

Gender Tool Kit: Micro, Small, and Medium-Sized Enterprise Finance and Development

Asian Development Bank



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Micro, Small, and Medium-Sized Enterprise Finance and Development

Asian Development Bank

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Abbreviations

ADB	—	Asian Development Bank
AfDB	—	African Development Bank
APEC	—	Asia-Pacific Economic Cooperation
ASEAN	—	Association of Southeast Asian Nations
BDS	—	business development services
BWCCI	—	Bangladesh Women Chamber of Commerce and Industry
Danida	—	Danish International Development Agency
DMC	—	developing member country
DNC	—	development national center
DOSMEP	—	Department of Small and Medium Enterprise Promotion
EBRD	—	European Bank for Reconstruction and Development
FI	—	financial institution
G20	—	The Group of Twenty
GAP	—	gender action plan
GDP	—	gross domestic product
GREAT Women	—	Gender Responsive Economic Actions for the Transformation of Women
IDB	—	Inter-American Development Bank
ICT	—	information and communication technology
IFC	—	International Finance Corporation
ILO	—	International Labour Organization
ITC	—	International Trade Centre
MDB	—	multilateral development bank
MFI	—	microfinance institution
MIF	—	Multilateral Investment Fund
MOE	—	Ministry of Economy
MSMEs	—	micro, small, and medium-sized enterprises
NGO	—	nongovernment organization
OECD	—	Organisation for Economic Co-operation and Development
PFI	—	participating financial institution
PPP	—	public-private partnership
PSDI	—	Pacific Private Sector Development Initiative
RETA	—	regional technical assistance

SBS	—	small business support
SEED	—	sustainable employment and economic development
SHG	—	self-help group
SIYB	—	Start and Improve Your Business
SMEs	—	small and medium-sized enterprises
SME DNC	—	SME development national center
TOR	—	terms of reference
UNESCAP	—	United Nations Economic and Social Commission for Asia and the Pacific
USAID	—	United States Agency for International Development
VCI	—	value chain investment
WCCI	—	World Council for Curriculum and Instruction
weB	—	women entrepreneurshipBanking
WTO	—	World Trade Association

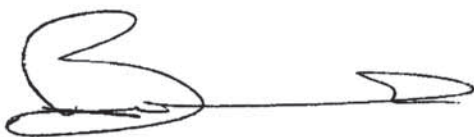
Foreword

The Asian Development Bank (ADB) recognizes that both gender equity and financial inclusion are essential for poverty reduction and inclusive growth in the Asia and Pacific region. Facilitating finance for micro, small, and medium-sized enterprises (MSMEs) is an important approach to accelerate both gender equity and financial inclusion.

Evidence shows that MSMEs are a driving force of economic and social stability for their capacity in creating jobs, forging innovation, and fostering a competitive business environment. The MSME sector is especially important for women as it offers significant job and income earning opportunities. However, women have not fully benefited from the growth of MSMEs. First, women-owned or -managed enterprises are still few in number. Therefore, public policies and programs have not explicitly promoted targeted support to them. Second, women-owned or -managed MSMEs are likely to encounter multiple barriers such as unequal laws; inability to meet collateral requirements due to their lack of property ownership; harassment at public offices; and insufficient business knowledge, capacity, and financial literacy.

While improved access to finance offers significant opportunities for women's enterprises, this will not guarantee their growth, unless other gender-based barriers are addressed through policy and legal reforms, training and business development, advisory support for women, as well as developing relevant value chains and capacity of service providers.

This tool kit on gender and MSME finance and development is designed to guide staff and users in identifying and addressing key gender issues in relevant programs and projects. It will help users build gender-inclusive design elements in programs and projects in MSME finance or sector development. The tool kit includes a set of tools and gender-responsive good practice examples from ADB's portfolio and elsewhere. I hope you will find the tool kit useful in designing and developing more gender-inclusive MSME sector programs and projects.



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Purpose of the Tool Kit

The purpose of the tool kit is to assist staff and consultants of the Asian Development Bank (ADB) in conceptualizing and designing gender-responsive public policy and projects in the micro, small, and medium-sized enterprise (MSME) sector. ADB's Policy on Gender and Development mandates its investments in all sectors to promote gender mainstreaming.

It guides users in designing project and program outputs, activities, inputs, indicators, and targets to respond to gender issues in MSME development and finance operations. ADB staff can use the tool kit in identifying social and gender issues to be documented in the initial poverty and social analysis during the concept phase. Consultants can use it in carrying out more detailed social and gender analysis during the project preparatory technical assistance or detailed design or due diligence phase. It should be noted that the tool kit is not meant to be prescriptive; rather, it offers a menu of entry points that the project team can choose from.

The tool kit comprises eight chapters. Chapter 1 summarizes why gender equality matters in the MSME sector finance and development and the related global commitments and initiatives. Chapter 2 shows how different operational tools in ADB can be used to make its MSME sector support more gender-inclusive and -responsive. Chapters 3–7 provide key gender issues and tips to designing gender-inclusive features and actions—namely, enabling policy and regulatory environment, financial products and services, capacity development of women's enterprises, gender-inclusive value chain development, and capacity development of service providers. Chapter 8 presents indicative gender performance indicators that can be included in the project gender action plans and policy matrices. Case studies from ADB's project and program portfolio have been included to illustrate concrete examples of mainstreaming gender in MSME finance projects and programs.

It should be noted that gender issues in the sector may significantly vary across countries and project or program contexts. Solid gender analysis is key to informing specific actions and design features of operations.

The tool kit has been prepared by Sonomi Tanaka, Lead Social Development Specialist (Gender and Development) in ADB, under the overall guidance of Shireen Lateef, Senior Advisor (Gender), Office of the Vice-President for Knowledge Management. It benefited from peer reviews from Shanny Campbell, Rina Sen Gupta, Lotte Schou-Zibell, Sabine Spohn, Francesco Tornieri, and Pernima Wasana. Barbara Mowat and Inga Hilton (consultants) provided a background paper. Marissa Del Castillo, Rhea Marie Francisco, Marian Lagmay, and Ruzette Mariano provided production support.

Summary Checklist

This tool kit provides a list of potential gender issues and a menu of possible measures and design features in developing policies, program, and projects in support of women's micro, small, and medium-sized enterprise development. It calls for a comprehensive approach to women's enterprises through enabling policy and regulatory environment, access to finance, business capacity development, value chain development, and stakeholder capacity development. Key points are summarized in the table below for a quick reference to users.

Areas of Concern	Possible Gender Issues	Possible Measures
1. Enabling policies, laws, and regulatory frameworks for women's MSMEs		
Gender policy advocacy	<ul style="list-style-type: none"> Lack of visibility of gender issues in micro, small, and medium-sized enterprise (MSME) policies and laws Weak gender advocacy 	<ul style="list-style-type: none"> Conduct gender audit of policies and laws on MSME finance and development, collect sex-disaggregated data, and develop a gender strategy for the sector Encourage networking among women's MSMEs and advocate for more women among policy decision makers.
Macroeconomic and sector policies	<ul style="list-style-type: none"> Inadequate enabling monetary, fiscal, industrial/trade, and sector policies (particularly favoring larger enterprises) 	<ul style="list-style-type: none"> Avoid high inflation, consider progressive and fairer taxation, and adopt sector policies that provide incentives to promote women's MSMEs
MSME policy, laws, regulatory framework	<ul style="list-style-type: none"> Existence of discriminatory policies, laws, and practices against women's MSMEs Inadequate compliance with core labor standards and insufficient gender equality policy of small and medium-sized enterprises (SMEs) 	<ul style="list-style-type: none"> Introduce MSME policies/strategies that reduce bottlenecks to women's MSMEs' entry and growth Consider streamlining procedures; adopt online services; and/or reduce fees for registration, licensing, tax payment, and other formal requirements to address women's time poverty and avoid harassment Accelerate compliance with core labor standards and gender-equal policies within SMEs (for women as SME workers)
MSME finance and property laws and regulations	<ul style="list-style-type: none"> Women's lack of property ownership and the resultant inability to meet collateral requirements Insufficient funds availed for women's MSMEs 	<ul style="list-style-type: none"> Remove gender-unequal legal provisions on property ownership Consider banking laws that allow use of small movable assets as collateral rather than fixed assets (e.g., secured transaction acts) Consider affirmative actions by financial institutions (FIs) for earmarking a portion of MSME loans to women's enterprises
Commercial dispute resolutions	<ul style="list-style-type: none"> Lengthy and expensive formal court process to handle commercial disputes, which is particularly hard for micro women's enterprises 	<ul style="list-style-type: none"> Consider setting up more small claims courts Avail more affordable legal advisory services for women's MSMEs

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Areas of Concern	Possible Gender Issues	Possible Measures
2. Gender-responsive MSME finance		
Financial products and services	<ul style="list-style-type: none"> Limited funds availability for women's MSMEs Inability to meet collateral requirements Inability to obtain loans without husband's consent FIs' perception of women as high risk borrowers Constraints to scaling up women's loan size Need for services outside of MSME lending Need to target women as separate customer groups 	<ul style="list-style-type: none"> Earmark or set a target for women's MSMEs a proportion of credit lines Allow other arrangements to replace collateral requirements, e.g., group or third party guarantees, secured loans, land loans, warehouse receipts. Set up a legal advisory desk for women. Encourage formal registration of enterprises, raise FI staff gender awareness, and facilitate recording of microfinance credit and repayment history. Consider hybrid loans, measures to support transition from microfinance to formal FIs, and simplification of loan application procedures. Offer savings, microinsurance, and other financial services tailored to women's needs, as well as business development and other training services (or at least referral to such services) Consider women-only financial products and services (e.g., women's MSME loans, women-only banks, women-targeted funds)
Service outreach and marketing	<ul style="list-style-type: none"> Women's time and mobility constraints Women's low education and financial literacy Lack of access by women to information of available finance Lack of understanding differences of male and female enterprise clients 	<ul style="list-style-type: none"> Consider appropriate branch locations, online or mobile services, and meeting and training location and timing for women customers Use visual aids to explain application procedures and requirements and to simplify application procedures. Provide more financial literacy education and training for women, including school curriculum Conduct information campaigns Conduct gendered client needs assessments, develop financial products and services tailored to women entrepreneurs' needs, and develop sex-disaggregated client database
FI staff attitude and corporate culture	<ul style="list-style-type: none"> Information of women clients' transaction details sometimes being passed to male family members by FI staff Lack of gender sensitization of FI staff Inadequate gender-equal corporate policy and human resource practices 	<ul style="list-style-type: none"> Ensure confidentiality of transaction details through staff training and use of technology (e.g., debit cards rather than passbooks). Conduct series of gender sensitization training of FI staff. Ensure FIs adopt and practice gender equality corporate policy. Recruit and promote more women as staff and among board members.

