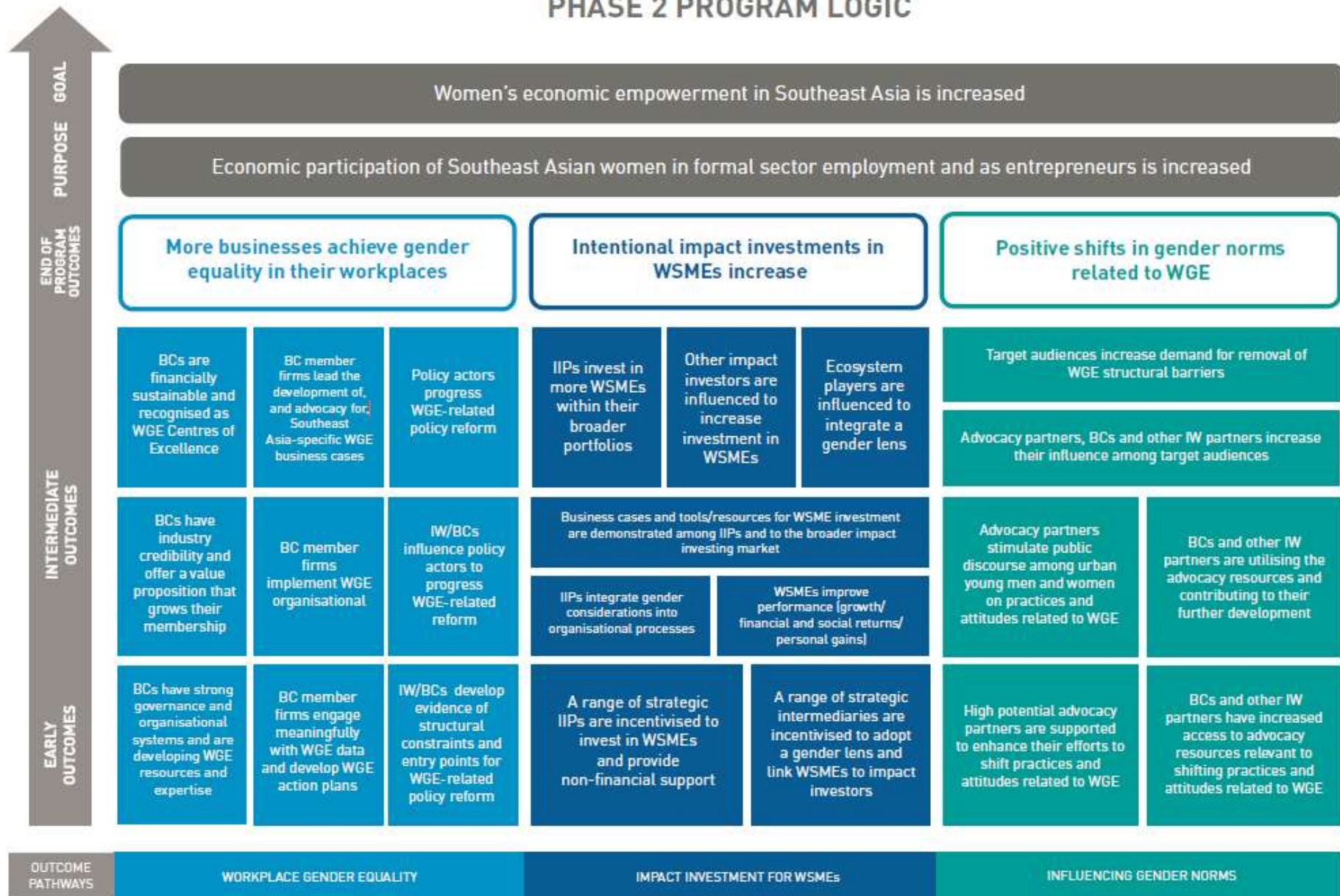


Figure 3: Phase 2 Program Logic

3.2.1 OUTCOME PATHWAY 1 – WORKPLACE GENDER EQUALITY

End of Program Outcome: More businesses achieve improved gender equality in their workplaces

As highlighted in the Phase 1 Review, a foundational achievement of IW Phase 1 is the establishment of diverse models of BCs across the four target countries involving both domestic and multinational companies, as well as contextually appropriate Secretariats. These are now all operating as independent legal entities. The securing of a high-profile Chairperson for each BC, and leveraging of their respective networks, has similarly laid important groundwork for ensuring BC credibility, influence and recruitment power. Each BC has a strong group of founding members and membership reach is significant with over 100,000 employees in each country. The relationship with EDGE and the implementation of the EDGE auditing, diagnostic and certification process within founding member businesses has resulted in the collation of an unprecedented set of data on WGE in large firms across these four countries. The BCs have all validated their driving motivation to: a) progress WGE within member companies; b) influence other businesses by demonstrating the benefits of gender equitable workplaces, supported by the evidence of their own experiences, measured through the EDGE and action plan process and MEL activities; and c) become, by the end of Phase 2, self-financing through membership contributions and the sale of services related to WGE.

However, the contextual realities and learnings from Phase 1 implementation have made clear that these BCs require more hands-on operational support than was initially envisaged in the original design. This is in large part due to the levels of conceptual awareness of, and practical experience in, WGE within the private sector in Southeast Asia and in some areas, lower levels of expertise across the HR field in general. Much of the EDGE certification process assumes a strategic, rather than transactional, approach to HR and systems and processes around communication, management and work culture, which do not necessarily exist to the extent required to maximize EDGE effectiveness.

Therefore, in order to ensure the sustainability of these BCs by the end of Phase 2 and ensure that the significant gains made to date through their establishment and burgeoning

operations are not lost, it is essential that IW prioritise within this Outcome Pathway support for their operational and technical strengthening.

Delivery Approaches and Strategies

The Workplace Gender Equality Outcome Pathway has three distinct but inter-related and mutually reinforcing Outcome Logic Chains. These will require delivery approaches and strategies that build on strengths and learnings to date. However, the range of support provided to the BCs will need to be appropriately sequenced to ensure that the fundamental organisational functions and processes are in place and sufficiently robust before focus shifts to more strategic-level activity. This will be particularly critical for the ‘youngest’ BCs in Vietnam and Myanmar.

Logic Chain 1 - Strengthening Business Coalitions



Logic Chain 1, extracted from the overall Phase 2 Program Logic, makes explicit that more resources should be provided for upskilling of the BCs to enable them to grow their credibility and value proposition and achieve their ultimate vision of becoming sustainable WGE Centres of Excellence. As noted above, this will require priority training and coaching in governance and ‘nuts and bolts’ standard operating procedures, along with identifying required skill-sets for the Secretariat and ensuring that personnel recruitment and development is aligned to priority areas. Additional support will be required in pricing and procurement market analysis, advocacy and marketing, and feasible and realistic strategic and sustainability planning. In Phase 2 IW will progressively reduce its financial support to the BCs. In Indonesia and the Philippines this is likely to begin during Year 2, and Myanmar

and Vietnam from Year 3; accounting for their respective levels of development and informed by financial sustainability analysis. This will require the BCs to double down on financial planning efforts early on in Phase 2.

In Myanmar, IW has pro-actively and usefully collaborated with the International Finance Corporation (IFC) to support the EDGE roll-out and upskill BC staff. IW should now analyse the progress to date of this collaboration to determine whether the activities and objectives of both parties continue to be complementary and aligned. Should a collaboration continue, it is recommended that for Phase 2 this be formalised in a MoU to ensure clarity of roles and responsibilities.

As has been the case to date, and in line with the adaptive principles of the program (see Section 3.3), BCs may well continue to develop in different ways depending on the different operating contexts, opportunities and constraints. However, IW will continue to utilise strategies that leverage the benefits of its multi-country operations by consolidating its approach of bringing together – in varied combinations and with varied objectives – personnel from the different BCs, both at Board and Secretariat level. This facilitation of peer learning across the BCs, stimulated, at times, by healthy inter-country competition, will enhance the direct training and support provided by IW advisory staff. As an example at a practical level, in bringing together the BC HR personnel, this may involve learnings from the implementation of the new EDGE ‘toolkit’ that has been developed to support more efficient, customised EDGE roll-out, and explorations of phased approaches and multi-level membership packages in the provision of WGE services, leading ultimately to full EDGE certification. There is an opportunity for these peer learning mechanisms to be further formalised and strengthened in Phase 2.

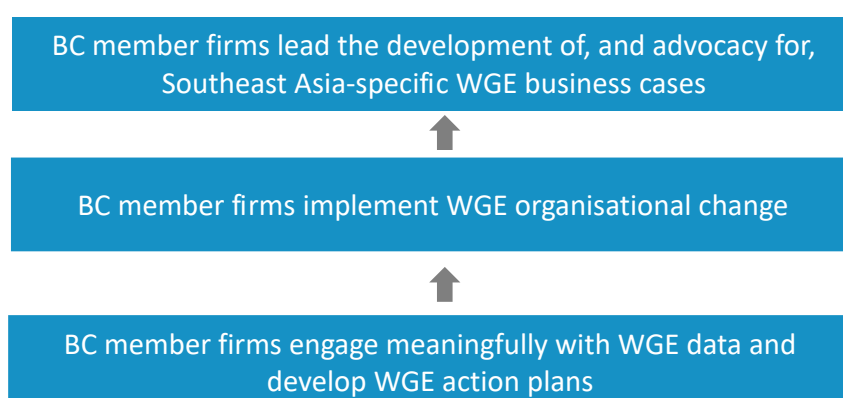
An important part of this internal operational strengthening will be to ensure effective data management structures and IT systems are in place to manage effectively resources and tools integral to the phased development of a WGE Centre of Excellence. This should include progressively building the capacity to house systematically the growing production of research, knowledge and advocacy products supported by IW – particularly in Phase 2 through its work in Outcome Pathway 3, Influencing Gender Norms. This should also include, with the support of the IW MEL team, ensuring robust data management systems

for the ‘base-line’ learnings generated through the EDGE diagnostic as well as the progressive changes that are made based on the businesses’ WGE action plans. This user-friendly repository of data and advocacy resources will be invaluable to the BCs to further strengthen the credibility of their advocacy and marketing campaigns.

Another key strategy for gradually developing the competence and confidence of BCs to build appetite for, and deliver, a range of WGE services will be to establish increased networks with experts in the field. While this expertise is nascent locally in IW countries, there is an opportunity in Phase 2 to establish formalised relationships with expert individuals and institutions in the region to grow this expertise, with a specific focus on strengthening the ‘people-to-people’ links with Australia, given its world class leadership in the WGE area. The Australian Workplace Gender Equality Agency (WGEA) should be considered in this regard.

Finally, the strengthening of the organisational capability of the BCs, including the robustness of their management systems, will enhance the BCs’ suitability and attractiveness for other donors/partners seeking to support private sector-driven inclusive development in Southeast Asia. With proven financial management and accountability processes, the BCs will provide a ready local structure able to absorb funding from a range of sources, thereby further optimising the likelihood of sustainability.

Logic Chain 2 – Business Coalitions driving WGE reform in Southeast Asia



IW’s brokering of a first-ever partnership between EDGE and businesses within Southeast Asia has been the foundational first step in progressing formal recognition of WGE into this

regional context. As noted above, the complexity and challenges of implementing this global best practice tool within local HR systems were far more extensive than originally envisaged, however, the benefits of navigating through these are now coming to fruition (see Phase 1 Review Annex 5.3).

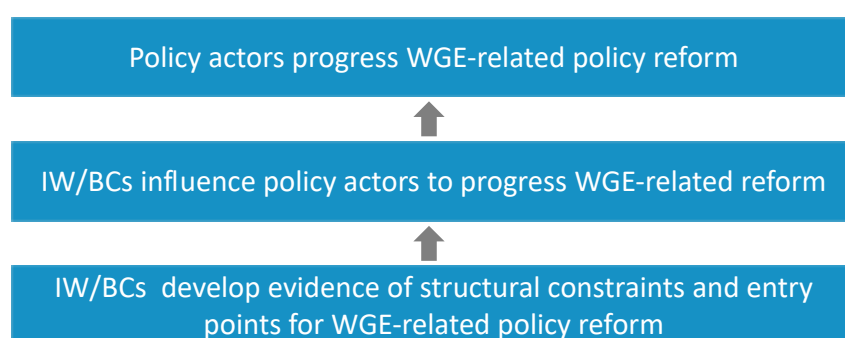
Phase 2 provides the opportunity to consolidate the gains made to date through this partnership, specifically in terms of supporting firms to engage meaningfully with the results of the EDGE diagnostic to develop actions plans and drive momentum internally for WGE reform. It also provides the opportunity to deepen the relationship with EDGE and ensure the ongoing applicability and accessibility of EDGE for Southeast Asian countries.

As is already underway, priority action will be for IW to strengthen its relationship with EDGE head office and for at least one of the BCs to function as an accredited licensee of EDGE certification for the region. While EDGE certification is an unmodifiable global standard – a core factor of its value – there is the opportunity for the processes to implement the EDGE diagnostic tool to respond more appropriately to the realities of the emerging market context, and for accommodations to be made that enable its wider relevance and appeal as a diagnostic tool for businesses within these countries. IW will continue in Phase 2 to facilitate this process, enabling the BCs to be the Southeast Asian ‘face’ of EDGE, and driving a contextualised – and therefore implementable – WGE reform agenda.

However, as emphasised by many of the BC Chairpersons, achieving EDGE certification is only the ‘beginning of the journey’. The focus of Phase 2 will be to support member firms to strategically analyse the data emerging from the EDGE diagnostic to identify key gaps and issues, and support the ‘consciousness raising’ that is already emerging – whereby managers are critically questioning conscious and unconscious gender biases inherent in their organisations and seeking solutions to address these. Implementation of the action plans generated from the diagnostic results may, in some cases, require specialist support from IW. This should be provided using skills transfer approaches through which BC Secretariat personnel are upskilled in key aspects of WGE reform to enable the sustained availability of this expertise through the BC.

IW MEL personnel with oversight for measuring changes made in business practice and culture following action plan implementation will ensure that the MEL data is collected and reported on in ways that enable the BC to build – and communicate – a range of business cases that demonstrate the benefits of WGE against a range of meaningful indicators. As indicated in the Logic Chain 2 above, this country-specific data will be a first-ever advocacy tool within the Southeast Asian context. As the benefits emerge, this will be another opportunity for IW, in its convening role, to leverage positive change from the inherent competitiveness of the private sector; by bringing together BCs and stimulating comparison of results and progress made across countries, IW can incentivise appetite for further reform.

Logic Chain 3 - Supporting WGE-related policy reform



The original design rationale for a discrete component focused on ‘Government Partnerships’ was to strengthen the enabling environment for WEE through mainstreaming gender within DFAT’s broader bilateral aid for trade-related initiatives and also to address a range of WEE legislative and policy barriers. However, as indicated in the Phase 1 Review and as confirmed by in-country consultations, the levels of demand for this support across IW countries have not been as anticipated, and there has not been sufficient clarity around the distinct role and objectives of IW in this area within a resource constrained DFAT environment.

Nevertheless, as reflected in the UNHLP framework, women’s economic empowerment, including in the world of formal sector work, is constrained by laws and regulations that are discriminatory and biased against women. In this regard, and as a positive example of where there has been clear demand and intent, IW support under Phase 1 in working with

the Australian Embassy in Hanoi and the Government of Vietnam to reform the Labour Code has not only achieved tangible legislative outcomes for, but also assisted DFAT to progress its own policy influencing agenda.

