

# INCLUSIVE AND EQUITABLE LOCAL DEVELOPMENT

## Mid-Term Evaluation

August 2020



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Unlocking Public and Private  
Finance for the Poor

<b>EVALUATION TEAM: Project Services International</b>	
<b>Team Leader</b>	<b>Dr. Mary Lynch</b>
<b>Gender Economic Empowerment Expert</b>	<b>Pamela Branch</b>
<b>Local Expert East Africa</b>	<b>Gervase Odiko</b>
<b>Local Expert Asia Pacific</b>	<b>Syeda Samira Saif</b>

*The PSI team thanks Pietro Tornese for permission to use the front cover photograph taken during the Bangladesh field mission.*

**MID-TERM EVALUATION: INCLUSIVE AND EQUITABLE LOCAL DEVELOPMENT (IELD) - BANGLADESH AND TANZANIA**

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## Programme Data Sheet

Countries:	Bangladesh, Tanzania, Uganda, Mali, Senegal, Palestine
Programme Title (long)	Inclusive and Equitable Local Development (IELD)
Programme Atlas Code (by donor)	
• UNCDF	
• UNCDF Last Mile Trust Fund	
• Sweden (SIDA PFIS)	
• Government of Luxembourg	
• Switzerland (SDC)	
• Government of Norway One UN Fund	
• SIDA Booster/NORAD	
• UNDP TRAC 2 Mali and Senegal	

### Financial Breakdown by donor (USD) – To September 30, 2019

Commitments	As per ProDoc	Actual Project Budget
UNCDF Core Funds	\$1,000,000	\$388,814
UNCDF Last Mile Trust Fund		\$300,000
Swedish International Development Cooperation Agency (SIDA) Partnership Framework for Inclusive Growth and Sustainable Development (PFIS) with UNCDF and SIDA Booster/NORAD with UNCDF	\$450,000	\$883,551
Government of Luxembourg Framework Agreement with UNCDF	\$550,000	\$533,601
Swiss Agency for Development and Cooperation (SDC)		\$3,000,000
Government of Norway for Tanzania through One UN Fund		\$3,345,451
UNDP TRAC 2 Resources for Mali and Senegal		\$3,400,000
<b>Total Commitments</b>	<b>\$2,000,000</b>	<b>\$11,851,417</b>
<b>Funding gap</b>	<b>\$22,823,180</b>	<b>\$12,971,763</b>

**Delivery to date by donor (USD) – To September 30, 2019**

<b>Donor</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
UNCDF Core	\$187,586	\$201,228			\$388,814
UNCDF Last Mile Trust Fund				\$300,000	\$300,000
SIDA PFIS and SIDA Booster with UNCDF	\$230,000	\$653,551			\$883,551
Government of Luxembourg Framework Agreement with UNCDF		\$320,000	\$213,601		\$533,601
SDC			\$1,180,000	\$1,063,081	\$2,243,081
Government of Norway for Tanzania through One UN Fund		\$1,636,410	\$1,114,902	\$297,070	\$3,048,382
UNDP TRAC 2 Mali & Senegal				\$3,400,000	\$3,400,000
<b>Total</b>	<b>\$417,586</b>	<b>\$2,811,189</b>	<b>\$2,508,503</b>	<b>\$5,060,151</b>	<b>\$10,797,429</b>

**Project implementation**

Executing Agency	UNCDF (Administrative Agent), UNDP and UN Women (Direct Execution)
Implementing Agency	UNCDF, UNDP, UN Women (Direct Implementation)
Key Project Partners	National and local government officials, financial institutions, business development service providers, women's organizations, and micro, small and medium enterprises mainly in Bangladesh and Tanzania.
Project Duration as per Project Document	2016-2020
Evaluation Date	September 2019 to February 2020

**Project context**

Previous relevant projects (per Programme Document)	Gender Equitable Local Development Programme (GELD), UNCDF, UN Women and Belgium, 2009Gender and Economic Policy Management Initiative (GEPMI), UNDP and UN Women 2010
Previous evaluations (cited as relevant in the Programme Document)	Final GELD Internal UNCDF/UN Women Review GEPMI Light Assessment in Africa, 2013, Internal UNDP/UN Women Assessment
Dates of audits	IELD itself has not been audited. Parts of IELD work have been included in broader UNCDF organisational audits such as 2020 Internal Audit of UNCDF conducted by UNDP's Office of Audit and Investigations.

### Composition of Evaluation Team

Dr. Mary Lynch	Evaluation Team Leader
Pamela Branch	Gender Economic Empowerment Expert
Gervase Odiko	Local Expert East Africa (Kenya)
Syeda Samira Saif	Local Expert Asia-Pacific (Bangladesh)

## Acronyms and Abbreviations

AWP	Annual Work Plan
BDS	Business Development Services
CSC	Country Steering Committee
DIM	Direct Implementation Modality
IELD	Inclusive and Equitable Local Development
FGD	Focus Group Discussion
GELD	Gender Equitable Local Development Programme
GEPMI	Gender and Economic Policy Management Initiative
GRBP	Gender Responsive Budgeting and Planning
GSC	Global Steering Committee
HQ	Headquarters
KJP	Kigoma Joint Programme (Tanzania)
LDCs	Least Developed Countries
LDFs	Local Development Funds
LEA	Local Economic Assessment
LFI	Local Finance Initiative
LGA	Local Government Authority
MTEF	Medium Term Expenditure Framework
NBFI	Non-Bank Financial Institutions
NGO	Non-Governmental Organization
OECD DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
PIU	Programme Implementation Unit



PM	Programme Manager
PPP	Public Private Partnerships
ProDoc	Programme Document
RRF	Results and Resources Framework
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
SIDA PFIS	Swedish International Development Cooperation Agency - Partnership Framework for Inclusive Growth and Sustainable Development
SIDO	Small Industries Development Organization
SME	Small and Medium Enterprise
SP	Strategic Plan
SPV	Special Purpose Vehicle
TA	Technical Assistance
ToC	Theory of Change
ToR	Terms of Reference
UN	United Nations
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
USD	United Stated Dollars
WDF	Women's Development Forum
WEE	Women's Economic Empowerment
WEEI	Women's Economic Empowerment Index

## Executive Summary

### Programme Being Evaluated

The Inclusive and Equitable Local Development (IELD) programme is an \$11.85 million global joint initiative of the United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP) and United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). IELD is being implemented between January 2016 and the end of 2020. At the beginning of the programme, the three UN organizations agreed that IELD would start by piloting the approach and adopted a direct implementation modality (DIM) under which UNCDF, UNDP and UN Women were fully responsible for programme implementation. UNCDF has been designated the administrative agent.

To achieve the Sustainable Development Goals (SDGs), increasing the number of people in productive and inclusive employment is needed. Yet women and girls face many barriers in accessing productive employment. IELD's goal is for governments and the private sector to design, plan, implement and sustain local public and private investments that unlock barriers to women's economic empowerment (WEE). Its longer-term aim is to overcome entrenched discriminatory attitudes and inequitable social and economic structures, to unlock barriers to women's economic opportunities and enhance their rights and participation in decision making.

The programme strategy takes a systems-based approach that focuses on three elements: building capacity of partner organizations and partnerships for women entrepreneurs to grow their businesses; creating a policy and institutional environment that supports WEE; and enhancing public and private financing of gender-focused local economic development by demonstrating replicable and scalable approaches to public and private investments that favour women.

### Evaluation Objectives, Scope and Approach

Commissioned three years into IELD implementation by the Evaluation Unit of UNCDF, the objectives of this Mid-Term Evaluation are to:

- Assist UNCDF, UNDP and UN Women to understand the relevance, efficiency, and effectiveness of programme results to date, and the likely impact and sustainability of the programme;
- Validate and/or refine the programme's theory of change (ToC) at this stage of implementation;
- Situate the programme in its broader institutional and policy environment with sustainability and impact in mind;
- Consider IELD's current and likely contribution to "unlocking" private and public finance through its work with the public and private sectors and promoting gender-focused local economic development; and
- Provide forward-looking operational and strategic recommendations that are realistic and practical.

This evaluation covered IELD programming between January 1 2016 and September 30 2019. The main focus of the evaluation is on IELD's work in Bangladesh and Tanzania, which was most advanced during that period. The team also considered IELD work in Uganda, Mali, Senegal and Palestine.

### Implementation Status at the Time of the Evaluation

During the period covered by the evaluation, IELD had mobilized \$11.85 million from four sources. UNCDF used \$2.1 million of its core and programme funding, primarily for the start-up period. The Swiss Agency for Development (SDC) provided \$3 million for the global programme. UNDP TRAC 2 funds of \$3.4 million became available in 2019 for the expansion of IELD approaches in Senegal and Mali. Resources from the

One UN Fund in Tanzania of \$3.35 million, provided by Norway to support WEE initiatives in one region, were also used. Despite differing allocation methods, the resulting funds available to each agency were basically in line with the original agreements under the Program Document (ProDoc) with UNCDF having access to 61% of the total funds, UNDP 22% and UN Women 17%.

As the IELD concept is new, the three agencies collaboratively developed a number of new tools to meet the programme objectives. UN Women took the lead in developing a gender responsive Local Economic Assessment (LEA) tool to scan local economies and assess barriers to women's economic empowerment. Gender responsive LEAs have been completed in five districts to date – three in Tanzania and two in Bangladesh. The WEE Index (WEEI) was developed by UNCDF to identify and measure the potential impact of gender responsive public and private investments. It was applied in assessing the investments under IELD. A training course for local government officials was developed by UNDP to enable a better understanding of gender-responsive local economic development and how plans and policies can be made more appropriate to women. It is being piloted in Bangladesh.

By September 30 2019, the three agencies in Bangladesh and Tanzania had implemented a range of programming under IELD. For example, over 185 local government authority (LGA) officials had been trained on gender responsive budgeting and planning (GRBP). Over 700 women micro-entrepreneurs received training and technical assistance to improve their production and access to markets. IELD had also approved funding of \$1,242,000 to fourteen local investment projects in Bangladesh and Tanzania covering public private partnerships (PPPs), small and medium enterprises (SMEs) and social enterprises.

## Evaluation Findings

### Relevance and Quality of Design

Each country is implementing IELD in its own way, ensuring it complements existing programming and is well aligned with the specific plans and priorities of the country. The participating countries see IELD's systems approach as highly relevant. IELD programming is considered important by stakeholders, including local governments, SMEs and women micro-entrepreneurs, for improving women's economic opportunities, the enabling environment for WEE and access to services and finance at the local level.

IELD aligns well with individual agency's Strategic Plans and the principles of the UN *Delivering as One*. The joint approach supports UN reform efforts and encourages greater cooperation and coherence across programming at the country and HQ levels. It also supports the SDGs and its *leaving no one behind* objectives. As well, Tanzania and Bangladesh programming support UN Cooperation Development Frameworks' priorities.

The original IELD design is seen to be innovative and having potential for replication and scaling. While many of the individual initiatives being implemented under the model are not new in themselves, the innovation is in the bundling of a critical mass of programming across the three areas that can work together and trigger systemic change. The original design also took a human rights and gender approach to tackling systemic barriers which was found to be highly relevant.

The Tanzania programme provides insights into the potential of the original design. LEAs were used to determine the focus of the initiatives with a multi-pronged approach being taken that involved public and private investments, technical assistance to women micro-entrepreneurs, support to business development services providers (BDS) and capacity development of LGAs. Synergies across the work of the three agencies are now being identified and starting to emerge.

IELD is a global programme that is being piloted with the intention of replicating and scaling over time in a wide variety of contexts. It is clear that specific tools such as the gender-responsive LEA and WEEI will

be replicated by the individual lead agencies going forward. Replication and scaling of the global IELD model is more difficult to assess. The limited funding available has not allowed a full testing of the original design in any of the countries and has caused the programme to appear disjointed. Given the diversity of programming undertaken to date, IELD is seen as a broad “approach” that can basically cover any aspect of WEE. It is not viewed as a global programme with a specific, replicable framework.

## Efficiency

Access to resources has been the biggest constraint for IELD to date. Ongoing fundraising at the global level since 2015 had difficulty generating donor interest even as WEE issues increase in importance globally. From the start, it has been recognized that the mobilization strategy would have to rely on country-level funding. However, this has produced mixed results with countries such as Uganda unable to start programming due to a lack of funding. Country-level funds that have been mobilized often have constraints on how and where the programming can be implemented and affect the results that are emerging.

The IELD Results and Resources Framework (RRF) uses only quantitative indicators, making it difficult to capture the behavioural change process that is starting to occur. This means that there has been a heavy reliance on reporting on amounts invested and financial leverage which makes it difficult to show what IELD as a programme has or could achieve in terms of changes in the WEE enabling environment or in addressing human rights and gender issues. As well, while country level work has managed risks well, broader IELD programme risks, such as funding fragmentation, have been more challenging.

The overall approach to the governance structure and programme management has not supported a strong relationship among the three agencies. The Global Steering Committee (GSC) is not currently playing its anticipated approval and oversight role. For a variety of justifiable reasons, none of the countries have established Country Steering Committees (CSC) with outside membership, decreasing the potential for broader influence on the WEE enabling environment.

The implementation model has proven difficult to execute. It requires extensive in-kind support from the three agencies. The roles and responsibilities for IELD are often not clear. Approval processes are lengthy. All three partners feel there is a lack of joint ownership that is needed for the three agencies to work effectively together.

## Effectiveness

Capacity development programmes for local officials, women micro-entrepreneurs and BDS providers are testing new approaches in some cases and expanding coverage in others in Bangladesh and Tanzania. Some outcomes are starting to emerge. Changes in government officials’ awareness and skills are starting to be seen in areas such as gender responsive budgeting and planning which has been led by UN Women. This work along with other training by UNDP now has local officials looking at ways to better integrate women into the budgeting process and prioritize expenditures and investments with a gender lens. The technical assistance provided by IELD to women micro-entrepreneurs is starting to show some results in terms of new products, markets and improved incomes. IELD has also worked with intermediaries to strengthen their capacity to continue to deliver services to women micro-entrepreneurs.

Investments made in SMEs and PPPs are starting to leverage outside capital. For the fourteen investments projects reviewed under the evaluation, IELD funding is expected to leverage \$1.33 for every dollar spent. The majority of this is being leveraged from financial institutions, primarily banks. The fourteen investments are projected to benefit over 21,000 individuals primarily women and create 700 jobs. However, the investments were at an early stage of implementation during the evaluation and outcomes are just starting to be seen. While some gains are being made, it will be important to closely monitor the

actual beneficiaries to better understand who is benefitting and who may be negatively affected. This tracking should include disadvantaged and advantaged groups by gender and other status (e.g. ethnicity, disability, caste, location, etc.). As well, the commitments made by the local authorities need to be monitored to ensure they meet agreed obligations including the full participation of the women's groups in the Special Purpose Vehicles (SPV) that will manage the public markets in Tanzania.

The SMEs working with IELD view the funding and technical assistance provided as critical for their growth and building a relationship with funding institutions. Local officials in Tanzania see the public markets as

a key method to increase the size of the local economy and provide services to women.

### **Glimpses of the Potential?**

The combination of the initiatives by the three agencies in one district in Tanzania is beginning to raise the profile of women. The market construction funded by UNCDF, gender-responsive budgeting and planning training by UN Women, training of women micro-entrepreneurs and training of BDS providers by UNDP and UN Women have raised awareness of the issues that women are facing in pursuing economic activities. Government officials, women micro-entrepreneurs and the BDS providers all mentioned that there is now more discussion around gender issues. A visible sign of this was the decision by the district to have its first ever International Women's Day celebration in 2019.

The new tools that have been developed are starting to be used more broadly. The WEEI is proving to be an important tool for prioritizing investments for UNCDF. Bangladesh Bank and the Senegal WEI Fund are both planning to use the WEEI in their programming. The gender responsive LEA of UN Women provides important information for planning and implementation of local economic development activities and is being expanded to Uganda. The capacity development training modules for local

authorities being piloted by UNDP can improve the extent to which local economic development policies, programmes and projects are gender-responsive. The modules have broad applicability and methods are being developed to adapt them to different country contexts.

Adapting UNCDF's public market model to integrate gender is an innovative example of engendering infrastructure projects that has broad applicability. Under IELD, this work in Tanzania now involves taking the needs of women into account by promoting special facilities for women, giving them an ownership share in the market and a voice in management as part of the market development model.

### **Likely Impact**

The original design of IELD takes a systems approach to WEE. While some programming is being done on all three pillars, due to funding constraints, a critical mass of interventions is not being seen in any of the countries that could trigger the type of systemic change envisaged in the ToC. Implementation is at a very early stage and validating the model will require continued engagement and funding.

However, the geographic concentration of the work in Tanzania and the breadth of the initiatives could provide some possible insights into how change may take place. As investments are finished, opportunities exist to build synergies across initiatives that could result in more catalytic change within the region if funding is continued. This could provide more information on the potential pathways of the original ToC.

The three tools developed under IELD are valuable for better decision making at the local level in a wide range of contexts. The LEA has broad potential application, across different contexts, as does the GRBP training. The local government training courses fill an important gap by covering areas such as

procurement, investment decision making and climate resilience. UNCDF's WEEI has potential for application at the local level helping officials make gender-responsive decisions regarding investments.

While IELD has achieved financial leverage through its individual investments, it is not clear whether all the approaches being taken will result in catalytic leverage where financial models are replicated and scaled within the countries. Some potential for broader-based influence in financial access for women is being seen in Bangladesh which is working with the Bangladesh Bank. In Senegal, the establishment of the WE! Fund at the Sovereign Wealth Fund could trigger ongoing access to funding after the initial investment by IELD. In Tanzania, the facilitation of access to finance for SMEs is being done on an investment by investment basis making it more difficult to identify a path for scaling beyond the individual enterprise.

One of the intended outcomes from the IELD work is that UNCDF is now playing an active role internationally within the gender lens financing landscape.

### **Sustainability**

It is difficult to judge sustainability at this point. All three UN agencies have committed to expanding the use of key tools. Many of the PPP and SME investments will result in entities that continue and create economic spinoffs and other benefits for women. Some of the women micro-entrepreneurs that are being trained will continue to find markets and improve their incomes. However, it is not clear who will take on the capacity development work that is currently being provided to SMEs and micro-entrepreneurs under the programme. Both Bangladesh and Tanzania lack BDS that target early growth enterprises.

The capacity development for government will be a longer-term process and will require sustained efforts to have an influence on WEE and investments. The continuing funding in Bangladesh and Tanzania should support this effort.

### **Conclusions**

The concepts behind IELD are widely recognized as being innovative. The three agencies agree that a systems-based approach to overcoming structural barriers faced by women, building partnerships for female entrepreneurs, eliminating policy and institutional barriers and unlocking domestic capital for public and private investments is important for achieving results and requires them to work together. The programming in Tanzania and Bangladesh provides some insights into how the model could work in practice. The LEAs have driven the choice of investments and other programming within three districts in Tanzania and potential is being seen for developing synergies across the various initiatives once the public markets are operational. Work with Bangladesh Bank has potential to improve the enabling environment for women's access to finance. However, none of the country programmes has done a full testing of the IELD model at this stage due to funding constraints and limited timeframes.