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Table continued

Areas of Concern	Possible Gender Issues	Possible Measures
3. Business capacity of women's enterprises		
Business development services (BDS)	<ul style="list-style-type: none"> • Lack of BDS coverage of women's MSMEs • Inadequate quality of BDS • BDS insufficient to expand employment opportunities for women 	<ul style="list-style-type: none"> • Expand BDS for women's MSMEs, including women-targeted business incubator facilities • Service providers to improve BDS content to meet special needs of women's enterprises, support confidence building and life skills development, and proactively outreach women to disseminate information of available BDS training. • Governments to ensure that BDS is linked to national competency framework and certification system.
Financial literacy training	<ul style="list-style-type: none"> • Women's lack of financial literacy resulting in low application for loans 	<ul style="list-style-type: none"> • Provide more financial literacy education and training for women, including school curriculum
Networking and organizing	<ul style="list-style-type: none"> • Need for inclusive and affordable networking for women's enterprises 	<ul style="list-style-type: none"> • Strengthen women's business association and other women enterprises' networks to facilitate knowledge exchange and raise voice as an advocacy group
Other advisory support	<ul style="list-style-type: none"> • Need for other advisory support 	<ul style="list-style-type: none"> • Consider other advisory support such as legal literacy and help desks on formal procedures and dispute resolutions.
Technology and infrastructure	<ul style="list-style-type: none"> • Women's enterprises' insufficient access to information and communication technology (ICT) and other technology and basic infrastructure vital for business development 	<ul style="list-style-type: none"> • Expand ICT infrastructure and services, as well as access to mobile applications available in local languages • Provide women with time-saving technology • Train women entrepreneurs on the use of computer and online services • Combine infrastructure development and women's entrepreneurship development
4. Gender-inclusive value chain development		
Value chain analysis	<ul style="list-style-type: none"> • Gendered value chain analysis not regularly conducted 	<ul style="list-style-type: none"> • Integrate gender analysis as a regular part of value chain analysis
Value chain support	<ul style="list-style-type: none"> • Need to look at gendered needs for value chain: (i) infrastructure and technology support, (ii) finance, (iii) skills upgrading, and (iv) marketing and branding 	<ul style="list-style-type: none"> • Consider supporting infrastructure and technology that reduce women's time poverty • Consider value chain financing instruments that take into account needs and constraints of women's enterprises (e.g., lack of collaterals) • Consider skills upgrading for women in the value chain, both vertical (to nontraditional sectors) and horizontal (upper value chain) • Promote women-friendly corporate culture as a way for the value chain branding

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Areas of Concern	Possible Gender Issues	Possible Measures
5. Institutional capacity development (governments, service providers, civil society organizations)		
Gender-aware and -responsive service capacity	<ul style="list-style-type: none"> Institutional stakeholders' lack of understanding of gender issues in the sector and how gender insensitivity affects their service quality 	<ul style="list-style-type: none"> Conduct gender awareness training to staff relevant to the institution's function Collect sex-disaggregated data to provide evidence of gender issues in the MSME sector
Gender sensitivity of institutions	<ul style="list-style-type: none"> Lack of gender sensitivity of institutions 	<ul style="list-style-type: none"> Promote adopting an institutional gender equality policy (on human resources, recruitment, promotion, labor standards, etc.) and more women's representation in the institutions concerned

CHAPTER 1

Why Gender Matters for Micro, Small, and Medium-Sized Enterprises

A. Why is MSME Sector Important for Women?

The sector has potential for generating jobs and income opportunities for women.

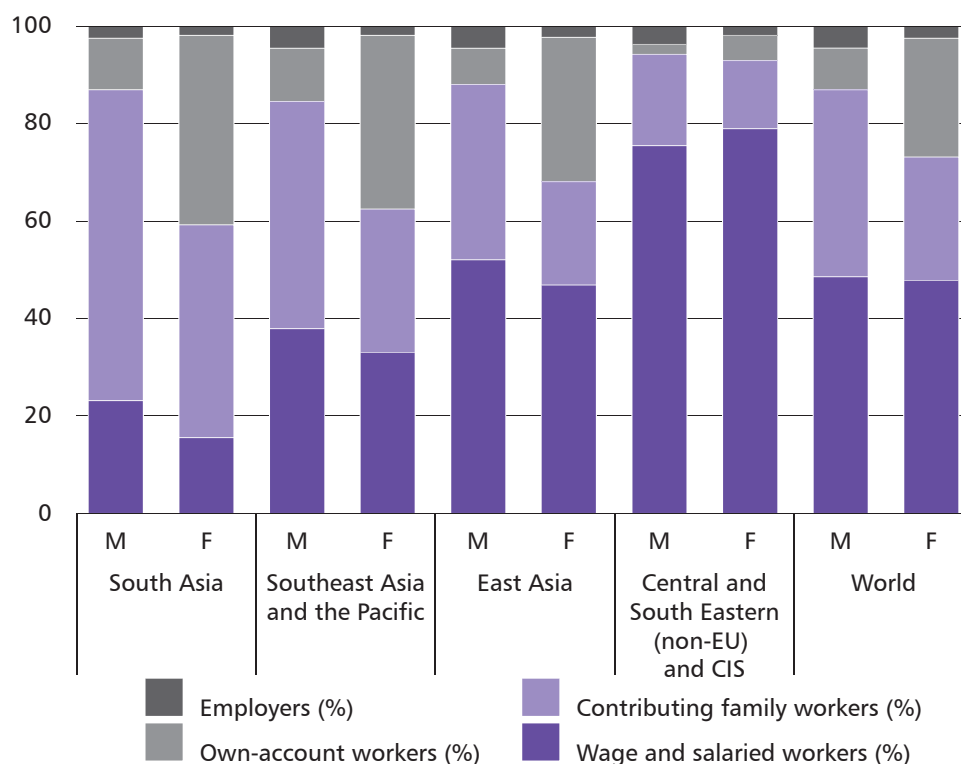
In developing economies in Asia and the Pacific, micro, small, and medium-sized enterprises (MSMEs) provide significant job opportunities. According to the Key Indicators 2009 of the Asian Development Bank (ADB), 61% of total manufacturing employment in India, 44% in Indonesia, and 60% in the Philippines could be in microenterprises alone.¹ Investing in development of the MSME sector, therefore, is essential for inclusive growth and poverty reduction. The Association of Southeast Asian Nations (ASEAN) estimates that in its member countries, small and medium-sized enterprises (SMEs) account for more than 96% of all enterprises and 50%–85% of domestic employment. The contribution of SMEs to ASEAN members' gross domestic product (GDP) is between 30% and 53%, and the contribution of SMEs to exports is between 19% and 31%.²

Unfortunately, there are no comprehensive estimates for how many women versus men work in MSMEs as workers, owners, or managers. However, the following patterns of women's employment indicate that MSMEs potentially offer significant jobs and income generation opportunities for women. First, there is a clear “horizontal” sex segregation of the labor market. Women are more likely than men to work in agriculture and services, while the opposite is true for manufacturing.³ Value chains of the agriculture and services sectors include a large proportion of microenterprises and informal economic activities by women. Even in some manufacturing subsectors that are vital to national economies such as garment, women comprise the majority of workers. Growth of MSMEs in these sectors will significantly expand employment opportunities for women. Second, there is also “vertical” segregation of employment by sex; women are overrepresented among family workers and own-account workers, hence among informal employment (Figure 1). With appropriate support, there is great potential in scaling up women's informal businesses into more competitive and productive formal MSMEs.

¹ ADB. 2009. *Key Indicators for Asia and the Pacific 2009*. Manila.

² <http://www.asean.org/communities/asean-economic-community/category/small-and-medium-enterprises>

³ World Bank. 2011. *World Development Report 2012: Gender Equality and Development*. Washington, DC. p. 206.

Figure 1 Share of Status in Total Employment by Sex, by Region

M = male, F = female, EU = European Union, CIS = Commonwealth of Independent States.

Source: International Labour Organization. 2012. *Global Employment Trends for Women*. p. 23. Geneva.

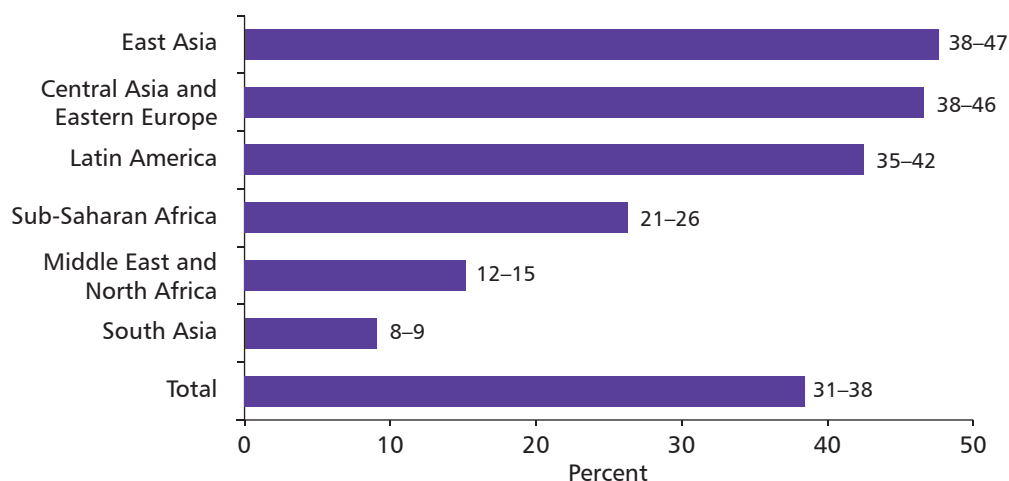
B. Why Do Women-Owned MSMEs Matter?

East Asia, Southeast Asia, and Central Asia have notable proportions of women-owned SMEs.