Therefore, although a discrete component on 'Government Partnerships' has been removed within this IDD Update, as policy reform is a critical dimension of transformative WGE and there is evidence of some traction achieved under Phase 1, this Outcome Pathway will incorporate a focus on the facilitation of these reform processes. However, focus will be sharpened to ensure that support provided by IW is directly linked to its core WGE agenda, with demonstrable entry points, clear partner demand and leadership, and high potential for tangible WGE results.

These entry points for WGE-related policy reform will either be identified by: a) the BCs, whose influential members – consistent with their change agent vision – are already identifying potential policy reform opportunities from their own networks and advocacy within government; or b) through embassies where momentum for WGE policy reform has been stimulated by other bilateral initiatives and there is appetite for cross-program collaboration.

BC priorities for policy influence will be included as a standing item as part of their regular strategic planning processes. It is to be emphasised, however, that it is not part of the BCs' function to become involved with the **practical mechanics** of policy reform implementation, but rather to play a role in exerting their influence and fostering engagement within government around key policy issues. In this way, the BCs will consolidate their status as thought leaders in WGE reform.

Through the Annual Planning process, IW will work with the respective Australian embassies to confirm WGE-related policy reform areas, either as identified by the BCs or through the other bilateral programs that should be supported by targeted technical assistance. These will be captured in a Policy Dialogue Matrix, which should be developed collaboratively with key partners prior to commencement to Phase 2 and then systematically updated in each Annual Plan.

Should governments seek to progress specific WGE-related policy reform initiatives, or

should DFAT, either directly through its embassies or other bilateral/regional programs, seek technical assistance in this regard, IW/BCs will be able to direct towards this the appropriate resources and technical assistance.

It is important to note, however, that, in a resource-constrained environment, not only will any policy reform assistance provided through IW need to be directly linked to WGE-related outcomes, but it will also need to be clear that the requesting policy reform actor (partner government, embassy) is driving the process with a clear demonstration of co-investment.

3.2.2 OUTCOME PATHWAY 2 – IMPACT INVESTMENT FOR WSMEs

End of Program Outcome: Intentional impact investments in WSMEs increase

Through Phase 1, IW has successfully catalysed investment into WSMEs through: a) unique performance-based grant partnerships with four impact investor funds; and b) strategic collaboration with leading industry champions³⁸ of GLI in market-building. As a result of this approach, the number of impact investors intentionally targeting WSMEs in the region has increased, leading in turn to a significant increase in the number of such impact investment deals in Indonesia and Vietnam.

During Phase 2 there is a need to further consolidate and disseminate lessons and successes in building the business case for WSME and GLI more broadly for commercially oriented investors. In order to address pipeline constraints and investment readiness concerns regarding WSMEs, there is also a need to provide support for non-investment partners – e.g.: accelerators – and link IW’s investment activities to support growth and development within the GLI ecosystem in the region. The Review of this work-stream also identified the potential for engagement in Phase 2 with more Asian-based partners and investors to sustain and amplify investment flows into WSMEs and GLI in Southeast Asia.

Phase 2 of IW will maintain DFAT’s ongoing recognised position within the GLI field and

³⁸ IW’s associate, Criterion Institute coordinated and mobilised a consortium of leading GLI champions based in the west, including Catalyst at Large (CAL) (connecting IIPs with potential co-investors), WomenStats Project (on data collection and analysis), Value for Women (on gender analysis), AVPN (on engaged philanthropy in Asia) and SheEO (on activating women to raise rotating funds for women-led ventures).

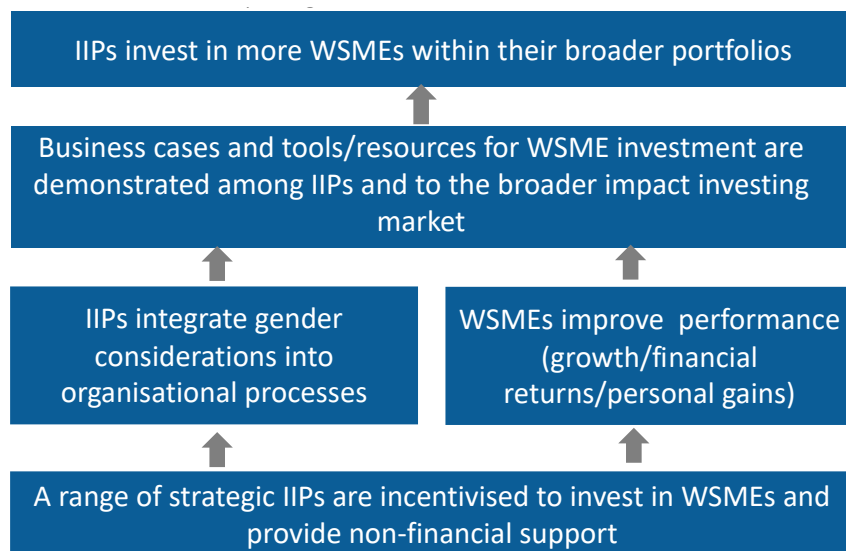
ensure that Australia remains at the forefront of the global agenda, as a respected partner with other key global players and initiatives. These include the WE-FI initiative of the G-8, OPIC's 2X Initiative and IFC's Gender Secretariat. Collaboration will also continue with the launch of DFAT's Emerging Market Impact Investment Fund (EMIIF) so lessons are incorporated and complementarity is maximised to promote GLI across the Asia Pacific. In particular, during Phase 2 there will be further consideration of IW reflows in the context of the EMIIF initiative. Furthermore, as DFAT's various impact investing programs come on-stream, should an overarching strategy and governance arrangements for these programs be developed, IW will adjust Outcome Pathway 2 as necessary to maintain alignment.

As IW's support is provided through grants, this work-stream is highly scalable in terms of the number and size of grants, depending on the funds available over the life of Phase 2.

Delivery Approaches and Strategies

The Impact Investment for WSME Outcome Pathway has two inter-related and mutually reinforcing Outcome Logic Chains.

Logic Chain 1 - *Direct market interventions and intermediation*



A primary strategy for IW to achieve the EOPO for this Outcome Pathway in Phase 2 will continue to be through direct market interventions. Impact investing partnerships brokered in Phase 2 will continue with the model of using grants to incentivise WSME

investments. The model of using performance-based grants will continue to include a robust selection process and criteria; a mix of accountable activities – through the deployment of investment capital and operational support as part of 10-year performance-based grant agreement with the IIP; and a commitment by all IIPs (existing and new) to develop and implement GLI action plans. The selection criteria for IIPs will continue to prioritise partners who offer strategic value to IW, particularly in terms of their influencing power. The selection process will be overseen by an external sub-contracted entity as needed for IW to ensure adequate due diligence, particularly should IW pursue partnerships with first-time fund managers or those with a limited track record of performance. Exploration of new partnerships will include potential Southeast Asian-based IIPs³⁹ – e.g.: from angel investor networks and other locally-based investors – in the interests of concurrently stimulating the local investment ecosystem.

IW will continue to work on case studies and MEL with the Phase 1 IIPs (Capital for Development, Patamar Capital, Root Capital and SEAF) during Phase 2 as required, and consider the benefits of providing further support (additional grants or other support) to these partners after assessment of relative priorities and other options for partnerships as outlined in the Phase 1 Review. Further consultation and prioritisation for activities will occur in preparation for the first Annual Plan for Phase 2, however, the following are key areas for consideration for both existing and new partners: strengthening the ongoing integration of a gender lens into each organisation's investment strategy and culture; funding targeted expansion into IW markets; developing investment exit guidelines; developing case studies and practical tools/resources of their GLI journeys; and assisting with measurement of portfolio performance (financial returns of WSMEs and personal gains) to build partners' capability and appetite for ongoing and increased investment in WSMEs beyond the life of IW. These last activities would include bringing IIPs together and sharing their results and strategies to maximise peer learning and further consolidate understanding of the strength of the business case and effective and contextualised tools. Support in Phase 2 may also involve other innovative financing structures and partnership

³⁹ Preliminary scoping for potential Asian IIPs has been undertaken under Phase 1 and IW is now well placed to determine suitable local partners, for examples through angel investor networks working in the target countries.

arrangements (e.g.: crowd-source funding platforms).

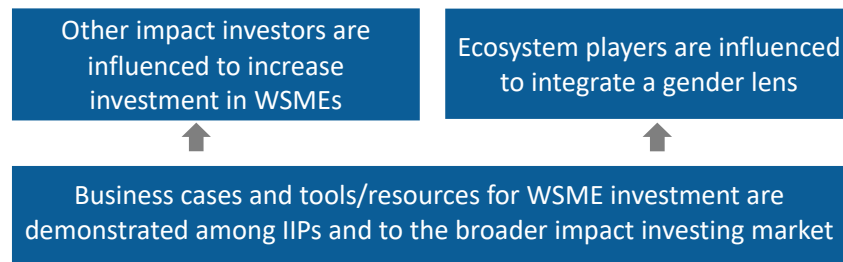
IW will ensure that any ongoing grant funding for operational expenses are not for activity the organisation would normally undertake, but rather used to accelerate the pace at which the organisations, through incorporating gender lens considerations, can expand their WSME investments⁴⁰. IW will continue its flexible approach in supporting IIPs in developing and implementing their GLI action plans, as suitable to their operating context.

The second key direct intervention strategy to achieve the EOPO for this Outcome Pathway in Phase 2 will be through support for 'intermediary' partners within the GLI ecosystem, including providers of non-financial services to high potential businesses which are not yet 'investment ready'; in this way, IW will support the building of the WSME pipeline. As noted, inherent inequality causes female entrepreneurs to face specific challenges that intermediaries can address, such as limited social support, lack of confidence and limited access to financial networks. The Village Capital model⁴¹ has resonated particularly well with WSMEs in the Southeast Asian context and has been trialed by IW in Phase 1 in partnership with Patamar Capital through the Kinara Accelerator in Indonesia. This model could be expanded in Phase 2, with IW supporting established accelerators in the target countries to have specific women-focused cohorts. Key areas for consideration in rolling out any support to such intermediaries will involve the potential for gender equality outcomes, analytical strengths of the investment readiness curriculum, links to investors for follow-on funding, appropriateness of the business mentors, data collection capabilities, and complementarities with similar DFAT initiatives, among other criteria. IW will then support the linking of these accelerators with the impact investing market.

⁴⁰ In Phase 1, operational support was used by partners to find and build their pipelines and conduct more thorough due diligence of investees and more effectively mobilise capital from limited partners and co-investors.

⁴¹ This model relies on peers (from the cohort SMEs) to rank each other on a range of indicators in order to determine which SMEs will receive financing at the end of the accelerator period.

Logic Chain 2 - Influencing the GLI ecosystem



IW's experience in working with IIPs throughout Phase 1 and the results achieved – both in terms of gender lens organisational changes within the impact investment firms themselves as well as the broader business benefits – is enabling a growing dataset of investment deals and case studies that strengthen the overall business case for investing with a gender lens. As indicated above, a lack of understanding by investors of the entry points and effective implementation strategies for WSME investment is a major constraint within the ecosystem. There are currently no locally relevant case studies or tools concerning what a gender analysis and associated reform action plan looks like for impact investment firms. A priority therefore in Phase 2 will be the development and dissemination of 'field guides' and other practical tools and resources that can provide contextualised and credible information to demystify investments into WSMEs. Such programmatic resources will be made available to impact investing networks and industry associations to foster gender lens ecosystem building for WSMEs.

This sharing of lessons learned and the communicating of the 'stories of change' from IW's support to IIPs can demonstrate the viability of GLI more broadly, and WSME investment specifically, as an attractive investment strategy within the region. The 2018 GIIN paper emphasises the urgent need for research on, and communication of, these success stories to support supply-side market building. Anecdotal evidence from GLI investors does in fact suggest that women more diligently make loan repayments. However, without a more robust and local evidence-base, the business case remains tenuous. IW, through its implementation under this work-stream, coupled with a sharper focus on action-learning and applied research in Phase 2 (See Section 4.2.4), will be able to contribute to this much needed evidence. In addition, IW's continued proactive engagement with other leading GLI stakeholders, (for example the GIIN and the Asian Venture Philanthropy Network (AVPN))

will bolster this knowledge sharing and deep industry insights from Southeast Asia.

3.2.3 OUTCOME PATHWAY 3 – INFLUENCING GENDER NORMS

End of Program Outcome: Positive shifts in gender norms related to WGE

It is broadly accepted that shifting social norms, particularly around concepts and issues with deep cultural and religious significance, is one of the most difficult dimensions of social change. Yet, as highlighted through the research cited above, transformational change – including that related to discriminatory gender dynamics – is near impossible without it. Therefore, while the EOPO for this Outcome Pathway is ambitious, it is considered essential that IW continue to direct resources that contribute to this advocacy effort; indeed, the innovative and adaptive modality and intent of IW places it in an advantageous position to be part of the ground-breaking and experimental approaches that are required to effectively challenge deeply entrenched attitudes and practices.

Phase 1 has seen the initial roll-out of this experimentation through pilot partnerships with local influencers selected based on their potential to use creative approaches – particularly through digital media – to: a) raise public awareness of discriminatory gender norms; b) uncover new evidence as to the blockers and enablers in shifting attitudes related to these norms; and c) test and evaluate their approaches to measure impact. A range of partners in Indonesia and the Philippines – including civil society, media, marketing and public relations/communications organisations not previously involved in the Australian aid program – implemented activities targeting young women and men in urban areas to support a positive discourse on WEE, normalize women’s role in the economy and men’s role at home, and empower girls for future work particularly in STEM-related industries. These pilot partnerships will conclude in May 2019, followed by a comprehensive analysis of lessons learned and identification of high potential partners and approaches to inform ongoing and new priorities under this Outcome Pathway in Phase 2.

IW has also supported advocacy activity aligned to the objectives of the BCs and IW’s work in influencing the impact investment ecosystem through communication of the ‘business cases’ to target audiences. Activity under this Outcome Pathway will build on this work to date to maximise the ongoing accessibility – and sustainability – of effective advocacy

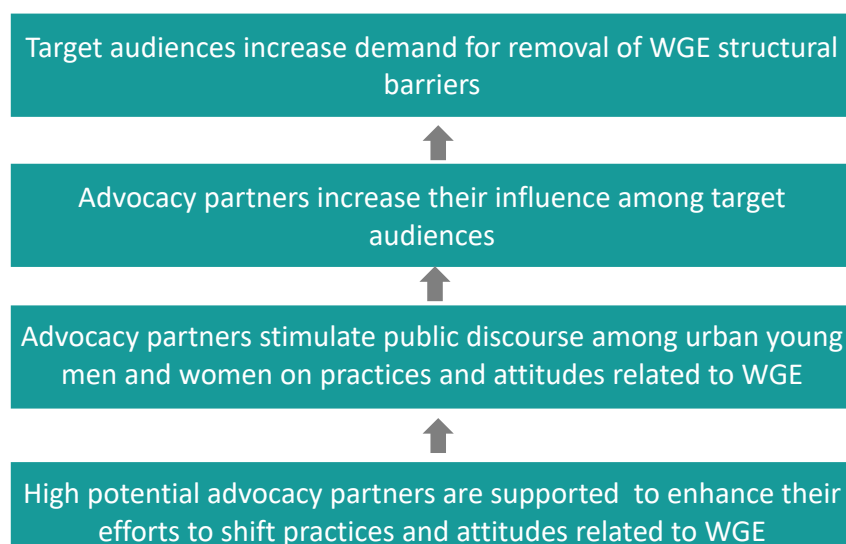
resources and approaches for all key IW partners, including embassies.

It should be noted that work under the ‘Advocacy Platform’ component as envisaged in the original design only recently commenced relative to other IW work areas. However, in part, this was due to a lack of a clear and feasible strategy to focus implementation, rendered more difficult by the breadth of scope and aspiration in the design. Despite this delay, IW’s development of an Advocacy Strategy in January 2018 – which reframes and reprioritises work to a more feasible dimension given the resources and timeframe available – now lays a solid foundation to progress IW’s advocacy agenda and informs the considerable revision of the original design in this work area.