Overall, the three agencies have done some effective programming to date. The tools developed by the HQ agencies show promise for replication. IELD programming at the country level is starting to produce some outcome results and has potential for addressing some of the barriers facing WEE, albeit on a small scale. Capacity development work with local officials has started but needs more time and resources to embed the changes into local governments. All of the SMEs funded should provide the owners with increased access to future funding and potential for growth but likely will not change practices of banks or result in catalytic leverage at the country level. Interventions with the Bangladesh Bank and the Senegal Sovereign Wealth Fund could result in more catalytic leverage. The public markets will generate more economic opportunities for women along with a greater voice at the community level. However, given the limited funding and short time frame, while some outcomes have emerged, none of the countries have yet undertaken the systematic approach IELD originally envisaged.

All three agencies have WEE as a priority and feel it is important to work together. Common ground exists but all three agencies indicate that the current approach may need to be redefined for any future joint WEE programming.

IELD has a small amount of global funding available up to December 2020. Bangladesh and Tanzania have secured additional funding for future work, focusing on specific aspects of the IELD model. It is an appropriate time for the three agencies to begin to develop a strategy on how the principles, tools and lessons from IELD can be further promoted and replicated. This includes jointly developing new approaches for working together on WEE issues.

## Recommendations

- 1) *High level discussions among the three agencies should be undertaken to review how the concepts behind IELD fit with their current priorities, clarify the objectives for future collaboration on WEE and agree on a strategy to move forward with future WEE work.* Substantial scope exists for continuing collaboration around WEE issues. The evidence from the evaluation shows the potential benefits of working together in areas such as combining LEAs and WEEI to support better decision-making on investments at a local level. It also shows the importance of building broader capacity of both the public and private sector at the local level to develop a more gender-responsive enabling environment. The lessons from IELD can inform new approaches for future coordination and programming at both an agency and country levels. Scope exists to begin to better define a strategy for future collaboration on WEE including considering new approaches to working together
- 2) *The results emerging from the existing programming need to be better identified and tracked to provide evidence of outcomes and better define how the pathways for change can work.* While the revisions to the IELD RRF made in August 2019 better reflect the work being done under IELD, it continues to focus only on quantitative indicators. A more strategic approach needs to be developed for the final year that: integrates capacity development changes into the reporting; clearly defines the additionality that IELD is providing in the WEE areas; and maps the pathways to catalytic leverage. Lessons from the work should be broadly shared by the three agencies globally.
- 3) *A strategy should be developed by UN Women for how the gender responsive LEA Guidance Note will be disseminated and promoted within UN Women and with outside stakeholders.* LEA has a broad applicability and fills a current gap by bringing together local economic assessments with gender issues. UNDP and UNCDF could also assist in this effort, identifying opportunities where their country level programming could benefit from LEAs.
- 4) *UNDP should continue the refinement of the training modules for local officials and develop an approach for replication in various geographic areas.* The decision to use local government training institutes as partners provides a method to adapt the course to the country level and promote sustainability and replication. After the initial testing is complete, UNDP will need to develop a strategy for rolling out the courses and generating demand at the country level.
- 5) *UNCDF should review the current investment process as it applies to funding small SMEs and determine whether some streamlining can be done to make it more efficient.* Those involved in the investment process felt that a few areas could be streamlined for the smaller investments without impacting the quality of the overall process of its due diligence aspects.

- 6) *UNCDF should provide adequate funding for ongoing and expert monitoring and coaching of the IELD investment portfolio to ensure that both financial and development outcomes are being achieved. Both funds and human resources are required.*
- 7) *In Tanzania, for the remainder of the Kigoma Joint Programme (KJP) funding, the three agencies should specifically target building synergies across the programming as the PPP and SME investments come on stream. While much of the programming has been done in parallel, opportunities now exist for greater coordination within the region. Opportunities also exist to create greater synergies with other parts of the KJP programme such as work on agriculture.*
- 8) *With the new funding from the Netherlands, the three agencies in Bangladesh should ensure that a full monitoring system is in place from the start of the new programming. The Theory of Change needs to be clear and monitoring systems should be in place to track progress and gain insights into how the model is performing. The monitoring approach should include clear roles and responsibilities, agreed definitions of target groups and agreed definitions of indicators.*

## Lessons

A number of lessons have emerged from IELD that should inform future work around WEE and between the three agencies.

- 1) *Sources of funding have an impact on programming activities and potential outcomes.* The sources and level of funding available to date have limited the programming and means that some of the most pressing issues such as policy work, or targeting high growth potential but larger SMEs, cannot be achieved.
- 2) *Integrated programming requires multiple technical skills, all of them important.* Capacity building, policy influence and investments are all vital for achieving the anticipated changes in the enabling environment for WEE. While financing small investments can have a localised impact, alone they will not trigger substantial changes in the WEE enabling environment. If the objective is broader influence within a country to catalyse investments and improve the enabling environment, a balance needs to be struck across the elements in terms of allocations of funds, development of appropriate indicators of achievement and monitoring of changes.
- 3) *Different UN agencies have different structures, approaches and requirements that need to be considered in how programming is undertaken.* While all three agencies are under the UN umbrella, differences across the three agencies influenced the relationships. Roles and responsibilities need to be clear for programming, management and communications as well as results.
- 4) *Joint programmes require joint decision making to ensure that there is ownership.* Partnerships are difficult and require an investment of time, effort and openness if they are to work. Simply consulting is not sufficient. A well-functioning governance structure can play an important role in overcoming issues and setting common directions and approaches.

## Gender and Human Rights

IELD directly addresses the UN's goal to respect the "Leaving No One Behind" objectives of the SDGs. The underlying principle of IELD is to build an enabling environment where local economic development will be more inclusive and supportive of women and specifically addresses enhancing women's rights and economic participation. The approaches taken have supported this goal. The WEEI process, for example, includes an assessment of working conditions and some women employees have seen improvements in their conditions of employment as a result.





Underlying the original concept of IELD is a human rights-based approach which focuses on systemic, institutional and political factors that determine inequalities in access to services and opportunities. The IELD ToC is aimed at tackling these embedded inequities. With the programming to date, however, key elements such as the policy work have not been able to be pursued. This means the ability to influence the broader enabling environment in areas such as shifting power relations or having more inclusive policies have not been fully tested. As the results begin to emerge from the programming it will become clearer which groups are benefitting from the IELD initiatives. The underlying assumption of IELD is that women will gain greater advantage. However, at this stage it is not clear which groups will gain the greatest benefits. This needs to be closely monitored, particularly for the public market investments in Tanzania to better understand the actual beneficiaries and the impacts, positive and negative, on women.

## Mid-Term Evaluation of the Inclusive and Equitable Local Economic Development Programme

### 1.0 Evaluation Scope and Objectives

This Mid-Term Evaluation of the Inclusive and Equitable Local Development (IELD) Programme was conducted in accordance with the United Nations Capital Development Fund's Evaluation Plan 2018 – 2021 and the United Nations (UN) Evaluation Policy.<sup>1</sup> IELD is a \$18.85 million joint programme of the United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP) and United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). The programme is being implemented between January 2016 and December 2020.

#### 1.1 Evaluation Objectives

This evaluation is a formative evaluation designed to promote learning and inform planning, programming, budgeting, implementation and reporting for IELD, as well as support accountability. The evaluation is intended to contribute to evidence-based decision making and development effectiveness.

The specific objectives of the Mid-Term Evaluation are to:

- Assist UNCDF, UNDP and UN Women to understand the relevance, efficiency, and effectiveness of programme results to date, and the likely impact and sustainability of the programme in the different countries in which it is active going forward;
- Validate and/or refine the programme's theory of change (ToC) at this stage of implementation;
- Situate the programme in its broader institutional and policy environment with sustainability and impact in mind, and compared to similar programmes and other initiatives by other development partners;
- Consider IELD's current and likely contribution to "unlocking" private and public finance through its work with the public and private sectors and promoting gender-focused local economic development; and
- Provide forward-looking operational and strategic recommendations that are realistic and practical.

More specifically, the evaluation provides preliminary evidence on the programme's current and likely contribution to:

- Building capacity of partner organizations such as local governments and women-owned and focused small and medium enterprises (SMEs) to generate and manage a pipeline of public and private investments that favour women;
- Influencing the broader systems of public and private financing of gender-focused local economic development in Least Developed Countries (LDCs), including through the scaling up and replication of IELD approaches by others; and
- Facilitating women's economic empowerment (WEE) at the individual beneficiary level (to the extent that this is possible at this mid-term stage).

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<sup>1</sup> United Nations Evaluation Group's *Norms and Standards for Evaluation*.

## 1.2 Rationale for the Evaluation

The three UN organizations agreed at the outset of IELD to conduct a midterm evaluation three years after the official launch of the programme. The evaluation is designed to provide support in three areas:

- Allow UNCDF, UN Women and UNDP to meet their accountability and learning objectives to funding partners and national stakeholders;
- Ensure that the evaluation supports ongoing attempts by IELD and its funders and key partners to capture good practice and lessons to date in an area of work which is evolving fast and is increasingly relevant to meeting the objectives of the Sustainable Development Goals (SDGs); and
- Guide and inform the remaining year of implementation.

## 1.3 Overview of Evaluation Approach

The overall evaluation approach is to undertake a transparent and utilization focused evaluation, ensuring that the information needs of the three organizations are met. This approach is designed to address questions under the Organization for Economic Co-Operation and Development's Development Assistance Committee (OECD-DAC) and UN evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. IELD directly addresses the UN's goal to respect the "Leaving No One Behind" objectives of the SDGs, and these aspects were integrated.

The programme ToC and the results and resources framework (RRF) were referred to throughout the evaluation as the evaluation team tested ideas and mapped the possibilities for outcomes. A specific focus was placed on understanding the needs and perspective of women and the local WEE environment.

Mixed methods have been used for data collection to provide evidence from a number of sources. These included: semi-structured interviews, small group discussions and focus group discussions (FGDs) in person or via telecom; document and data reviews; site visits to Bangladesh and Tanzania with detailed country reports; five detailed case studies; and a survey sent to IELD designated personnel in Uganda, Senegal, Mali and Palestine that were not being individually interviewed. These multiple lines of evidence have been triangulated in order to provide a user-focused, evidence-based narrative that connects analysis, findings, conclusions and recommendations.

## 1.4 Scope of the Evaluation

Since the start of the IELD programme, the three partner organizations have delivered technical support to central and local governments, women micro-entrepreneurs, business development service (BDS) providers, SMEs and domestic banks, largely but not exclusively in Bangladesh and Tanzania. As of September 30, 2019, IELD had approved funding of fourteen investment projects covering both public private partnerships (PPP) and SMEs. These activities are covered by this evaluation for the period of January 1 2016 to September 30 2019. The main focus of the evaluation was IELD's activities in Bangladesh and Tanzania where country visits were carried out. In addition, the evaluation looked at IELD work done in Uganda, Mali, Senegal and Palestine using document review and a key informant survey to better understand the differing contexts and status of programme implementation in different countries.

## 2.0 IELD Programme Profile

IELD is an \$11.85 million global program signed by UNCDF, UNDP and UN Women for joint implementation between January 2016 and the end of 2020.<sup>2</sup> During the evaluation period, the three agencies had access to \$10.8 million, with \$3.4 million (31%) of this only becoming available in mid-2019. By September 30 2019, \$5.5 million had been disbursed by the three agencies.<sup>3</sup>

### 2.1 Programme Description

To achieve the SDGs, increasing the number of people in productive and inclusive employment is needed. Yet women and girls face many barriers in accessing productive employment. Social norms limit their access to education, capital and other resources. In some countries even their ability to move outside the home is constrained. Everywhere women have less time to work outside the home as they do most unpaid domestic work such as childcare, caring for the elderly and ill, cooking and cleaning. Where public services like water, sanitation, energy, health and childcare are lacking, women have limited time for income generating work, restricting the types of work they can do and the rewards they receive.

Thus, investments in infrastructure can make a significant contribution to enabling women to participate in the economy. However, ensuring that public policy and investments are gender sensitive requires building government capacity at the local level to mobilize, plan and manage resources to meet women's needs. As local governments have limited resources there is also a need to invest in the provision of public goods, services and gender-responsive infrastructure that can "crowd in" private sector investment.

At the national level, policymakers need to help end discriminatory social norms through gender sensitive policies that ensure women's rights to own and control assets and expand women's access to finance. Given their multiple disadvantages, programmes that provide women entrepreneurs with role models, networks and mentoring opportunities as well as enhancing women's business, leadership, management, information technology and financial skills are also needed. Supporting greater access to finance for women entrepreneurs requires facilitating partnerships with investors and financial institutions.<sup>4</sup> It also requires providing assistance to financial institutions to improve their ability to identify and serve gender sensitive investable projects that can have a positive impact on women's economic empowerment and livelihoods.

The original design of IELD takes into account the need to take a systems approach to tackling these interconnected issues. The longer-term aim of IELD is to overcome entrenched discriminatory attitudes and inequitable social and economic structures, to unlock barriers to women's economic opportunities, and enhance their rights and participation in decision making. The IELD ToC outlines the three pathways underlying the change process.

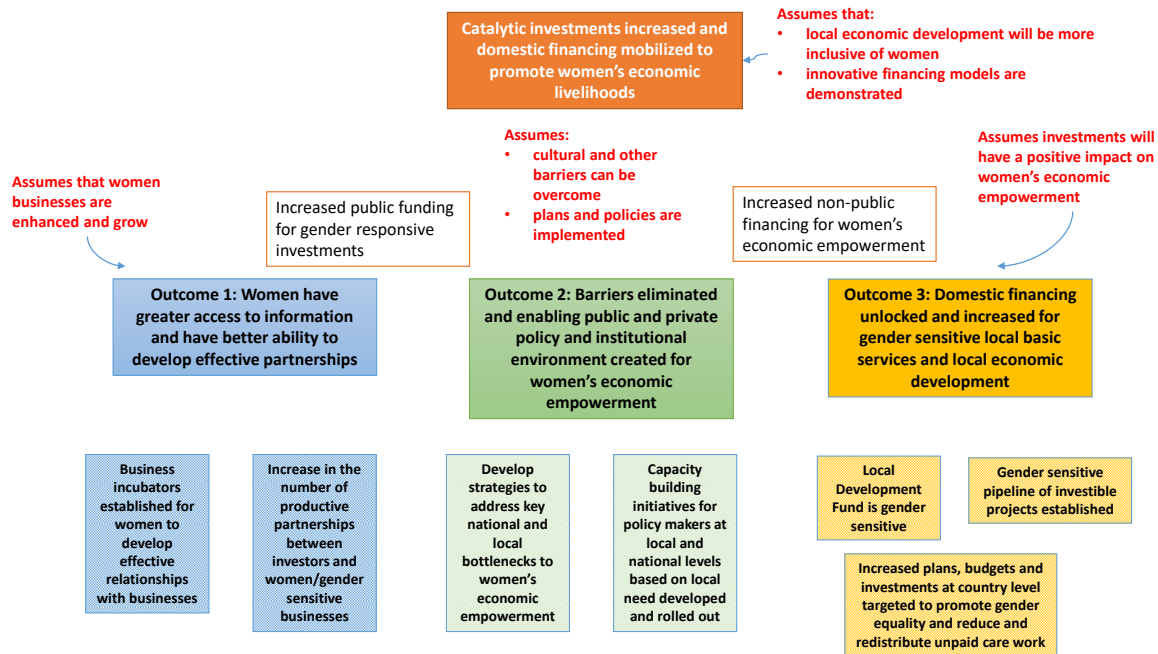
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<sup>2</sup> IELD Revised Standard Joint Program Document 2015.

<sup>3</sup> The period covered by the evaluation ends on September 30 2019. The final quarter of 2019 saw over \$3.5 million disbursed bringing the total disbursements to end of 2019 closer to \$9.1 million.

<sup>4</sup> The term "investors" is used under IELD as either providing loans or equity.

Figure 1 – IELD Theory of Change



In the original design outlined in the Programme Document (ProDoc), it was anticipated that the approach for supporting these changes would involve a number of elements:<sup>5</sup>

- Undertaking Local Economic Assessments (LEAs) to identify the most pressing bottlenecks and the approaches to take to overcome them;
- Strengthening local institutional capacity through the local government training and identifying entry points in local government plans, budgets and investment frameworks to integrate gender in the design, planning and budgeting of investments;
- Establishing Local Development Funds (LDFs) that provide capital transfers to local governments for budget support or investment projects and leverage public and private investments;
- Facilitating investment for private sector development, entrepreneurship and integrating women into the labour market through:
  - Structured project finance in the form of collateral guarantees for small and medium enterprises that range in size from \$1 million to \$20 million
  - Cluster SME Finance tool to unlock finance for micro-entrepreneurs in clusters; and
- Achieving policy, legal and regulatory improvements through capacity building and development of partnerships at the national and local levels.

IELD supports the objectives laid out in the strategic plans (SP) of the three organizations as they were in 2016 when the Programme Document (ProDoc) was signed as well as the new strategic plans for the years 2018-21, specifically:

- UNCDF Outcome 1: Increasing financing for basic services and sustainable and inclusive growth
- UNDP Outcome 1: Advance poverty eradication in all its forms and dimensions

<sup>5</sup> ProDoc pages 9-10

- UNDP Outcome 2: Accelerate structural transformation for sustainable development
- UN Women Outcome 3: Women have income security, decent work and economic autonomy

IELD uses a three-agency partnership that builds on each agency's niche and comparative advantage in programming. In general terms within IELD, UN Women is focusing on integrating gender into normative frameworks, national and local policies and programmes as well as working with women micro-entrepreneurs.<sup>6</sup> This has included doing gender responsive budgeting and planning (GRBP) training with local officials to build capacity. UNDP is providing expertise on building government systems, policies and programming frameworks, support to building the capacity of government officials and support to BDS providers. UNCDF's expertise in financial innovation at the local level is being leveraged to unlock local and public finance through funding of SMEs and PPPs as well as providing technical support to financial institutions.

UNCDF mobilized the funding from its core and existing programmes for the start-up phase. During this period, discussions were held among the three agencies on approaches to take and the development of the initial design. The three UN organizations agreed that IELD would begin by piloting an approach. A direct implementation modality (DIM) was to be adopted under which UNCDF, UNDP and UN Women were fully responsible for programme implementation. UNCDF was designated the administrative agent. Administration was to be then governed by UNDP and UNCDF's policies, rules and regulations, stated in the Joint Programme Guidelines and UNCDF's Operations Manual.

As outlined in the ProDoc, the three agencies agreed on specific programme management and governance structures that reflected their partnership. A Global Steering Committee (GSC) was to be formed comprised of directors from each of the partner organizations, with responsibility for the oversight of IELD, including approving new countries, the distribution of responsibilities and resources between the partners, endorsing global and country level annual work plans, and providing management oversight of the programme implementation unit (PIU).<sup>7</sup> A Technical Committee, made up of gender and economic development specialists from each of UNCDF, UNDP and UN Women, was to be established and tasked with providing strategic programming advice.