The enterprise survey of the International Finance Corporation (IFC) estimates that in East and Southeast Asia, the proportion of formal MSMEs with one or more women owners is 38%–47% and in Central Asia and Eastern Europe, 38%–46%. Women-owned MSMEs therefore are making significant contributions to the economy. In contrast, the proportion in South Asia is only 8%–9%, pointing to the diverse pattern of women-owned MSMEs in the Asia and Pacific region as a whole (Figure 2). The low female ownership of MSMEs in South Asia, however, should not disguise the fact that a large number of women contribute to men-owned MSMEs as family workers whose contributions must be recognized.

When discussing sex-disaggregation of MSME data, it is important to define “women’s MSMEs.” Box 1 provides different definitions and challenges in collecting accurate data.

Figure 2 Proportion of Formal Small and Medium-Sized Enterprises with One or More Women Owners (%)



Source: International Finance Corporation. 2011. *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Washington, DC.

Box 1 What Are “Women’s MSMEs”?

It is important to note that there is no single definition of “women’s MSMEs.” First, the definitions of micro, small, and medium-sized enterprises (MSMEs) vary across countries and across sectors (e.g., agriculture, natural resources, manufacturing, services, and retailing). Some countries include microenterprises under small and medium-sized enterprises (SMEs), while others exclude. This said, most SME definitions refer to enterprises that are formal in nature and have been registered, while microenterprises have more flexible definitions with regard to registration. Typically, enterprises are categorized by the number of employees, turnover of business, and capital investment (UNESCAP 2012).

Second, the definitions of “women’s” enterprise also vary across the context. Typically, sex ratio of ownership or shareholding and management are used as criteria, with sometimes a combination with employees. For example, in the Asian Development Bank’s Armenia Women Entrepreneurship Support Development Program (approved in 2012) and Uzbekistan Small Business Entrepreneurship Development Project (2013), women’s MSMEs are defined as being at least one of the following: (i) at least 50% of enterprise ownership is controlled by women, (ii) at least 60% of senior managers are women (50% for Uzbekistan), or (iii) at least 50% of the registered employees of the enterprise are women. The International Finance Corporation (IFC) adopts the definition of “women-owned enterprises” as “enterprises with either (i) 51% owned by a woman/women; or (ii) 26% owned by a woman/women AND at least one woman as a chief executive officer or chief operating officer (president or vice-president).

In reality, obtaining data on “women’s MSMEs” is often very difficult. Simavi, Manuel, and Blackden (2010) note IFC’s experience in difficulties determining the ownership of a business because (i) data from state registers do not always include the sex of the business owner and if they do, they are often outdated; and (ii) in some cases, companies are required to have a minimum of two shareholders and directors. In the case of a family enterprise, a wife may be a shareholder on paper but may not necessarily have a control over the business.

Sources: UNESCAP. 2012. *Policy Guidebook for SME Development in Asia and the Pacific*. Bangkok; Simavi, S., C. Manuel, and M. Blackden. 2010. *Gender Dimensions of Investment Climate Reform: A Guide for Policy Makers and Practitioners*. World Bank. Washington, DC.

Emerging trends show women's MSMEs' growth potential.

MasterCard's study shows that in some countries in Southeast Asia, women's MSMEs are growing moderately faster than male-owned MSMEs (Table 1). Among the fastest growing in the study was Viet Nam at 42.5%. While this may not be the case for other subregions, the Southeast Asian experience indicates the growth potential of women's MSMEs (Table 1).

Table 1 Average Annual Growth of Male and Female SMEs in Selected Countries (%)

Country and Year	Female	Male
Indonesia (2007)	8.1	(0.27)
Malaysia (2008)	9.7	7.43
Philippines (2007)	2.5	...
Singapore (2009)	4.2	...
Thailand (2008)	2.3	0.31
Viet Nam (2004)	42.5	40.93

() = negative, ... = data not available, SMEs = small and medium-sized enterprises.

Source: MasterCard. 2010.

The growth potential of women's MSMEs also means that there is a significant untapped customer basis for the financial institutions (FIs) to expand their businesses. Women's World Banking estimates that the productive potential of the female population that remains untapped is 48.4% compared with 22.3% for men.⁴ By investing in women's entrepreneurship and MSMEs, the MSME sector can offer great opportunities to narrow gender gaps and contribute to inclusive growth and poverty reduction.

Strategic investment in women's MSMEs requires better understanding of the differences between women-owned and men-owned MSMEs.

Women-owned versus men-owned MSMEs have different characteristics. These differences may mean that the same MSME policy and program will result in different outcomes for them. The types of gender differences in MSMEs are country and sector specific, requiring detailed analysis in each case. However, global research indicates the following general characteristics of women's MSMEs:⁵

- Women's enterprises are smaller in size. The percentage of female ownership sharply declines as the size of the enterprise becomes larger.
- The smaller size is related to the fact that women's enterprises are more likely to be on a part-time basis to manage work and family life.
- Women entrepreneurs in developing countries tend to start their businesses out of necessity to supplement household income rather than by choice.⁶ The proportion of female "necessity" entrepreneurs declines with economic development, as

⁴ Women's World Banking. 2011. *Women's World Banking White Paper on Providing Women Access to Financial Services in Response to Proposals by the G-20 Financial Inclusion Expert Group*.

⁵ Data and analysis are sourced from World Bank. 2012. *World Development Report 2012: Gender Equality and Development*. Washington DC., unless otherwise stated.

⁶ MasterCard. 2010. *Higher Level of Female Entrepreneurial Activities in Emerging Markets: MasterCard Report*. Singapore.

- more economic opportunities open up for them (see the MasterCard survey⁷).
- Sociocultural factors influence the success of business. For example, in South Asia, family support to women's entrepreneurship is a high priority.⁸
- Women entrepreneurs exhibit lower productivity and lower profitability than men entrepreneurs. For example, in Bangladesh, average output per worker is eight times higher in firms operated by men.
- They are less likely to access finance to expand their businesses than their male counterparts.
- In both developed and developing countries, women's enterprises tend to operate in limited sectors that are populated by small firms and characterized by low value added with low growth potential, such as the services sector. They are overrepresented among the types of activities that conform to social norms (cooking, sewing, hair salon).

Women SME owners in Singapore; Hong Kong, China; New Zealand; Australia; Japan; Malaysia; and the Republic of Korea are likely to be self-employed by choice, while those in India, Indonesia, the People's Republic of China, the Philippines, and Thailand are likely to have started businesses out of necessity.

To date, no study has been conducted in the Asia and Pacific region, as a whole, on the gender differences between women-owned versus men-owned MSMEs. However, a recent study conducted on Organisation for Economic Co-operation and Development (OECD) member countries elicits some general characteristics of the differences (Box 2).

Box 2 Gender Equality in Entrepreneurship: Organisation for Economic Co-operation and Development Countries

Closing the Gender Gap: Act Now (2012) by the Organisation for Economic Co-operation and Development (OECD) highlights the following salient characteristics of women-owned businesses in contrast to men-owned ones:

The proportion of women-owned businesses is currently stuck at about 30% of the total in OECD countries and seems to plateau at about the same level in developing countries which have started from low levels. In contrast to the increasing number of women undertaking salaried work, the number of woman entrepreneurs has changed little in OECD countries.

When women do start businesses, they do it on a smaller scale than men and in a limited range of sectors. Self-employed women frequently earn 30%–40% less than their male counterparts. Two key differences between male and female entrepreneurs help explain these relatively low returns: less experience and much less time devoted to their businesses.

About a quarter of women starting businesses in Europe gave as their reason for returning to work that their children were old enough to allow them to do so. They start businesses out of necessity and entrepreneurship is not, in general, considered as an attractive career option by women.

Women are also less likely than men to borrow money to finance their business, because (i) they might be charged higher interest rates and asked for more guarantees, as they often have shorter credit histories, less operating capacity, and less collateral; and (ii) women may be afraid of refusal or lack confidence in the growth potential of their business.

One of the main challenges when considering how to boost female entrepreneurship is the lack of solid, reliable data, even in OECD countries.

Source: OECD. 2012. *Closing the Gender Gap: Act Now*. Part IV. pp. 285–339. Paris.

⁷ Footnote 6, p. 4.

⁸ United Nations Economic and Social Commission for Asia and the Pacific. 2005. *Developing Women Entrepreneurs in South Asia: Issues, Initiatives and Experiences*. Bangkok.

C. What Constrains Growth of Women's MSMEs?

Multiple barriers exist for women's MSMEs.

Despite the potential contributions of women's MSMEs to the national economy and household incomes, women's entrepreneurship remains limited, and productivity of women's MSMEs is lower than that of men-owned MSMEs. The business environment surrounding women's MSMEs in ADB's developing member countries (DMCs) in Asia and the Pacific is behind that of OECD countries and Latin America and is particularly poor in South Asia (including Afghanistan and Pakistan) and the Pacific. In the women's economic opportunity 2012 index, Solomon Islands and Papua New Guinea are ranked among the worst five of 128 countries.⁹

Evidence elsewhere points to the following key factors that hamper women's MSME's growth:

- Limited access to finance, due to lack of collateral and complex application process;
- Limited capacity and exposure to business development, including business start-up, employee management, and keeping up with the market needs;
- Lack of access to vital information (e.g., finance, registration and legal requirements, business development, and market trends) and technology;
- Informal (cultural) and formal (legal) discrimination, e.g., harassment by officials in processing paper work, requiring husband's permission to borrow money (even where not legally required), and legal discrimination in inheritance and ownership of properties;
- Lack of devoted time to enterprise development and the need for family support, due to women's dual roles to manage households (particularly childcare) and business;
- Lack of networking and organizing, resulting in difficulties in voicing their needs to policy makers and business associations.

See key challenges faced by women's SMEs in Malaysia, Thailand, and the Philippines in Box 3.

Box 3 Women's Small and Medium-Sized Enterprises in Malaysia, Thailand, and the Philippines: Asia-Pacific Economic Cooperation Study

A study commissioned by the Asia-Pacific Economic Cooperation (APEC) and conducted by The Asia Foundation on women's small and medium-sized enterprises (SMEs) in Malaysia, Thailand, and the Philippines found the following as their key challenges: (i) lagging in formal networking than men's SMEs; (ii) complexity of the loan application; (iii) low levels of government support in Malaysia and Thailand; (iv) lagging knowledge and use of technology than men's SMEs; (v) informal payments, particularly in the Philippines; (vi) security and safety in Malaysia and the Philippines; and (vii) social and cultural expectations for women's roles in the households limiting ability to expand for export.