Delivery Approaches and Strategies

The Influencing Gender Norms Outcome Pathway has two distinct but inter-related Outcome Logic Chains. These will require delivery approaches and strategies largely guided by the IW Advocacy Strategy, as well as consideration of other approaches to address additional priorities identified through the Phase 1 Review.

Logic Chain 1 – *Supporting local advocacy partners*



The beginning of Phase 2 will provide the opportunity for a more targeted approach to enhancing the nature and scope and IW’s support to local advocacy partners in Indonesia,

the Philippines, and with potential new partners in Vietnam⁴², based on the analysis of learnings from the Phase 1 pilots. In order to avoid ‘spreading too thin’ and to maximise likely impact, IW will use this analysis to hone its Advocacy Strategy. It will focus only on high potential entry points for stimulating discourse among key audiences on **core** attitudes and norms that entrench discrimination against women in the world of work; using a deep ‘layering’ approach to advocacy around these themes, rather than a ‘wide’ approach that can veer to scattergun. Similarly, IW will only renew/enter into partnerships where there is demonstrated high potential of both impact and ongoing influence post IW support.

Critically, a core element of the development of enhanced advocacy partnerships in Phase 2 will be the onus placed on local partners to design realistic and robust monitoring and evaluation frameworks that will enable both themselves and IW to assess the effectiveness of their advocacy activity. This will be essential to build learning in terms of the strategies and modalities that not only have optimal reach, but more importantly, are effective in stimulating engagement around core WGE-related attitudes and social norms – and ultimately, indicate a plausible contribution to positive shifts in these attitudes from samples of the target audiences. These frameworks will also need to enable measurement of the extent to which the stimulation of public discourse around core WGE-related norms has a catalytic effect, in the sense of increasing demand and advocacy by audiences themselves for greater attention to the structural barriers preventing WGE.

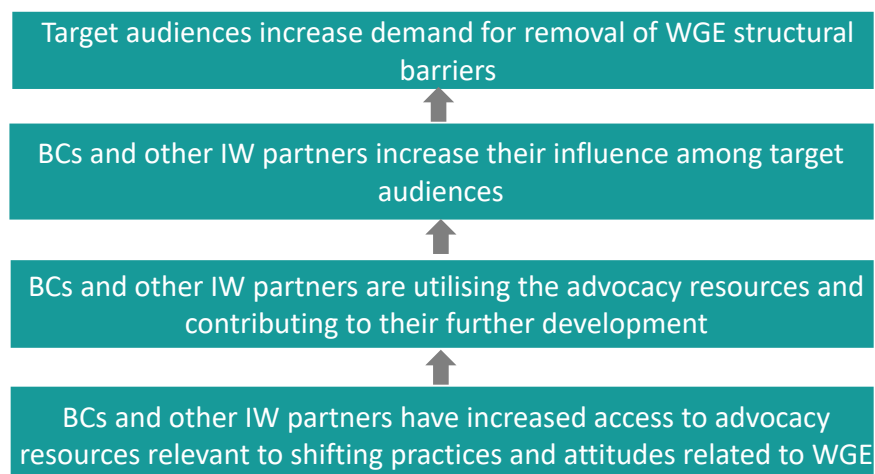
Local research partners will be included in Phase 2 as potential partners for IW within the context of the Influencing Gender Norms Outcome Pathway. As indicated in the Phase 1 Review and outlined further in Section 4.2.4, the research undertaken in Phase 2 will be refocused to consider that which has a clear advocacy application intent. Primarily this will involve potentially partnering with local/regional individuals and institutions that are committed to undertaking ‘action research’ that directly supports the advocacy priorities of IW with regard to shifting attitudes related to WGE.

Given the experimental and innovative nature of the advocacy partnerships brokered by

⁴² Vietnam Phase 1 partners (Oxfam and Care) worked specifically on awareness raising for the revised Labor Law – there was no general call for activity proposals as in Indonesia and Philippines.

IW under this Outcome Pathway, the need for flexibility across planning will be important. This will ensure that resources are directed to where there are indications of growing momentum and ‘cut-through’, with scale-up – and scale-down – of approaches to maximise results.

Logic Chain 2 – Ensuring sustainability of advocacy support



A key part of IW’s ‘layering’ approach to its advocacy strategy will be to ensure collaboration and mutual reinforcement between the work of the local advocacy partners and other IW partners, specifically the BCs. As outlined in Section 3.2.1 this will involve BCs building up the system infrastructure capacity to be able to gradually house and systematically manage advocacy and knowledge products. This will comprise products generated through the BCs’ own business-to-business marketing and advocacy campaigns and initiatives, and – through the closer relationships convened by IW with the advocacy partners in the respective countries – it will also include products generated through the work of these partners. In this way, and as reflected in Logic Chain 2 above, the development of these advocacy resources are dynamic, collaborative processes; IW partners can learn from and utilise the products and approaches created through the discrete advocacy partnerships – and, conversely, as they implement and learn from their own tools and approaches, these will in turn add to the further development of these resources. Moreover, these repositories will be a useful source for embassy partners as they progress their range of policy influencing agendas.

In this way, IW will ensure that the breadth and depth of knowledge and product generation achieved by the end of Phase 2 will not be lost or dissipated upon program completion, but rather consolidated within the locally embedded BC structure, as an integral contribution to the credibility of its WGE Centre of Excellence vision.

Other strategies will be the continued support from IW advocacy and communications experts for targeted training and coaching for relevant BC personnel across all countries, including facilitation of peer learning related to advocacy between the BCs. Areas for support may cover advocacy strategy development, M&E, key message development for events and outreach, dealing with business media on workplace gender equality, etc. Targeted support will be particularly critical ahead of each BC's annual planning meeting, to help develop annual advocacy plans and identify areas for collaboration and intersection between different IW advocacy partners.

Support will also be provided by IW to assist BCs to measure and assess the effectiveness of their own advocacy efforts, in terms of increasing their influence in prosecuting the diverse business cases for WGE reform.

3.3 PRINCIPLES

Principles are developed to identify the values that underpin an investment, in terms of both its design and implementation approach. The following principles are based on the original IDD with some modifications to reflect the evolving operating environment, learnings from implementation and insights from progressive development thinking⁴³.

- i. Catalysing locally-driven change: targeted action needs to support, amplify and incentivise the work and influence of local drivers of reform within the countries of operation
- ii. Complementing, not duplicating: ensuring activities do not disadvantage or duplicate other DFAT regional and country programs and the work of other actors
- iii. Adaptability and flexibility: working politically, relationally and opportunistically to ensure entry points for reform are maximised with an understanding of how

⁴³ E.g.: Thinking and Working Politically Community of Practice - <https://twpcommunity.org>

- transformative change actually occurs; accommodating changes to budget within the broader aid environment as well as the potential for multiple funders
- iv. Light management touch: minimising the amount of new work created for DFAT staff at embassies and in Canberra, and meeting private sector expectations of efficient management processes
 - v. Pragmatic and politically aware communications: ensuring strategic communication of program activity and results to both local partners and DFAT that ensures continuous buy-in and support
 - vi. Leveraging impact from multi-country operations: maximising cross-learning and broad-based momentum for reform through ensuring a convening function
 - vii. Leveraging funds: the investment made through this initiative must leverage private sector investment
 - viii. Acceptable risk: ensuring the innovation and experimentation inherent in the IW design is balanced with risk management appropriate to DFAT's requirements.

3.4 RESOURCES

The estimated financial resourcing required to deliver on the Phase 2 design outcomes is up to **\$58.3 million**. A detailed budget for Phase 2 will be developed over the coming months (in the lead-up to Phase 2) as DFAT's budget position becomes clearer, enabling the IW management team to refine projections for each Outcome Pathway. The detailed budget will inform, and be agreed, during Phase 2 contract negotiations with the ISP.

It is assumed that, in addition to the GEB program budget for IW, there will be ongoing contributions made by country program areas and potentially other areas within DFAT. The outcomes anticipated for Phase 2 are ambitious and for the full vision of the design to be achieved it will be important for IW to continue to attract these additional financial contributions.

The table below provides broad allocation parameters as a percentage of total activity costs.

Outcome Pathway	Activity Budget
Workplace Gender Equality	24%
Impact Investment for WSMEs	47%
Influencing Gender Norms	16%
Monitoring, Evaluation and Learning	10%
Research	2%

Given the innovative nature of the program, IW will continue to maintain a MEL budget allocation of at least the recommended 10 percent of the total budget for DFAT investments. This will also allow for research partnerships to contribute to the broader advocacy agenda of the program.

It is also important to note that activity under Outcome Pathways for Impact Investing for WSMEs and Influencing Gender Norms is highly scalable; should additional funding become available during Phase 2 either from within DFAT or other donors, it will be feasible for IW to absorb and usefully disburse these funds in line with identified priority partnerships.

In terms of new key technical positions for Phase 2, there will be a new WGE Adviser position. A key focus of this role will be to support the BC firms in the implementation of their WGE action plans and other associated BC activity. This assistance will be provided within a skills transfer modality, with the aim of growing WGE expertise within the BCs. He/she may also play a role in supporting IIPs in the implementation of their action plans for improved gender considerations in their organisational processes. The WGE Adviser will also play a key coordination role in IW's response to technical assistance priorities for WGE-related policy reform, as identified by the BCs and embassies in line with the priorities

specified in the evolving Policy Dialogue Matrix.

A flexible technical assistance pool will be utilised to respond flexibly to these evolving priority policy support requirements, including sourcing additional WGE organisational change expertise, with attention to the strengthening of people-to-people links with Australia (e.g.: through the WGEA).

To support the new approach to research in Phase 2 there will also be a new Research Coordinator position. This role will be responsible for working closely with the technical teams across the breadth of program activity and MEL to identify priority research areas, and potentially play a role in conducting this research. The ToR for this position will be developed in preparation for Phase 2, with consideration of the feasibility or otherwise of this role being assumed by a post-doctoral researcher who could use the research conducted through IW as a pathway to publication.

Resource allocations will be assessed on an annual basis against the nominal allocations and updated through the Annual Planning process. There should be a strong link between performance and funding in accordance with the performance framework for the Australian aid program.⁴⁴

⁴⁴ Making Performance Count: enhancing the accountability and effectiveness of Australian aid (DFAT, 2014).

4. IMPLEMENTATION ARRANGEMENTS

4.1 MANAGEMENT AND GOVERNANCE ARRANGEMENTS

4.1.1 PROGRAM MANAGEMENT AND DELIVERY APPROACH

IW will continue to be managed in Phase 2 through an Implementing Service Provider (ISP), Abt Associates, under the overarching responsibility of GEB, through the Assistant Director, within the Multilateral Policy Division (MPD) in Canberra.

At its heart – and particularly as implementation has transitioned from the necessary Phase 1 mobilisation and establishment priorities – IW, through its ISP, has the primary role of a ‘convener’, rather than the more conventional ‘service delivery’ project modality. In this way, IW’s core business is to facilitate and strengthen relationships between other, local actors, rather than assuming a central role itself. This will be consolidated in Phase 2, in particular as the BCs are supported to become the locally embedded private sector drivers of WGE reform within their respective countries – with, by the end of Phase 2, the capability and resources to become themselves conveners, connectors and influencers between business, government and non-state actors.

This approach does not, however, obviate the need for strong program management, coordination and oversight by the ISP through, in particular, its CEO and leadership team, and the GEB Assistant Director. The multi-country approach of IW has enabled a degree of devolved management to the four countries of operation, primarily facilitated by: a) funding contribution from the DFAT country program areas⁴⁵; and b) a dedicated locally engaged DFAT IW Program Coordinator located at each embassy, paid through the GEB budget, and with the oversight of an Australia-based posted DFAT officer.

The financial contribution made by the country program areas is far exceeded by the value of activity delivered through IW in the respective countries. Through IW’s presence and

⁴⁵ Excluding Myanmar in Phase 1.

networks, embassies reap the benefits of public diplomacy opportunities and additionality in terms of addressing their broader strategic priorities. These benefits are even more valuable in a competitive budget environment and continuation of bilateral funding contributions should be actively advocated by MPD.

The multi-country modality has also proven to have a number of clear benefits, as evidenced through other DFAT investments using the same modality⁴⁶ and the findings of the Phase 1 Review. The management by a single ISP with the head office established in Manila, Philippines brings coherence to the approach employed across the program as whole; common principles, systems and processes will continue to assist with efficient implementation. However, the engagement of highly credentialed local Country Managers for each country has grounded the interpretation and translation of this common approach into bespoke and nuanced country-specific implementation.

The success to date of IW in operationalising the multi-country approach has been in large part due to the clarity that has been established in defining the roles of each of the DFAT and IW program stakeholders. It is relevant to note that the effectiveness of the approach is also widely recognised to be due to the efforts of the IW CEO and her advisory staff to communicate openly with, and travel regularly to, all program sites. Importantly, ensuring this travel is strategically timed to leverage key engagement opportunities with IW partners at the country level has strengthened coordination and relationships. Similarly, the efforts of the GEB Assistant Director in ensuring regular communication with, and support to, the local Program Coordinators across all country embassies has been critical to a coherent and cohesive whole-of-program approach. Should there be any change in personnel in these key positions during Phase 2, it will be essential that this prioritisation of communications and relationship-cultivation is continued.

Chief among the numerous benefits arising to date from the multi-country modality is the opportunity for cross-learning, cross-pollination for innovative strategy development and, at times, healthy competition between partners and between countries. This will be consolidated in Phase 2, with management ensuring accountability mechanisms are in

⁴⁶ See DFAT's Market Development Facility - <http://marketdevelopmentfacility.org>.

place so that this peer-to-peer collaboration takes place on a regular and frequent basis. Key cross-country groups to meet together – either in person or through virtual communications – include:

- IW Country Managers
- DFAT IW Program Coordinators
- Operational staff from each of the work units across IW and key partners – e.g.: Communications/Advocacy personnel, HR support personnel, MEL personnel.

Effective program management will also be supported by ongoing analysis of the specific country contexts of IW operations and the evolving opportunities and risks that will emerge in each respective country over the life of Phase 2. To assist with this process, it is recommended that IW consider updating the Country Context Papers developed in Phase 1, ensuring that they are useful documents for IW staff, DFAT and other partners. Country-specific discussions and analysis will also continue to occur as part of the regular Annual Plan preparation.

Finally, as noted in Section 3.1, IW's three Outcome Pathways are inter-related and cross-reinforcing, and the Phase 2 Program Logic further strengthens these links and synergies. In Phase 1, IW's Myanmar activity related only to the establishment of a BC. However, for the Phase 2 it is recommended that activity across the other Outcome Pathways be considered – with the agreement of the embassy and other stakeholders. In this way, the benefits of 'layering' and complementary efforts across the breadth of program activity will be fully realized in Myanmar⁴⁷.

4.1.2 PROGRAM GOVERNANCE

The IW governance arrangements have been designed and operationalised to reflect the private sector – and not conventional bilateral government-to-government – implementation context within which the program is situated.

⁴⁷ In terms of resourcing for Outcome Pathway 2, note that some of IW's existing IIPs who have brokered deals in Vietnam, Indonesia and Philippines are already working in Myanmar. Therefore, should IW expand in Myanmar there would be minimal increase to operational overheads.