For each country in which IELD was implemented a Country Steering Committee (CSC) was to be formed to oversee the programme, consistent with UN rules and regulations. The CSCs were to be comprised of local executing and implementing partners, including UNCDF, UNDP and UN Women.<sup>8</sup> The CSC's role was to provide oversight and strategic direction to the country programme, including approving the programme strategy, approving strategic and programmatic policies as they relate to funding allocation, approving annual work plans and budgets, and reviewing reports and performance.

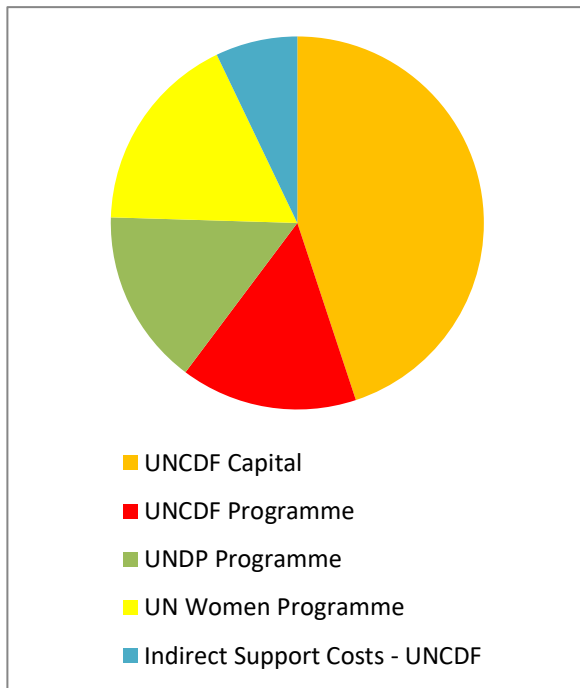
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<sup>7</sup> In the ProDoc, the committee was called Global Steering and Investment Committee. However, the investment function is now with a separate committee of UNCDF. Therefore, in this evaluation report GSC is used for the overall Steering Committee.

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<sup>8</sup> As a DIM programme, all three agencies are executing and implementing partners and thus part of the CSC.

**Figure 2- ProDoc Allocation of Budget Across Agencies**



The ProDoc outlined the overall allocation of the original \$24.8 million budget across the agencies and by component. The allocations saw 45% of the total budget or \$11.15 million being earmarked to be spent on capital grants through UNCDF. The remaining funds were to be more or less evenly allocated across the three agencies. This meant that the original shares were to be 60% for UNCDF (including capital grant funds), 15% for UNDP and 17% for UN Women.<sup>9</sup>

The criteria for selecting countries to be included under IELD were agreed by the three agencies. To be considered as an IELD country, the three agencies in each country have to jointly agree to implement IELD and prepare an application letter, signed by all three. The participation is then approved by the GSC.

The first GSC took place in April 2016 when Tanzania and Bangladesh were approved as pilot countries. In 2017 the GSC approved Uganda. In 2018 the GSC agreed to look at programming in Palestine in order to

test the model in a fragile, conflicted affected state. In 2019, Senegal and Mali were designated as IELD countries.

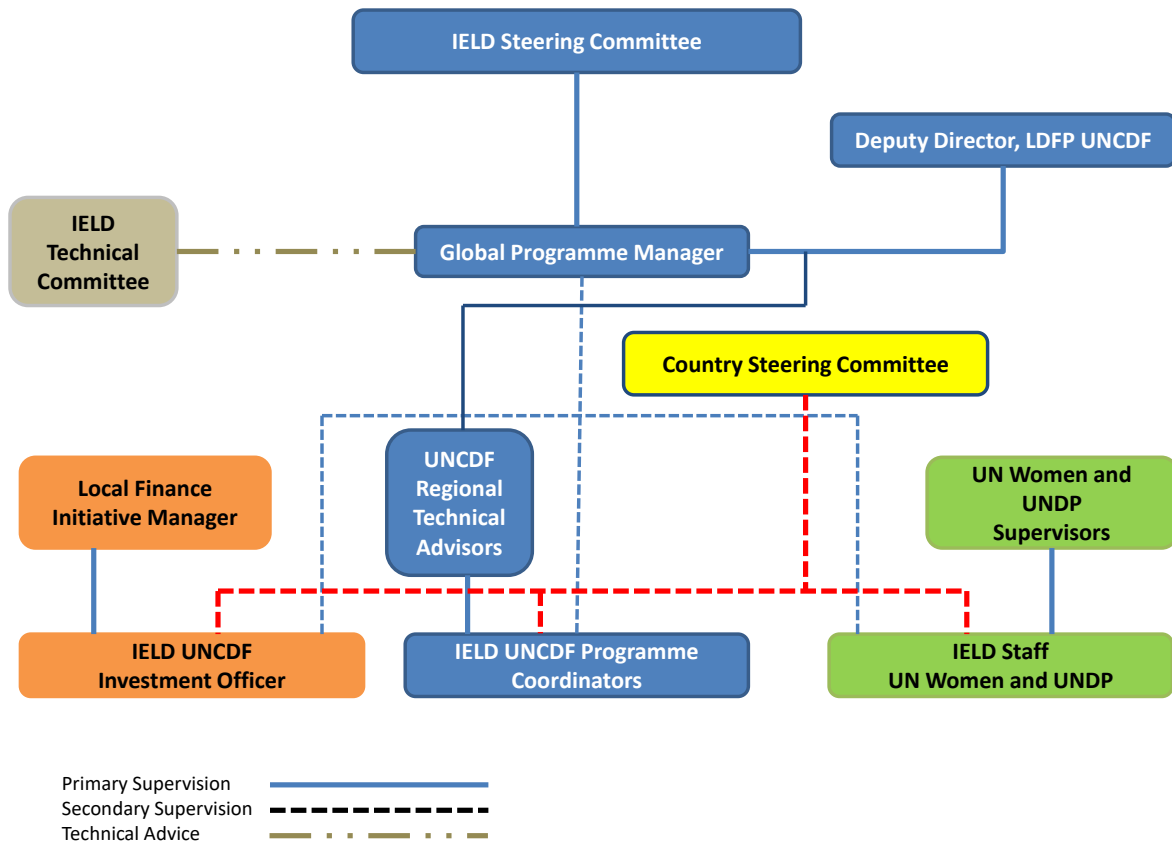
UNCDF hired the Global Programme Manager in January 2017.<sup>10</sup> The organizational structure for IELD is shown on Figure 3. Implementation relies on both paid staff and substantial in-kind support from all three agencies at both Headquarters (HQ) and the country levels. At the time of the evaluation, a total of eleven staff were being paid by the IELD programme, with seven of these in Bangladesh, Tanzania and Uganda and the remainder at HQ.<sup>11</sup> The agreement is that the paid staff report to the agency and level (country or HQ) within which they are working. This has meant that the PM has direct supervision over only two staff at HQ. In addition, the PM provides technical supervision of IELD paid staff. Other staff who work for the three agencies at both HQ and the country levels provide in-kind support to IELD. Lines of communication have been agreed and decision-making processes put in place at both levels.

<sup>9</sup> The additional 8% was allocated for indirect support costs for the administration by UNCDF.

<sup>10</sup> The original posted job description for the PM role shows the complexity of the roles that were expected to be played. See [https://jobs.undp.org/cj\\_view\\_job.cfm?cur\\_job\\_id=62833](https://jobs.undp.org/cj_view_job.cfm?cur_job_id=62833)

<sup>11</sup> The 11 staff are divided by: four UN Women; two UNDP; and five UNCDF staff.

Figure 3 - IELD Programme Organogram and Reporting Lines



Source: IELD

## 2.2 Policy, Institutional and Funding Environment

IELD addresses barriers to women's economic empowerment by deploying locally driven solutions that engage both the public and private sector. While each country programme is tailored to the situation in that country, Bangladesh and Tanzania have similar barriers for WEE: widespread gender discrimination; gender-based violence; the expectation that women will carry the burden of home, child and elder care; and lower access to collateral for loans and less property ownership than men, due to discriminatory laws as well as social norms.

For Bangladesh, Tanzania and Uganda, the country teams have prepared country programme frameworks. These outline how IELD intends to address the priorities of the recipient country, identifies the most pressing bottlenecks facing women's economic participation as well as the opportunities for enhancing WEE, and selects partners (government officials, communities, women's organizations, financial partners and private enterprises), to work with to create the enabling environment needed to achieve and sustain inclusive and equitable local socio-economic development.



## 2.3 Current Programme Implementation Status

Under the IELD programme, a wide range of initiatives are seen across countries. UNCDF, UNDP and UN Women are providing capacity development and technical assistance (TA) to a range of partners including national and local government officials, financial institutions, BDS providers, women’s organizations, women micro-entrepreneurs and SMEs. Local and central governments are being engaged to promote WEE in a sustainable and long-term manner through incorporating WEE priorities into economic development policies, plans, budgets and programmes at the local level. Support is being provided to strengthen gender-responsive public financial management systems. IELD engages with the private sector to expand economic opportunities for women. IELD identifies a local pipeline of investable projects with women-led enterprises and gender-sensitive businesses, which may have a transformative impact on the livelihoods of the communities and create jobs for women and men. Gender responsive public-private partnerships investments are also identified and funded. Women-owned and gender responsive SMEs are supported through technical capacity building and increased access to financing. Women micro-entrepreneurs are being provided with technical assistance, market links and equipment. IELD also works with financial institutions, including the Bangladesh Bank, to facilitate access to financing.

IELD is experimenting with different implementation modalities to test ideas and gain insights into what works in different contexts for investments. In Bangladesh, three different types of organizations are receiving investments—Women’s Development Forums (WDFs; part of local government), social enterprises and an SME, all grants. In Tanzania, both loans and grants are being provided to SMEs depending on their stage of growth. As well, IELD is supporting districts in the construction of public markets in Tanzania and is integrating gender considerations in both the design and operation of the facilities. In Senegal, IELD is working with a Sovereign Wealth Fund to structure a capital investment fund, the WE! Fund, that is dedicated to gender-sensitive SMEs and PPPs. In Mali, a combination of interventions is being done that include a concessional loan with a credit line with Banque de Développement du Mali, support to non-governmental organizations (NGOs) for small infrastructure projects and direct support to SMEs.

Despite the range of programming being undertaken, none of the country programmes are implementing the full IELD model as originally envisaged. Each of the country programmes has narrowed their focus based on the resources available, parameters of the funding and opportunities available at the country level. Table 1 shows the key areas from the ProDoc design and what is being done at the country level during the time covered by the evaluation.<sup>12</sup> The total available funds by country are listed for the evaluation period along with which agencies are taking the lead on various components.<sup>13</sup> It should be noted that both the ProDoc and the country Work Plans designate a lead agency for activities but often a number of agencies are involved and working collaboratively. Uganda and Palestine are not included since funding has not been available to start programming.

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<sup>12</sup> The information on Senegal and Mali is from their Work Plans and may have changed during implementation which occurred after the end of the evaluation period.

<sup>13</sup> The financial figures represent the available funds not disbursements. The actual disbursements by country are covered in Section 2.4.

Table 1 - Summary of Key Areas of Focus by Country

ProDoc Areas of Intervention	Bangladesh \$560,000 (2017 – 2019)	Tanzania \$ 3.5 million (2017-2019)	Senegal <sup>14</sup> \$ 1.2 million (2019 only)	Mali \$2.2 million (2019 only)
<b>Outcome 1: Women have greater access to information and have better ability to develop effective partnerships</b>				
Support to develop enterprises and clusters	Training of WDFs – UN Women TA to investees – UNCDF	Cluster work with women micro-entrepreneurs – UN Women BDS providers & training women business groups – UNDP TA to investees - UNCDF		Grant funding to 3 NGOs to provide support to women entrepreneurs – UNCDF Support to three clusters - UNDP
<b>Outcome 2: Barriers eliminated and enabling public and private policy and institutional environment created for WEE</b>				
LEAs	LEAs for 2 districts – UN Women	LEAs for 3 districts in Kigoma Region – UN Women	Studies on WEE- UNDP Financial sector as background paper - UNCDF	Studies on WEE- UNDP Financial sector as background paper – UNCDF
Local government capacity development	Pilot IELD training modules tested in late 2019 - UNDP	Work underway with government to adapt training modules & training provided to local government officials on business principles – UNDP		Capacity building to Local Government Authorities (LGAs) – UNDP
Program for national counterparts on gender and economic management	Some policy dialogues at national level – UNDP Training for Banks on WEEI -- UNCDF		Sensitization program on WEE - UNDP	
<b>Outcome 3 Domestic financing unlocked and increased for gender sensitive local basic services and local economic development</b>				
Gender responsive budgeting and planning	GRBP training – UN Women	GRBP training – UN Women		
Local development funds	Funding to 2 WDFs – UN Women and UNCDF	Funding to 4 public markets and the Small Industries Development Organization (SIDO) - UNCDF		
Project finance for enterprises and clusters	Grant funding to: 1 SME and 2 social enterprises - UNCDF	Grant funding to: 2 SMEs in Kigoma Region - UNCDF Grant and Loan funding to 2 SMEs outside Kigoma - UNCDF	Grant to WE! Fund targeting early stage SMEs - UNCDF	Line of credit to development bank Grants to three SMEs Grants to 3 NGOs

<sup>14</sup> Only UNDP and UNCDF are participating in the Senegal work.

As the IELD concept is new, tools for implementing it and capacities for delivering it needed to be developed. A number of new tools have been developed collaboratively by the three agencies to meet these objectives. UN Women has taken the lead on developing the gender responsive LEA tool to scan local economies and assess barriers to women’s economic empowerment. These assessments, done at the district level, have allowed identification of solutions based on a consultative process with local actors including women’s organizations, women led SMEs, the private sector and government institutions. The LEAs are seen to be an important first step in establishing the IELD programmes in a country.

A specific investment tool – the Women’s Economic Empowerment Index (WEEI) – has been developed by UNCDF to identify and measure the potential impact of gender responsive public and private investments. This tool is being integrated into the investment decision making process, allowing a consideration of both the financial viability of the investment as well as potential social impact. The tool is being used to assess the viability of IELD led investment projects. The WEEI was reviewed and updated in consultations with gender economists and partner organizations in October 2018 after one year of application to reflect lessons in its use.

A draft course for the officials of local government authorities (LGAs) is being developed to enable a better understanding of gender-responsive local economic development and how plans and policies can be made more appropriate to women. The course is currently being piloted by UNDP in Bangladesh and will be rolled out in the future in Tanzania.

The work to date in Bangladesh and Tanzania has resulted in some outputs. Table 2 summarizes the results to date based on the ProDoc indicators and targets.

**Table 2 - Current Status of IELD<sup>15</sup>**

Outcomes, Outputs, Indicators and Targets	Highlights of Implementation Status to Date
<b>Outcome 1: Women have greater access to information and have better ability to develop effective business enterprises</b>	
<b>Output 1.1: Indicators and targets</b>	
1. Number of productive partnerships between investors and women businesses: No target	Following UNCDF’s capacity building, Subarta Trust in Bangladesh established a more productive partnership with its trustees who invested \$118,308 in additional funds.
2. Number of productive partnerships between public/private investors and women lead businesses established through empowerment org. Target 10% annual increase	In Tanzania, partnerships have been established between public sector entities in Tanzanian and women’s groups in the establishment of public markets and between two SMEs and two women’s groups primarily through work by UNCDF with the support of UN Women and UNDP.

<sup>15</sup> IELD is no longer using all of the indicators in the ProDoc. Output 1.1, indicator 1 has been dropped, indicator 4 has been changed; Output 2.2, indicator 1 has been replaced with one counting those trained, indicator 2 has been dropped; for Output 3.2, all three indicators have been replaced. Reporting in 2019 reflects these changes. A revised RRF was proposed in 2019 and uses the revised indicators, but no reporting was done against it by September 30 2019.

Outcomes, Outputs, Indicators and Targets	Highlights of Implementation Status to Date
	Partnerships between WDFs in Brahmanbaria (one woman-led business) and Rangpur (three women's groups engaged in income generation) as well as a training center have been facilitated by UN Women and UNCDF
3. Number of productive partnerships between public/private investors and women led and gender sensitive businesses Target 10% annual increase	Nine women led or gender sensitive businesses have developed productive relationships with banks through UNCDF with support from UN Women and UNDP
4. Number of productive partnerships established through business incubators <sup>16</sup> and other mechanisms. Target 10% annual increase	UNCDF's use of Bangladesh Bank to identify investments has allowed it to develop three productive partnerships (Glamour, ESDF and Subarta).
<b>Output 1.2: Indicators and targets</b>	
1. % Increase in number of women businesses served by business incubators. Target 10% annual increase.	In Tanzania, UN Women is working with the Tanzania Women Chamber of Commerce. UNDP is providing training to BDS providers. Together they have reached 219 women micro-entrepreneurs to date. In Senegal, UNDP has worked with an Accelerator Lab to launch an innovation contest to support business oriented WEE and digital enterprises. Two projects were supported after the evaluation period.
<b>Outcome 2: Barriers eliminated and enabling public and private policy and institutional environment created for women's local economic empowerment</b>	
<b>Output 2.1: Indicators and targets</b>	
1. Country level frameworks and capacity needs developed. Target 1 for each target country	Bangladesh, Tanzania and Uganda have country programme frameworks that were developed by the three agencies.
2. Number of strategies, policy publications issued, training manuals published for each programming country. Target strategies, policy publications issued, training manuals published for each programming country.	No programming has been done to date with IELD funding. However, the three agencies are working on policy issues outside of IELD in the pilot countries.
<b>Output 2.2: Indicators and targets</b>	
1. All key officers in each unit trained. Target number of officers trained	182 LGAs officials including 115 female representatives trained in Bangladesh in 2018 by UN Women. Training on results based and gender responsive planning and budgeting for 7 LGA members in Tanzania lead by UN Women.
2. % increase in women's representation and active engagement in community led planning and decision making. Target 10% annual increase	730 women micro-entrepreneurs, including SME owners, have received training and technical assistance from UN Women and UNDP but the focus has been primarily on technical issues not community planning and decision making.

<sup>16</sup> The term business incubator is defined in the IELD results guide broadly to be a company that helps start-up and early stage companies to develop and grow by providing services such as management and marketing training, technical support, and support in networking and accessing capital.

Outcomes, Outputs, Indicators and Targets	Highlights of Implementation Status to Date
3. LEA assessments concluded for each country, clear directions identified and concrete initiatives defined. Target 2 LEAs in year one, 1 in each of years 2 to 5.	Gender sensitive LEAs have been completed for Bangladesh (2 districts) and Tanzania (3 districts) by UN Women with input from UNDP and UNCDF.
<b>Outcome 3: Increase in public and private investments for women's economic empowerment at the local level</b>	
<b>Output 3.1: Indicators and targets</b>	
1. Number of plans budgets and investments that directly promote gender equality and address unpaid care work. Target gender responsive local development funds developed and operational. No target.	Work on establishing LDFs for WEE will be initiated in 2020 in Bangladesh. In Tanzania, three districts have integrated gender into their Medium-Term Expenditure Frameworks but not provided funding to date. Four public markets with special women's facilities have co-investment from IELD, districts and private sector.
<b>Output 3.2: Indicators and targets</b>	
1. % increase in domestic capital. Target to be established	IELD has approved funding of \$1,242,000 to fourteen local investment projects in Bangladesh and Tanzania.
2. % increase in net local fiscal space. Target to be established	IELD investments have mobilized \$1,695,093 in local finance.
3. % increase in fixed capital formation. Target to be established	All fourteen IELD investments have mobilized capital investments in buildings and equipment.