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

⁹ Economist Intelligence Unit. 2012. *Women's Economic Opportunity 2012*. A Global Index and Ranking. London.

D. Role of Public Policies and Incentives to Private Sector

Public policies can play a crucial role in addressing barriers faced by women's MSMEs.

It is important to note that these gender gaps and differences in the MSME sector cannot be improved as a country moves up to a higher income level. Most of the key gender issues in the sector in higher-income OECD countries (Box 2) apply to middle- and low-income economies, including those in Asia and the Pacific. World Bank's Africa women's legal and economic empowerment database also indicates that a country's income level does not correlate with women being employers or owners of enterprises. On the other hand, it found that regardless of income, countries with stronger women's economic rights have greater share of female employers. Controlling for income, women in countries with unequal property rights and legal capacity were a third less likely to be employers.¹⁰

This points to the importance of gender-equal public policies and programs that are centered on the principle of promoting women's economic rights. This means that multiple barriers to women's access to finance and enterprise development must be comprehensively addressed.

Another crucial point is that it is not sufficient to simply bring more women in the MSME sector. Research reveals that women's jobs are found in the "women's" sectors and lower-paying tiers, and that women are paid less than men for the same work. Therefore, support must be extended in a way that would allow women to engage in higher return economic activities.

Public policies and programs play a crucial role in enhancing women's economic rights and creating a level playing field for women's MSMEs. A range of policy and public finance tools can be used to fit to the specific context of the country, including laws, policies, legislations, institutional reforms, finance, capacity development, awareness campaigns, and financial and tax incentives to the private sector. Governments; the private sector; multilateral, regional, and bilateral institutions; and civil society all have important roles to play in achieving this shared goal.

E. International and Regional Commitments and Initiatives

International community recognizes that it makes economic sense to support women in MSMEs.

Recently, there has been growing global awareness that women's access to finance, economic opportunities, and entrepreneurship would contribute to inclusive and sustainable growth and poverty reduction.

¹⁰ Hallward-Driemeier, M., and T. Hasan. 2013. *Empowering Women: Legal Rights and Economic Opportunities in Africa*. Washington, DC: Agence Française de Développement / World Bank.

Table 2 International Commitments on Women in Micro, Small, and Medium-Sized Enterprises

Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1979	<ul style="list-style-type: none"> • Requires state parties to eliminate discrimination in employment (Article 11) and to eliminate discrimination against women in other areas of economic life (Article 13) • Requires state parties to ensure that women have equal rights to obtain bank loans, mortgages, and other forms of financial credit (Article 13[b])
Beijing Platform for Action, 1995	<ul style="list-style-type: none"> • Includes government commitments to promote women's access to employment with appropriate working conditions, economic resources, markets, and trade; to strengthen women's economic capacity and commercial networks; and to eliminate occupational segregation and other forms of employment discrimination (Strategic Objective F) • Includes government commitments to provide women with access to savings and credit mechanisms and institutions (Strategic Objective A.3) and to eliminate any biases against women in finance laws (Strategic Objective F.1)
International Labour Organization (ILO) Convention No. 111 (Convention concerning Discrimination in Respect of Employment and Occupation), 1958	<ul style="list-style-type: none"> • Requires ratifying states to promote equality of opportunity and treatment between men and women in employment and occupation, and to repeal discriminatory laws and practices (Articles 2 and 3)
ILO Convention No. 100 (Equal Remuneration Convention), 1951	<ul style="list-style-type: none"> • Requires ratifying states to promote equal remuneration between men and women for work of equal value, and to determine remuneration rates without discrimination based on sex (Articles 1 and 2)
2005 World Summit Outcome	<ul style="list-style-type: none"> • Governments committed themselves to ensure that women have equal access to credit (para. 58) • Countries committed themselves to ensure women's equal access to labor markets, sustainable employment, and adequate labor protection (para. 58)

Source: Mowat, B. 2011. *Gender Sourcebook on M/SME Development and Finance (Unpublished Draft)*. p.3.

Following the adoption of the Financial Inclusion Action Plan at the G20 Seoul Summit in November 2010, the Global Partnership for Financial Inclusion was established and developed a 2012 report *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. This resulted in the G20's further adoption of the 2012 G20 Leaders Declaration that recognizes the need to expand economic opportunities for women and women's access to finance. World Economic Forum continues to monitor the global trends in gender gaps through its annual Global Gender Gap Reports. These initiatives place women's business development and entrepreneurship at the core of women's economic empowerment.

There are a number of international conventions that include obligations pertaining to women as MSME business owners and employees in the sector (Table 2). Many of ADB's DMCs have ratified or committed to some or all of these. ADB operations in the sector can assist these governments in meeting their own commitments.

Multilateral development banks (MDBs) and regional economic cooperation entities also support women's MSME finance and development through special initiatives and country-specific operations (see Appendix 1 on MDBs). In Asia and the Pacific, for example, APEC has supported a range of policy research and pilot programs in support of women's MSMEs, which have culminated in the 2013 *Joint Ministerial Statement on SME and Women*, calling for enhancing cooperation among member economies to further empower women's SMEs in the region in the areas of promotion of entrepreneurial culture and increasing access to finance.

CHAPTER 2

Gender Entry Points for ADB Operations

Strategy 2020, ADB's long-term strategic framework, sets out finance sector development as one of its core areas of operations, seeking to create an enabling environment for microfinance, rural finance institutions, and SMEs to promote inclusive growth.¹¹ Strategy 2020 also recognizes gender equity as one of the five drivers of change, a fundamental element for achieving inclusive growth. Both ADB's Financial Sector Operational Plan¹² and the Gender Equality and Women's Empowerment Operational Plan, 2013–2020 (Gender Operational Plan)¹³ emphasize financial inclusion, women's access to finance, and support to enabling environment for SME development. The Gender Operational Plan notes: "Improved access to financial services alone is insufficient to help women build and sustain their livelihoods or enterprises. Opportunities will be explored to comprehensively address the multiple constraints on women's enterprise development through policy reform, financial products and services tailored to women clients' needs (e.g., group guarantees without collateral), building women's entrepreneurship capacity and financial literacy through business development support and other training."¹⁴

At the program and project levels, the following are potential entry points for supporting women's MSME finance and development in ADB operations.

A. Gender Analysis

The design of gender-responsive and gender-inclusive MSME programs and projects requires gender analysis to determine the specific situation of gender inequalities and differences in the sector and the barriers that constrain women-owned MSMEs to grow and achieve higher returns.

Gender analysis should (i) identify key gender issues and determinants directly relevant to the proposed investment in the MSME sector; (ii) assess the differing needs and constraints of women-owned/managed and men-owned/managed MSMEs in access to and use of resources and services (e.g., financial services, business development and entrepreneurship training, information and communication technology [ICT], networking); (iii) assess the need for reforming or influencing formal institutions (e.g., policy, legal) and informal institutions (e.g., gender stereotypes, gender-discriminatory sociocultural practices) relevant to the sector; (iv) assess the capacity of institutional stakeholders (e.g., policy makers, service providers, networking bodies) in developing and implementing gender-inclusive measures; (v) inform gender-responsive and gender-inclusive designs of the proposed investment by identifying opportunities to maximize gender benefits and minimize and mitigate adverse gender impacts or risks, if any; and (vi) collect baseline sex-disaggregated data to be used in monitoring outputs, outcomes, and impacts during implementation.

¹¹ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

¹² ADB. 2011. *Financial Sector Operational Plan*. Manila.

¹³ ADB. 2013. *Gender Equality and Women's Empowerment Operational Plan, 2013–2020*. Manila.

¹⁴ Footnote 13.

Box 4 Kazakhstan Small and Medium-Sized Enterprise Sector Gender Analysis**CASE STUDY**

A comprehensive survey of gender issues in the small and medium-sized enterprise (SME) sector, combined with focus group discussions with women entrepreneurs, was conducted during the preparation of Tranche 2 of the Multitranche Financing Facility on Small and Medium Enterprise Investment Program. Results indicated that in Kazakhstan, women's enterprises (i) are in the services sector, food and tourism, and other services; (ii) are driven by economic necessity while men's enterprises are motivated by expanding returns; (iii) operate micro and small businesses, and often engage in home-based activities that are compatible with household duties particularly in rural areas; (iv) have more limited access than men entrepreneurs to finance from commercial banks, information, and business development skills; and (v) face constraints to business expansion due to the specific circumstances as women (e.g., time constraints due to dual responsibilities as an income earner and a family caretaker, lack of mobility due to limited time available, lack of family support and social perceptions that subjugate women in a passive position, and long working hours resulting in health problems). All these clearly indicated the need for generating demand for SME finance by women entrepreneurs, rather than assuming that more financing would automatically benefit women entrepreneurs. As a result of this comprehensive gender analysis, the Program's target group shifted from "ready" applicants for SME loans in Tranche 1 to attracting new customers without current access in Tranche 2. The project's outreach activities extend to women entrepreneurs through channels familiar to them (e.g., women's associations, TV advertisements). Tranche 2 will also promote available business development support services and participating commercial bank's efforts in designing financial products and services that meet women entrepreneurs' business needs.

Source: ADB. 2013. *Periodic Financing Request Report. MFF 0048-KAZ: Small and Medium Enterprise Investment Program – Tranche 2*. Manila.

Gender analysis is required for all ADB investments as part of the poverty and social analysis. The degree to which this should be done depends on the initial poverty and social analysis, which flags key gender issues to be examined and the resources required during the project preparation phase. Appendix 2 provides sample terms of reference (TOR) for consultants conducting gender analysis and preparing gender-responsive and gender-inclusive designs in MSME finance or sector support programs and projects. Various methodologies can be used to conduct gender analysis, including literature reviews, sample surveys, focus group discussions, and key stakeholder interviews. An example of gender analysis in an ADB-financed project in Kazakhstan is illustrated in Box 4.

Country gender assessments can also be useful resources, as they often include gender analysis of the MSME sector.¹⁵

In this tool kit, key gender analysis questions are included in Chapters 3–7.