The IW Strategic Advisory Board (SAB), for which the ISP is the Secretariat, is composed of senior officers from DFAT and chaired by the DFAT First Assistant Secretary (FAS) of MPD. This composition will continue into Phase 2, with the Board primarily functioning as a policy-setting and strategic advisory body for the program, in addition to providing visibility within DFAT of the contribution of IW to the broader agenda and priorities of Australia's aid and economic diplomacy programs. Board meetings are held every six months in Canberra with Board Papers prepared in advance by the IW CEO. To complement this preparation, and ensure that key senior DFAT officers with decision-making power have as accurate and contextualised information as possible, it may be helpful for senior staff at embassies to provide strategic briefings to their Canberra-based SAB member in the lead-up to the meeting. Outside of these formal governance meetings, the Assistant Secretary GEB will play an active role in championing the program and its achievements internally within DFAT and in appropriate regional fora to raise its profile and leverage potential co-investment opportunities.

Given the limited nature of bilateral funding to IW there continues to be no requirement for country level Program Coordination Committees. However, the Program Advisory Board that IW usefully brokered in the Philippines in late 2017 will continue into Phase 2. This Board, composed of DFAT's government partners, the Department of Social Welfare and Development, the Philippine Commission on Women, and the Department of Trade and Industry has been formed under the Australia-Philippines treaty on development cooperation, with a mandate to encourage policy dialogue and contribute to a better understanding of women's economic empowerment in the region. In light of the growing reputation of the BC and the recognised influence of its high-profile Chairperson, the Embassy in Manila has suggested that she could be invited to be part of the Board to further government-private sector policy reform dialogue. This suggestion should be followed up by IW in preparation for Phase 2.

Linked to the above, the 'soft power' and people-to-people opportunities generated by the influential BC Chairpersons and founding member CEOs, which benefit Australia's broader

bilateral relations in partner countries, can be further exploited in Phase 2⁴⁸. This may include, for example, the purposeful facilitation of more informal events that bring together Ambassadors and BC leaders on the sidelines of formal meetings (e.g. BC Board Meetings), which foster strategic relationship-building.

4.1.3 DFAT COMMUNICATIONS AND PUBLIC DIPLOMACY

Ensuring regular and strategic engagement with DFAT at the embassies and in Canberra will be critical in Phase 2. The IW Program Coordinators at the respective embassies will continue to be the main ‘voice’ of the program within DFAT at the country level, supported by the IW Country Managers. Other key staff, including the CEO, will continue to travel to/liaise with the embassies as is deemed strategically and operationally required. In Myanmar, engagement with the embassy will be managed by the CEO and BC Director, however, the potential of GEB to fund a dedicated Program Coordinator at this embassy should be explored, particularly should there be an expanded program scope.

Engagement with stakeholders in DFAT Canberra will continue to be managed by the IW Contractor Representative, CEO and GEB Assistant Director. As noted above, the Strategic Advisory Board Meeting will remain the primary formal mechanism of consultation. In-person engagement will be complemented by the regular CEO Newsletters circulated to all DFAT stakeholders and other briefings as required. In addition to the regular updating of IW’s social media accounts, IW operations staff will ensure that each embassy is provided with regular content on IW’s country-relevant events and achievements to include on their own Facebook accounts. Content may also be useful for reporting cables to DFAT Canberra.

Under the direction of the CEO, IW Country Managers will actively seek out opportunities for public diplomacy opportunities for Ambassadors and senior counterpart government officers, specifically focused on opportunities that reinforce IW’s contribution to the cultivation of Australia’s role in strengthening economic partnerships in Southeast Asia, and its facilitation of private sector linkages and soft power leverage. It is also expected

⁴⁸ DFAT is currently leading the whole-of-government review to consider a more systematic and sophisticated approach to harnessing and leveraging Australia’s soft power assets. This includes new and more effective partnerships with the private sector. <https://dfat.gov.au/people-to-people/soft-power-review/Pages/soft-power-review.aspx>

that the innovative and ‘visual’ nature of many of the anticipated advocacy products will provide appealing and positive opportunities for joint high-level engagement.

4.2 MONITORING, EVALUATION AND LEARNING

The outcomes that IW seeks involve change for individuals as well as systemic changes. The original design recognises – as does the UNHLP – that tangible contribution to WEE requires a multi-faceted approach that targets changes on many fronts, including to formal organisations, systems and processes, and to the less formal institutional and social norms. Success – in terms of IW’s contribution to achieving its stated purpose of ‘increased economic participation of women in Southeast Asia in formal sector employment and as entrepreneurs’ – therefore needs to be measured across various domains of change, as reflected in the Program Logic EOPOs.

4.2.1 PURPOSE

IW MEL in Phase 2 will ensure a dual focus on a) demonstration of results across Outcome Pathways and the program as a whole; and b) an internal learning function to inform where, how and why change occurs.

In order to build the business cases to support the central thesis of IW – i.e. that investing in women yields productivity/performance benefits for businesses, investors and broader economic growth – it is essential that the IW MEL system prioritise the capturing of data related to the changes taking place through and within its key partners **and the benefits that these changes are generating**. These unique, country-specific data sets can then be meaningfully communicated across the different target audiences – BC member firm management, the wider business community, the impact investment ecosystem players, as well key influencers within society more broadly – to drive appetite for further change.

The purpose of the IW MEL system, therefore, is fourfold:

- i. To **build the evidence base** in the development of Southeast Asia-specific business cases for WGE and investment in WSMEs, and thereby support advocacy for shifting practices and attitudes related to WGE/WEE
- ii. To **enable accountability** to the Australian public and DFAT, specifically reporting on

- how the funding was invested and what it achieved
- iii. To **support IW management and partners** to track progress, learn how/why change is occurring and inform decision-making for continuous improvement
 - iv. To ensure the learnings from an innovative aid investment, which aligns with the ‘new aid paradigm’, serve **to inform future DFAT investments**. This relates specifically to better understanding how to work effectively with and through the private sector as well as effective strategies to influence social norms in the digital age.

4.2.2 APPROACH

The approach to MEL in Phase 2 will build on the significant learnings arising from Phase 1 implementation and the iterative improvement-focused revisions that have been made to the system by the MEL team since the original design. In order for the MEL system to continue to be ‘fit-for-purpose’ for a non-conventional aid investment with the ambition and innovation intent of IW, there are a number of key features that will need to be reflected in its ongoing development and application:

- As reflected in the Phase 2 Program Logic, in addition to its external accountability requirements, the MEL system itself plays a core ‘implementation’ role in supporting shifts in consciousness across the WEE reform dimensions targeted by IW. The data and case studies generated through MEL work, particularly with BCs and IIPs, documenting the changes in practice – and the benefits accrued through these – will be key in the construction of contextualised businesses cases for WGE and WSME investment. In turn, the strategic reporting and communication of these benefits (including through the MEL system) will incentivise and influence broader take-up of these changes and challenge negative attitudes constraining WEE. Technical inputs from across the IW team will be required to ensure the framing of MEL data is appropriate to, and resonates with, the different target audiences.
- Within IW’s adaptive implementation approach, the MEL system will enable the timely identification of what is working and why so that planning and activity is informed by evidence, with successful strategies shared and expanded and less successful strategies discontinued or modified. This internal learning function of MEL is critical in

supporting innovative implementation to inform where, how and why change occurs⁴⁹. Attention should be primarily concerned with identifying contribution rather than proving attribution, and ensuring that there is a clear articulation of ‘what change looks like’ for the program and its partners.

- IW MEL will be undertaken collaboratively with partners – BC, IIPs and advocacy partners – to support their capability to measure, report on and learn from changes that are occurring through their reform activity. As much as possible, data collection will be in line with partners’ own action plans, with the results used for their own strategic advocacy.
- The IW MEL system will also enable results from activity across all program activity to be synthesised and reported on in ways that are meaningful to stakeholders and key decision-makers within DFAT, responding to the priorities of DFAT’s own internal political economy. This will include consideration of accessible reporting formats, including use of infographics and information aligned to Aid Quality Checks and DAC criteria.

⁴⁹ As demonstrated in DFAT’s research synthesis of lessons from the ‘Developmental Leadership Program’, “traditional, results-based ... approaches are ill-suited for the design and as well as monitoring and evaluating of programs which seek to support complex, unpredictable; and non-linear change processes” – *Inside the black box of political will: 10 years of findings from the Developmental Leadership Program* (DFAT/DLP, 2018).

4.2.3 MONITORING, EVALUATION AND LEARNING FRAMEWORK

As part of the Phase 1 Review, a discrete appraisal of the Phase 1 MEL Framework was undertaken. This Review (summary) is attached at Annex 5.10. This IDD Update has been developed in consultation with the MEL Review team who have confirmed that the revised Program Logic addresses all related key recommendations from this Review. In preparation for Phase 2 roll-out it will be incumbent on the ISP MEL team to revise the MEL Framework and associated MEL Plan prior to July 2019. These revisions will build on learnings from MEL in Phase 1, and reflect the recommendations of the Review and the key directions and priorities outlined in this IDD Update. The MEL team will also consider the development of a Performance Assessment Framework with annual targets that will be useful for IW, GEB and Australian embassy reporting.

At the highest ‘headline’, whole-of-program level, and consistent with Recommendation #5 of the MEL Review, the following Key Evaluation Questions, which align with DFAT’s evaluation criteria, should guide MEL activities in Phase 2. Sub-questions related to each of the specific Outcome Pathways will be developed as part of the revised MEL Framework.

#	Key Question	DAC Criterion
1	To what extent does IW provide DFAT with an appropriate way of engaging with government, private sector and non-state local partners to progress Australia’s foreign policy agenda?	Relevance
2	How and to what extent have IW supported partners contributed to increased economic participation of women?	Effectiveness (<i>of direct partners</i>)
3	How and to what extent are IW supported activities demonstrating businesses cases for greater gender equality in formal workplaces and within the impact investing ecosystem; and are these “cases” leading to	Effectiveness (<i>of impact on beneficiaries</i>)

	changes in attitudes and practices?	
4	To what extent does IW's focus on catalytic interventions to stimulate locally-led change provide a management and delivery model for other DFAT investments?	Effectiveness (<i>of modality</i>)
5	How are Outcome Pathways working together to maximise contribution to Program outcomes?	Efficiency
6	To what extent have the modalities of IW demonstrated value for money, particularly in terms of leveraging resources and co-investment?	Value for money
7	How and to what extent are any resulting capacity, structures and enabling environment (i.e. attitudes, policies, investment trends) changes likely to be sustained beyond IW?	Sustainability

4.2.4 RESEARCH

Consistent with the original design, research will continue to play an important role in IW Phase 2. As previously indicated, the field of WGE and compilation of the associated businesses cases are nascent within the Southeast Asian context. As reflected in the Phase 2 Program Logic, research in this area should be used as an important tool for IW's advocacy agenda across all Outcome Pathways. The partnership in Phase 1 between IW and the University of Sydney provided an opportunity for IW to have a dedicated research arm focused on key themes to both inform, and be informed by, the pioneering work of IW. However, as detailed in the Phase 1 Review, the lessons from this relationship now render it timely for the research partnerships brokered by IW in Phase 2 to prioritise: a) research institutions that have an applied, 'action learning' focus, and more flexible decision-making processes and time-frames; and b) partnerships with local/regional

institutions and individuals. With regard to the first priority, and in line with DFAT’s own assessment of research partnerships, “short term analysis and applied research directed at specific program or investment-level design and implementation is the research output most likely to be used”⁵⁰ – in contrast to academic ‘global public good’ and policy focused research. As indicated in Section 3.4 it is recommended that a Research Coordinator be engaged in Phase 2 to identify, coordinate and/or undertake research in priority areas. Potential for partnerships with emerging local researchers will be explored as an important strategy in supporting the development of contextualised research production, with greater sustainability impact. In addition, consideration will be given to the relative priority and implications of research of an academic nature vis a vis a more applied, ‘action learning’ focus. The views and priorities of Australian embassy partners will also be taken into account in the development of research work-plans.

Given the innovative nature of IW and its alignment with DFAT policy settings, it is also recommended that DFAT pursue the possibility of its Office of Development Effectiveness undertaking a discrete evaluation of IW towards the end of Phase 2 to facilitate learnings from IW across the agency.

4.3 SUSTAINABILITY

As a catalytic initiative, working through local partners to support their change agendas, sustainability of impact is at the heart of the intent of IW.

The establishment and cultivation of independent, not-for-profit BCs with their own governance arrangements and self-financing processes as local drivers of WGE reform is foundational to IW’s sustainability focus; through these now locally embedded structures, IW is clearly functioning as a facilitator of locally-driven change, rather than the primary actor in a project-based modality with finite reach and resources. In Phase 2 IW will double-down on efforts to ensure the sustainability of the BCs through, in particular, the prioritising of resources that strengthen their operational and governance capability. These will also build the BCs’ expertise and strengthen their value proposition so that the marketing and provision of practical WGE services is credible, and thereby stimulates

⁵⁰ Research for better aid: an evaluation of DFAT’s investments (DFAT, 2015).

further demand and membership recruitment.

Prior to Phase 2 commencing IW will undertake an analysis of the financial situation and sustainability prospects of each BC to inform strategic planning and realistic work-plans, considering, where appropriate, experiences of other similar bodies (for example, the Indonesian Services Body). This financial sustainability analysis will be regularly monitored and reported to DFAT so that strategies, activities and resources can be adjusted in a timely manner to maximise the likelihood of sustainability and, where necessary, contingency plans developed.

With regard to IW's work in impact investment, by its very nature impact investment refers to the allocation of efficient capital that produces opportunities for lasting sustainable outcomes and the potential to scale. In line again with its catalytic approach, IW does not directly associate or partner with WSMEs but vests that responsibility in the hands of IIPs who carry the longer-term commitment and partnership with the WSMEs throughout the life of the investment. The IIPs selected as partners by IW will continue to be companies selected through a robust process underpinned by sound due diligence. In this way, IW, and DFAT more broadly, are safeguarded from companies that are financially unsustainable. The development of DFAT's EMIIF also provides a potential opportunity for any residuals at the end of IW to be rolled over for EMIIF management or re-investment. The IIPs themselves see significant opportunities for capital raising, scaling the program's pilot initiatives.

IW's priority focus is on building and communicating the 'business cases' for both WGE and impact investment for WSMEs within the broader business community and impact investment ecosystem. This means that the results and changes achieved through IW's direct partners will have a high likelihood of influencing other key actors who will be motivated to take similar change action, thereby multiplying and sustaining impact beyond the life of IW.

In relation to the sustainability of IW's contribution to influencing WGE gender norms, the Phase 2 Program Logic focuses on supporting local advocacy partners to expand, deepen and sustain their activities in shifting discriminatory attitudes, and in motivating their target

audiences to become advocates for these same social change issues. Ongoing collaboration with IW in Phase 2 will heavily depend on the evidence produced by these partners that they are indeed further building relevant networks of influence that will be self-sustaining beyond the life of IW support. In addition, the Phase 2 strategy of ensuring that the advocacy resources, learnings and research and collateral generated through IW support be progressively collated and housed within the BC structure will be another means to optimise the sustainability of IW advocacy activity.

4.4 DISABILITY INCLUSION

Phase 2 will provide an opportunity for IW to more proactively promote disability inclusion among its partners. Promising entry points include the appetite of some of BCs to see their WGE mission as part of a broader agenda of diversity and inclusion within the workplace. IW will be able to foster discussion and thinking around this issue, with the potential of BC action in HR policy reform and attitudinal advocacy incorporating consideration of disability inclusion. IW should also intentionally stimulate thinking and discussion around disability inclusion and the intersectionality between gender and disability discrimination with its local advocacy partners. Opportunities to use images and examples of women with disability in advocacy materials to address negative stereotypes and stigma related to women with disability should be explored.