## 2.4 Current Programme Financial Status

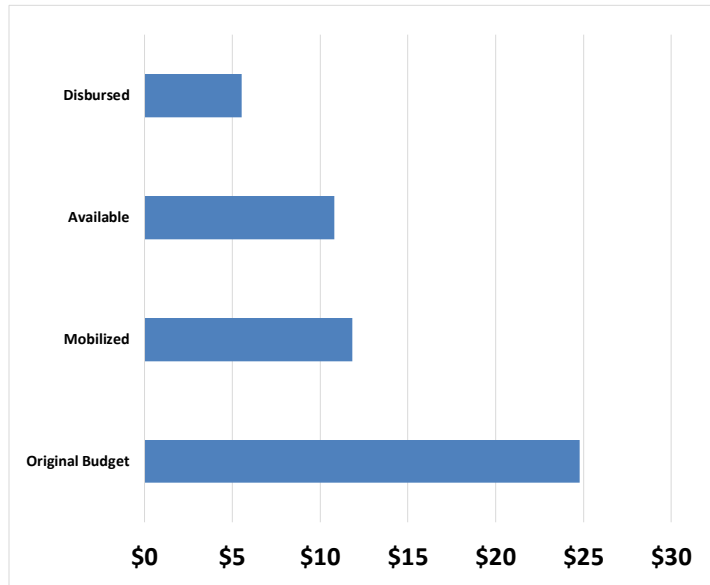
IELD was approved with a total budget of \$24.8 million in 2015. By the end of the third quarter of 2019 IELD had mobilized \$11.85 million. Of the \$11.85 million raised, UNCDF provided approximately \$2.1 million for IELD from core funding as well as non-core funding.<sup>17</sup> The vast majority of these funds were expended during the start-up phase between 2015 and 2016 and helped to leverage \$3 million in global funding from the Swiss Development Cooperation (SDC) in 2017. The remaining funds were mobilized at the country level through One UN funds from Norway in Tanzania (\$3.35 million) and UNDP TRAC2 funds (\$3.4 million) for work in Senegal and Mali.

During the period covered by the evaluation, \$10.8 million of the \$11.85 million has been available for disbursement with \$5.5 million (51%) being disbursed. The main reason for the lower disbursement rate relates to the \$3.4 million UNDP TRAC 2 funding for Senegal and Mali that was only available in mid-2019 and required an extensive amount of capacity development and outreach to put the programming in place. A vast majority of the TRAC 2 funds were disbursed in the last quarter of 2019 after the evaluation cut-off period.<sup>18</sup>

<sup>17</sup> UNCDF provided internal core and non-core resources for the programme as its contribution. There was no direct agreement between the IELD programme and the donors. The specific sources are listed in the Programme Data Sheet at the front of the Evaluation report.

<sup>18</sup> Only \$255,946 of the \$3.4 million TRAC 2 funds was disbursed by September 30 2019. The rest was disbursed by December 31 2019.

**Figure 4 - Funding Overview (USD Millions)**



The initial \$3 million of SDC funding has been allocated according to the agreement in the ProDoc with UNCDF receiving \$1.8 million, UNDP \$530,000 and UN Women \$500,000. The funds allocated by agency are used for both initiatives at HQ, such as developing the tools, as well as country level programming, largely in Bangladesh. The funding for Tanzania, Senegal and Mali has differing methods for allocating funds across the agencies based on funding requirements of the donors. In Tanzania, the funding for the three agencies is going through the Kigoma Joint Programme (KJP) that has its own structure for allocating funding, planning and monitoring through a

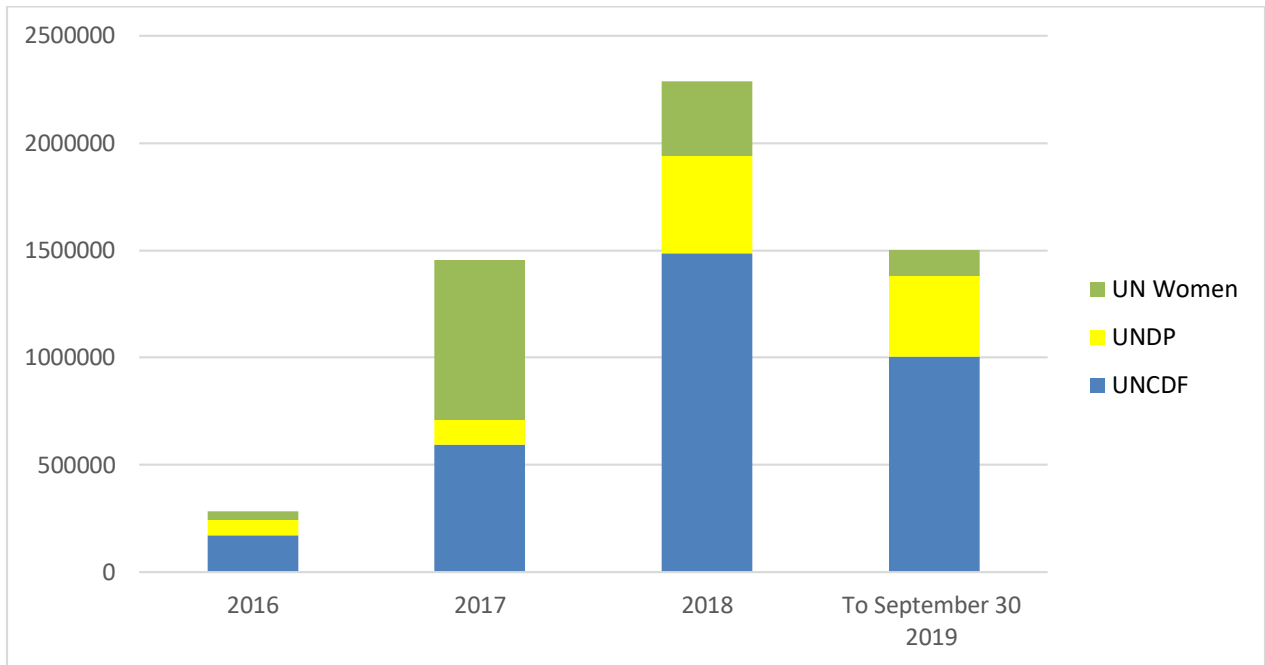
One UN approach. In addition to the KJP funds, some of the UNCDF designated SDC funds are going to UNCDF Tanzania and are primarily allocated to investments outside of Kigoma. For Senegal and Mali, the \$3.4 million is coming from UNDP TRAC 2 funding that needs to be disbursed by the end of 2019 with the three agencies agreeing on the allocations.

Despite Each funding source had different allocation methods across agencies, however, overall, the funds available to each agency are generally in line with the original agreements under the ProDoc. Overall, UNCDF has had access to 61% of the total funds, UNDP 22% and UN Women 17%. In terms of disbursements, without the UNDP TRAC 2 funding, the delivery rates by agency were: UN Women 76%; UNCDF 73%; and UNDP 81%. Taking into account the total \$10.8 million available, UN Women had the highest delivery rate with 70%, with UNCDF at 49% and UNDP with 43%.

The amount disbursed per year has fluctuated since 2016 as shown on Figure 5. This partially reflects when various donors came on stream with Norway's funding starting in 2017 and SDC's in 2018. The split between management costs and programming is in line with the original ProDoc with 25% of the disbursements going to management and 75% to programming.<sup>19</sup>

<sup>19</sup> Note that the management costs calculated are only for paid staff. Other staff provide support to IELD as well and this is not counted.

**Figure 5 - Total Disbursements by Year by Agency (USD)**



The funding for Bangladesh has come from SDC funds and a total of \$440,569 has been disbursed from 2018 to September 30 2019. UNCDF in Tanzania disbursed \$2.7 million over the evaluation period with Norway KJP funds being \$2.3, SDC \$260,000 and UNCDF \$200,000. Of the UNDP TRAC 2 funds, \$1.2 million is for Senegal and \$2.2 million is for Mali. However, only \$255,946 was disbursed by September 30 2019. Uganda has received a small amount of SDC funds for a consultant and the development of the Country Framework but no programming funds have been available. During the evaluation, plans were also being prepared by UN Women Uganda to conduct LEAs in early 2020.

## 3.0 Evaluation Approach and Methodology

This Mid-Term Evaluation of the IELD Programme is the first evaluation of this programme. It was conducted between September 2019 and February 2020 by a competitively selected, impartial, external evaluation team (the team) reporting to UNCDF's Evaluation Unit which commissioned and managed the evaluation on behalf of the three agencies.

### 3.1 Evaluation Design

IELD's original Programme Document contained two separate Theories of Change, and the evaluation Terms of Reference (ToR) specifically asked the team to use a revised ToC. While the overall approach is not fundamentally changed, the ToC and RRF for IELD have shifted slightly to align the programme with the new strategic plans and results frameworks of the three agencies.

Building on the ToRs, the team did an extensive review of the programme components, RRF (Annex 1) and existing ToC during the inception phase and identified a series of areas to investigate during the evaluation to better understand the current or likely impact pathways that the programme is taking to achieve the targeted results.<sup>20</sup> This includes the influence of alternative factors and actors driving these changes in the environments in which the programme is operating and the changes in performance or behaviour that are needed to obtain the results of: enhancing of women led businesses; changing public and private policy and institutional environments; and increasing public and private investments that have a positive impact on women at the local level.

The assumptions and casual links that underlie these areas are complex.<sup>21</sup> The team has used the ToC throughout the evaluation, testing ideas and mapping possible adjustments to better understand the possibilities for outcomes.

### 3.2 Evaluation Approach

The team has taken a utilization focused and mixed methods approach to addressing the evaluation criteria and questions contained in the Evaluation Matrix (see Annex 2). The Evaluation Matrix was structured according to the OECD/UN criteria of relevance, efficiency, effectiveness, likely impact and sustainability. Under each of these criteria the three UN partners have identified key questions to address during the evaluation and these have been integrated into the evaluation matrix. These have included areas such as: whether the approaches being used are the right ones for achieving the desired results; if the programme remains relevant to the UN agencies and the priorities of the countries in which IELD is being implemented; whether it is meeting the needs of the intended beneficiaries; and how well the programme is being managed and implemented. The Evaluation Matrix identifies the sources of both primary and secondary data, ensuring that multiple sources are used to address each question, thus allowing triangulation and ensuring objectivity and consistency. The Evaluation Matrix has also guided the design and development of data collection methods and instruments. The Evaluation Matrix has been used throughout the evaluation.

As well, in the development of the evaluation matrix, the UN Evaluation Group's *Guidance on Integrating Human Rights and Gender Equality in Evaluation* has been taken into account and embedded in evaluation questions, and data collection methods, sources and instruments. The issues of human rights and gender have been considered throughout the evaluation.

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<sup>20</sup> The annexes referred to in this section are contained in a separate evaluation document.

<sup>21</sup> See Annex 10 for some examples.



### 3.3 Evaluation Data Collection Methods

During the inception phase, the Team conducted a set of preliminary interviews and collected and reviewed IELD programme documents. This assisted the team to develop the Inception Report for the evaluation laying out in detail the approach, methodology and work plan for implementing the evaluation, and the data collection methods, which included interviews, document reviews, site visits, case studies and a survey. The team used these methods for collecting both baseline and time line data (see Annex 3 for summary).

Semi-structured interviews, small group discussions and FGDs have been held with a total of 128 people, in person or via telecom (see Annex 4). Three categories of respondents have been interviewed:

- *Implementers* – UNCDF, UNDP and UN Women staff at the country or HQ levels that were involved in IELD including staff, Steering Committees and Technical Committee members, Investment Committee members and IELD donors;
- *Partner organizations* – organizations benefitting directly or indirectly from IELD support including national and local government authorities, SMEs, women micro-entrepreneurs, financial institutions, workers, business service providers and other local groups; and
- *Other stakeholders* – groups that may have an opinion on the project design or implementation such as donors, government agencies or international experts.

A fourth group of *indirect beneficiaries* has not been included in the evaluation. In the case of IELD, these would be primarily community members, specifically women, who would benefit indirectly from the investment, plans and policies being developed as well as improved access to infrastructure. However, the state of implementation of IELD is not advanced enough to see any improvements in lives outside of direct beneficiaries as a result of the work at this point.

Over 300 documents have been reviewed, including: IELD programme global and country level documents; country context documents for Tanzania and Bangladesh; past and current UNCDF, UNDP and UN Women strategic plans; and external documents pertaining to country specific WEE and finance environment and investment models (see Annex 5 for a list of the main documents reviewed). The detailed review of programme documents and data provided by IELD included:

- Programme design documents;
- Donor and inter-agency agreements;
- Programme and Country RRFs;
- Country programme documentation;
- Programme and Country reports;
- Financial and administrative documents and data; and
- Information on each investment.

As it has not been possible to visit all IELD countries during the time allotted for the evaluation, the team prepared a sampling strategy (Annex 6). The choice of the countries to focus on has been dictated primarily by the extent of work done to date in each country. Only Tanzania and Bangladesh had been implementing interventions that would allow a review of the tools and approaches being used under IELD. Site visits were made to Bangladesh and Tanzania and detailed country reports have been developed for each country (see Annex 7).

Five detailed case studies have been produced on specific interventions to look in more depth at the programming undertaken to date (see Annex 8). A number of criteria have been used to select the initiatives to review. These criteria included that they had to be: advanced enough that some results were

emerging or had emerged; two in each country (Bangladesh and Tanzania); supporting different IELD outcome areas; covering both SME and PPP investments; covering direct TA; and geographically possible to visit taking into account the number of days in the field and logistics. A survey has been sent to IELD designated personnel in Uganda, Senegal, Mali and Palestine that were not being individually interviewed.

These multiple lines of evidence have been triangulated in order to provide a user focused, evidence-based narrative that connects analysis, findings, conclusions and recommendations.

### 3.4 Data Analysis and Triangulation

The Evaluation Matrix and the ToC have been the basis for analysis. The aggregation of the data has been done in two parts. First, debriefings have been held at the end of each mission as well as with the IELD technical staff at HQ after the missions and other interviews were complete. The debriefings focused on testing the initial findings and obtaining feedback from IELD staff and agencies. The final debriefing took place in July 2020 with the three agencies to discuss conclusions and recommendations. Second, all data gathered from primary and secondary sources has been triangulated, that is cross-checked across sources. As the data were gathered from primary and secondary sources, they were linked to the specific evaluation questions and the ToC. Documents, interviews, FGD notes and the survey have been analysed to identify trends, themes, and patterns. Attention has been paid to the differing context within which IELD is being implemented. Content analysis has been used to flag diverging views and opposite trends. Contribution analysis has been used to identify pathways and assumptions within the ToC and areas where changes may be needed. These constituted the raw material for drafting preliminary findings that have been subsequently refined to feed into the draft and final evaluation reports.

### 3.5 Challenges and Limitations

The evaluation faced five challenges and limitations which were addressed where possible.

- *Compressed timelines to allow the final report to feed into the planning for the next year* – The utility focus required the evaluation be timely. The formal start of the evaluation was in September 2019 with preliminary findings required by the end of December 2019. This meant that the first mission needed to be planned in parallel with the completion of the Inception Report.
- *Early stage of implementation of all interventions* – A purposive sampling approach has been used that focused on Bangladesh and Tanzania since these were the only two countries with enough interventions to warrant a site visit.
- *Delay in financial information* – The multiple sources of funding, three agencies and multiple countries has meant that financial information for the programme, covering the evaluation period, was not fully available until May 2020.
- *Absence of qualitative and capacity indicators in IELD results framework* – The RRF only includes quantitative indicators. This has meant that the evaluation needed to use qualitative data collection methods to compensate.
- *Limited and varied data by country* - The different monitoring structures at the country level have made it difficult to identify even the quantitative indicator progress. It has also meant it was difficult to roll up to the IELD programme level.

## 4.0 Evaluation Findings

### 4.1 Relevance and Quality of Design

The systems approach underlying the IELD design is seen to be highly relevant within the participating countries. The programming is considered important by stakeholders for improving the enabling environment for WEE and access to services and finance at the local level. IELD aligns well with the individual agency Strategic Plans, UN Delivering as One and the country level UN Development Cooperation Frameworks. The UN joint agency approach has worked well to tackle the problems of WEE in UN partner countries, promoting greater cooperation and coherence across initiatives.

The original design is still seen as being innovative. However, to date only the Tanzania programme has implemented enough elements of the IELD design in a concentrated geographic area to offer a glimpse of the potential of the model overall. Limited funding and conditions of the funding received hindered the full testing of the systems-based model across the countries.

Specific tools have been developed that could be broadly used and replicated by the three agencies. However, it is not clear what a global IELD model actually is that could be replicated and scaled outside of the pilot countries. IELD is considered more of an approach to WEE than a global programme with a replicable framework. This is partially attributable to the broad diversity of programming across countries. Limited agreement exists on what could or would be replicated more broadly in the future.

*How relevant is the approach being followed to the countries in which the programme is intervening? How relevant/ distinct is it compared to similar initiatives by national or development partners in unlocking public and private finance to support women's economic development? As presently designed, how appropriate is the programme design in view of programme objectives and the intentions of the three UN agencies in working together to implement the programme? To what extent is the programme design in line with best practices in terms of 'leaving no one behind' and its focus on women's economic empowerment?*

**Country level programming is well aligned with the specific plans and priorities of the individual countries.** Globally, there is increasing recognition of the importance of supporting WEE and areas such as gender lens investing and this is being reflected at the country level. Bangladesh has a series of policies promoting gender equality including the National Women Development Policy of Bangladesh that pledges economic, social and political empowerment of women along with interventions to help women overcome structural barriers. Women's economic empowerment and enhancing SME growth through better access to financing are key priorities for the Government of Tanzania. Both gender equality and WEE are identified as cross cutting themes in achieving national long-term development aspirations as articulated in Tanzania's development plans, policies, strategies and frameworks including Vision 2025 and the National Five-Year Development Plan 2016/17 – 2020/21. Uganda has some aspect of women's economic empowerment integrated into its Vision 2040. The opportunity to programme in Senegal partially emerged because the newly elected president places a priority on WEE issues and wants to find ways to integrate WEE into the government instruments.

**Local governments, small and medium enterprises and women micro-entrepreneurs at the country level believe the programming is important for improving women's economic opportunities and access to services and finance.** The feedback from beneficiaries in Tanzania indicated that while many of the initiatives implemented are not new, what is unique is combining local investments with capacity development programming for officials and women micro-entrepreneurs. The IELD related programming

in Tanzania is primarily implemented in one region—Kigoma—which is ranked the poorest region in the country. In Bangladesh beneficiaries have particularly appreciated the combination of technical assistance and financing for women owned and focused enterprises seeking to grow. While multiple sources of support for women’s income generation and micro-enterprises exist, and some international programming supports larger small to medium organizations, little technical support is available to help early stage micro to small enterprises grow. Even less programming is focused on the specific constraints faced by women. This is the gap that IELD is filling.