B. Policy and Institutional Reforms

Policy-based operations in public sector management and finance sectors provide opportunities for creating the enabling policy and regulatory environment to support gender equality in MSME finance and sector development. Inclusion of explicit gender equality approaches may include, for example, introducing a new SME policy or law that addresses issues of women's MSMEs, streamlining cumbersome registration and tax payment processes for MSMEs to avoid

¹⁵ See <http://www.adb.org/themes/gender/country-gender-assessments>

multiple visits by women, introducing institutional reforms to reduce harassment of women entrepreneurs in local registration and payment offices and at customs, and introducing security transaction laws to allow collateral outside of fixed assets more easily accessible to women. (See Box 5 for examples of private sector development initiatives in the Pacific.) Policy matrix of such loans or grants should include a series of gender-inclusive policy actions and triggers.

Sometimes, additional technical assistance could be explored to build institutional capacity of ministries, regulatory bodies, and participating financial institutions to effectively implement these gender-related reforms.

More details on key gender issues, gender analysis questions, and possible actions are provided in Chapter 3. Sample policy matrices with gender-responsive policy actions in the SME sector development and economic diversification programs are included in Appendix 4.

Box 5 Pacific Private Sector Development Initiative

CASE STUDY

Cofinanced by the Asian Development Bank and the governments of Australia and New Zealand, the Pacific Private Sector Development Initiative (PSDI) is a series of pilot projects and analytical work in three areas: (i) improving access to finance and financial services, (ii) improving the business law frameworks, and (iii) strengthening the state-owned enterprises and assisting their privatization in the Pacific developing member countries. Supporting women's economic empowerment in the first two areas is an explicit strategy of PSDI. Successful initiatives benefiting women include (i) women's increased access to bank accounts in Timor-Leste and Papua New Guinea, due to outreach efforts, branchless banking, and promotion of savings accounts; (ii) mobile banking in Papua New Guinea (MiCash by the Nationwide Microbank, see Box 13), allowing outreach to women in remote areas; (iii) new Companies Acts in Solomon Islands and Vanuatu to simplify registration requirements and promoting electronic registries; and (iv) "community companies" under the new Companies Acts in Solomon Islands particularly effective in increasing the number of women-owned businesses as women-only community groups can register their business as a company without costly and cumbersome requirements (one-third of registered companies are the women-majority board or shareholders); and (v) Secured Transactions Act not requiring land as collateral (although the gender impact of this is still being assessed). The project also started collecting sex-disaggregated data of businesses. Pilot experience, data collection, and analytical work have all contributed to policy dialogue with stakeholders, including ADB's policy-based lending operations in the region.

In the recently approved third-phase project, PSDI sets out women's economic empowerment as a core focus area and plans to further strengthen pilot initiatives complemented by rigorous gender diagnostic work. Linking finance with women's business training, reducing impediments to women-owned businesses participating in government procurement processes, and removing legal barriers that require male signature for company registration and loan applications are among the themes.

Sources: ADB. 2011. *Gender Issues and Responses in the Pacific Private Sector Development Initiative*. Manila; ADB. 2013. *Technical Assistance Report. Pacific Private Sector Development Initiative, Phase III*. Manila.

C. Investment Projects

The most typical ADB investment projects, sovereign and nonsovereign, are SME finance projects that provide credit lines to commercial banks and other financial institutions that further onlend funds to SMEs. This type of investment projects can provide targeted or earmarked funds for women-owned or -managed MSMEs and also promote women-friendly financial services (e.g., women's help desk) and products designed to meet the needs of

women business owners (e.g., SME loans combined with access to special insurance packages and housing loans). Selection criteria of participating financial institutions could include these commitments to women's MSME development (see Chapter 4).

To address the multiple constraints faced by women's MSMEs, these projects could also be combined with interventions that address demand-side constraints. Provision of business development support training, support to women entrepreneurs' networking through business women's associations or women's chamber of commerce, support to establishing women business incubator funds, legal advisory services, financial literacy training, and ICT training could be among such examples. (See Chapter 5 for more details.)

Another type of investment that could help promote women's MSMEs comprises value chain support projects. Currently, there are not many ADB projects of this type, but more opportunities may arise in sectors such as agribusiness, food processing, or garment or textile industries. As further discussed in Chapter 6, such projects can identify the specific segments within the value chain that are likely to generate employment for women as entrepreneurs and employees, as well as provide technical training, access to finance and production inputs, and relevant technology and infrastructure support that would directly enhance productivity of women.

D. Institutional Capacity Development

Support to women's MSMEs requires involvement of a range of institutional stakeholders in the public and private sectors and civil society and nongovernment organizations (NGOs) that provide a variety of functions (e.g., policy development, registration, licensing and tax collection, judicial sector, financial services, skills training, networking, data collection). Their lack of understanding of gender issues in the sector and the generally low level of gender sensitivity affect women's access to such services and the quality of services provided. Public information campaigns to outreach women entrepreneurs and behavioral change communication to correct gender stereotypes of women's and men's jobs are useful tools worth considering. Further, invisibility of women's MSMEs persists in most DMCs due to lack of data both at the national and financial institution levels. Developing, maintaining, and analyzing MSME sex-disaggregated database should become part of the norm.

Chapter 7 provides possible capacity development initiatives in support of gender-responsive MSME sector.

There is no single formula for promoting women's MSMEs that works for all circumstances. Pilot initiatives such as Inclusive Business Initiative¹⁶ and the Pacific Private Sector Development Initiative (Box 5) can be proactively explored to determine promising approaches before launching at a larger scale. More opportunities can also be sought to carry out research to determine the transformative factors for women's MSMEs to move up the higher value chain

¹⁶ "Inclusive business" is a concept in which a private sector core business activity incorporates the low-income segment of the population within a company's value chain as suppliers, consumers, distributors, and employees. ADB has been piloting "inclusive business" initiatives in Asia and the Pacific since 2008 through a technical assistance project, supporting market studies, developing impact assessment tools for possible ADB investments, and knowledge exchange. A new technical assistance facility with other development partners, which starts in 2014, provides pre- and post-investment advisory services to companies, helps with impact assessments, facilitates studies on the enabling environment, and promotes further knowledge exchange. See <http://www.adb.org/themes/poverty/inclusive-business-base-pyramid>

and rigorous gender impact evaluation of gender-inclusive design features. (See Box 19 for an example of a gender impact evaluation in Armenia.)

E. Adopting a Holistic Approach

To address multiple constraints and disadvantages women's MSMEs encounter, ADB operations should consider mixing various approaches discussed. For example, the Armenia Women's Entrepreneurship Support Sector Development Program¹⁷ includes support for creating enabling policy and regulatory environment, SME finance with earmarked funding for women's MSMEs, and a piggybacked technical assistance for skills development of women entrepreneurs and institutional capacity development of participating banks and regulatory authorities (see Box 6). It also has another small technical assistance project to carry out a gender impact assessment.

In Uzbekistan, project GAP implementation capacity of participating banks is being built through three different ADB projects (both sovereign and nonsovereign) so that they can sustain their capacity in providing gender-responsive financial products and services after the ADB interventions finish.¹⁸

Partnerships with local implementing partners with women outreaching capacity are another important approach. In India, the Micro, Small and Medium Enterprise Development Project is accompanied by a grant project¹⁹ in which Small Industries Development Bank of India (as an implementing partner) engages in institutionalization of gender strategies promoting women's entrepreneurship, providing financial literacy and business development training, and developing financial services for women microentrepreneurs. In Bangladesh, a technical assistance project is attached to the Small and Medium-Sized Enterprise Development Project²⁰ that builds on the existing capacity of the Bangladesh Women Chamber of Commerce and Industry to outreach women entrepreneurs and provide business development support training and improve curriculum of training institutes targeting women entrepreneurs (see Box 16).

¹⁷ ADB. 2012. *Report and Recommendation of the President to the Board of Directors. Proposed Policy-Based Loan, Loan, and Technical Assistance Grant. Armenia: Women's Entrepreneurship Support Sector Development Program*. Manila.

¹⁸ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the Republic of Uzbekistan for the Second Small and Microfinance Development Project*. Manila; ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Equity Investment in JSC Bank Ipak Yuli of Uzbekistan*. Manila; ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the Republic of Uzbekistan for the Improving Small Rural Business Access to Finance Project*. Manila.

¹⁹ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Partial Credit Guarantees. India: Micro, Small, and Medium Enterprise Development Project*. JFPR 9145-IND: Supporting Microentrepreneurship for Women's Empowerment.

²⁰ ADB. 2009. *Report and Recommendation of the President to the Board of Directors. Proposed Loan. Bangladesh: Small and Medium-Sized Enterprise Development Project*. Manila; Project Concept Paper. 2009. TA-6337-REG Subproject 12 Promoting Women Entrepreneurship in Bangladesh. Manila.

Box 6 Armenia: Women's Entrepreneurship Sector Development Program (2012)**CASE STUDY**

The program, approved in 2012, comprehensively tackles multiple constraints women entrepreneurs face in the country. It sets out improved enabling environment for women entrepreneurs as its overall outcome, measured by the increased women's micro, small, and medium-sized enterprises (MSMEs) registered from 3% in 2010 to 20% in 2017. The program includes four outputs for women's MSMEs: (i) improved institutional framework, (ii) improved capacity of women entrepreneurs, (iii) improved access to finance, and (iv) improved business environment. The program's policy matrix (see Appendix 4) and the program gender action plan provide for the following key gender-inclusive policy actions and project design features.

Output 1: Improved institutional framework supporting women entrepreneurs and MSMEs

- Ministry of Economy implements small and medium-sized enterprise (SME) national strategy and action plan promoting women's MSMEs, and establishes interagency coordination mechanisms for women's entrepreneurship promotion;
- SME Development National Center (SME DNC, tasked to support SME development) conducts gender assessments in key SME sectors, develops and implements sector-specific action plans, and establishes and maintains a sector-specific sex-disaggregated MSME database;
- SME DNC improves women's representation in the Board of Trustees (50%); and
- SME DNC and participating financial institutions staff are trained on gender awareness.

Output 2: Improved capacity of women entrepreneurs and MSMEs

- SME DNC launches public awareness campaigns supporting women entrepreneurs;
- SME DNC increases business development services and other training (3,500 women per year by 2017); and
- SME DNC designs and pilots a mentorship network for women entrepreneurs (at least 30 mentors in 10 *marzes* [regions]).

Output 3: Improved access to finance by women entrepreneurs and MSMEs

- SME DNC ensures at least 50% of loan guarantees or other financial products are to women entrepreneurs and MSMEs; and
- Participating financial institutions ensure at least 50% of minimum 2,600 loans availed by the program go to women entrepreneurs and MSMEs.