4.5 RISK MANAGEMENT

Over Phase 1, a comprehensive Risk Management Matrix has been iteratively developed by IW, reflecting the evolving risks and mitigation strategies. The latest version, in the 2018 Annual Plan, documents both high level risks and risk specifically related to each Outcome Pathway (Component) area. This matrix will be revised at the beginning of Phase 2 by IW to reflect changes as articulated in this IDD Update and consistent with the latest DFAT Risk Register format. The IW team, in consultation with DFAT GEB and embassies, will update the Risk Register regularly as part of the Annual Planning process. A summary of key design, implementation and outcome risk areas are described below.

- i. Key risks for the BCs are:
 - The ability to gain traction for WGE as a key business priority

- The ability to attract and retain skilled BC Secretariat staff
- The commitment and alignment of BC Chairs and Founding Members to act as active and effective advocates for gender equality in the workplace, particularly given the other calls on their time
- The ability of BCs to function as operationally strong and financially sustainable organisations by the end of Phase 2.

To mitigate against these risks, this design supports the strong, continued investment in developing BC personnel and operational capacity, as well as their WGE knowledge and expertise. Further, IW will continue to support BCs in their communications and advocacy efforts, linking data and resources generated through the advocacy partnerships under Outcome Pathway 3.

Through the new position, WGE Adviser, IW will identify the priority areas of technical assistance required by the BCs, as well as harnessing the potential of Australian Ambassadors and senior level visits from Australia to solidify relationships with BC members to encourage their leadership and advocacy of WGE issues.

Throughout Phase 2 IW will continue to work with BCs to continue to develop locally relevant value propositions and a range of pathways to financial viability.

ii. Key risks for impact investments are:

- The funding environment for women entrepreneurs is currently fragmented and critically short of funds. IWs investments are modest in the scale of what needs to be done. There is a risk that IW is unable to shift the environment sufficiently to drive real, lasting change.
- The ten-year investment period for investments in IW grant agreements with IIPs means that the demonstration period for the impact of investments lies outside the IW Phase 2 period.

IW will continue to work strategically and globally to encourage other players to invest in Southeast Asia with a gender lens, and will work with DFAT to encourage other Development Finance Institutions and Multilateral Development Banks to do likewise. The MEL system will gather data regularly to develop the WSME investment business case to

the extent possible within Phase 2. In addition, Phase 2 will have a stronger focus on engaging intermediaries and attracting Asian wealth.

- iii. The key risks to IW influencing gender norms in Phase 2 include:
 - Change in this space is affected by many factors; the trajectory and pace of change is unpredictable. There is a risk that IW not be able to show plausible contribution to changes within the timeframe.
 - Potential for backlash against the Australian Government for funding progressive campaigns relating to women and gender norms.

IW will make initial, catalytic investments across a range of different areas where there is evidence of potential and local drive, and scale up only where investments show promise. This ‘pilot and pivot’ approach will be central to managing risk. Activities and messaging will generally be framed positively and partners will be supported to enhance their skills to manage negative feedback and to limit and manage backlash.

4.6 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

The DFAT Environmental and Social Safeguards tool has been updated and is at Annex 5.5. Given the nature of the program, IW has little direct impact on the environment, vulnerable people, disadvantaged people, indigenous peoples, resettlement, health and safety or children. IW will continue to be selective in relation to its partners and maintain safeguard control procedures and measures to minimise and manage any emerging risk in these areas.

ANNEXES

5.1 Glossary

5.2 References

5.3 Phase 1 Review Synthesis

5.1 GLOSSARY

Accelerator	A business accelerator is intended to promote rapid growth of a start-up company. The time frame is usually 3 to 6 months to address operational, strategic, and organizational challenges that a young business may face in transitioning to a mature company. It usually includes mentorship and educational components. ⁵¹
Additionality	Additionality is a term that refers to the additional impact that was achieved by the presence of an impact investor (or donor funds). It prompts the question of whether the same impact would have been achieved even without the presence of an impact Investor ⁵² (or donor funds).
Angel Investor	An affluent individual who provides capital for a start-up enterprise, usually in exchange for some stake in ownership equity ⁵³ .
Fund Manager	The person(s) responsible for implementing a fund's investing strategy and managing its portfolio trading activities. A fund can be managed by one person, by two people as co-managers and by a team of three or more people. Fund managers are paid a fee for their work, which is a percentage of the fund's average assets under

⁵¹ Impact Investing Australia, October 2018,

<https://impactinvestingaustralia.com/resources/glossary/>

⁵² The Case Foundation, A Short guide to Impact Investing, September 2014,

<http://casefoundation.org/wp-content/uploads/2014/11/ShortGuideToImpactInvesting-2014.pdf>

⁵³ Trilinc Global: Invest with Impact, May 2015, <http://www.trilincglobal.com/events-and-resources/impact-investing-glossary/>

	management. Also known as an "investment manager." ⁵⁴
Financial Intermediaries	An entity that acts as the middleman between two parties in a financial transaction. While a commercial bank is a typical financial intermediary, this category also includes other financial institutions such as investment banks, insurance companies, broker-dealers, mutual funds and pension funds. Services that can be provided by intermediaries include: introducing parties to the deal; gathering evidence and producing feasible options; facilitating negotiations between parties; raising investor capital; establishing a special purpose vehicle; and managing performance.
Gender Lens Investing	Gender lens investors use gender as a category of analysis when making investment decisions. In mapping approaches to gender lens investing, most include one or more of three primary investment objectives or "lenses": <ol style="list-style-type: none"> 1. Investments that increase access to capital for women entrepreneurs and businesses that have women in leadership positions 2. Investments that promote gender equity in the workplace by investing in private sector companies with leading gender policies that also extend across their supply chains 3. Investments that increase the number of products and services that benefit women and girls by

⁵⁴ Investopedia, May 2015, *ibid.*

	<p>directing capital to socially responsible businesses that develop and offer these products and services</p> <p>Investing in funds or other investment vehicles that use one or more of these lenses is gender lens investing.⁵⁵</p>
Impact investments	<p>Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances⁵⁶.</p>
Impact Investors	<p>Individuals and/or institutions that invest their wealth into impact investments, either directly, by way of a fund, or through an intermediary.</p>
SME: Small and Medium-sized Enterprise	<p>Subject to various definitions, but generally a company characterised by the number of its employees or annual sales or assets. The World Bank defines a small enterprise as meeting two of the following three criteria: minimum 50 employees, under USD 3 million in each assets and sales, and a medium enterprise as meeting two of the following three criteria: up to 300 employees, total assets and total sales of up to USD 15 million.⁵⁷</p>
Social Enterprise	<p>An organization that is directly involved in the sale of goods and services to a market, but that also has specific social objectives that serve as its primary purpose. Social</p>

⁵⁵ Criterion Institute, May 2015, <http://criterioninstitute.org/revaluegender/gender-lens-investing/>

⁵⁶ Global Impact Investing Network (GIIN), May 2015, <http://www.thegiin.org/cgi-bin/iowa/resources/about/index.html>

⁵⁷ Trilinc, Ibid.

enterprises are not volunteer organizations in that they operate as an enterprise by selling in a market, and can be registered as for-profit or non-profit. Profits are principally used to fund social programs.⁵⁸

⁵⁸ Investopedia, May 2015, *ibid.*

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5.3 PHASE 1 REVIEW SYNTHESIS

INVESTING IN WOMEN PHASE 1 REVIEW SYNTHESIS

OCTOBER 2018

The views expressed in this report are those of the authors, based on desk reviews of available reports and interviews with key stakeholders.

ACRONYMS

APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BC	Business Coalition
CI	Criterion Institute
DFAT	Department of Foreign Affairs and Trade
EDGE	Economic Dividends for Gender Equality Certified Foundation
EMIIF	Emerging Market Impact Investment Fund
EOPO	End of Program Outcome
EY	Ernst and Young
GEB	Gender Equality Branch
GLI	Gender Lens Investing
HNW	High-Net Worth
IDD	Investment Design Document
IIP	Impact Investment Partner
ISP	Implementing Service Provider
IW	Investing in Women
iXc	InnovationXchange
MEL	Monitoring, Evaluation and Learning
MELF	Monitoring, Evaluation and Learning Framework
ToC	Theory of Change
UoS	University of Sydney
WEE	Women's Economic Empowerment
WGE	Workplace Gender Equality
WSME	Women-owned and led Small and Medium Enterprise

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1. Introduction

1.1 Background to the Investing in Women Review Synthesis

Investing in Women (IW) is an Australian Government initiative in Southeast Asia that seeks to improve women's economic participation as employees and as entrepreneurs, and influence the private and public sector environment to promote Women's Economic Empowerment (WEE). It is implemented in Indonesia, Philippines, Vietnam and Myanmar and managed out of the Gender Equality Branch (GEB) of the Department of Foreign Affairs and Trade (DFAT) in Canberra. The program is implemented on behalf of DFAT by Abt Associates (Abt), in partnership with Ernst and Young, Metis Analytics and the University of Sydney (UoS). Premised on the understanding that influencing change in attitudes and practices related to women's economic empowerment and workplace gender equality is a long-term endeavour, IW was designed to be a 7.5-year project with two phases. The original Investment Design Document (IDD) specified four anticipated End of Program Outcomes (EOPO) supported by four key components:

Component 1. Business partnerships - More businesses achieve gender equality in their workplaces

Component 2. Impact Investing in Women in Business - Impact investment in women's small and medium enterprises is increased

Component 3. Government partnerships - National policy makers and regulators remove barriers to WEE

Component 4. Advocacy Platform - Public attitudes are more supportive of WEE

Phase 1 commenced in April 2016 with a budget of AUD 43.8 million⁵⁹ and is scheduled for completion at the end of June 2019. Funding contributions for this

⁵⁹ In addition to this amount GEB provides funding (non-contract costs) for three local DFAT staff positions at a total cost of approximately AUD 0.5 million.

phase have been made by GEB, the innovationXchange (iXc) and the bilateral country desks (excluding Myanmar).

The original IW IDD will be ‘refreshed’ for Phase 2. In order that the second phase builds on learnings from implementation to date to maximise the likelihood of the achievement of IW’s objectives, DFAT and Abt have jointly commissioned a review of Phase 1. Technical experts have been engaged to review the discrete components and this Review Synthesis document consolidates the findings of those appraisals as part of an overall analysis of progress. In particular, the Review Synthesis aims to identify strengths and areas for improvement to usefully inform the Phase 2 Design Update. It also reflects the evolving policy and resource settings of the Australian Government’s aid program to assist in ensuring that IW remains directly aligned with its priorities and new opportunities for impact.

Importantly, the Review Synthesis will provide a basis for discussion for in-country consultations across all four countries, including with DFAT Embassy staff, IW personnel, key partners and stakeholders to validate (or otherwise) findings and further inform the Phase 2 Design Update.

1.2 Review limitations

The review process has been conducted through desk-based documentation analysis and consultations with key IW technical personnel and DFAT officers in Canberra over a two-week period. Documentation comprised IW design material, and research and MEL reports generated by the IW MEL team and UoS partners. Consultations were limited to telephone conversations with IW technical leads and UoS staff, with a combination of face-to-face and telephone meetings with DFAT personnel.

2. Progress and emerging effectiveness

2.1 Overview

Within its relatively short life-span of just over two years, and in a complex

operating environment across four countries, IW has made significant progress in laying a strong foundation for the achievement of its objectives. Critically, IW is breaking ground in innovative approaches to aid delivery driven by the private sector; it uses aid in catalytic ways to incentivise and influence a range of private sector partners to address the structural barriers constraining women's equal participation in the economy. The ground-breaking nature of IW's approach to influencing attitudes and practices related to workplace gender equality (WGE) and gender lens investing (GLI) has meant that IW has not been able to rely on previous successful approaches or 'templates' for action; rather, in an experimental, opportunistic and adaptive way, IW has brokered new private sector partnerships and established new ways of working that are directly aligned with the priorities of the Australian Government's policy framework and progressive research on aid effectiveness⁶⁰.

2.2 Component 1: Business Partnerships

This Component is built on the premise that large and influential businesses that take the appropriate steps to improving gender equality in their own workplaces can act as role models to others, influencing those in their supply chain and other large businesses. In terms of its Theory of Change (August 2018) IW is achieving, and is on track to continue to achieve, the desired outcomes for this component, as phased across program duration.

2.2.1 Strengths

a) *Business Coalition establishment*

Despite the low levels of conceptual awareness of WGE within the private sector in the Southeast Asian context, a challenging operating environment for mobilisation of IW in Vietnam, and complex legislative requirements in Myanmar, IW has

⁶⁰ *Foreign Policy White Paper* (DFAT, 2017); *Strategy for Australia's aid investments in private sector development* (DFAT, 2015); *Australian aid: promoting prosperity, reducing poverty, enhancing stability* (DFAT, 2014); *Developmental Leadership Program – dlprog.org*.

successfully established diverse models of Business Coalitions (BC) across the four target countries involving both domestic and multinational companies. These have been developed in ways that respond flexibly to the distinct contexts, and are currently evolving and receiving customised support according to these contexts. IW has strategically focused on securing a high-profile Chairperson for each BC and leveraging their networks; this has laid important groundwork for ensuring BC credibility, influence and recruitment power. Each BC has a strong group of founding members and membership reach is significant with over 100,000 employees in each country. The establishment of a localised and contextually appropriate Secretariat for each BC has also been a major IW achievement.

Through prioritising the strategic engagement of influential BC founding members and investing significant effort in positioning these BCs as the drivers of WGE change, IW has established an operating model that marks a clear departure from conventional forms of external, supply-driven aid. IW's focus on working with influential corporate decision-makers through the BCs to address deeply entrenched attitudes and institutional norms related to gender equality is equally innovative for both the Australian aid program and IW local partners; this approach is broadening understanding that gender equality and women's economic empowerment are not only issues for 'poor' women but ones that exist at all socio-economic levels, requiring targeted and differentiated initiatives⁶¹.

b) Partnership with Economic Dividends for Gender Equality (EDGE) Certified Foundation

The original IDD recommended the exploration of a WGE accreditation scheme for the BCs that would have sufficient status to incentivise companies to accelerate their internal reform efforts, attract new BC members and stimulate fee-paying demand for diagnostic/accreditation services through the BCs. In December 2016,

⁶¹ The 'urgent issues' requiring prioritised action in the recent *McKinsey Global Institute Report, The Power of parity: advancing women's equality in Asia Pacific* (2018), relate to *structural* power dynamics and constraints, which relate largely to middle-class women and their access to the labour force and leadership in business.

IW entered a contract with the Swiss-based EDGE Foundation, the most widely recognised global assessment system and the gold standard business certification toolkit for WGE. Notwithstanding this global recognition, formalisation and accreditation of WGE policies and processes is a relatively recent development across the corporate sector internationally, and prior to engagement with IW the EDGE diagnostic tool had only ever been used in a small - but growing - number of companies headquartered in developed economies. Through partnership brokering by IW, Southeast Asian companies now have first time access to a 'gender equality snapshot', benchmarked against the EDGE global standard, and tailored action plans for improvement that lead to internationally recognised certification underscored by independent third-party auditing.

With only three BC companies having achieved EDGE certification by May 2018, IW's Monitoring and Evaluation reports indicate that IW has not met its annual certification 'targets'. However, this Review finds that given the cutting-edge innovation of convening influential business coalitions around issues of WGE, and associated diagnostic and international accreditation processes, the assumptions inherent in the IW design underpinning these targets render them unrealistic for this stage of the program. Implementation has challenged these assumptions, which include: existence of a common conceptual understanding of WGE in the operating context; a developed state of corporate HR systems and approaches; and ease with which global workplace gender equality certification instruments could be adopted within the Southeast Asian corporate context. Despite these significant and unanticipated challenges, the adaptive and 'learning by doing' navigation of this uncharted territory has meant that the hard-won achievement of business certification has also paved a way for future effectiveness and efficiency of the EDGE process. A continuous focus on ensuring implementation is informed by learnings, particularly peer learning between BCs (see Section 3.2) has broadened the conversation around what WGE can 'look like' in Southeast Asia and what previously unforeseen contextualised resources and approaches are in fact

required. Collectively, workshoping experiences from the EDGE process in Indonesia and the Philippines have addressed issues related to confidentiality, preparing for audit, and motivating staff to undertake surveys in a low-tech environment.