**The IELD approach aligns well with both the strategic plans of the three UN agencies and the UN Cooperation Development Frameworks in Tanzania and Bangladesh.** All three agencies have developed Strategic Frameworks for 2018-2021 that include aspects of support to WEE. UN Women has a strong focus on ensuring that women have income security, decent work and economic autonomy. UNDP has priorities such as strengthening capacities to raise awareness on and undertake legal, policy and institutional reforms to fight barriers to women’s empowerment. UNCDF is focusing on increasing financing for basic services and sustainable and inclusive growth including for women. A revised IELD RRF has been developed to take into account the changes in the plans of the three agencies since the programme was designed and better align to the three agency results frameworks. In addition, in Tanzania, the IELD programming directly supports priorities in the UN Development Assistance Plan 2016-20 including: increasing productivity; support to BDS; improving regional trade; supporting SMEs and micro-entrepreneurs; and promoting decent employment. In Bangladesh, IELD is supporting outcome 3 of the UN Development Assistance Framework 2017-20 in areas such as livelihoods, job creation and strengthening private and social enterprises.

**The joint agency approach supports the UN reform efforts for delivering as one—encouraging greater cooperation and coherence across programming at the country and HQ levels.** All three agencies collaborated on the design, and the underlying concept for the design recognizes that a more holistic approach is needed to improve the economic environment for women. This approach relies on all three partner agencies providing support based on their areas of expertise in order to make gains on WEE. One of the selection criteria for countries is that the three agencies agreed to work jointly, specifically because of this recognition. Countries such as Cambodia were considered for inclusion in IELD but did not proceed, partially because the UN agencies did not have WEE as a priority for their gender work at the country level. The underlying premise and implementation approach of IELD strongly supports the UN delivering as one agenda.

**Each country programme is implementing IELD in its own way, ensuring it is complementary to existing programming.** In the case of Bangladesh, the approach is to expand the scope of work with existing partners such as the WDFs and the Bangladesh Bank, testing new ideas and approaches. In Tanzania, work is primarily focusing on one region with coordination across sixteen different UN agencies in a One UN approach. In both Bangladesh and Tanzania, a challenge fund approach has been taken to sourcing and supporting private investments.<sup>22</sup> Through calls for proposals, a range of proponents are selected and either grant or loan funding is provided to overcome market failures such as lack of access to finance or high risks. While challenge funds are not a new global mechanism, their implementation in Bangladesh has engaged the Bangladesh Bank in the process. This has laid the foundation for the Bangladesh Bank, and the Banks and non-bank financial institutions (NBFI) it regulates, to better understand how gender responsive investments can be assessed. In Tanzania, some of the calls for proposals for SMEs have been specifically linked to the Kigoma Region. This means that the proponents are in a very early start-up stage

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<sup>22</sup> The first investments with the WDFs were based on prior work with existing WDF partners.

that would not be the typical candidate for a challenge fund and would have limited access to financing from financial institutions.

**IELD addresses the SDGs and specifically the principle of leave no one behind.** The IELD design supports SDGs 1 (no poverty), 5 (gender equality), 8 (decent work and economic growth), and 10 (reduced inequalities). Using WEE as the entry point, IELD is tackling systemic barriers to women's involvement in economic development. The design took a human rights and gender approach to tackling these barriers. The three agencies are building on their knowledge of how to tackle these issues and experimenting with some new approaches. Most of the programming in Bangladesh, Tanzania and Mali is being undertaken in the poorest regions of the countries. In Tanzania, the region where the majority of the programme is being implemented is on the border with Burundi and has refugee camps. The broader framework for the Norwegian funded Kigoma Joint Programme (KJP) focuses not just on women and youth but also the refugee and host communities in the three districts. The WDFs supported in Bangladesh were similarly in poor areas and addressing marginalized communities.

*How well is the programme designed with regard to transition, expansion and replication of the programme approach by others? Does it have a clearly defined and formulated knowledge management and exit strategy to support the sustainability of programme results?*

**The original design is seen to be innovative and having potential for replication and scaling.** The systems-based approach is seen to be the value added in the IELD design. While many of the individual initiatives being implemented under the model are not new in themselves, the innovation is in the bundling of a critical mass of programming across the three areas that can work together and trigger systemic change. As well, the three tools play a key role in ensuring that the approaches taken and decisions made are based on the real needs of women.

**Tanzania programme could demonstrate the potential of the original IELD model if more resources were available at both the local and national levels.**<sup>23</sup> Tanzania's IELD Country Framework mirrors the original ProDoc design, working at the local and national levels on the key areas. The Kigoma funding was seen to be a pilot that could test some of the ideas for expansion nationally. LEAs were done for three districts in Kigoma that provided a basis for discussions with the regional and local officials about WEE programming priorities under the KJP. The initial response of the local officials was that they wanted only concrete interventions that could produce fast results. From these discussions, it was agreed that the emphasis in the LEAs on the need for public investments, such as the markets, would be the focus for the investments supported by UNCDF in the region. UNDP would shift from providing policy support and data analysis to working with BDS providers. UN Women's focus needed to be on women micro-entrepreneurs and linking clusters to value chains. The work undertaken is starting to produce results and, as will be discussed later, has potential for synergies at the local level that could influence the enabling environment in three districts. However, what remains unfunded from the original IELD Country Framework is the link to the broader enabling environment at the national level, broader engagement with financial institutions and policy dialogues. This missing link raises the question of the extent to which the work can scale within the country.

**The specific tools that have been developed have strong potential for being broadly used globally.** The tools developed under IELD have broad applicability across a wide range of countries. These include the WEEI for assessing investments, gender responsive LEA for supporting local decision making and the

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<sup>23</sup> Bangladesh has also done a range of IELD elements. However, the programme was very small and so widely spread across the country that seeing potential synergies that could inform the assessment of the overall model was difficult.

training course for local officials. All of these tools can be adapted to a country context and used across the agency's programming.

**The combination of the fact that none of the country level programmes are implementing the full IELD model and the disjointed nature of programming across countries, means there is now a lack of clarity on what the IELD model actually is that could be replicated and scaled.** The intention of IELD in this phase is to pilot a series of initiatives and then expand and replicate the approaches more broadly in a wide range of country contexts. The variations in programming across the countries combined with the partial implementation of the model means the programme appears disjointed, making it difficult to discern a distinct "IELD model". While all the countries have some element of each IELD pillar, the programming is very different and, in some cases, very small. Much of the programming is dictated by the sources, extent and parameters of the funding sources. Few of those interviewed see IELD as a global programme with a specific framework. The result is that the IELD programme at the global level is seen as a broad "approach" to WEE programming that varies by country and can basically cover any aspect of WEE. This makes it difficult to determine how the IELD design could be more broadly replicated and scaled.

**This lack of clarity of the IELD model is further complicated by a lack of visibility of the IELD programme at the country level.** With the exception of Bangladesh during the pilot stage, IELD is not yet visible as a programme in any of the countries.<sup>24</sup> Bangladesh undertook the pilot under the IELD banner with HQ funding from the SDC support. However, in Tanzania, the funds for the three agencies are coming through the Norway-funded KJP. Operating under this structure, UNDP does not even see itself as being part of IELD in Tanzania. The investments in Tanzania being done outside Kigoma, with UNCDF and SDC funds, are undertaken under the UNCDF Local Finance Initiative (LFI) banner. Uganda and Palestine have not had any programming on the ground. In Senegal, UNCDF and UNDP are implementing the programme under their agency banners. In Mali, all three agencies are implementing the work as agency programmes. This lack of branding means there is limited identification of "IELD" models or outcomes at a country level that could demonstrate what the programme is, the effectiveness of its outcomes and the potential for scaling. When this is combined with a lack of a clearly defined knowledge management and exit strategy for the IELD programme, it is difficult to envisage how IELD can demonstrate its success and be replicated more broadly.

**The scale of the original design has proven overly ambitious for the resources available and this is impacting the ability to replicate at the country level.** The original design emphasizes the need to take a holistic approach and adapt the model to the country specific conditions to ensure that it is embedded in national policies, legal, regulatory and operational frameworks. Country frameworks have been developed for Bangladesh, Tanzania and Uganda based on the conditions within the country and possible entry points. The broad themes of IELD—support to women entrepreneurs, capacity development for government and public and private investments—are reflected in each of these. However, the assumptions behind the original IELD design were that these plans would be able to mobilize funds at the country level. In fact, for Tanzania only a small portion of the budget envisaged in the Framework has been mobilized, scaling back what can be tackled. In Uganda, none of the funding has been forthcoming. The original IELD design assumes that substantially higher resource levels would be able to be generated at the country level. This has not proven to be the case to date and impacts potential replication.

**Some replication is possible at a country level in Bangladesh and Tanzania.** As of December 2019, Bangladesh has received new funding from the Netherlands to expand its programming and will continue

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<sup>24</sup> It should be noted that with the new Netherlands funding made available in Bangladesh, the programme will be rebranded to a different name and not use IELD. This programme is currently on hold due to COVID-19.

some of the previous work with the WDFs, Gender Responsive Planning and Budgeting training for LGAs and the Bangladesh Bank. This should result in broader coverage of parts of the IELD model within the country. However, the replication using the hundreds of WDFs in the country will not achieve the original intent of IELD of reaching women led and women-oriented SMEs with growth potential which, unlike women's income generating activities, also lack other supporting programmes. The WDFs target the poorest and most vulnerable in the community and are not working with the IELD target group. However, they may lead to local infrastructure investment that supports women's economic participation and inclusion in decision making, as they are part of local government. In Tanzania, the KJP will continue to be funded by Norway in 2020 with work being done within one region. Ideas have already been generated about how the three agencies could work more closely and generate synergies within the Kigoma region. The potential for broader replication outside of the one region is unclear at this point given the lack of funding available outside of Kigoma.

## 4.2 Efficiency

Access to resources has been the biggest constraint at both the global and country levels with 51% of the original IELD budget being mobilized during the period covered by the evaluation. Fundraising efforts have produced mixed results. Those funds that have been mobilized have often placed constraints on how and where the programming can be implemented and have affected the testing of the model and results that have emerged to date.

The IELD RRF targets only quantitative indicators making it difficult to capture the behavioural change process at the outcome level that is starting to emerge. It also means that there is a reliance on a limited number of indicators such as financial leverage to convey IELD progress. This makes it difficult to show what IELD as a programme has or could achieve in terms of changes in the broader WEE enabling environment. It also limits sharing and learning among the pilot countries. As well, while country level work has managed risks well, broader IELD programme risks, such as funding fragmentation, have been more challenging.

The overall governance structure and approach to programme management have not conformed to the original agreement among the three agencies. The GSC is not playing its approval and oversight role at the HQ level. The management approaches do not foster a sense of joint ownership needed for the three agencies to work effectively together.

While the process for selecting and approving investments is sound and tailored to ensuring that gender issues were fully integrated, some areas should be examined to make the approach more efficient when dealing with very small SME investments.

*How well has IELD delivered its expected results to date, including in terms of resource mobilisation, budget allocation and cost-efficiency of activities?*

**Resource mobilization has been the biggest challenge for IELD.** Of the original ProDoc budget of \$24.8 million, 51% has been mobilized since 2016. Over 55% of this is earmarked to specific countries with conditions on the funding. Approximately 30% of the mobilized funding became available in late 2019, meaning that for most of the evaluation period less than \$7.4 million has been available for programming. Both the interviews and survey indicate that the lack of resources is IELD's biggest challenge and has impacted the ability of the three agencies to demonstrate the potential of the IELD approach and generate outcomes.

**Fundraising efforts have been ongoing at the global level since 2015 but it has proven difficult to generate interest from donors even as WEE issues increase in importance globally.** The largest global funding is the \$3 million from SDC. This has provided key programming funds for the IELD, including for programme management and coordination. While global funding is being sought from a range of donors, efforts have not been successful beyond SDC. A number of reasons have been given during the interviews for why global fundraising has proven difficult. One issue is the extent to which IELD as a programme has a proof of concept that makes it unique with concrete outcomes. The preliminary nature of much of the work means that it is difficult to make a solid case for global funding at a programme level. Even as WEE and gender lens investing have become priorities across a wide range of donors, those interviewed believe the competition for the funds has increased, with many new players entering the field.<sup>25</sup> This makes it more difficult to attract donors.

**From the start, it has been recognized that the mobilization strategy would have to rely on country level funding. However, this has produced mixed results.** The Bangladesh Country Framework for the pilot was costed at \$400,000 and funds have been received from the SDC pool to cover this, as well as slightly more programming. However, it is a different picture for Tanzania and Uganda. The Tanzania Country Framework had a budget of \$14 million but only a small portion of this (27%) has been funded through the One UN Fund from Norway and some SDC funds. Uganda's Country Framework was completed in 2019 and costed at \$25.6 million but no country level funding has been mobilized to date. Proposals were submitted for the UNDP TRAC 2 funding in Senegal, Mali and Guinea, with the first two being approved for funding. However, these funds need to be disbursed within one year (by the end of 2019) meaning limited scope is available to do capacity development work, a key pillar of the IELD approach that requires time. Palestine is unfunded as a programme.

*How well is the programme measuring progress at different levels of its results chain through its monitoring and results documentation system (including programme contributions to capacity change of partners, impacts at client level and programme influence on broader policy and market systems system)? How far is the programme capturing the additionality of its results (from both a financial and development impact perspective) with adaptive programme management and scaling up in mind?*

**The IELD RRF targets only quantitative indicators making it difficult to capture the behavioural change process at the outcome level.** As noted above, many of the outcomes relate to increased capacities of women micro-entrepreneurs, SMEs and local and national government authorities. All of the indicators on the original and revised RRF, however, are quantitative.<sup>26</sup> While this provides some information on progress, the indicators do not provide a full picture of the extent to which capacities are being enhanced. The ToC assumes that training will increase knowledge, skills and change attitudes. This then can lead to the integration of gender into local economic development plans and ultimately to changes in practises that begin to change the overall state of play for women in economic development. Some qualitative information on capacity changes or women's access is being collected on a six month or yearly basis from the two countries with programming underway – Tanzania and Bangladesh. However, this is difficult to roll up into IELD programme wide progress since most evidence is anecdotal and country specific. It also means that the primary indicators used for promotional materials by IELD are indicators on the investment side such as amounts invested and financial leverage. This makes it difficult to show what IELD as a

<sup>25</sup> Globally, there are an increasing number of groups engaging in gender lens investing. See for example, <https://www.forbes.com/sites/bhaktimirchandani/2019/01/03/want-to-discuss-gender-lens-investing-metoo/#519526233ec6>.

<sup>26</sup> The full RRFs are in Annex 1 of the evaluation.



programme has or could achieve in terms of changes in the WEE enabling environment and diminishes the importance of the systemic changes being targeted. These factors limit the extent to which the monitoring of results is being integrated into decision making and assessments of additionality. It also has made cross programme sharing and learning difficult.

**While a guide has been prepared by IELD on how to collect the monitoring information, issues are seen with how some information is being collected and reported.** During the field visits, some issues have been identified with the data collection techniques. In Bangladesh, a monitoring framework has been developed as part of the country programme framework but the programme does not have a structure in place to collect and aggregate data as per the framework. In addition, some methodological issues are seen such as figures for jobs created that include the existing jobs not just new jobs. In Tanzania, the primary monitoring is done through the KJP results framework that has its own theory of change and results framework. While there is general alignment between the KJP framework and the IELD results framework, it has made it difficult to understand the IELD outcomes, particularly since there were six agencies in the KJP working on WEE issues not just the three participating in IELD. As well, UN Women in Tanzania reports to IELD all their main activities that relate to WEE including national policy level work on SMEs, financial sector deepening and women’s legal rights. These outcomes are then included by IELD in its reporting. While all these activities are important for WEE within Tanzania, the IELD ToC requires that only activities covered by the programme be considered for reporting—namely the work by UN Women in Kigoma not nationally. The inclusion of all of UN Women’s work in IELD reports overstates the results and reach of IELD.

**While monitoring tools are in place for investments, staff are facing challenges to effectively monitor their progress.** The WEEI provides some indicators for monitoring the implementation process for investments in Tanzania and Bangladesh including changes the SMEs has committed to in their operations.<sup>27</sup> However, the staff in both Tanzania and Bangladesh see two issues in their ability to actively monitor the investments. First, most of the monitoring is based on self-reporting by the proponents of the investment. Many of the SMEs and local government authorities are not supplying information on a regular basis and often do not understand what is required and, therefore, provide information that is not correct. Second, limited funds are available for monitoring and therefore the staff make infrequent visits to the individual sites to verify both progress and results. These two factors are making it more difficult to realistically assess the progress being made and the results emerging. It has also meant that, in a few cases, issues with investments have not been identified early enough to take remedial action.

**Mixed results are seen on how the programme is managing risk.** The ToC outlines a series of risks that face IELD. At the country level in Bangladesh and Tanzania, these risks are being handled well overall. A number of approaches seem to be effective including: using LEAs to identify issues and build consensus; doing due diligence and risk assessments on investments; working with existing partners and interventions to build on programming that has been successful; attracting qualified staff; and working closely with partners at the local level to overcome obstacles. However, the risks facing the broader IELD programme have been more challenging. One of the biggest risks is that the IELD programme overall is not mobilizing the resources required to prove the model or that those funds mobilized are fragmented. This has been a difficult issue to mitigate. It is also posing a reputational risk in some cases. In Uganda the programme was announced, and the government brought on board, but it remains unfunded. In Tanzania the use of KJP funds means IELD has no identity within the country, yet the global programme is promoting it as an IELD success story.

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<sup>27</sup> In Mali, with the new investments just being approved, a new approach is being taken that has more formal monitoring frameworks for each investment. As well, UNCDF is initiating an agency wide tracking system for investment projects. This is currently being developed and has occurred after the evaluation period.

**The funding by IELD to the SMEs is an important part of the development additionalities that are expected under IELD.** Women owned and led businesses should see growth and better income and profits. Workers are expected to have better working conditions and more stable and lucrative employment. Women suppliers will have on-going markets and pricing arrangements that are fair. Consumers should have better products of higher quality and more diversity. All of the investments are assessed against the WEEI to ensure that there is potential for positive developments. They have been selected based on their potential to achieve results for women and WEE. This makes it more important to closely monitor both the financial and development progress and begin to draw out lessons for future selection processes.