Output 4: Improved business environment supporting MSMEs

- Ministry of Justice amends the law to reduce business registration fee;
- Accounting Center conducts counseling on taxation to 470 MSMEs (at least 30% women);
- Ministry of Finance to simplify patent fee payment and tax reporting requirements by MSMEs;
- Ministry of Economy, SME DNC, and Armenian Development Agency to support establishment and operation of one-stop-shop support to business development for MSMEs; and
- Ministry of Economy consolidates existing MSME database across different sectors into one national sex-disaggregated database.

To support the program's holistic approach, various financing mechanisms are utilized: policy-based loan (\$20 million), financial intermediation loan (\$20 million), and technical assistance grants (\$0.6 million). Another small financing from the Gender and Development Cooperation Fund supports a gender impact evaluation.

Source: ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Policy-Based Loan, Loan, and Technical Assistance Grant. Armenia: Women's Entrepreneurship Support Sector Development Program*. Manila.

CHAPTER 3

Gender-Inclusive Enabling Policy and Regulatory Environment

A. Key Gender Issues

Enabling Policy and Regulatory Environment: Gender Issues

- Enabling macro policies matter but their impacts on women's micro, small, and medium-sized enterprises (MSMEs) need careful analysis.
- Discriminatory policies, laws, and practices against women's MSMEs do exist.
- Women entrepreneurs face difficulties in enterprise registration, licensing, tax payments, and other formal administrative barriers as well as informal barriers.
- Women entrepreneurs find it difficult to meet collateral requirements.
- Attention must be paid to core labor standards and gender equality policy of small and medium-sized enterprises.
- Lack of sex-disaggregated data of enterprises contributes to invisibility of women's MSMEs and their bottlenecks in policies and laws.

1. Macroeconomic and Sector Policies

Enabling macroeconomic policies are essential to ensure sustained and inclusive growth of the MSME sector, which further increases potential for employment and income opportunities for women. The following are examples of possible enabling or disabling policy effects on female entrepreneurs and women's MSMEs.²¹ However, the impact channels of such policies are highly complex and context specific. Any policy interventions must be accompanied by gendered ex ante policy impact analysis.

- **Monetary policy** can reduce inflation which would limit access to credit by micro and small enterprises and make their operations difficult. Given their existing multiple disadvantages, women's MSMEs are particularly vulnerable to high inflation.
- **Fiscal policy** can set a fair taxation practice that would not disadvantage smaller enterprises and sustain competitiveness of MSMEs. Discriminatory tax laws and regulations, such as those restricting married women from obtaining their own tax identification numbers, should be removed to facilitate formalizing women's enterprises. Fiscal policy to support social protection and better working conditions for women in the MSME sector are crucial, such as tax relief for enterprises that provide childcare support and flexible working environment, which are often more difficult for MSMEs to provide.
- **Trade and industrial policies** may often favor large-scale foreign investments and larger enterprises at the expense of MSMEs where women concentrate. Affirmative actions can be considered to promote production and services used and provided by women (e.g., care services, technology to decrease burden of domestic work, preferential

²¹ See, for example, Mayoux. L. 2001. Jobs, Gender and Small Enterprises: Getting the Policy Environment Right. *SEED Working Paper*. No.15. Geneva: International Labour Organization.

grants, collective and individual loans, etc.) for women entrepreneurs. Policies can also encourage women entrepreneurs' participation in online marketing and networking, trade fairs, and public tendering.

- **Sector policies**, such as agriculture policy, can promote MSME value chain development that could substantially offer employment to women.

2. MSME Policy and Regulatory Framework

Most national MSME policies and strategies are silent on gender (see Box 8 – Pakistan). This would mean that opportunities are missed to promote women's enterprises that have potential to significantly contribute to the overall growth of the MSME sector. MSME policies and strategies could also proactively remove barriers that hinder women's MSME's entry and growth in the sector in such areas as access to finance, business registration and other formal procedures, business support services, marketing, and other skills development.

Reforms of the Business Names Act are ongoing in Solomon Islands and in some other countries in the Pacific that require male signatures for the registration of women-owned enterprises.

MSME policies and strategies must also recognize the issue of women as workers who are concentrated in some of the MSME sector. They often work in the precarious work environment. Given that many micro and small enterprises are home-based, the application of health standards and minimum wage is often neglected. Sexual harassment in the workplace is common and

widespread. Enforcement of minimum core labor standards in this sector, particularly micro and small enterprises, is often considered as impeding rather than promoting the sector. Women MSME workers often have low educational attainment, are unskilled and lack training, and lack skills for searching better jobs.

Efforts to develop and implement gender-inclusive MSME policies and strategies often encounter challenges such as lack of sex-disaggregated data on owners and managers of

enterprises, which makes it difficult to convince policy makers of the need to accelerate women's MSMEs' inclusion into the mainstream; and lack of women's critical mass in the decision-making forums for formulating critical MSME, trade, and industrial policies and strategies.

In India, a study found that women had to wait 37% longer than men to see the same local government official. Another study showed that women of the same income as men are three times more likely to be queue-jumped and that 16% of surveyed women reported sexual harassment from local government officials. In Bangladesh, a survey found that the government officials are more likely to target women registration applicants for informal "speed payments" as they are assumed to have a male provider who can pay. In the Kyrgyz Republic, renovation in a tax office that provides clean and comfortable environment is resulting in more women visiting for paying fees and patents.

Laws and regulatory frameworks on business registration, licensing, tax payment, and other formal procedures are meant to officially recognize enterprises and facilitate their access to formal services. In reality, many women find the formal procedures a major bottleneck in starting and scaling up their businesses. Women's enterprises, particularly microenterprises, are less likely to be registered than men's enterprises. As a result, they remain invisible and informal without access to formal services such as finance,

business advisory services, and networking through business associations. More women than men find it difficult to meet the requirements of MSME registration, licensing and permits, and tax payment because

- Women often do not have their own registered assets and hence are not eligible to register enterprises under their names, even though they may play an important role in household-owned microenterprises.
- Laws or customary practices, such as those in Solomon Islands, may require male signatures for registering women's enterprises.
- Legal or cultural limitations on their ability to travel may mean that women cannot get to a registry to lodge the necessary documents.
- Cumbersome, bureaucratic, and lengthy requirements to formalize the businesses are particularly hard for women who have severe time constraints due to their dual responsibilities at home and as entrepreneurs.
- Lower education and business skills training levels may mean that women are less aware than men of the formal procedures.
- High fees for business registration, loan applications, or import/export licenses discriminate against women's MSMEs which have limited resources.
- Women's MSMEs often work in isolation and do not have access to business associations and networking, resulting in lack of vital information on policy and legal requirements and business expansion opportunities.
- When women seek to interact with formal procedures, they are much more likely than men to be subjected to harassment (including sexual harassment), demands for bribes, and be more disadvantaged in their dealings with public officials (for example, in India,²² Bangladesh,²³ and the Kyrgyz Republic;²⁴ as well as in Viet Nam [Box 7]).

Box 7 Voices of Vietnamese Women Entrepreneurs on Business Laws and Regulations

In 2006, the International Finance Corporation surveyed 473 women entrepreneurs in Viet Nam and conducted in-depth interviews with more than 80 of them. On the issues of business laws and practices:

- Many women claim that they do not have enough time and resources to understand the full implications of policies, laws, and regulations to their businesses, because "they are unclear" and "change so fast" that "the interpretation depend too much on the discretion of government officials" they deal with.
- While many women entrepreneurs are eager to employ other women, they find the existing government incentives to do so (such as tax incentives) are not sufficient to comply with the 4 months of maternity leave and one extra hour per day off during the first year of the child required by the law. "For enterprises that employ mainly women, this means having to deal with a labor shortage throughout the year."
- Women entrepreneurs operating on a small scale find particularly difficult the value-added tax payment requirement upon importing goods instead of after selling products and the high transaction costs such as cumbersome process, time requirement, and the pressure for bribes.
- The high costs of both commercial arbitrator and going to court leave many women entrepreneurs with no option but to give up pursuing the case of disputes, accept their losses, and move on.

Source: International Finance Corporation. 2006. *Voices of Women Entrepreneurs*. Washington, DC.

²² Simavi, S., C. Manuel, and M. Blackden. 2010. *Gender Dimensions of Investment Climate Reform: A Guide for Policy Makers and Practitioners*. Washington, DC. p. 93.

²³ Footnote 22.

²⁴ World Bank. 2010. *Women, Business and the Law*. Washington, DC.

3. MSME Finance and Property Laws and Regulations

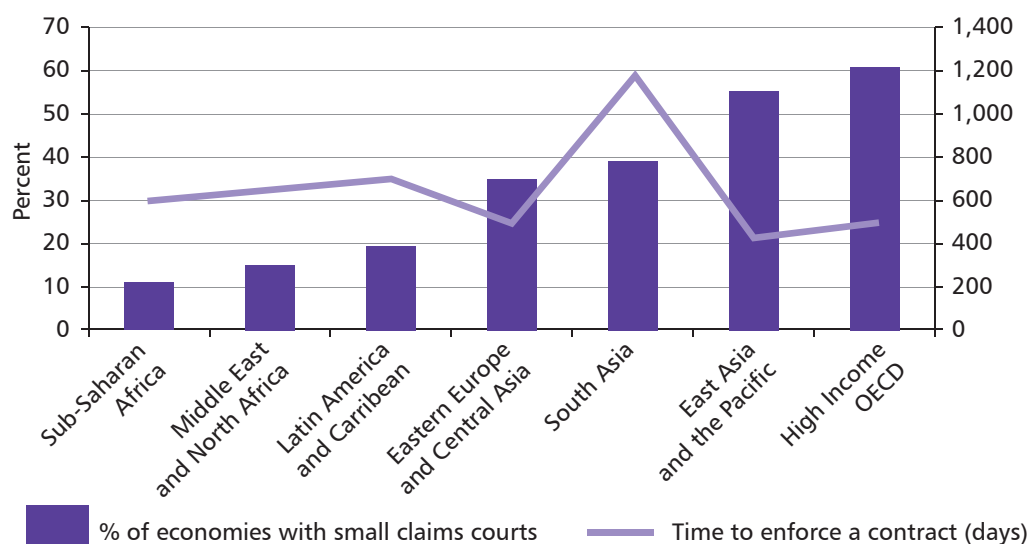
Laws and regulatory frameworks governing MSME finance and property ownerships often result in discriminating against women's MSMEs due to lack of collaterals. In some countries, discriminatory laws deny women's rights to own, register, manage, and inherit land and other property. In other countries, informal sociocultural practices prefer men as the property owners and managers. Women's lack of property ownership, combined with the banking regulations requiring collateral, limits women's access to MSME finance²⁵ (see Chapter 4 for more details).