It should be emphasised that these learnings have multi-directional impact; the anticipated forthcoming certifications will be completed in much reduced timeframes⁶² due to the contextual learnings of the IW facilitation team, the BCs and EDGE itself. This latter point is important to note given the access that this has created for EDGE in the Asian emerging markets context and the flow-on influence that this enables. It is also ensuring that IW is playing a key role in ensuring EDGE global standards do not remain static and give voice to the realities of the Southeast Asian region and emerging market environment. This will be further enhanced through the licensing agreement with IW that enables personnel from BCs in the Philippines and Indonesia to become formally accredited to provide EDGE services.

c) Laying foundations for workplace gender equality reform

At this stage of implementation and data collection, a key achievement of IW has been the progressive identification of a diversified baseline for WGE through the BCs. In turn, this will facilitate the creation of contextualised business cases of accrued benefits. The significant data now emerging from the EDGE assessments is providing first-ever real-time information on the various aspects of gender equality and empowerment within the corporate sector. This is stimulating engagement within BC companies, informing the development of BC and IW strategic planning for priority action, and providing critical material for internal and external advocacy.

Through their advocacy activity, specifically in Philippines and Indonesia, BCs are already developing increased wider market interest, with a number of companies confirming intent to pursue EDGE certification through the BCs. Based on this

⁶² The first few certifications have taken 6-9 months, however, in the next 12 months IW is confident through the provision of more front-end support, this can be reduced to 3-4 months.

confirmed demand, both Philippines and Indonesia BCs are well on track to receive co-investment from other firms for payment of consultancy services, in line with end of Phase 2 target outcomes.

2.2.2 Potential areas for improvement

a) Prioritisation of IW resourcing to the BCs to drive workplace reform

As indicated above, implementation learnings to date have demonstrated that there is an expertise gap within some BC firms in the corporate systems and processes within which structural gender equality practices can be established and developed. As this was not a gap identified by the original IDD and associated resourcing arrangements, IW has not formally sourced or dedicated expertise to work with BCs to build member capacity in developing these systems with a gender lens. If this is not prioritised in Phase 2, there is a risk that the potential of the EDGE partnership to progress WGE will not be realised. Similarly, it would seem that without dedicated support to address the issues identified through the EDGE diagnostic, and practically take forward the associated action plans, tangible organisational reform at the company level – and evidence thereof - will be limited. This will also affect the construction of credible, evidence-driven business cases for WGE for broader influence. While the Component 3 Lead who has strong expertise in this area has provided advice and support in addition to her Component 3 work program, this has been on an ad hoc basis and not part of a strategic capacity building plan. In addition, BC firms have identified that local expertise in the area of strengthening workplace gender equality is a critical need for ensuring contextualised advice and application of new policies and processes. This is particularly relevant to address some members' concerns that the roll-out of EDGE certification be more contextually appropriate.

Resourcing of Component 1 for improved BC outcomes could also be improved through a stronger link between IW MEL systems and the BC firms. While this is discussed in more detail in Section 5.1, ensuring that MEL resources are more

purposefully directed to building the capacity of BCs to support firms' own extraction, analysis and reporting of key data on gender equality progress will be an important area for improvement.

It is also relevant to note that the new IW Advocacy and Communication Strategy developed under Component 4 (see Section 2.5) is explicit about its focus on 'working alongside the BCs to enhance the gender literacy of private sector influencers to be 'game changers'. As targeted technical support will indeed be required in view of this intrinsic advocacy role envisaged for the BCs, there may be a need to consider the relative resourcing of Component 4 towards the BCs given the high number of other objectives and priority areas within this Strategy.

b) Refinement of BC strategic focus

While necessary time has been dedicated to the establishment of the BCs across the four countries, their ongoing effectiveness will be maximised through IW concertedly supporting each BC to develop a tightly focused strategic plan. This will need to clearly articulate a contextualised and locally-owned vision and value proposition for WGE, and priority actions with practical monitoring processes and accountabilities. This should also include further refinement of Board and Secretariat responsibilities and operational processes, as well as further development of the 'sustainability plans' that have been prepared with each BC.

c) Strengthening bilateral government relationships

The 'soft power' and 'people-to-people' opportunities generated by the BCs for the broader agenda of the Australian Government aid program in partner countries should be prioritised and exploited. Through the IW-supported BCs, Australia has access to high-value decision-makers and influencers within the private sector and can use these networks to expand its understanding of and engagement with key economic and political drivers. DFAT Posts, with the guidance of IW, could explore how to deepen their relationships with the BCs and utilise these more strategically to enhance bilateral relations through the vector of private sector-driven development. This will, however, require careful consideration as to the most

appropriate and effective way that this relational deepening could occur over time, contextualised to the specificities of each country and DFAT Post, with a concomitant analysis of benefits, costs and risks.

2.3 Component 2: Investing in Women in Business

Under this component, and in partnership with Criterion Institute (CI) and Ernst and Young (EY), IW is piloting new approaches through impact investing to close the financing gap for women entrepreneurs and WSMEs by a) partnering with impact investors to expand access to finance for WSMEs in Indonesia, the Philippines and Vietnam, and b) building a business case for more gender-inclusive investing, and thereby influencing other impact investors and market actors in the broader ecosystem to adopt similar practices in Southeast Asia. Progress for this component has been reviewed by external specialists in the field of Gender Lens Investing (GLI). In summary, the review found that the work undertaken by IW through Component 2 is highly innovative and that good progress is being made towards its intermediate and EOPOs.

2.3.1 Strengths

a) Establishing a unique model to incentivise investment in WSMEs

IW is unique in its approach in using grants to incentivise investment funds to increase their placement of capital in WSMEs in Southeast Asia. With direct market investment, IW has brokered partnerships with four impact investment partners (IIP) that are now building solid pipelines of prospective investee businesses, making initial investments, and beginning the marketing of nearly AUD 300 million worth of combined new investment vehicles targeting WSMEs and GLI. To do this, IW is trialling a first-of-its-kind grant-based model with three distinct but inter-related elements. These comprise a) robust partner selection process and criteria (led by EY); b) a mix of investment capital and operational funding support reflected in performance-based grant agreements with the partners; and c) technical

capacity building support for implementation of partners' GLI action plans (through CI). This has meant that, with IW support, in addition to selecting and negotiating commercially sound, impactful deals with WSMEs, each of the partners is building its own internal capacity in GLI; they are, in their own customised ways, integrating a gender lens into their investment theses and processes, and into their overall organisational governance and strategy. This has included IIPs also demonstrating a detailed understanding of the importance of non-financial services, particularly accelerators and business advisory support, and employing these as they build their pipelines and execute investments. It has also included IIPs changing their corporate ethos and embedding GLI across their ecosystem of investees, accelerator and investment methods and tools. This is being achieved while IW simultaneously has put in place incentives that ensure IIPs remain commercially oriented throughout all stages of the investment process, from due diligence, capital structuring and exit.

b) Influencing the broader market for GLI

Within a relatively short time-frame, IW has been able to position itself as a lead player in, and contributor to, the growing profile and momentum of gender lens impact investment; this is reflected in IW's effectiveness in engaging with some of the most influential and skilled partners available to support its agenda. IW's relationship with CI – the internationally recognised thought and practice leader in GLI - has led to strengthened networks with leading GLI champions based in the West, including Catalyst at Large and Asian Venture Philanthropy Network (AVPN). As an example of network influence, through Catalyst's introductions, new co-investors have emerged for at least one of IW's IIPs. IW is also partnering with Global Impact Investing Network (GIIN) to implement its GLI Initiative, which positions IW within the most important western knowledge centre on impact investing. IW's support to this initiative has already leveraged additional private sector investment, as well as enabling production of the high quality research piece, *Landscape for Impact Investing in Southeast Asia*, which reached a wide investor

audience and provided much needed market intelligence on the impact investing ecosystem in the region, delving deeply into gender and IW target countries. IW is also sponsoring the Global Gender Smart Investing Summit in London at the end of 2018 and has leveraged crowd-in grants and other contributions at a 1:5 ratio, including from major banks, foundations and publicly funded Development Finance Institutions.

c) Strengthening DFAT as a leader in GLI

IW has been both proactive and responsive in building DFAT's internal knowledge base in gender lens impact investing. The models, advice and reports provided through this component - particularly through the Component 2 Lead and Criterion personnel - have been appreciated and utilised by DFAT, not only within GEB but also by the department's Development Finance Section and the iXc. IW advice and learnings have been influential in the development of DFAT's new 10-year programmatic instrument, the Emerging Market Impact Investment Fund (EMIIIF), and in shaping iXc's Scaling Frontier Innovation for social enterprises and its support for the Global Innovation Fund. This bolstering and clarifying of DFAT's understanding, learning and application of GLI strategies across several of its program areas has strengthened the Department's credibility and effectiveness as an international player in the field.

2.3.2 Potential areas for improvement

a) Promoting the business case for GLI

Building on the knowledge products developed under Phase 1, including MEL case studies and 'myth-busting' research pieces, a concerted focus on documenting and promoting the business case for GLI based on the learnings and experiences of IW IIPs will influence and incentivise further investment in WSMEs. While activity to date has been appropriately concentrated on achieving capital transfer to WSMEs through IIPs, it is timely that focus is now also directed on collecting the 'stories' around how this is happening and the changes that are occurring as a result. If this

evidence is demonstrated in accessible ways and responds to the concerns of impact investors, it will stimulate investment appetite in a context where such an evidence-base is still incomplete. The sharing of experiences of IW IIPs, particularly through the monitoring of their GLI action plans, will also enable expanded appreciation of gender and social impacts within investor organisations and investee businesses. This should include commissioning targeted and industry-focused research to generate deeper insights on the GLI business case for impact investors, with a particular focus on encouraging proposals from local consultants, think tanks, institutes and universities with links to investor communities. This approach to research will support linking business schools and academic gender programs with the impact investing community⁶³.

b) Increasing collaboration with Asian sources of investment capital

As reflected in the revised ToC (August 2018) the Phase 2 EOPO has been modified to specify a significant increase in impact investments into WSMEs that explicitly includes Asian sources of capital. Given the Western provenance of impact investing, IW's links with local, institutional and high net-worth (HNW) investors and fund managers have not been broad or deep to date; however, there is opportunity to begin tapping into this area, although market potential remains untested and challenging. IW's own IIPs have nevertheless already identified local players in the field, including foundations and funds, and the AVPN and the Asian Institute of Management, among others, have sponsored educational events on social impact bonds. It should also be noted that almost all (86%) of the leveraged private sector funds⁶⁴ by the IIPs originate in Southeast Asia, mostly from Indonesia and Singapore, confirming that there has been already indirect engagement with Asian wealth holders and investors in Phase 1. Although requiring a feasibility

⁶⁴ For every dollar contributed by IW Component 2 towards initial investments, round one IIPs, Patamar and Small Enterprise Assistance Funds (SEAF), have levered combined commitments of another 2.14 dollars in private sector financing.

analysis, there may also be scope in Phase 2 to develop stronger links with the BCs in this regard, where potentially some of the elite-level and HNW members could become investors in, or mentors to, the portfolio companies of the IIPs.

In this way, while the impact investing industry remains nascent in the IW programming countries, there are opportunities for IW to explore to stimulate the growth and sustainability of GLI in Southeast Asia. It is recommended, however, that this local expansion be validated by a focused research activity, analysing the strengths and weaknesses of potential locally-based investment companies and funds.

c) Undertaking future research and analysis to inform implementation approaches

There are a number of additional technical areas identified as warranting in-depth analysis by the IW Component 2 technical team and/or commissioned experts to inform implementation approaches in Phase 2. In summary, the main issues recommended for future research and analysis include: i) development of guidelines that clearly set out the options for IIPs when they exit their investments; ii) exploration of potential new investment instruments, as well as complementary non-financial services to strengthen WSMEs and GLI, to be deployed under Component 2; iii) benefits of formalised collaboration, underpinned by memoranda of understanding, with the IFC's Gender Secretariat and the Women Entrepreneurs Finance Initiative (WE-FI) of the G-8.

2.4 Component 3: Government Partnerships

In the original IDD, under this component it was envisaged that IW would provide DFAT investments in IW partner countries (excluding Myanmar) with technical assistance on gender equality in order to improve the effectiveness of relevant Australian Government economic and aid for trade investments. In addition, the IDD assumed that the barriers faced by BCs in implementing WGE policies and processes would be primarily at a regulatory and legislative level, requiring that IW

resources work with DFAT Posts and partner governments to address these constraints.

2.4.1 Strengths

a) Supporting the enabling policy environment

While not explicitly linked to the development of the BC in Vietnam or broader DFAT aid for trade investments, arguably the most tangible strength under this Component has been the gender analysis provided by IW, working through UN Women, to the Government of Vietnam in the revision of their Labour Code. This work is ongoing but has generated significant policy reform momentum and has spearheaded broader advocacy efforts in building understanding of the purport of the revisions to the Labour Code. In the Philippines, activity in this area has also supported the Philippine Commission on Women on reform of the Gender and Development Budget policy.

b) Strategic awareness-raising

Through work under this component, IW has also played a lead role in supporting key events around ASEAN@50 in August 2017, including the Philippines–Australia ASEAN Forum on Women’s Economic Empowerment: The Next Driver of ASEAN’s Success and The Foreign Minister’s Breakfast. IW also similarly played a key role in APEC’s Improving Quality Employment Opportunities for Women Conference in March 2017 in Bangkok. These two high-level events, which included the participation of influential decision-makers, provided an opportunity that IW strategically maximised to a) build awareness of the value-add expertise of IW in removing barriers to women’s economic empowerment and b) enhanced the prioritisation of WGE and WEE by these peak bodies. The development of Country Context Papers by IW on these issues also provides a pioneering tool in the articulation of a country-level baseline and priority areas for action.

c) Strengthening public diplomacy

The high profile nature of IW’s work in supporting initiatives such as the Labour

Code revision in Vietnam, the reform of the Gender and Development Budget policy in the Philippines and the aforementioned regional events has provided DFAT Posts in the Philippines and Vietnam with strong public diplomacy opportunities and strengthened the reputation of the Australian Government as a leader in the field of WGE. In addition, as reported by the IW MEL system, the quality of technical support provided under this component has been rated highly by 100% of all clients (internal to DFAT and external).