*How well are governance arrangements working (involving both development and national partners as appropriate)?*

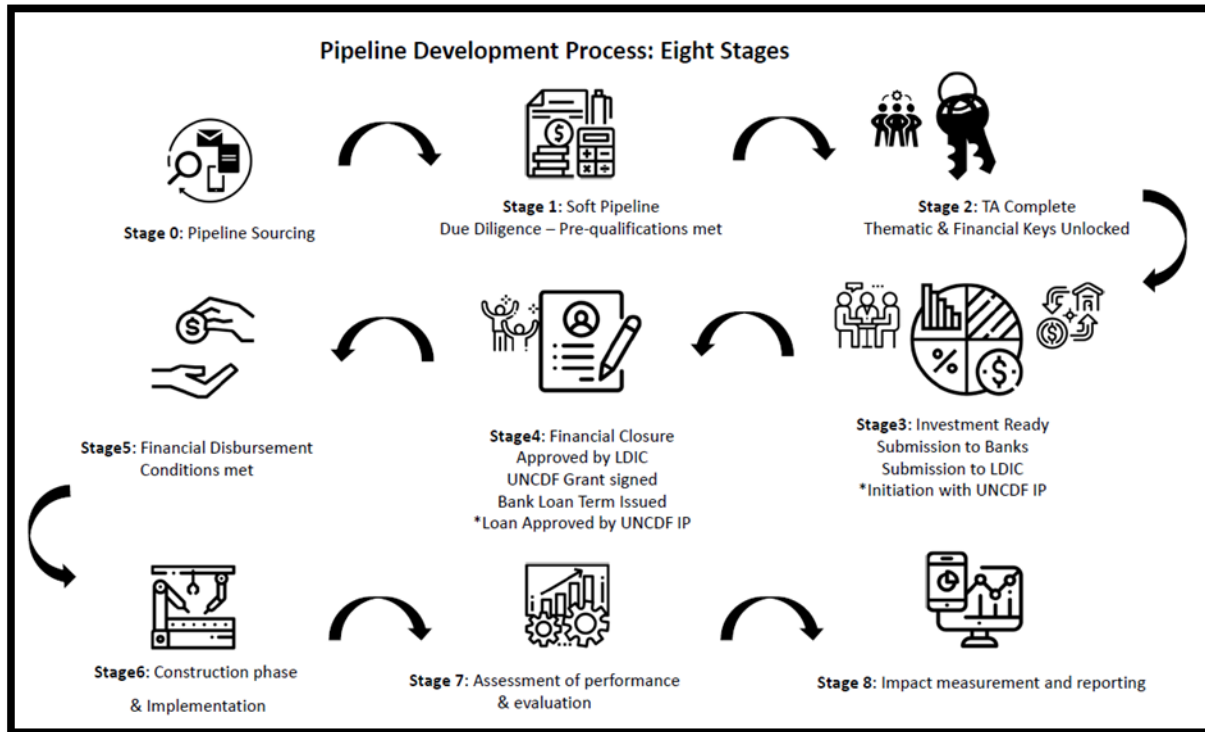
**While initially the GSC played an approval role in areas such as country selection, more recently the role has been more coordination and strategic discussions.** During the negotiations between the three agencies at the start of IELD, one of the main issues that delayed the start was ensuring that there was agreement on the roles and responsibilities of the three agencies and how the governance structure would work. As noted above, the resulting ProDoc was explicit about the roles of the GSC as a governance body and included functions such as: approval of Annual Work Plans (AWPs) and allocations of funding; oversight of the programme management; examining programme performance; and approval of country selection. Five GSC meetings have taken place since 2016. A review of both the GSC documents and information obtained from a range of interviews indicates that the GSC is not acting as an oversight body as was originally agreed but as a coordination group. Decisions are taken on areas such as the approach to resource mobilization and how to highlight outcomes emerging from the work. The approvals and oversight functions of the GSC, as agreed originally, have only been seen in initial meetings. For example, while agendas in recent years indicate that AWP are being put forward for approval, in fact interviews and the GSC minutes do not show approvals of these items. Budget allocations are handled by UNCDF not the GSC. Specific criteria have been agreed for the selection of countries. Bangladesh, Tanzania and Uganda met the criteria and were formally approved for participation by the GSC. Senegal and Mali did not conform to the criteria and GSC did not formally approve their inclusion but was merely informed of it at a GSC meeting. The GSC does not appear to have exercised oversight of programme management. Discussions around achievement of outcomes are more in terms of dissemination of results.

**Broad based Country Steering Committees, as originally envisaged, have not been established in any of the countries.** In the Bangladesh pilot phase, the agencies had limited resources which therefore did not warrant a formal CSC that would engage the government. IELD has never been approved by the government in Tanzania and therefore a CSC could not be established. This impacted the ability of IELD to operate at the national level in Tanzania. While the Government of Uganda has been fully supportive of the concept for IELD, the lack of programming funds has meant that a CSC with outside members has not been organized. This means that the three agencies have been the de facto CSC in the three countries. This arrangement has worked well for coordination but not broad-based engagement within the countries. It has also contributed to the low visibility of IELD on a national level and has lessened the ability to influence national WEEI agendas.

**Overall, the approval process for investments appears to be functioning well for the IELD investments in terms of balancing development and financial criteria.** The UNCDF eight stage investment cycle and

dual key approach are used for the IELD programme investments.<sup>28</sup> In particular the dual key approach works well for ensuring that both the financial and gender impacts are taken into account in the decision making for investments. The use of the WEEI as a filter for the investments has resulted in solid potential for development impacts for women.

**Figure 6 - Overview of UNCDF Investment Process**



Source: UNCDF

**While the levels of due diligence required for the IELD investments are deemed to be appropriate, the level of funding to SMEs under IELD is small and raises issues about whether some processes need to be streamlined for smaller investments.** The pool of SME investments covered by the evaluation averages less than \$100,000 per investment of UNCDF funding with the grant amounts as low as \$15,000. The small amounts of funding for some SMEs by UNCDF is a reflection of the nature of the SMEs being targeted and their capacities. Most challenge funds have substantially higher levels with amounts averaging closer to \$500,000 and deal with more advanced SMEs.<sup>29</sup> Given the small sizes of the IELD SMEs, the issue of length of time before funding is in place has been raised by UNCDF staff and the SMEs. For example, in Tanzania the time from initial contact with UNCDF to having a grant agreement signed has averaged nine months, with the SMEs with loans taking between 1-1.5 years before signature. The period between approval by the Investment Committee and the actual disbursements averages three months due to multiple reviews that take place at HQ before the actual disbursement can be made. Investments using loan instruments to SMEs involve a second full due diligence review by the LDC Investment Platform after it has gone to the

<sup>28</sup> Dual key approach refers to assessing both the development impact and the financial impact additionality and sustainability when assess investments. Both elements need to be present for an investment to be considered for funding.

<sup>29</sup> See for example, SIDA, Guidelines Challenge Funds.

[https://www.sida.se/contentassets/3aa2456211934e8dac038ea55fcdcdcd/guidelines---challenge-funds\\_3466.pdf](https://www.sida.se/contentassets/3aa2456211934e8dac038ea55fcdcdcd/guidelines---challenge-funds_3466.pdf).

Investment Committee. While this process may work for larger SMEs, it represents a greater burden for small SMEs. These factors mean that the sourcing of investments began in 2017 and nine projects have been approved in Tanzania by the time of the evaluation. However, only one investment had fully completed its project work at the time of the visit in October 2019.

### *How well are programme management arrangements working?*

**The programme management structure is complex, given the three agencies and multiple countries being engaged, and has proven difficult to implement.** As described above, the management structure at both HQ and the country level relies on a small number of IELD paid staff and large numbers of agency staff to provide technical, management and financial support to implement IELD. The greater amount of funding going to UNCDF means that they are providing more in-kind support through the direct involvement of non-IELD staff in activities around the investments. For example, while the Regional Advisors for UNCDF are engaged in IELD, partially through participation in the Investment Committee, the regional advisors for UNDP and UN Women have played a limited role given the different structures across the agencies and the small amount of funding involved under the IELD umbrella. The approach to programme management has meant that UNDP and UN Women, with small amounts of funding, have still had to spend a substantial amount of staff time to support IELD implementation. As well, UNCDF is able to charge a fee for indirect support costs since it is the administrative agent, but the other two agencies do not have this covered. This is a particular issue for UN Women that now has a strict cost recovery policy in place. The complexity of internal organizational requirements combined with this joint delivery approach has proven difficult to manage and has caused tensions across the agencies.

**Agreed lines of communication and responsibilities are not always respected.** While it was agreed across the three agencies that UNCDF would provide the programme management, it was also agreed, as shown on Figure 3 above, that there were a series of reporting relationships that would be respected. However, UNCDF directly tasks people in the field and at HQ causing issues with the managers and agencies. For the Bangladesh team, during the pilot, there was a lack of clarity in terms of the responsibilities between the country and IELD HQ level that resulted in delays and confusion. The Bangladesh CSC has felt that their assigned oversight and approval functions have been countermanded by headquarters. At the same time, UNCDF headquarters has felt the Bangladesh CSC is not taking ownership of the programme. These types of issues have increased the transaction costs of dealing with the IELD programme and lessened the interest and ownership by staff of all three agencies in participating in the programme.

**The changes in staff at both HQ and country level have meant the roles and responsibilities for IELD are often not clear.** The original ProDoc provided only general indications of the respective roles within IELD of the three agencies. While the three pillars appear to correspond to the three agencies, in fact, the RRF has all three agencies working on each pillar.<sup>30</sup> As staff have shifted within their organizations, the roles have become less clear. There have also been gaps in filling key technical and coordination positions. This has decreased the continuity of programming.

**The UNCDF approval processes for expenditures for the SDC funds are lengthy with multiple layers and delays.** For the SDC funds, the administrative oversight by UNCDF is extensive including reviewing not just expenditures but technical aspects of the work being done. For example, the CSC in Bangladesh had an approved AWP and budget but was still required to take each activity to UNCDF HQ for approval including providing information on who would attend training sessions before funds were allocated. The distribution of the funds by year does not go to the GSC for approval as had been agreed but is decided by UNCDF. While both UNDP and UN Women have SDC funds that have been assigned to them under their Memoranda of

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<sup>30</sup> See Annex 9.

Understanding with UNCDF, the availability of the funds has relied on allocations approved by UNCDF often given at short notice. This complexity of approvals and uncertainty of funds has made it difficult for the agencies to plan and implement programming.

### 4.3 Effectiveness

Some changes in awareness and skills are starting to emerge with government officials. Local officials have improved skills in gender responsive budgeting and planning and are considering new approaches to allocating budgets.

Women micro-entrepreneurs provided with training and technical assistance are accessing new markets, increasing the value added of their products and generating increased income.

Investments with SMEs and PPPs are leveraging outside capital from governments, financial institutions and the private sector. The financial leverage for the fourteen initial investments indicates that for every dollar spent, \$1.33 has been or will be leveraged. This could increase to \$1.95 if additional capital is crowded in from the private sector, particularly after the public markets are complete in Tanzania. Some gains have been made in terms of jobs and improved working conditions in the SMEs with investments. However, at the time of the evaluation, most were at an early stage and did not have completed investments. Therefore, it was unclear the extent to which the projected targets of 21,000 beneficiaries and 700 new jobs would be achieved from the portfolio reviewed. It is also unclear at this point who will benefit. It will be important to closely monitor the IELD portfolio to establish actual results, beneficiaries and who is positively and negatively impacted, disaggregated not just by gender but other factors such as disadvantaged and advantaged groups.

Overall, some innovative tools and approaches have been developed that have potential for broader replication. The LEAs, WEEI and training course are all important tools that can be replicated in different contexts. The adaptations of the public market model to integrate gender more fully into the planning and management is an innovative approach that appears to have wide spread support within communities where it has been tested and has strong potential for application in other countries.

The early stage of implementation of the programming at the time of the evaluation means that outcomes are just starting to emerge.

*To what extent is IELD contributing/likely to contribute to changes in the capacity of local governments to plan, implement and manage public sector investments that address the differentiated needs and priorities of economically- marginalized women in rural areas? How have stakeholders and beneficiaries responded to the implementation of the public and private investments?*

**In both Bangladesh and Tanzania, WEE is limited by a complex set of factors that mean change is a long-term process.** In both countries, the programming is operating in some of the poorest regions where few economic opportunities exist and women face more constraints to participate in them. Women lack equal opportunities in education, skills development, access to health care or opportunities in business, employment and access to financial resources for self-employment and business. This is exacerbated in the rural areas where IELD is working. This means the number of women entrepreneurs is often limited and their participation in business leadership, management and operations is low. Changing these factors

requires the multi-prong process of IELD but also a critical mass of interventions over a longer period of time.

**There is emerging evidence of increased capacity of the local governments in both Bangladesh and Tanzania on gender responsive budgeting and planning.** Using existing approaches, training has been provided to local government officials who had never been exposed to these ideas before by both UN Women and UNDP. Both countries require a proportion of the local budgets to benefit women but in most cases the local officials do not know how to effectively allocate the funds. Some results are now starting to emerge from this work. In the three districts in Tanzania, the officials trained have developed Medium Term Expenditure Frameworks (MTEFs) that include priorities for women—an important first step. However, at the time of the evaluation, no new funding was available at the district level to implement the gender responsive programming. As well, in Tanzania, local governments are managing the construction of the markets and gaining capacity in the process including how to better integrate women into both decision-making and the structure of the markets. In the planning stage, UNCDF worked with the district governments to develop the Special Purpose Vehicles (SPVs) for managing the markets including ensuring that a proportion of the ownership is going to a women’s group.

In Bangladesh, in both Brahmanbaria and Rangpur, LGAs have indicated that they now have a better idea on how to use the 3% of the *Upazila’s* Annual Development Programme Budget that is mandated for the WDF based on the training by UN Women. At the time of the visit, however, LGAs had not translated their new ideas into action outside of the specific work covered by the IELD investments. In addition, the partnership with WDF that has been initiated with the aim of demonstrating the mobilization of funds into gendered services and budgeting, has proven ineffective. The WDFs take a welfare-approach rather than one that supports growth-oriented women enterprises. For example, one WDF choose to work with three groups of poor women, two of which are not using the equipment provided. The women claimed that installation and training was not provided and they had to find and pay for this themselves. In the other case, the WDF works with poor lower caste women who are being provided with handicraft training. After the training, most of these women are not working on these handicrafts as there is no market for them in the area. In both areas, the WDFs have made infrastructure investments; in the first a centre was developed which the supported women stated is mostly unused and in the other a training centre was developed that local women stated had not been used for a year and was not supported by the WDF at the time of the evaluation due to changes in WDF management every five years. In contrast, all three of the investments identified through the Call for Proposal mechanism with the Bangladesh Bank are with organizations showing high growth potential and strong employment generation for women.

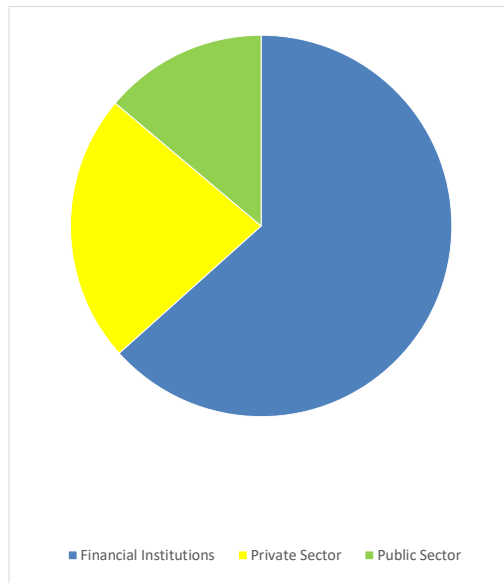
**Communities in Tanzania are responding very positively to the new market construction in Muhange, Mukarazi, Muyama and Kibaha, although none of the new work has been finished at the four sites at the time of the evaluation visit.** The private sector has already moved to establish complementary services in Kigoma near one of the market sites. Those interviewed in the communities believe that the investments will trigger much needed growth for the districts in Kigoma. For Kibaha, the addition to the existing market is seen as being important to serve a different group of women micro-entrepreneurs.

**The combination of the initiatives by the three agencies in one district in Tanzania is beginning to raise the profile of women.** The market construction funded by UNCDF, GRBP training by UN Women, training of women micro-entrepreneurs and training of BDS providers by UNDP and UN Women has raised awareness of the issues that women are facing in pursuing economic activities. Government officials, women micro-entrepreneurs and the BDS providers all mentioned that there is now more discussion around gender issues. A visible sign of this is the decision by the district to have its first ever International Women’s Day celebration in 2019 that showcased women in business.

*To what extent is IELD contributing to changes in the ability of the private sector to develop and finance investments that focus on women's economic development? To what extent are small and medium enterprises making use of the new financing and TA tools being provided by IELD?*

UNCDF's Strategic Framework 2018-2021 defines unlocked capital on two levels. The first is **financial leverage that comes from traditional direct co-financing of projects with SMEs and PPPs**. The second is catalytic leverage that refers to additional follow-on and scaled up finance mobilized by local actors as a result of the models and capacity originally supported by UNCDF.<sup>31</sup>

**Figure 7 – Overall Sources of Unlocked Capital**



In terms of financial leverage, as of September 30, 2019, fourteen projects have been funded by IELD with grants and loans as shown on Table 3.<sup>32</sup> **A total of \$1.242 million has been invested by the IELD programme and this is expected to leverage approximately \$1.65 million.** Overall, the majority of the funding is being leveraged from financial institutions, with the private sector coming in second, primarily through new equity being invested by the owners. However, the patterns between Bangladesh and Tanzania reflect the differing approaches taken up to investments under IELD. For this initial portfolio, both Bangladesh and Tanzania have similar proportions of total project funding coming from IELD (21% for Bangladesh and 26% for Tanzania), but the source of the capital levered is very different. For Bangladesh, the programme has worked with more established groups that are able to provide new equity or investments, with 54% coming from the proponents and only

40% from financial institutions. In Tanzania, the nature of the initial group of SMEs (very early stage) has meant that the focus has to be on leveraging funding from financial institutions since the owners had limited new equity to put into the expansions. The public markets in Tanzania have been cost shared between IELD and the districts or villages but all four markets are expected, once they are completed, to generate substantial other capital from private business that invest in the area around the market or in the markets themselves.

**The financial leverage from this early portfolio indicates that for every dollar invested, \$1.33 has been or will be unlocked.**<sup>33</sup> If the additional capital is unlocked as indicated in the final column of Table 3, the leverage will go to 1:1.92. This is less than the projections developed for this pool of investments by the IELD programme which showed 1:1.95 for the initial period and up to 1:3.37 when the additional capital is unlocked.<sup>34</sup>

<sup>31</sup> Progress with the catalytic finance objective is dealt with in the Impact section 4.4.

<sup>32</sup> It should be noted that the discussion of the investments in this evaluation only covers the first fourteen approved by September 30 2019.

<sup>33</sup> Total capital unlocked from public, private and financial institutions (B) divided by the total IELD grant and loan investment (A). The evaluators made two changes to the IELD calculations: removing existing equity of partners from the unlocked capital category; and removing the leverage for the Kibaha Market which was due to the UNCDF Local Finance Initiative not IELD.

<sup>34</sup> This is from the original information supplied by IELD to the evaluators.