4. Commercial Dispute Resolutions

Laws and well-functioning formal court mechanisms handling commercial disputes, such as nonpayment by customers and other breaches of contracts, are crucial. However, commercial dispute resolutions can be lengthy, expensive, and complex, particularly for micro and small enterprises owned or managed by women that do not have the financial and business capacity to deal with them. For example, in India, a standard contract enforcement case requires 46 procedures, takes 1,420 days, and costs about 40% of the value of the claim.²⁶

The existence of small claims courts can expedite the process and reduces the costs of dispute resolution significantly. The data for 128 countries collected by *Women, Business and the Law* indicate, however, that in East Asia and the Pacific and South Asia, only less than half of the countries studied have such small claims courts.²⁷ In South Asia, the time to enforce the contract is the longest among all global regions (see Figure 3).

Figure 3 Prevalence of Small Claims Courts and Time Required to Process Commercial Disputes



Source: World Bank. 2010. *Women, Business and the Law*. Washington, DC.

²⁵ Source: ADB officer's interview during mission.

²⁶ See, for example, World Bank. 2011. *World Development Report 2012*. pp. 229–230. Washington, DC; and World Bank. 2010. *Women, Business and the Law*. Washington, DC. pp. 17–20.

²⁷ World Bank. 2009. *Doing Business 2010. Reforming through Difficult Times*. Washington, DC.

B. Key Questions in Gender Analysis²⁸

- ➡ Is the proposed policy, law, regulatory, or institutional reforms to be introduced likely to result in positive or adverse impacts on women's MSMEs? If positive, through what channels can such positive impacts be generated? If negative, what are the appropriate preventive or mitigation measures?
- ➡ Has the gender policy audit or gender analysis (see Box 8 – Pakistan) been conducted to identify if there are any discriminatory provisions, unintended gender biases, or discriminatory practices in the existing policies, laws, and other provisions that could disadvantage women's MSMEs? For example:
 - Macroeconomic policies that are biased toward larger enterprises;
 - Procedures, costs, and staff attitudes related to business registration and licensing, tax payments, tax refund and other incentives, import/export processing, and other business regulations that are particularly prohibiting to women's MSMEs;
 - Conflicting laws and procedures that leave much to the discretion of frontline staff;
 - Information on legal requirements and procedures not easily accessible to women;
 - Gender-unequal property ownership and inheritance rights;
 - Legal provisions or customary practices that require women to present husband's or male consent to apply for a loan or register a business;
 - Collateral requirements and other constraints for women's MSMEs to access finance;
 - Social bias and discrimination against women entrepreneurs and MSMEs;
 - Absence of efficient and affordable commercial dispute resolution mechanisms;
 - Limited networking among women entrepreneurs;
 - Lack of critical mass of women in policy making and business-related decision-making forums, such as SME policy steering committees and business advisory council;
 - Poorly enforced labor laws for women as workers.
- ➡ Do the ministries and public offices involved in policies and regulatory frameworks have sufficient gender balance? Are staff members sensitized on gender equality and key constraints faced by women's MSMEs?

C. Possible Gender-Inclusive Policy Actions and Regulatory Reforms

1. Gender Policy Advocacy

- ✓ Conduct gender audit of existing policies and laws to inform gender-aware MSME policy and law in support of women's MSMEs (see Box 8 – Pakistan).
- ✓ Conduct surveys to identify key gender-based constraints and collect sex-disaggregated data to raise visibility of gender issues in the MSME sector. Assist policy makers in effective use of gender analysis findings and sex-disaggregated data.

²⁸ See also ADB. 2012. *Gender Tool Kit: Public Sector Management*. pp. 59–60.

Box 8 International Labour Organization's Small and Medium-Sized Enterprise Gender Policy Audit for Pakistan

In 2011, the International Labour Organization conducted a gender audit of the Pakistan SME Policy 2007. The audit concluded that the policy omits consideration of the gender dimension in its problem statements and does not consider the heterogeneity of women versus men entrepreneurs. The policy does not recognize that the growth constraints of small and medium-sized enterprises (SMEs) run by women are far more acute, particularly in the areas of access to formal finance, marketing support and networks, technology, skills development, international certification awareness, and regulatory procedures by the government. The audit made the following recommendations for the broader macro policy environment in order for the SME Policy to be gender sensitive and effective: (i) introduction of a more progressive tax system; (ii) exemption of basic goods and services from value-added taxes; (iii) tax rebates to cover social costs of childcare; (iv) gender analysis of fiscal policy impacts; (v) organization of women to raise voice; (vi) women's access to productive resources; and (vii) labor laws to protect women in the SME sector from harassment, unequal pay, and other core labor standards.

Source: ILO. 2011. *Gendered Review of SME Policy*. Islamabad.

- ✓ Consider financial literacy education for girls in the school curriculum.
- ✓ Encourage women entrepreneurs' networking and increase women's representation in the decision-making bodies to formulate policies and laws relevant to MSMEs.

2. Macroeconomic and Sector Policies

- ✓ Support monetary policy to manage inflation and allow access to finance by the MSME sector.
- ✓ Consider fiscal policy in support of progressive taxation, lifting discriminatory tax system and practices against women's MSMEs, and using tax revenues for social protection measures including childcare support and flexible work environment for women.
- ✓ Consider industrial, trade, and sector policies that would not discriminate against smaller enterprises, and provide incentives to women's MSMEs, and/or promote increased employment and income opportunities for women.

3. MSME Sector Policy and Regulatory Framework

- ✓ Consider MSME sector policies and strategies that
 - include empowering women's MSMEs at the core of the policy or strategy (see Box 9 – the Lao People's Democratic Republic);
 - remove bottlenecks to women's MSME's entry and growth in the sector in such areas as access to finance, business registration and other formal procedures, business support services, marketing, and other skills development;
 - support and accelerate compliance with core labor standards, application of minimum wage, better health and environmental standards, and antisexual harassment;
 - support active labor market interventions for MSME owners and employees, such as training, skills development, job exchange, apprenticeship, incentives for pursuing "nontraditional" female sectors, and access to job information system, as well as promoting more women in the SME board of directors and shareholders.

- ✓ Consider legal and regulatory reform measures related to business registration and operation, tax payment, and other formal business procedures that

- facilitate shortening, streamlining, and simplifying the process of registration, licensing, and permit issuance (e.g., one-stop-shop registration, online registration, simplified application form) (see Box 5 – the Pacific and Box 10 – the Kyrgyz Republic);
- reduce the costs of registration, licensing, and permit issuance;
- facilitate registration of community-based economic entities, particularly women-only community producer groups (see, for example, the “community companies” in Solomon Islands);²⁹
- promote husband–wife (or other types of female–male family members) joint-ownership registration for microenterprises (simplification and cost reduction of registration process alone may not work where limited asset ownership by women is a major bottleneck);

In Solomon Islands, the new Company Acts of 2009 allowed the formation of “community companies,” which support community-based businesses that are intended to preserve and grow community assets in the future. The community companies have many advantages over cooperatives or trusts because they provide for far greater transparency and protection of community assets. The provision of the community companies contributed to the increase in women’s business registration, now comprising one-third of the total registration.

Box 9 Lao People’s Democratic Republic: Second Private Sector and Small and Medium-Sized Enterprises Development Program (2013)

CASE STUDY

Subprogram 1 of the captioned program conducted a gender analysis of the country’s small and medium-sized enterprise (SME) sector, which identified the following policy measures implemented under Subprogram 2: (i) approval of SME Development Plan, which explicitly promotes women’s entrepreneurship as one of the priorities; (ii) inclusion of promoting women’s entrepreneurship development as one of the mandates of the Department of Small and Medium Enterprise Promotion in the Ministry of Industry and Commerce in the newly approved SME Law; (iii) launch of a network of business development services providers which include those specialized in vocational training and skills development for women’s enterprises; (iv) acceleration of decentralized registration of women’s enterprises at the district level and outside of major cities; and (v) drafting of guidelines to disseminate trade information targeted at women’s SMEs who are often excluded from access to such information.

Subprogram 2 also includes a technical assistance loan (2013–2017) that supports agency capacity to implement the above policy actions (including a gender specialist) to achieve the following gender targets by 2017: (i) 48% of registered 90,000 SMEs are women-owned or -managed; (ii) at least 300 SMEs, of which 40% are owned or managed by women, have access to business development services; and (iii) at least 100 securities are registered, of which at least 40% are owned by women.

Source: ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Policy-Based Loan and Technical Assistance Loan for Subprogram 2. Lao People’s Democratic Republic: Second Private Sector and Small and Medium-Sized Enterprises Development Program*. Manila.

²⁹ ADB. 2013. *Technical Assistance Report. Pacific Private Sector Development Initiative, Phase III*. Manila.

- support networking and association among women MSME owners and employees, such as women's business associations and chamber of commerce and labor unions;
- promote business and enterprise information-sharing platform that is accessible to women's MSMEs; and
- provide incentives to public offices that train their staff on gender-sensitive services.

Box 10 Patent Payment in the Kyrgyz Republic Study of Women's Entrepreneurship

CASE STUDY

An Asian Development Bank-commissioned study in the Kyrgyz Republic assessed how the regulatory framework and the business environment are affecting the performance of women's enterprises. The study highlights the generally cumbersome and internally conflicting regulatory legal acts related to entrepreneurs and small businesses. Women entrepreneurs find it particularly difficult, as the absence of harmonized legislations and the presence of contradictions open more possibilities for corruption and red tape by representatives of the state regulatory bodies.