2.4.2 Potential areas for improvement

a) Re-validation of Component 3 rationale and aim

As outlined above, in the original IDD the key drivers of Component 3 were to strengthen the enabling environment for WEE through mainstreaming gender with DFAT's broader trade-related initiatives and also to address assumed legislative barriers faced by BCs under Component 1. The former driver was premised on an assumption that DFAT Posts would be actively pursuing this complementary technical assistance, however, strong demand from DFAT has not materialised. Similarly, priority constraints faced by the BCs under Component 1 have not been at the legislative level, but rather at the operational level of individual businesses within Coalition partners. The new Component 3 Theory of Change (August 2018) has been revised to remove reference to 'national policy makers and regulators' with a new end of the Phase 2 EOPO indicated as: 'Specific DFAT WEE related programs and policy engagements are better targeted to contribute to removal of selected barriers'. However, this appears to be a very broad aim with limited substantive 'change' focus at an outcome level for an investment of the innovative intent of IW. In light of the learnings of implementation to date regarding a) the original, non-validated assumptions underpinning Component 3; b) the emerging unanticipated barriers to progress within other IW components, and c) the success of key opportunistic inputs provided under Component 3 (i.e.: Vietnam Labour Law reform) it is strongly recommended that, as part of the Phase 2 Design Update

process, the Component 3 rationale be revisited. This should include consideration of whether there is clear demand for ‘enabling environment’ technical expertise that can, within a holistic and comparative advantage approach, provide the most strategic value to the achievement of IW objectives and sustainability of IW results. This process should also explore DFAT’s interest in building on the relationships and traction made through IW’s support to ASEAN to formalise an ongoing strategic collaboration and whether there is appetite within DFAT Posts for this to be part of IW’s purview. If this is the case, a potential targeted area for IW support to ASEAN could be the recognition of gender equality within the Competitive Economic Region pillar of the ASEAN Economic Community (AEC).

b) Re-direction of focus and expertise to support effectiveness of BCs

Linked to the above, it is questioned whether it is most useful for the strategic vision of IW to have Component 3 as a stand-alone component, or rather, in the interests of increased focus and consolidation, this should be reframed as primarily an enabling activity contributing to the strengthening the objectives of the BCs under Component 1. Technical expertise currently available through Component 3 would therefore be reprioritised to respond to the validated and growing demand for assistance with driving WGE reforms and change management at the business level for BC firms, including partners’ own internal monitoring of change processes. This support would need to be locally relevant, promoting ways to identify and nurture in-country expertise that can help sustain and build contextualised ownership of, and skilled reformist action for, WGE. The type of expertise needed would most likely evolve over time and, for this reason, a standing offer or panel would not be appropriate, but rather a more flexible procurement mechanism to engage short-term technical assistance, locally and internationally, with relatively short lead times⁶⁵. This redirection of resources would also support greater plausibility and

⁶⁵ A number of DFAT programs in the Pacific use a ‘Technical Assistance Discretionary Pool’ modality. This differs from a Technical Assistance Panel in that there is no need to identify either the role or the adviser/consultant *in advance*; it is only when a specific need for technical assistance emerges that personnel with that specific skill-set/experience are sourced. An amount of funds is allocated up-front for the life of the Program to be used in this flexible, ‘discretionary’ way.

coherence of the IW Theory of Change (see Section 5.1) in terms of measuring IW contribution to the higher level outcomes and goal.

2.5 Component 4: Advocacy Platform

The purpose of this component is to support WEE through contributing to positive shifts in attitudes, practices and social norms to women at work and in society. With an explicit focus on ‘clearing the way’ for progress across all IW components, key areas for activity comprise: a) regional and global knowledge-building on WEE; b) supporting key influencers to step up as champions to drive change; and c) engaging urban young women and men on gender equality at work and at home. Due to a number of factors, work under this component only substantially commenced at the beginning of 2018. A significant activity was the preparation of the IW Advocacy and Communications Strategy (2018-mid-2019). The Strategy and associated activities undertaken through this component have been reviewed by an external communications/advocacy specialist.

2.5.1 Strengths

a) Strategy development

The review found that the Strategy met best practice in utilising a social norms framework and that, overall, IW’s approach to its advocacy agenda was transformative, reflexive, dynamic and localised. It also identified IW’s skillful piggy-backing to date on the accelerated social change and economic growth in the three key countries, Philippines, Vietnam and Indonesia, to make progress in a number of foundational areas. These include building a strong localised knowledge base through research; supporting advocacy initiatives of key partners, including the BCs; and leveraging from and facilitating national, regional, and global events and diplomatic platforms to provide broader IW strategy with prestige and a high-quality reputation.

b) Validated Component 4 rationale

The process of the Strategy development, as well as other IW knowledge products (e.g.: country context papers), have also confirmed the importance of IW programming including a strong focus on advocacy and strategic communications. This research underscores the centrality of powerful cultural and social norms that portray women as unequal to men, and in doing so, reinforce this inequality. However, existing women's economic empowerment advocacy has largely focused on poverty eradication, with little work on challenging harmful gender norms, thereby creating a strategic niche for IW investment. Importantly, IW staff and partners are recognising early impact and increasing appetite for support in this area.

c) Baseline collection

While formal Monitoring and Evaluation of activity under this component has not yet commenced due to the delayed roll-out, it is important to note that IW has commissioned from January 2018 regular media monitoring and comprehensive online panel surveys on gendered social norms in the three countries. This is providing critical – and previously unavailable – baseline data.

2.5.2 Potential areas for improvement

a) Consolidation for optimal impact

As indicated in the Strategy review, it will be important that IW's approach to advocacy and communications builds on successes to date and does not 'spread itself too thin'. While the area of changing social, cultural and financial norms related to women, work and investment is a new frontier, in light of IW's limited resources and emerging strong value-add, IW's impact in this area will be optimised by explicitly integrating – 'or scaffolding' - core advocacy activity with these emerging strengths. This consolidation is already taking place through advocacy support to the BCs, supported by the growing recognition that, although new, these coalitions are reaching a much broader group of potential advocacy partners than

was originally thought possible. Building on this, the review's first 'next step' recommendation for IW to take on an enhanced 'critical friend' role to the BCs to support them to drive the gender equality advocacy agenda, including resistance planning, reward-based incentivisation, and potential sanctions. With regard to Component 2, advocacy efforts have largely been undertaken through partners such as GIIN, Criterion and AVPN, however these have primarily focused on reaching an international audience with limited linkages to local GLI advocates.

The critical point is that the effectiveness of activity under both Components 1 and 2 will be significantly affected by the strength of the advocacy agenda that is *directly linked* to addressing the locally identified constraints to activity progress in these work areas. It is therefore important that the core focus of IW Advocacy Component is on maximising impact across IW as a whole and not diverted into too many 'niche' activities that may not support this impact aggregation. In this vein, it will be timely, as part of the IDD Update process, to explore whether the nine 'Agendas for Change' of the Strategy allow sufficient focus and consolidation, or whether there should be a reduced set, potentially agreed on a country by country basis.

It should be noted, however, that a focus on consolidation does not mean that IW should lose its opportunistic approach to recognising catalytic entry points to support social norm change – driven by local advocacy partners. IW's eight advocacy partnerships across the three countries have been established on this basis and in recognition of the 'layering' required for transformative influence around issues of complex social change. It will be important, however, that the effectiveness of these partnerships is closely monitored, with tight feedback loops, not only to gauge the value-add of IW's contribution, but also to ensure they are the most efficient partnership modalities to achieve IW aims.

b) Enhancement of IW's 'knowledge hub' function

The primary tool used to date by IW to capture change in norms and attitudes is the Social Norms, Attitudes and Practice surveys. However, these are focused on

individual attitudes rather than social norms. In order for IW to position itself as a thought-leader influencing economic dialogue regionally and internationally in line with the Strategy, it will be important that resources are directed to collecting advocacy material, including targeted research, that is more ‘cutting-edge’ and directly useful for drivers of reform in terms of ‘what works’ in shifting social norm change around gender equality and builds the business case for WGE and GII. As recommended by the Strategy review, IW should focus on the development of regional case studies that provide a practical evidence base for action, as well as incentivisation for impact investors. IW’s unique position as a broker of coalition partners in this niche reform space can then enable constructive knowledge exchange where, despite contextual differences, partners can learn from each other’s transformative approaches. Linked to this, and as clearly identified in the Strategy, strengthening of IW as a knowledge repository and disseminator will require strategic ‘revamping’ of the IW website and social media exploitation to ensure maximum accessibility and useability of knowledge products.

This knowledge hub function of IW would also be enhanced with forward planning around the ‘location’ and long-term ownership of this platform. Consistent with the centrality of the BCs as the locally-rooted drivers of IW’s agenda, in addition to supporting each BC with their respective advocacy activity, IW support could potentially include identifying appetite and opportunity within these BCs and their Secretariats to ‘house’ a regional platform. This would also optimise the sustainability of not only IW’s advocacy work but the application of learnings from across IW implementation.

3. Program efficiency

3.1 Research Partnership with the University of Sydney

The partnership between the University of Sydney (UoS) and IW commenced with IW inception in April 2016. While the IW IDD is based on an *emerging* evidence base

around the broad-based economic benefits of increased female labour force participation and the growth of women-run SMEs, there was a recognition that there were gaps in knowledge in this area, particularly for the Southeast Asian region. The role of the partnership was therefore two-fold: a) conduct new research on topics related to the core themes of IW; and b) provide expert advice to Component Leads. In this way, it was anticipated that efficiency in IW activity would be optimised by ready access to a dedicated research arm providing evidence-based material to inform planning and implementation in this ‘pioneering’ space.

The UoS partnership has produced a bank of academic knowledge products on women, work and entrepreneurship (working papers, literature reviews, fact-sheets, academic articles). Research priorities were drawn from the IW technical proposal, literature review and inception plan, with all parties agreeing that the thematic content of the research produced aligned with IW’s agenda. Expert advice to Component Leads was predominantly provided in the first 12 months of IW roll-out, including technical support to the development of frameworks, tools, and planning documents that helped shaped approaches across components. Partnership ‘research roundtables’ have been held every 6 months in Canberra involving participation of key IW staff, Canberra-based DFAT personnel and UoS researchers. These events have provided opportunities to discuss findings of the research and broaden understanding of contextual gender-related issues in Southeast Asia. UoS researchers have also increased exposure to the work of IW through their presentation of research products at regional conferences and networking events.

The research and awareness-raising generated by the partnership with UoS has been generally relevant to IW objectives, however there has been a ‘ways of working’ mismatch between the evolving nature of IW’s priority information needs and the realities of institutional academic research production.

DFAT’s 2015 publication, ‘Research for better aid: an evaluation of DFAT’s

investments’, found that “short term analysis and applied research directed at specific program or investment-level design and implementation is the research output most likely to be used” in contrast to academic ‘global public good’ and policy focused research⁶⁶.

This review recommends a revised approach, embedded within Component 4 activity, which could include collaboration with local academics and universities which would support increased contextualised validity of findings and regional credibility. Future institutional collaboration should ensure sufficient flexibility to respond to evolving IW priorities⁶⁷.

3.2 Internal program coordination and coherence

Mobilisation of an innovative program such as IW, requiring the establishment of constructive working relationships across a diverse range of government, private sector and civil society partners, and across multiple countries, is a resource intensive endeavour. With the added challenge caused by staffing changes in Component Lead positions, within two years IW has nonetheless been able to broker successfully these implementation partnerships and commence delivering on results. With each component area necessarily focused on laying the groundwork in the respective areas, it is therefore not surprising that coordination across component areas is still emerging.

However, important steps to foster internal coordination have been taken and indicate that the learning and leverage opportunities afforded by a multi-country initiative are being capitalised upon. This is particularly the case in the development of the BCs under Component 1 where IW is bringing together BCs from each partner country to learn from each other and discuss respective challenges, strategies and successes in the EDGE certification process. Not only is this ensuring

⁶⁶ Research for better aid: an evaluation of DFAT’s investments (DFAT, 2015).

⁶⁷ The ‘research for development’ learning hub models established through respective partnerships between the Institute for Human Security and Social Change at La Trobe University and a number of DFAT programs, and the Institute for Development Studies and DFID provide useful examples of flexible and responsive research mechanisms.

that the exploration and application of WGE is driven and debated by local leaders within the Southeast Asian corporate context among respected peers, it is also creating a space for healthy competition between these regional champions in this regard⁶⁸.

As detailed in Section 2, Phase 2 presents a timely opportunity to consider where there is value in enhanced internal coordination and mutual reinforcement between components. Possible areas include: a) Component 3 WGE expertise to target support to driving reform within BC member companies; b) exploration of potential of HNW BC members being more purposefully engaged as IIPs and/or mentors to IIP portfolio companies, although as noted this would require internal discussion and feasibility/risk analysis; c) exploration of further support through Component 2 expertise to the work being undertaken by Ernst and Young on a retail-focused gender bond linked to EDGE performance; and d) knowledge production and advocacy to prioritise support to activities under Components 1 and 2.

Management processes are also facilitating a coordinated approach to implementation. In particular, the six-monthly full team meetings provide a forum for cross-learnings between component areas and the potential for other specific program management strategies to further support mutual reinforcement can be explored through the Design Update process.

There is also an opportunity to explore how the current Theory of Change might be further refined to support enhanced consolidation and coherence across program activity. During Phase 1 Component Leads have worked together on specific initiatives, but this has been of ad hoc nature with a sense of this being outside of core activity and often undertaken remotely. A key consideration for the Phase 2 Design Update is therefore whether the overarching Program Logic can more explicitly knit together intended component outcomes so that the implementing

⁶⁸ This is also in line with the priority area for action identified by the McKinsey Global Institute report – ‘collaboration on regional solutions, such a knowledge-sharing, as a powerful catalyst for gender equality’.

team can better see potential linkages and activity intersection in working towards a common goal.

3.3 External program coordination and collaboration

From the outset, IW has actively sought to maximise coordination and collaboration with other stakeholders working in the area of WEE. The catalytic intent of IW has meant that all activity seeks to build on the strengths and potential of others, rather than establishing parallel ‘project’ modalities. Particularly through the work of Component 2 and Component 3, IW has established its reputation as a source of support and cutting-edge expertise that has been leveraged by a range of partners. The spearheading of the ASEAN@50 events and the APEC conference in Bangkok are clear cases in point as is IW’s fund leveraging approach and convening role within the GLI field, which has positioned IW at the centre of this global conversation. As detailed in Section 2.3.1, the linkages established by Component 2 with other development financing areas within DFAT, including the increased exposure of the work of CI, have been noted as highly significant in expanding DFAT’s understanding of gender lens impact investment for other initiatives. Although delayed, the roll-out of Component 4 and the formalisation of advocacy partnerships with a range of local stakeholders, including industry peak bodies and civil society organisations, is playing an important role in broadening IW’s network among local coalitions for reform.

3.4 Program governance

Reflecting the private sector, cross-cutting operational context within which the program is situated, IW’s governance structure minimises process while maintaining accountability to all contributors and broad-based engagement. The contracted Implementing Service Provider (ISP), Abt Associates, has overall implementation management responsibility and is, in turn, managed by a single point in DFAT within GEB. The key management oversight team, comprising the

GEB Assistant Director, IW CEO, and Abt Contractor Representative, have established a collegiate management modality that is based on authentic partnership and mutual respect; this should not be underestimated as a factor in IW's achievements to date. The primary governance mechanism established by the program is the Strategic Advisory Board which meets in Canberra on a six-monthly basis and brings together First Assistant Secretary-level DFAT officers across the agency and IW senior management, with, at times, additional DFAT personnel. The Board does not have decision-making power over IW operations but can make recommendations to either the ISP or to DFAT through the Board mechanism. The Board meetings provide an important opportunity for progress review, coordination and expenditure endorsement. However, arguably of equal importance are the 'side-meetings' that the IW CEO – a former senior AusAID employee - is able to have around the margins of this event. These are a critical means to both maintaining broad-based senior-level buy-in to the agenda IW and identifying synergies and opportunities that are not always tabled in formal settings. Given the regularity of staff turnover within DFAT and the continuing evolving political environment it is vital that this mechanism for strategic DFAT engagement is maintained.

Due to the range of implementation agreements for IW in partner countries there is no standard country-level program coordination committee structure. However, there is a full-time locally engaged program coordinator based in each country and the program, through its senior management team, has been very active in developing strong relationships with Posts and building an appreciation of IW's relevance and value-add, in particular as a key contributor to DFAT's public diplomatic aims.