Table 3 - Financial Leverage to September 30 2019

Country	Projects Approved <sup>35</sup>	Total Project Cost	IELD Funding (A)		Estimated Capital Unlocked (B)			Potential Additional Capital to be unlocked (C)
			Grant	Loans	Public Funds	Private Funds	Financial Institutions	
Bangladesh	Brahamanbaria WDF (PPP)	\$70,105	\$10,000		\$16,908	\$40,817	\$2,381	
Bangladesh	Rangpur WDF (PPP)	\$70,196	\$15,000		\$15,430	\$34,409	\$13,690	
Bangladesh	Glamour Boutique (SME)	\$62,456	\$15,000			\$36,265	\$19,047	
Bangladesh	ESDF (Social Enterprise)	\$166,466	\$60,000		\$9,762	\$63,966	\$32,738	
Bangladesh	SUBARTA (Social Enterprise)	\$414,812	\$65,000			\$166,434	\$183,377	
Tanzania	Muhange Market (PPP)	\$533,250	\$120,000		\$112,430			\$254,687
Tanzania	Mukarazi Market (PPP)	\$439,659	\$145,000		\$30,200			\$229,259
Tanzania	BRIMA (SME)	\$98,990	\$50,000				\$25,000	
Tanzania	Petro & Sons (SME)	\$67,923	\$47,000				\$13,300	
Tanzania	Kibaha Market (PPP)	\$1,100,000	\$65,000					
Tanzania	Alaska Tanzania (SME)	\$519,119	\$50,000	\$100,000		\$13,274	\$169,629	\$36,289
Tanzania	MEMA Holdings (SME)	\$1,094,080	\$50,000	\$250,000		\$20,876	\$588,938	\$220,153
Tanzania	SIDO (PPP)	\$126,520	\$90,000					
Tanzania	Muyama Market (PPP)	\$150,000	\$110,000		\$40,000			
<b>Totals</b>		\$4,913,576	\$892,000	\$350,000	\$224,730	\$376,041	\$1,048,100	\$740,388
Source: IELD Project Sheets			\$1,242,000		\$1,648,871			
					\$2,389,259			

<sup>35</sup> ESDF and SUBARTA were approved but had not received IELD funds as of September 30, 2019.



**While the financial leverage from the investment portfolio reviewed is less than reported by IELD, it represents a good result given the nature of the investments being made.** IELD is targeting SMEs that are start-ups or early growth stage—not typical for a challenge fund that normally requires more established SMEs. The typical challenge dealing with stronger SMEs leverages between 1:1 and 1:4 depending on the size of the companies; smaller enterprises, such as funded under IELD, have lower leverage ratios.<sup>36</sup> Also, the new public markets funded in Tanzania are in the poorest region but are using a model that allows a cost sharing between the districts and the private sector retailers who occupied the spaces. The additional capital from this latter group could provide substantially more leverage as the market develops.

**SMEs who received financial support from UNCDF view the funding and technical assistance provided as critical for their growth and building a relationship with funding institutions.** The SME owners believe that the combination of initial technical assistance and brokering of relationships with financial institutions has improved their prospects for future funding. In one case, UNCDF provided support to improve the management systems of the SME, allowing the firm to establish a relationship with a new bank on more favourable terms. In other cases, UNCDF actively brokers new relationships with financial institutions, assisting in decreasing the perceived risk of the early start-up SMEs by financial institutions.

**Some results are starting to emerge from the investment portfolio.** In Bangladesh, Glamour Boutique and the Brahmanbaria Sales Centre and Café have increased their incomes. Glamour now has formal employees rather than women working on piece work, and an enhanced relationship with its bankers. Subarta has restructured its organization into for-profit and non-profit arms and has greatly improved management and financial systems, allowing the trustees to invest more funds. In Tanzania, Petro and Sons has given 30% ownership to a women's group and improved the working conditions within the factory. Alaska is working with a women's group to do training and technical support so they will be ready when the equipment is installed and the enterprise's production capacity expands. As more investments are completed, it is anticipated that the results from the investments will begin to accelerate.

**A critical part of financial leveraging is ensuring that the development impact is achieved along with the financial performance.** The estimates for the fourteen investments project a possible 21,000 beneficiaries including traders, suppliers and consumers benefitting—a vast majority women. For the SMEs, there is potential to create over 700 jobs, many of them for women. In Bangladesh, one investment has generated 20 additional jobs to date and another investment eight new jobs.<sup>37</sup> However, it is too early to judge the extent to which development results will emerge or the SMEs access to future funding will be enhanced. At the time of the evaluation, there were only a few SMEs that had fully implemented their plans and therefore could have some results. These early stage results are positive but it will require at least another year before the first batch of investments will be able to demonstrate substantial gains. It will be important to closely monitor the IELD portfolio to establish actual results and beneficiaries. The estimate of beneficiaries has not been disaggregated to show which groups will likely benefit. It has just been assumed that women will but few other groups have been identified. It will be important after the investments are operational to track the actual groups who are benefitting and disaggregate them not just by gender but other factors such as disadvantaged and advantaged groups. This will be particularly important for the cross-border markets in Tanzania where issues such as ethnicity may come into play. In Bangladesh, caste may play a role in terms of who gets economic opportunities that emerge. It will also

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<sup>36</sup> See for example, [https://www.sida.se/contentassets/3aa2456211934e8dac038ea55fcdcd/guidelines---challenge-funds\\_3466.pdf](https://www.sida.se/contentassets/3aa2456211934e8dac038ea55fcdcd/guidelines---challenge-funds_3466.pdf)

<sup>37</sup> See the Evaluation Case Studies on Glamour Boutique, Brahmanbaria and Petro and Sons for more information.

be important to look at any environment and climate change issues that emerge from the SME and PPP investments.

**The technical assistance provided to women micro-entrepreneurs by UN Women and UNDP is starting to show some results in terms of new products and improved income.** Besides the technical assistance and funding to the SMEs, other technical assistance is being provided through IELD to micro-entrepreneurs in both Bangladesh and Tanzania. One of the Rangpur women's groups who received three new looms funded by IELD has seen an increase in their income as a result. UN Women in Tanzania has reported that some women within the clusters that have received technical assistance have been connected to value chains and are increasing their income. Eighty-seven women micro-entrepreneurs have formalized their operations. In addition, some of the women micro-entrepreneurs are being connected to one of the SME grant recipients as suppliers.

*What is the quality of the programme's outputs (deliverables) delivered to date? How is the Women's Economic Empowerment Index used and operated? What are the new instruments and approaches introduced by the programme to leverage increased investments for women's economic empowerment?*

**Overall, some innovative tools and approaches have been developed that have potential for broader replication. The UNCDF Women's Economic Empowerment Index** is designed to evaluate and rank investment projects by public and private groups. The WEEI for SME investments is being used as a checklist to capture the extent to which the business's structure and organization, practices and policies, and products promote gender equality and women's empowerment. A range of factors are assessed both within the company as well as outside factors. During the due diligence process environmental issues around the enterprises' operations are taken into account but these are not included under the WEEI. As well, no reviews are being done on the potential impact of climate change on enterprises or areas for possible adaptation and mitigation. The WEEI for the PPPs looks at two groups of indicators. One set assesses the extent to which the project (directly or indirectly) promotes environmental and social safeguards and the second includes indicators that assess the extent of gender-equalizing conditions embedded in the project's goals and practices. The WEEI for the Muyama Cross-border Market in Tanzania was the only market that had an assessment of the potential impact of climate change. The WEEI is being used by UNCDF to prioritize SME and PPP investments under IELD. The Bangladesh Bank, which requires all banks and NBFIs to lend to women's SMEs, has also held a national training on WEEI. The work in Senegal with the Sovereign Wealth Fund will integrate the WEEI into the selection process for its investments.

**The Gender Responsive Local Economic Assessment of UN Women has potential to provide important information for planning and implementation of local economic development activities.** LEAs have been implemented in select districts in Tanzania and Bangladesh by UN Women and one is being planned for Uganda. While the actual LEAs developed in the two countries were not as well done as the three UN partners wanted, the potential for the LEAs to provide valuable information is widely recognized and has clear broad applicability outside of IELD. A revised guide has been completed that will be used for the rollout by UN Women.

**The capacity development training modules for the local authorities being piloted by UNDP could provide a useful tool for improving the extent to which local economic development policies, programmes and projects are gender-responsive.** A comprehensive training programme has been developed and is currently being piloted in Bangladesh.<sup>38</sup> The training modules cover a range of topics

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<sup>38</sup> Piloting took place after the evaluation mission.

including procurement, climate resilience and PPPs. The training modules also provide a link to the LEA and how that exercise can inform the setting of policies and priorities.

**The gender adaptation of UNCDF's public market model is an innovative example of engendering an infrastructure project.** Prior to IELD, UNCDF in Tanzania has been working with local authorities to assist them in designing and developing markets where entrepreneurs can bring their products for sale to the public. Under IELD, this work now involves adapting the existing market development model to take the needs of women into account. Special purpose vehicles are being developed to manage the markets under construction and women's groups are now part of the ownership structure, giving them the opportunity to have a voice in the management of the markets. UNCDF is promoting special facilities within the markets to better accommodate women and their needs. For example, facilities such as break rooms and a gender desk are aimed at providing additional support to women traders. The lessons from these markets, as they become operational, should provide evidence of the effectiveness of the new approaches in ensuring women have greater access and benefits from market infrastructure.

**The investments in SMEs in Bangladesh and Tanzania represent some new client groups and instruments within the countries for UNCDF.** While both programmes are using calls for proposals, the Bangladesh IELD programme is working with the WDFs, social enterprises (not yet disbursed at time of mission) and one SME, all grants. Tanzania is focusing on grants to early stage SMEs and experimenting with both grants and loans to larger SMEs. Once these different approaches are fully implemented, they will provide important information for UNCDF on how to approach smaller scale SME programming and lessons based on the context.

#### 4.4 Likely Impact

The original design of IELD took a systems approach to tackling WEE obstacles and was focused on three pillars. While some programming has been done on all three pillars, a critical mass of interventions has not yet been seen to date in any of the countries that could trigger the type of systemic change envisaged in the original design. As a result, it is not possible at this point to fully validate the pathways for change outlined in the IELD ToC. However, the geographic concentration of the work in Tanzania could provide some possible insights in the future, particularly which groups are actually benefitting the most from initiatives such as the public markets.

While implementation is at a very early stage, some pockets of programming could have an influence on policies and systems in Bangladesh and Tanzania. The extent of the influence of the current programming, however, will be small, given the limited interventions undertaken to date. It will also be reliant on continued engagement and funding.

While financial leverage is being obtained by the individual investments, it is not clear whether all the approaches being taken can result in catalytic leverage where models are scaled and replicated at the country level. Some potential exists with the Bangladesh Bank and Senegal WE! Fund. However, the individual SME investments are facilitating access to finance for individual enterprises and, therefore, it is difficult to see a path to catalytic leverage at the country level.

*To what extent is the programme on track to supporting, or likely to support, in the short or medium term meso / macro-level impacts at the level of policy or systems in the countries where IELD is active? Where have changes occurred in WEE attributable to IELD?*

**The limited extent of the work done across the countries to date and the preliminary nature of the outcomes generated means it is not possible to validate the overall IELD theory of change at this point and define what specific pathways are the most effective.** The original design of IELD contained in the ProDoc mapped out a three-prong approach that aimed at building partnerships for women entrepreneurs to grow their businesses, creating a policy and institutional environment that supported WEE and increasing the flow of domestic financing of investments for WEE at the local level. The intention of IELD is that these three streams will work together to trigger changes in the local policy and institutional environment in favour of WEE that would result in domestic financing being mobilized and women's economic opportunities improved. While in Bangladesh and Tanzania some activities are being done on each stream, a critical mass of interventions has not been seen yet. In the case of Senegal and Mali, the compressed timeframes of the funding mean that the intention is to simply demonstrate gender equality approaches and use of financial instruments for gender issues. The limited ability to work on policy issues means that some of the underlying assumptions about promoting inclusion and fair power relations have not been feasible. Influencing the broader systems of public and private financing of gender-focused local economic development requires longer timeframes and more resources than have been available to date.

**The geographic concentration of the work in Tanzania could provide some possible insights in the future into how change takes place.** The spectrum of interventions undertaken to date in the Kigoma region have laid a foundation for future work. During the evaluation, the three agencies were discussing ways to better coordinate the various services being delivered once the new public markets were functioning. Initially, each had their own target groups and were implementing in parallel. With the investments made in both the public markets and the SMEs coming on stream, new opportunities are being seen to better link the initiatives. For example, UN Women intends to train the suppliers of the SMEs in the Kigoma Region funded by IELD to assist in areas such as quality control. They will also work to link women micro-entrepreneurs to the public markets. UNDP is considering taking on cross border trade issues around the three cross-border market sites. Other support could be given to the women's groups that are part of the SPV membership of the markets. If these types of initiatives are done, more insights could be seen on how the pathways outlined for IELD could work. This future work could also assist in identifying which groups are actually benefitting, how various stakeholders are participating in decisions and whether relations at the local level have begun to change. This is particularly important in the context of the broader KJP initiative in Kigoma that is taking a multi-prong approach that includes both refugee and host communities.

**With continued access to funding, Bangladesh and Tanzania should be able to solidify gains made to date and increase the impact of their programming.** The funds Bangladesh has received from the Netherlands will allow the three agencies to continue their WEE work and build on the successes achieved under the IELD pilot. The fact that all three agencies during the pilot phase worked with existing partners provides a strong base for future programming and strengthened outcomes. For Tanzania, KJP is a multi-year programme under One UN and provides a framework for increased collaboration within Kigoma and increased impacts from the programming.

**Some pockets of interventions could influence the extent to which the ideas and approaches are replicated and scaled in Bangladesh and Tanzania.** In Bangladesh, the gender responsive budgeting and planning work has potential for influencing future funding decisions at the local level. The National Institute of Local Governance in Bangladesh has agreed to partner with IELD to roll out the GRBP training to a broader range of local authorities. In Tanzania, opportunities for synergies across the three components are seen in the Kigoma region where a One UN approach is being taken and the work under IELD fits into a broader reform framework for the region.

**The tools developed under IELD are valuable for better decision making at the local level in a wide range of contexts.** The LEAs provide a method to assess the local economy and identify the key barriers to women's economic participation. Their potential application is broad, across different contexts. The WEEI has potential for use by local level authorities in making investment decisions for both public and private initiatives. The decision by UNDP to use government training institutes for the delivery of the local government training course provides a base for broadening the coverage and adaptations on a country by country basis. It also fills an important gap at the local level in terms of looking at a wide range of issues of interest to government officials. The potential application of the three tools in the same locale could be an effective approach to improving the WEE enabling environment.

*How successful is the programme likely to be in unlocking public and private finance to support women's economic development in line with programme objectives? How well set up is the programme for potentially influencing the policy agenda on gender equality financing? What will be the likely contribution of the programme in highlighting and responding to the specific financing needs of women in the LDCs?*

**While IELD has achieved financial leverage through its individual investments, it is not clear whether all the approaches being undertaken with IELD funding will result in catalytic leverage where financial models are replicated and scaled within the countries.** Systemic change at the country level requires a clear model that not only engages at the individual investment level but also with the broader financial ecosystem. By having a link to the broader market systems, systemic change is more possible. For the investments reviewed for the evaluation, the success in supporting catalytic leverage will likely vary by country and approach.

**Some potential for broader based influence in financial access for women is seen in Bangladesh with its two-prong approach—working with the Bangladesh Bank and funding individual investments as demonstrations of an approval process.** The Bangladesh Bank has indicated that it will promote the use of a revised WEEI for financial institutions in selecting women's SMEs for financing. The funds available from the Bangladesh Bank's Credit Guarantee Scheme (\$400,000) will be linked to the use of the WEEI tool. If the banks adopt WEEI, and if the individual SME scores well on the WEEI, they will get insurance against default to replace collateral. This combined with the success of the challenge fund approach could mean that there will be more systemic access for women entrepreneurs to finance and women to benefit from the investments made. However, it will depend on the extent to which the financial institutions engage in the process.

**In Senegal, the establishment of the WE! Fund at the Sovereign Wealth Fund could trigger ongoing access to funding after the initial set-up with IELD.**<sup>39</sup> The We! Fund is the first example of a national fund using the WEEI. Technical assistance and seed funding are being given to FONSIS to establish the We! Fund dedicated to gender sensitive SMEs and PPPs within small municipalities. The intention is that the Fund will develop a pipeline of projects in which it will invest in equity and shareholder loans while approaching local banks that will provide loans to the projects. Since this is being done within an existing sovereign fund, this could assist in scaling WEE related investments in Senegal.

**In Tanzania, the facilitation of access to finance for SMEs is being done on an investment by investment basis making it more difficult to see the path to catalytic leverage at the country level.** The SME

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<sup>39</sup> A \$300,000 credit line is also being established in Mali with the Banque de Développement du Mali that could provide greater access to finance going forward. However, limited information was available during the time of the evaluation on the initiative since it was in the start-up phase.

investment portfolio in Tanzania is interesting and provides potential for WEE gains. However, all of the investments are standalone and lack a link to the broader financial sector ecosystem (as for example with the Bangladesh Bank). This makes it difficult to see how the catalytic leverage envisaged by UNCDF, and IELD more broadly, will be achieved. This partially relates to the funding sources in Tanzania. The opportunities to have an influence on financing at the national policy level are limited by the focus on programming in one region and the lack of national level policy engagement for IELD.

**UNCDF is now being recognized as playing a role within the gender lens financing landscape.** One of the objectives of UNCDF in undertaking IELD was to gain a track record in gender lens financing. This has been achieved two ways. First, the investments under IELD have supported both public markets and SMEs. The focus of the markets is to ensure that women are taken into account in designing, construction and operation of the facilities. This includes having women's groups as part of the ownership structure, providing child care and other needs within the market and ensuring a safe environment. The SMEs are selected based on the potential to benefit women. Second, UNCDF staff are participating in various summits and meetings and engaging in global dialogue. Globally, UNCDF appears to have a niche in the area of engendering public investments.

#### 4.5 Sustainability of Programme Results

The three agencies are committed to continuing to refine and scale the tools developed under IELD. These have broad global applicability.

Capacity development work with governments is at an early stage and needs additional time and resources to bear fruit.

The SME and PPP investments will continue to provide direct and indirect economic and other benefits for women. Capacity development work with women micro-entrepreneurs is likely to allow some women to continue to find markets and improve their income. Both groups will require additional outside technical assistance, however, to maximize their performance. It is not clear where this TA will come from.

*To what extent are changes in women's economic empowerment at the individual beneficiary – level likely to be sustainable over time? At this mid-term stage, to what extent are programme results at different levels of its results chain (partner organization level, broader system level) likely to continue over time? How sustainable is the knowledge and capacity building that has been transferred at the macro, meso and micro levels likely to be over time? What are the challenges to this end? What efforts are being pursued to overcome these challenges?*

**All three UN agencies have committed to continuing to expand the use of key tools developed with the lead for WEEI provided by UNCDF, the LEA by UN Women and the capacity development training modules for the local authorities by UNDP.** Already, the agencies are starting to integrate the tools into their broader programming. While an overall IELD strategy is not in place in terms of how these tools could be scaled, the individual agencies are planning to use the tools more broadly within their programming. For example, the UNDP has shifted the strategy for the rollout of the course to partnering with local government training institutions. This will allow a route to adapt the courses to the local context and to use them more broadly within UNDP countries.

**Many of the investments will continue and create economic spinoffs for women.** The management of the public markets in Tanzania will be done by SPVs with participation by women's groups. The markets will very likely be self-financing, facilitating growth in the areas where they are located. Subarta in Bangladesh, which had not yet received its funding at the time of the evaluation, has potential to train many women for skilled jobs as geriatric caregivers. Most, but likely not all, of the SMEs in Bangladesh and Tanzania will likely continue to grow and create additional benefits in terms of jobs, better working conditions for women, new markets for female suppliers and better services and products for women. In Senegal the technical assistance and seed money to structure and establish a capital investment fund could prove sustainable if additional capitalization comes from the oil revenues and the organization is able to crowd in outside funding. The UNDP TRAC 2 funding of \$650,000 has already leveraged \$1.15 million. The total resources mobilization target for the We! Fund is \$10 million.

**However, the growth of the SMEs will partially rely on having access to appropriate technical assistance going forward.** A difficulty seen in both Tanzania and Bangladesh is the lack of business development services that target SMEs, not livelihood activities, and can provide the specialized services needed by growing SMEs. The needs of growth-oriented SMEs are fundamentally different from a micro-entrepreneur. A number of SMEs cited this as a potential obstacle to their growth. It is not clear how they will be able to access these services since there are limited appropriate BDS providers in both countries.

**Some of the women micro-entrepreneurs that have been trained will continue to find markets and improve their incomes.** However, their continued growth will likely rely on two factors—their desire to move from a livelihood focus to an enterprise focus and their access to the range of services they will need to make the transition.<sup>40</sup> Few women livelihood focused entrepreneurs have this combination and, therefore, it is likely that only a small portion of micro-entrepreneurs will graduate.

**The capacity development for government will be a longer-term process and will require sustained efforts to have an influence on WEE and investments.** The complexity of changes required at a local level to begin to influence the enabling environment for WEE and gender responsive investments should not be underestimated.<sup>41</sup> While awareness of barriers has increased, changes in staff behaviour and political decisions to act can take a significant amount of time.

**The amount of work being done to strengthen the meso level is limited, and not all the work being done has a clear link to a sustainability strategy.** The WDFs in Bangladesh are not effective in providing support services beyond livelihood. IELD provided highly valued, intensive, technical assistance to women such as the owner of Glamour as part of the investment process but this cannot be sustained by UNCDF and limits the ability of the programme to be scaled up rapidly or widely replicated. Similar quality business advisory services are not available in the country according to respondents. In Tanzania, groups such as the Tanzanian Women Chamber of Commerce are assisting with the delivery of services in Kigoma and have active programmes that will continue after IELD. However, other intermediaries such as business service providers being trained do not have a strategy for continuing their on-going engagement to deliver services. While an assumption is being made that the districts will pay for their services, the lack of funding at the district level may mean that this is not a high priority.

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<sup>40</sup> A wide range of literature has now identified the requirement to bundle services in order for a female micro-entrepreneur to grow. See for example, Buvinic, Mayra and Megan O'Donnell. 2016. *Revisiting What Works: Women, Economic Empowerment and Smart Design*. Center for Global Development.

<sup>41</sup> See for example, World Bank. 2017. *World Development Report 2017: Governance and the Law*.

## 5.0 Conclusions and Recommendations

### 5.1 Overall Assessment

The concepts behind IELD are widely recognized as being both sound and important including the original approach aimed at overcoming structural barriers faced by women while unlocking domestic capital. The intention of IELD is to take a systems-based approach to building partnerships for female entrepreneurs to grow, eliminating policy and institutional barriers to WEE and increasing public and private investments at the local level. All three agencies agree that to accomplish this systemic change requires them to work together.

The original design is seen to be innovative and having potential for replication and scaling. While many of the individual initiatives being implemented under the model are not new in themselves, the innovation is in the bundling of a critical mass of programming across the three components that can work together and trigger systemic change. However, the approach to implementation across countries has varied so widely the programme now appears disjointed. Only Tanzania, and to a lesser extent Bangladesh, has enough of the original model elements to start to show the potential of the model, although on a small scale. The idea of starting with LEAs that help establish priorities for investments and other support programmes is proving effective. The multi-prong approach in Tanzania of funding public markets and SMEs, working with women micro-entrepreneurs and BDS providers and undertaking capacity development programmes with local officials has potential for building synergies within one region that strengthen the enabling environment for WEE.

Overall, the three agencies have done some effective programming at both the HQ and country levels. The tools developed by the HQ agencies show promise for replication. The WEEI is seen to be an effective tool for UNCDF for prioritizing and assessing both PPPs and SMEs to ensure solid gender results are possible. It has potential to be applied at the local level for decision making around investments. The rollout of the Gender Responsive LEAs of UN Women has potential to provide valuable gender information for local decision making in many countries. UNDP's new approach of working with local government training institutions to adapt and rollout the training modules appears to have broad applicability in many contexts.

The IELD programming at the country level has started to produce some outcome results and has potential for addressing some of the barriers facing WEE, albeit on a limited scale. Work on GRBP in Bangladesh and Tanzania by UN Women has raised awareness of the need to fully integrate gender considerations into planning and budgeting at the local level. Initial evidence shows that this can result in better decision making that positively impacts women. Individual women micro-entrepreneurs have received support from UN Women and UNDP and have successfully been linked to new markets and seen increases in sales. UNCDF's work has improved women's links to financing in Bangladesh and Tanzania and helped them with financial structure and management systems. At the time of the evaluation, fourteen investments in SMEs and PPPs had been made and these are projected to leverage \$1.36 for every \$1 invested—primarily from financial institutions. Some SMEs are already creating jobs and improving working conditions for women workers. Overall, local government officials, SMEs and women micro-entrepreneurs at the country level have provided positive feedback on the programme and its potential for improving women's economic opportunities and access to services and finance. What is not clear at this point, given the early stage of implementation, is which groups will benefit from or be negatively affected by the interventions. The Tanzania markets, in particular, need to be tracked to see results for disadvantaged and advantaged groups by both gender and other status such as ethnicity and location.



While some outcomes have emerged, none of the country programmes are yet able to undertake the systematic approach originally envisaged for IELD. The small size and nature of the funding available has meant that a critical mass of programming has not been possible. While some work has been done on all three pillars, the parameters of the funding dictated what and where interventions can take place. Limited work is able to be done on broader policy issues that could influence the enabling environment for WEE in any of the countries. Capacity development work with local officials has started but needs more time and resources to embed the changes into the local governments. All of the SMEs funded are one-off investments that should provide the owners with increased access to future funding but will likely not change the practices of banks or result in catalytic leverage at the country level.

The diversity and disjointed appearance of the overall programming means that IELD is viewed as a broad “approach” to tackling WEE not a global programme with a brand and coherence. Few of those interviewed see IELD as a global programme with a specific framework that can be presented to donors for funding on a global level. While adapting the model to the country context is important, the wide variations in programming have meant there is broad diversity in terms of the programming areas. Beyond the tools developed, there is limited agreement on what would or could be replicated as a global programme in the future. In addition, outside of the pilot phase in Bangladesh, none of the other five countries programmes are using the brand “IELD”. They either use their agency brand or, in the case of Tanzania, KJP funded by Norway. This causes difficulty in terms of demonstrating specific IELD results from the work and gaining support for the programme at a country level.

This is further complicated by the IELD RRF that only captures quantitative indicators not the more qualitative changes that the three agencies’ development partners might be interested in. Financial leverage is the primary result that is publicly presented by IELD in terms of results reporting. While financial leverage is an important part of the programming, reporting only on that indicator does not convey the outcomes that IELD is trying to address in terms of systemic changes in capacities, policies and systems on WEE issues. As well, the country programmes have been able to manage risks well but the global programme has faced challenges particularly around the fragmentation of the funding.

The way the management and governance structures are being implemented does not foster a close working relationship among the three agencies at the HQ level. After the initial IELD design was done, the three agencies took time to negotiate their participation and how the programming would unfold. During this process, one of the biggest issues was the roles and responsibilities and governance structures. The design did not assign pillars to each agency but the idea was that they would work together and have systems to both coordinate and make joint decisions. The GSC was given oversight and approval authority in areas such as the countries participating and the allocations of budgets. While initially this role has been played, the GSC has gradually shifted to being a coordinating body and no longer exercising approval or oversight on implementation. Issues have emerged with the implementation including with the structure that relies heavily on in-kind staff contributions, increasing lack of clarity on roles and responsibilities and the manner in which funding approvals are made. These elements have meant it is difficult to foster a sense of joint ownership and commitment across the agencies and has caused issues for IELD implementation.

All three agencies have WEE as a priority. From a programming perspective, the three agencies feel it is important to work together to tackle the systemic issues that are blocking WEE. Working separately will limit the broader impact. Common ground exists but all three agencies have indicated that the current approach under IELD needs to be redefined for any future joint programming on WEE issues.

IELD has a small amount of global funding from SDC up to December 2020.<sup>42</sup> New funds will be available in 2020 for Bangladesh and Tanzania which will support continued programming in those countries.

It is an appropriate time for the three agencies to begin to develop a strategy on how the principles, tools and lessons from IELD can be further promoted and replicated. This includes jointly developing new approaches for working together on WEE issues.

## 5.2 Recommendations

Based on the findings and conclusions, the evaluation team presents the following recommendations for the UN partner agencies.

### Strategic recommendations

***#1 - High level discussions among the three agencies should be undertaken to review how the concepts behind IELD fit with their current priorities, clarify the objectives for future collaboration on WEE and agree on a strategy to move forward with future WEE work.***

Substantial scope exists for continuing collaboration around WEE issues. The evidence from the evaluation shows the potential benefits of working together in areas such as combining LEAs and WEEI to make better decisions on investments at a local level. It also shows the importance of building broader capacity of both the public and private sector at the local level to develop a more gender responsive enabling environment. The lessons from IELD can inform new approaches for future coordination and programming at both an agency and country levels. Scope exists to begin to better define a strategy for future collaboration on WEE including considering new approaches to working together.

### Operational Recommendations

***#2 - The results emerging from the existing programming need to be better identified and tracked to provide evidence of outcomes and better define how the pathways for change can work.***

While the revisions to the IELD RRF made in August 2019 better reflect the work being done under IELD, it continues to focus only on quantitative indicators, and monitoring and reporting is overly focused on investments. A more strategic approach needs to be developed that: integrates capacity development changes into the reporting; clearly defines the additionality that IELD is providing in the WEE areas; and maps the pathways to catalytic leverage. Lessons from the work should be broadly shared by the three agencies globally.

***#3 - A strategy should be developed by UN Women for how the gender responsive LEA Guidance Note will be disseminated and promoted within UN Women and with outside stakeholders.***

The revisions to the LEA Guidance Note have made it simpler to use in a wide range of contexts. LEA has a broad applicability and fills a current gap by bringing together local economic assessments with gender issues. There should be strong demand both within UN Women and with other agencies and stakeholders to implement gender responsive LEAs. UNDP and UNCDF could also assist in this effort, identifying opportunities where their country level programming could benefit from LEAs.

***#4 - UNDP should continue the refinement of the training modules for local officials and develop an approach for replication in various geographic areas.***

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<sup>42</sup> The latest information shows that approximately \$750,000 is available for 2020.

UNDP has now piloted the modules in Bangladesh and is working with the government in Tanzania to customize them. While many aspects of the modules are generic, others require customization to both the regional context and country level. The decision to use local government training institutes as partners provides a method to adapt the course to the country level and promote sustainability and replication. After the initial testing is complete, UNDP will need to develop a strategy for rolling out the courses and generating demand at the country level.

***#5 – UNCDF should review the current investment process as it applies to funding smaller SMEs and determine whether some streamlining can be done to make it more efficient.***

Those involved in the investment process felt that a few areas could be streamlined when dealing with the smaller SME investments without impacting the quality of the UNCDF process or its due diligence aspects. The UNCDF process should be reviewed to determine:

- Whether there is a need to have the same level of documentation for very small grant investments as there is for larger ones;
- When the LDC Investment Platform is best engaged in the process before or after the IC approval; and
- If the length of time between IC approval and disbursement can be shortened.

***#6 - UNCDF should provide adequate funding for ongoing and expert monitoring and coaching of the IELD investment portfolio to ensure that both financial and development outcomes are being achieved. Both funds and human resources are required.***

One of the most important aspects of challenge funds is monitoring both the performance of the SMEs or markets as well as the development impacts emerging. The nature of the SMEs being funded under IELD means that they are very early start-up and once the investments are completed, it is likely that additional technical assistance will be needed to assist in making them profitable. A number of SMEs confirmed that they felt specialized support would be needed once equipment was in place to ensure that the production processes were operating properly or the staff trained. In both Tanzania and Bangladesh, the BDS providers are not targeting these types of SMEs but focusing on basic skills and microenterprises. In addition, each investment has development results that are anticipated. UNCDF staff in both Tanzania and Bangladesh feel that more resources are required to both monitor as well as provide additional technical support needed at the enterprise level.

## Country Level Recommendations

***#7 - For the remainder of the KJP funding in Tanzania, the three agencies should specifically target building synergies across the programming as the PPP and SME investments come on stream.***

While much of the programming to date has been done in parallel, opportunities now exist to begin to have greater coordination with the region. Discussions were already being held on how this could take place. Ideas could include UNDP undertaking cross border policy work around the market areas, UN Women working with suppliers to the SMEs to improve their performance or UNCDF working with the districts to ensure that the SPVs operate as they were intended with full participation of women. Opportunities also exist to create greater synergies with other parts of the KJP programming such as the work on agriculture.

***#8 - With the new funding from the Netherlands in Bangladesh, the three agencies should ensure that a full monitoring system is in place from the start of the new programming.***

The new funding provides an opportunity to implement a more holistic approach in Bangladesh. The three agencies should ensure at the start of the programme that the Theory of Change is clear and monitoring systems are in place to track progress and gain insights into the how the model is performing. The monitoring approach should also have clear roles and responsibilities, agreed definitions of target groups and common definitions of indicators.

### 5.3 Lessons

A number of lessons have emerged from IELD that should inform future work around WEE and between the three agencies.

- *Sources of funding have an impact on programming activities and potential outcomes* - While the SDC funding was flexible, most of the other sources of funding place parameters around what can be done, where and within what timeframes. This limits the approaches that can be taken to the programming and has meant that some of the most pressing issues, such as policy work, cannot be achieved.
- *Integrated programming requires multiple technical skills, all of them important.* - Capacity building and policy influence are vital for achieving the anticipated changes in the enabling environment for WEE. While financing small investments can have a localized impact, alone they will not trigger substantial changes in the WEE enabling environment. If the objective is broader influence within a country to catalyze investments and improve the WEE enabling environment, a balance needs to be struck across the programming in terms of allocations of funds, development of appropriate indicators of achievement and monitoring both quantitative and qualitative aspects of change.
- *Different UN agencies have different structures, approaches and requirements that need to be considered in how programming is undertaken* – While all three agencies are under the UN umbrella, differences are seen in a range of areas across the three agencies that influence the relationships. For example, while UNCDF has a fairly centralized structure, UNDP and UN Women are highly decentralized with substantial authorities being delegated to the field. This becomes even more complex when staff change due to shifting roles or reorganizations. These variables need to be integrated into any management structure and methods developed jointly to overcome any obstacles to coordination.
- *Joint programmes require joint decision making to ensure that there is ownership* - Partnerships are difficult and require an investment of time, effort and openness if they are to work. Simply consulting with an agency is not the same as making joint decisions. A well-functioning governance structure can play an important role in overcoming issues and setting common directions and approaches. Agreement needs to be reached on what decisions need to be jointly made, which require only consultation and which can be taken by the administrative agent alone. Roles and responsibilities for both activities and outcomes need to be clearly defined. The overall governance and management structures should be outlined in a separate document that is available to new staff as they begin to work on a programme. There should also be periodic reviews to see whether the original agreements are proving effective or whether new approaches should be defined and agreed upon by the partners.

## 6.0 Gender and Human Rights

Throughout the evaluation, the team has integrated gender and human rights issues into its analysis. The team has specialized expertise in both areas and fully understands the human rights approaches and gender considerations that need to be integrated into an evaluation. Local expertise is represented on the team to ensure that the customs, cultures and other factors such as religious beliefs are taken into account particularly for Bangladesh and Tanzania. The mixed methods evaluation approach has allowed a wide range of information to be gathered to fully understand women and under-represented groups as well as ensuring the inclusion of different stakeholders including minorities and vulnerable groups. Meetings have been held with the full range of stakeholders. Focus group discussions have been handled in a manner to ensure that women fully participate and feedback has been obtained on gender and human rights issues. The analysis has embedded these issues throughout.

The underlying principle of IELD is to build an enabling environment where local economic development will be more inclusive and supportive of women and specifically addresses enhancing women's rights and economic participation. The approaches taken by IELD have supported this goal. Tools have been developed that the three agencies will continue to use in their broader programming outside of IELD. The Gender Responsive LEA provides evidence to make informed decisions on how to overcome barriers to women's participation in the local economy. The use of the WEEI for selection of the PPP and SME investments embeds the principle of ensuring benefits to women as owners, workers, suppliers or consumers for investments funded. This has led to some improvements in working conditions for women, including break rooms, provision of child care arrangements, improved working conditions and transferring women's employment from piece work to employment. The local government course being developed by UNDP aims at increasing the capacity of local and regional governments at political and technical level for gender-equitable local economic development interventions and public and private sector investments.

The three agencies are committed to supporting WEE and have provided specialized technical assistance and investments to foster this. Women micro-entrepreneurs have been assisted to grow their businesses. Local officials have been trained on GRBP. Engendered public markets have been co-funded with districts and the private sector, which were structured to ensure women not only benefitted but played a role in the governance of the facilities. Investments in SMEs have leveraged outside financing and provided new opportunities to businesses to grow and benefit women as owners, workers and suppliers.

Underlying the original concept of IELD is a human rights-based approach which focuses on systemic, institutional and political factors that determine inequalities in access to services and opportunities. The IELD ToC is aimed at tackling these embedded inequities. The work done to date has focused on changing some processes such as gender-based budgeting at the local level, ensuring women have a decision-making role in the local market infrastructure and integrating gender into investment decision making by financial institutions and the Bangladesh Bank. All of the countries being covered by IELD have embedded laws, procedures, cultural biases and other factors that limit the participation of women in economic opportunities. Tackling these issues requires long term engagement and adequate funding to take a multi-prong approach—the principle underlying IELD. With the programming to date, however, key elements such as the policy work have not been able to be pursued. This means the ability to influence the broader enabling environment in areas such as shifting power relations or having more inclusive policies have not been fully tested.

As the results begin to emerge from the programming it will become clearer which groups are benefitting from the IELD initiatives. The underlying assumption of IELD is that women will gain greater advantage.

However, it is not clear that this will be the case with all the programming. For example, the public markets in Tanzania will impact a broad range of stakeholders and vulnerable populations in the region. How this dynamic unfolds will begin to show which stakeholders are being impacted negatively and positively by the investments and how they are affected. While providing women with greater access to facilities within the markets is a good step forward, other areas will become more important in terms of access to benefits. Cross-border trading in Tanzania faces a wide range of issues and these will impact how the benefits evolve.<sup>43</sup> This needs to be carefully tracked by the three agencies.

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<sup>43</sup> See for example, [https://unctad.org/en/PublicationsLibrary/ditc2018d3\\_en.pdf](https://unctad.org/en/PublicationsLibrary/ditc2018d3_en.pdf)