With the growth of the BCs in each of the partner countries and the significance that these coalitions represent to the broader objectives of Australia's missions within each respective country, it may be timely to consider as part of Phase 2 arrangements for a contextualised formalisation of Post engagement with the BC

boards. This will not only strengthen the brokering function of IW, but could also serve to strengthen the Posts' relationships and credibility with the private sector, and further maximise sustainability of the IW investment post-Phase 2. However, as noted in Section 2.2.2a, this will require sensitive country-specific approaches with consideration of potential risks and their mitigation.

It is also critical to note that IW management approach appears to be strongly facilitative of the innovation it is aiming to generate. As has been demonstrated in a plethora of recent research on aid effectiveness, too often it is the conventional, top-down, prescriptive, risk-averse aid delivery management that is the primary constraint to the achievement of tangible results⁶⁹. In contrast, IW management has built an authorising environment of trust where personnel are empowered to experiment, and 'managing messiness for success'⁷⁰ is an understood pre-condition for catalysing real change in complex and uncharted operating contexts.

3.5 Program reach and resourcing

The original IW IDD had envisaged that IW would be implemented in Indonesia, Philippines and Vietnam, with financial co-investment made by these bilateral country program areas in addition to the base GEB funding. Demonstrating the efficient scalable nature of its implementation modality, IW subsequently expanded Component 1 activity into Myanmar on the basis of the interest generated within that country program. While the current budget situation of the aid program as a whole would indicate that further investment from additional country areas will not be likely before the commencement of Phase 2, this is not a certainty for the remaining out-years. Continued strategic internal stakeholder engagement and dissemination of IW success in the priority area of catalytic private

⁶⁹ "Tight controls and a focus on reaching pre-set measurable targets often prevent front-line workers from using skill, local knowledge and creativity to solve problems in ways that maximise the impact of foreign aid". *Navigation by judgment – why and when top-down management of foreign aid doesn't work* (Honig, 2018).

⁷⁰ *In search of the sweet spot in implementing MSD programmes – managing messiness for success* (Bear & Bekkers, 2018).

sector-driven aid could well lead to interest from other Asian country programs. As part of the IDD Update process, it will be important to explore under which conditions and criteria targeted expansion into new countries - particularly in relation to Component 1 and Component 2 activity - would be a viable step for IW. In light of the increased potential and benefits of a more consolidated approach to activity currently undertaken under discrete components, the nature of IW's investment in Myanmar may also expand in Phase 2. In this way, the development of the BC in Myanmar would be enhanced through support for the capacity development of coalition members in key dimensions of WGE, as well as support for their own advocacy agenda.

The program's Phase 1 budget totals AUD 43.8 million over 3.4 years.

At this stage, it is still unclear what the total budget envelope for Phase 2 will be. However, there are strong indications that, budget allocations permitting, country program areas may be willing to commit ongoing funding and iXc has also flagged that they may have funds to invest post-2019.

In terms of human resources, IW appears to be well resourced and has made the hard management decisions needed to build a team with the right 'fit'. As part of the proposed revalidation of the rationale for Component 3 (see Section 2.4.2) and the potential consolidation of more capacity development resources directed towards the BCs, a review of the organisational structure will be required to ensure appropriate expertise is directed to priority implementation areas.

4. Sustainability

4.1 Component 1

As a catalytic initiative, sustainability of impact is at the heart of the intent of IW. The establishment and cultivation of independent, not-for-profit BCs with their own governance arrangements and self-financing processes as local drivers of WGE reform is foundational to IW's sustainability lens; from the outset, through this

component, IW is clearly functioning as a facilitator of locally-driven change, rather than the primary actor in a project-based modality with finite reach and resources. As mentioned above, a core activity undertaken by the IW team with the BCs has been the development of contextualised and customised ‘sustainability plans’. A key element of these plans is ongoing analysis of the respective market’s appetite for purchasing WGE services and how this can be stimulated and capitalised upon. This points to the identified need for each BC to have strong capability in the development of effective advocacy strategies – and in their implementation – to increase membership numbers.

The sustainability of the work of BCs more broadly – and thereby a successful exit strategy for IW for this component - is also highly dependent on the quality and quantity of the capacity development support to the businesses within the BCs with regard to practical WGE application, as well as strengthening governance of the Secretariats. It will therefore be essential that IW resourcing prioritises this BC capacity development so that a localised mechanism for WGE reform is in place by the end of Phase 2 with demonstrated fee-for-service demand for BC expertise. The further development of IW’s relationship with EDGE will also need to be explored to identify how BCs can continue to act as a broker between EDGE and the local private sector to strengthen their presence in the Southeast Asian context as an ongoing driver of reform. Related to this, the IW exit strategy should consider one of the BCs assuming EDGE licensing for the region with necessary preparations made well before the completion of Phase 2.

4.2 Component 2

Again in line with its catalytic approach, IW does not directly associate or partner with WSMEs but vests that responsibility in the hands of IIPs who carry the longer-term commitment and partnership with the SMEs throughout the life of the investment. The IIPs selected as partners by IW are established companies, selected through a robust process underpinned by sound due diligence led by EY.

In this way, IW and DFAT more broadly, are safeguarded from companies that are financially unsustainable. The development of DFAT's EMIIF also provides a potential, though not yet confirmed, opportunity for any residuals at the end of IW to be rolled over for EMIIF management or re-investment. Exit strategies for the bulk of IW investment (via liquidation of WSME investment portfolio by Year 10) under this component are the responsibility of IIPs and DFAT jointly, as this process will occur after the program concludes. IW can potentially support the success of this process through an increased focus on clarifying exit options for IIPs during Phase 2.

4.3 Component 3

It is currently difficult to assess the sustainability potential of Component 3 given the Phase 2 EOPO is currently specified as 'better targeted' DFAT WEE interventions, which depends on many factors well outside IW's influence, namely the motivation, capability and incentives for DFAT and its officers. Within the activity that has been undertaken under this component, particularly regarding the revisions to the Labour Code in Vietnam, there is potential that the high quality support provided to date will indeed lead to significant and sustainable change. However, this work is ongoing and it is as yet unclear whether this type of systemic change will occur within the lifespan of IW. It is also unclear as to whether appropriate MEL processes are in place to track IW's contribution to progress towards these sustainable outcomes. In addition, the original intent of the IW IDD was that by working to address constraints at the policy and legislative level, Component 3 activity would itself play an important role in enhancing the sustainability of activity undertaken under Components 1 and 2. As indicated in Section 2.4.2.a, it will be important to revisit the validity of this assumption and ensure that IW resources under Component 3 are directed to those areas where it has a clear comparative advantage in supporting the sustainability of its core work and results.

In the event of an exit from activity under Component 3, consideration would need to be given to the status of the work on the Labour Code at the time of exit to ensure gains are not lost. Options for continuing this work might include the DFAT bilateral program directly contracting expertise and/or exploring options for UN Women to take this work on directly.

4.4 Component 4

The sustainability of the advocacy agenda of IW will, in large part, be reflected in and measured by the practical changes that take place in progress towards gender equality through IW support; the sustainability of gender equality outcomes can only be achieved through effective advocacy strategies that shift institutional, societal and behavioural norms. The sustainability of the advocacy activity itself, and the effectiveness therefore of the Component 4 exit strategy, will be maximised by the IW approach to deliver advocacy support through local partners. These local partners must be committed to driving the WEE agenda consistent with the IW goal, and have established networks and innovative approaches that will resonate with local influencers and power-brokers in this field. In terms of ensuring the sustainability of the advocacy material – the research and collateral generated through IW - it will be important that a localised platform or ‘hub’ is identified and supported well before the end of Phase 2. A smooth exit from activity under Component 4 will also require clear termination arrangements in all partner contracts.

5. Monitoring, Evaluation and Learning (MEL)

5.1 Appropriateness of MEL frameworks and tools

IW has a number of overarching frameworks that guide the approach to MEL, with corresponding tools and processes. In line with the iterative and learning-based approach to implementation, these frameworks and tools have evolved over the

life of IW to date, with adjustments and refinements made to better align with the realities of the operating context. As part of the Phase 1 Review, an independent specialist MEL firm has been engaged to assess the current status of these MEL instruments, with a specific focus on IW's WEE Framework, its MEL Framework (MELF) and the Theory of Change (ToC). The findings of this review can be summarised as follows:

a) WEE Framework

The WEE Framework provides a useful guide to IW to influence, monitor and eventually evaluate the sort of organisational changes that could and are being made, so that they can be linked to individual level change in the four WEE asset dimensions. It is also an appropriate framework for measuring IW impact on individuals within the workplace. However as there are few IW program interventions directly targeting family/community-based behaviour change (except some preliminary activity under Component 4) and the practical limitations to the degree to which impacts on individuals within the home can be measured, extending its impact focus beyond the workplace should be undertaken with caution.

b) ToC

The current ToC is a thoughtful attempt to explain the logical steps between inputs to outcomes to impacts of the four distinct pathways to WEE through IW's four components. There may be a need, however, to strengthen the cross-component linkages through, as noted above in Section 3.2, a refined overarching Program Logic that better knits together component outcomes and more explicitly indicates where and whether components would benefit by impacting on the same target groups - and thus where the MEL system might assess interdependent impacts. Greater cross-component linkages would also emphasise the workplace/social institution change interface between the discrete causal strands (in line with the intent of the WEE Framework). This would usefully build understanding as to how IW as a 'program', rather than isolated elements, is

contributing to the overarching goal.

The current program goal of the ToC assumes a regional reach to potentially include WEE impacts on women across all of Southeast Asia. While this is reasonable at goal level (as the program is not accountable for its achievement), it may be desirable to include some tighter measures of lower level indicators of contributors to changes to WEE asset domains at the End of Phase 2 level within the actual target groups (and countries) to strengthen the link between Phase 2 EOPOs and broader goals.

c) MELF

There is an overall perception that the initial 2016 MELF was overambitious, over engineered, and did not reflect the reality of the evolving implementation strategy. This was largely due to the timeline for achievement of the MELF milestone falling before articulation of the program strategy was sufficiently mature to guide its development, resulting in a strong focus on formative research. It is also possible that this original MELF with an exclusive focus on ‘proving’ impact stemmed from a misunderstanding of the program theory approach to M&E and the need for prioritisation of a learning function in innovative implementation to inform where, how and why change occurs⁷¹. With a new MEL team in place and a whole-of-program IDD Update underway, it is timely for a refresh of the MELF and its associated MEL Plan, Key Questions and Results Framework so that there is improved coherence, simplification and ease of use. Attention should also be directed to shifting focus to identifying contribution rather than proving attribution, and ensuring that there is a clear articulation of ‘what change looks like’ for the program and its partners. Suggested alternative MEL Key Questions have been provided as part of the review to address these areas identified for

⁷¹ As demonstrated in DFAT’s research synthesis of lessons from the ‘Developmental Leadership Program’, “traditional, results-based ... approaches are ill-suited for the design and as well as monitoring and evaluating of programs which seek to support complex, unpredictable; and non-linear change processes” – *Inside the black box of political will: 10 years of findings from the Developmental Leadership Program* (DFAT/DLP, 2018).

improvement.

There is also opportunity, as part of the MELF refresh, to develop a more deliberate strategy to embed IW MEL into partner approaches and systems, including building partners' skills in defining, monitoring and evaluating success, linked to their own action plans. This relates to both BCs and IIPs, with the latter focused on impact at the organisation, portfolio and individual investee level. The resources required to do this effectively will need to be identified, as well as analysing the success or otherwise of the trial placement of a MEL staff member within the Philippines BC in order to ascertain the extent to which IW MEL can usefully build BC expertise in supporting businesses to develop contextualised WGE monitoring and evaluation capability.

Despite the limitations of the MELF, the majority of tools currently used within the current MEL system are considered to be of good quality and in large part meet DFAT M&E standards. Data collection tools and analysis methods, specifically for Components 1 and 2, have been mostly tested and are fit-for-purpose with a good mix of quantitative and qualitative data. There are some issues that have been identified relating to the construction of appropriate 'business cases' under these components and further discussion is needed within the IW team and as part of the IDD Update process to better define meaningful indicators within the parameters of IW's duration and the operating environment of WGE reform and GII.

5.2 Effectiveness of MEL implementation

While effective implementation of the MEL system has clearly been a challenge during this start-up phase of IW, the new MEL team are now very proactive in working across the program to make the necessary changes to better align MEL approaches to the nature of the IW design and maturity of its implementation, and to improve the utility of the MEL system overall. A key area for improvement will be supporting increased use of MEL data to support the learning function of the system, particular with regard to informing management decisions. This has been

hampered by the slowness to date between data collection and reporting, and a lack of a formalised and collaborative process to analyse data for the ‘so what’ implications and make recommendations for action and change. Iterative learning could also be further supported by the involvement of the MEL team in the tracking and reporting on priority assumptions in the Risk Management Plan; this would also strengthen the repositioning of MEL as an integral contributor to IW implementation, rather than an external observer.

Notwithstanding the lack of timeliness and implementation-related analysis of MEL data, the overall quality of IW reports has been acknowledged. Issues of inconsistency related to the evolving nature of the ToC will need to be addressed through the overall MELF refresh, as well as a more considered approach to the presentation and accessibility of MEL products for key audiences. This is particularly the case for the (changing) DFAT audience. Continued understanding of, and support to, IW and its innovative agenda will only be assured through ‘cut-through’ messaging and targeted communication of results.

6. Guiding Principles

During its first year the IW leadership team, in consultation with DFAT, developed a set of ‘guiding principles’ clearly articulating for both internal and external stakeholders the essential features of IW implementation. Given the innovation inherent in IW, the evolving context, and non-predetermined operating methodology, these principles serve as a tool to inform adaptive planning and guide decision-making. Reference to many of these principles has been made throughout this Review, but in short, IW’s adherence to them through implementation to date is summarised as follows:

a) Catalyse widespread change

Catalytic investment is at the core of IW, particularly through its approach to supporting BCs, IIPs and local advocacy partners which are themselves, rather than IW, the drivers of beneficial change for women in the workplace and WSMEs. The

IW MEL system specifies the annual production of a comprehensive WEE Impact Study Report which will report on the extent of the change catalysed by IW activity at the goal level. This first of these reports is due in May 2019.

b) Complementing, not duplicating

IW has played a critical brokering and convening role between a range of local and external actors in the field of WGE and GLI, particularly through its work under Components 1, 2 and 3. It has been assiduous in working in a complementary way with other related DFAT initiatives and has enabled lessons to be learned from IW practice to inform these programs.

c) Adaptability and flexibility

Due to the inherently ground-breaking nature of IW's intent to catalyse WGE through the facilitation of private sector coalitions and international certification incentivisation, as well grant-based GLI with IIPs for WSMSE, IW has had no other option but to work in a 'template-free' adaptive environment. It has responded flexibly and opportunistically to learnings, challenges and new entry points as they emerge.

d) Light management touch for DFAT

The degree to which a 'light management touch' has been achieved at Posts and with private sector partners will need to be validated through the in-country consultations. However, it does appear that IW requires significant management involvement from GEB and this will need to be considered as part of the resourcing requirements for Phase 2. On the other hand, the governance structures established by IW are efficient and suited to its private sector focus where there is limited time for bureaucratic reporting and meeting obligations.

e) Leverage funds

After only just over two years of implementation IW has seen significant organisational changes within partner funds and organisations to integrate GLI and leveraged substantial co-investment, particularly from its IIPs under Component 2

and through this component's contribution to the Gender-Smart Investing Summit.

f) Acceptable risk

IW appears to have struck the right balance between risk mitigation and innovation facilitation through establishing sound processes of due diligence and partnering with highly credible global players, particularly its core partners, EY and CI. The risks inherent in complex implementation leading to some delays and unmet targets were more than initially anticipated, but have been appropriately navigated by IW management and GEB, thereby mitigating any broader and more significant risks to DFAT.