The study also found that despite the norm that a "single window" registration would benefit women entrepreneurs disproportionately given women's time poverty, it would have little impact on women entrepreneurs in the country, as the number of women's enterprises are insignificant compared with men-owned enterprises. About 70% of women entrepreneurs are considered individual entrepreneurs who are outside of the single-window arrangement applied to small and larger legal entities. Individual entrepreneurs instead pay "patent," a form of tax payment that also provides them legal permission to operate as a self-employed enterprise. Patent payment is also required for the self-employed enterprises to continue their businesses. Patent, however, is not free from red tape and corruption. Women entrepreneurs with limited financial literacy also found it difficult to deal with tax officers. The study's recommendation for introducing electronic patent payment was therefore adopted on a pilot basis in one of the policy actions the Subprogram 3 of the Investment Climate Improvement Program for approval in 2013.

Source: ADB. 2012. *Women's Entrepreneurship in the Kyrgyz Republic. Draft prepared by Gender Research Center for RETA 7563 Promoting Gender-Inclusive Growth in Central and West Asia Developing Member Countries.* Bishkek.

4. MSME Finance and Property Laws and Regulations

- ✓ Consider finance and property laws and regulations that support the following (see also Chapter 4):

- Introduction of banking laws to replace collateral requirements with other types of requirements. For example, personal properties security act or similar laws on secured transactions could be considered, which do not require land or other fixed assets as collateral and accept other items such as small-scale movable assets,

particularly those typically owned by women (such as jewelry) (see Box 5).

- Affirmative actions implemented by FIs for earmarking funds for women's MSMEs where access to finance by women's MSMEs is severely limited (see Bangladesh's refinance scheme, for example³⁰).

In Bangladesh, the Refinance Scheme for Women Entrepreneurs of SME (2008) requires a minimum target for earmarked resources to women entrepreneurs at 15%, of which 40% should be dedicated to small women entrepreneurs.

³⁰ ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Loan. People's Republic of Bangladesh: Small and Medium-Sized Enterprise Development Project.* Manila.

- Lowering of the minimum loan thresholds in countries that require too high thresholds (for example, in Nepal³¹) to make it easier for smaller businesses (which are more likely to be owned by women) to access loans.
- Property laws and regulatory reforms that remove gender-unequal provisions on property ownership, management, and inheritance, such as husband-and-wife joint property titles, gender-equal inheritance laws, and legislation on divorce to give women equal rights in division of property and pension.

In Nepal, the minimum loan threshold is 86 times income per capita, while 91 out of 132 countries surveyed globally shows less than 1% of income per capita.

5. Commercial Dispute Resolutions

- ✓ Consider establishing or accelerating expansion of small claims courts and other formal dispute resolution mechanisms that are efficient, inexpensive, and accessible to women's MSMEs.
- ✓ Streamline court procedures to reduce the time and costs required for the court handling of commercial dispute resolutions.
- ✓ Avail free or affordable legal advisory services that provide information about the steps and procedures, costs, and time required (see Chapter 5).
- ✓ Ensure that the court system provides an environment in which women feel free to speak. Consider female mediators, gender sensitization guidelines and training for judges and staff, and involvement of women's business associations in the oversight committee.³²

Useful Resources and Tools

ADB. 2006. *Gender, Law, and Policy in ADB Operations: A Tool Kit*. Manila.

ADB. 2012. *Gender Tool Kit: Public Sector Management*. Manila.

International Labour Organization (ILO). 2011. *Gendered Review of SME Policy*. Islamabad.

Mayoux, L. 2001. Jobs, Gender and Small Enterprises: Getting the Policy Environment Right. *SEED Working Paper*. No. 15. Geneva: ILO.

Simavi, S., C. Manuel, and M. Blackden. 2010. *Gender Dimensions of Investment Climate Reform: A Guide for Policy Makers and Practitioners*. Washington, DC: The World Bank Group.

World Bank. 2010. *Women, Business and the Law*. Washington, DC.

³¹ World Bank. 2010. *Women, Business and the Law*. Washington, DC. pp. 32–33.

³² Simavi, S., C. Manuel, and M. Blackden. 2010. *Gender Dimensions of Investment Climate Reform: A Guide for Policy Makers and Practitioners*. Washington, DC: The World Bank Group.

CHAPTER 4

Gender-Responsive Financial Products and Services

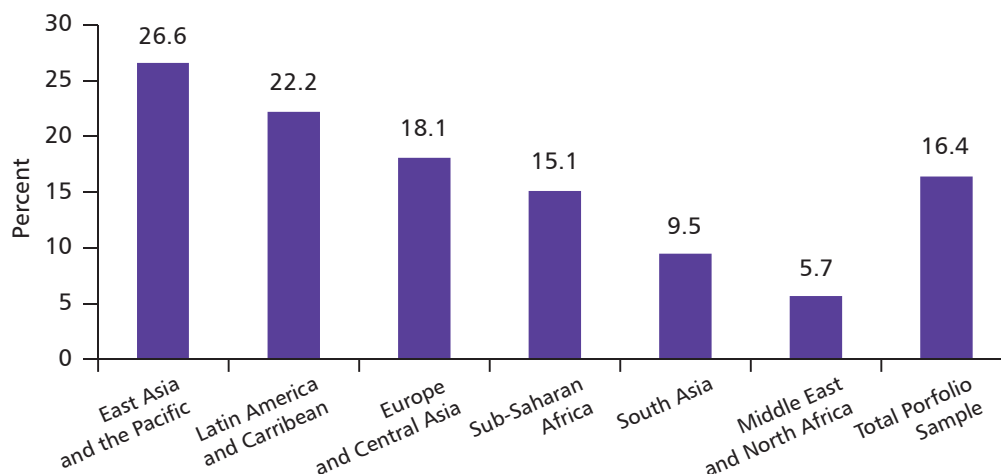
A. Key Gender Issues

MSME Finance: Gender Issues

- Despite recognition of women as well-performing microfinance clients, women's use of formal micro, small, and medium-sized enterprise (MSME) finance is low.
- Women entrepreneurs have multiple constraints to accessing finance due to lack of collaterals, limited financial literacy, cumbersome loan application process, lack of access to information and networking, and lack of time and limited mobility.
- Small and medium-sized enterprise financial institutions (FIs) consider women entrepreneurs as high risk borrowers and are often not willing to reach out to them.
- Gender-responsive MSME financial products and services tailored to address both demand- and supply-side constraints and a gender-sensitive corporate culture of FIs can make a difference.

Global estimates indicate the low rate of use of loans by women-owned MSMEs (Figure 4). Even in East Asia, the highest-performing region, it is only 26.6%. South Asia is low at 9.5%. This is because women's MSMEs have multiple constraints (see Chapter 1) in accessing MSME financial services offered by microfinance institutions, commercial banks, and other financial institutions (FIs). Women entrepreneurs' risk-averse nature in business expansion and lack of self-confidence contribute to their low use of available finance. FIs also generally find women as "high risk" borrowers given their lack of collaterals and credit histories and small loan sizes, despite the evidence in microfinance that women are good savers and their repayment rates are higher than those of men.

Figure 4 Percent of Loans to Women-Owned Small and Medium-Sized Enterprises (%)



Source: International Finance Corporation. 2012. *Establishing a Baseline for Lending to Women-Owned SMEs*. Washington, DC.

Women entrepreneurs offer a significant untapped market for FIs. To provide effective financial services accessible to women's MSMEs, both demand- and supply-side constraints need to be analyzed and addressed. Key issues are listed below in detail.

1. Financial Products and Services

- **Inability to meet collateral requirements.** One of the major challenges, particularly to individual women customers starting or expanding their businesses or microenterprises, is their inability to meet the collateral requirements, due to inadequate laws to recognize women's property rights and the general lack of land and other property ownership by women (see also Chapter 3).
- **Inability to obtain loans without husband's consent.** Women are often asked to obtain husbands' or male relatives' signature in the loan application form (e.g., in Papua New Guinea). This may happen either due to the formal legal restrictions or informal customary practices. Similar practices are also observed in South Asia.
- **Perception of women as high risk borrowers by formal FIs.** Lack of collateral, credit history and formal business registration, and lack of liquidity and available capital compel banks to charge high interest rates to women small business owners. Women's credit history and capacity of repayment in microfinance are not well registered in the credit bureaus and public offices for recognition by formal FIs.
- **Constraints to scaling up loan size.** Compared with micro loans offered by microfinance institutions, formal FI loans for MSMEs demand stricter loan application requirements, adopt more cumbersome application procedures, and require higher financial literacy. These requirements make it difficult not only for first-time women borrowers but also for women microfinance graduates (often individual entrepreneurs) to grow into micro and small enterprises. Women's "risk averse" nature also discourages application for larger-sized loans.
- **Women's needs outside of MSME loans.** Given their time and mobility constraints, women prefer getting a range of services from the same service provider rather than accessing different services from multiple service providers. Simply providing funds will not attract women's MSMEs. Other services, such as savings, microinsurance, and pension payments, are demanded by women.

2. Service Outreach and Marketing

- **Time and mobility constraints.** In many instances, women's household responsibilities limit the time women can spend on running enterprises and securing finance. Cultural constraints to women's mobility are still widespread in many parts of the Asia and Pacific region. Group meetings and financial transactions at branches of FIs require time and mobility that women often do not have.
- **Low education and financial literacy.** Women's low level of education and limited financial literacy make it difficult for them as clients to fully understand the financial products offered, documents required, and procedures to follow. This is an issue particularly when targeting low-income and rural women. Further, women entrepreneurs are likely to be risk averse in expanding their businesses and often lack self-motivation and confidence (see Chapter 5 for more details).
- **Lack of gendered client and market research.** Women MSME loan clients are likely to have very different needs and demands of FI services. However, FIs rarely conduct gender-differentiated client needs assessments to develop gender-specific marketing strategies.

3. FI Staff Attitude and Corporate Culture

- **FI staff attitude and gender awareness.** FI staff attitude and their level of gender awareness influence the willingness of potential and current women clients to approach FIs for their services. For women, confidentiality is an important attribute of the FI service providers. Many women do not want their husbands or families to know details of banking transactions. Use of gender-insensitive language and gender-biased staff attitudes (such as the assumption that “women should obtain permission from their husbands to use loans”) also discourage women clients.
- **Gender-equal corporate policy.** FIs’ poor corporate practice of gender equality for their own staff and gender-discriminatory corporate culture influence the way they approach their female clients.

B. Key Questions in Gender Analysis

- What is the current number and percentage of women’s MSME credit borrowers in the participating FIs? Would it be useful to earmark a proportion of the credit lines to women’s MSMEs or set a percentage target to increase women’s MSMEs’ proportion?
- Do participating FIs have a sex-disaggregated customer and performance baseline, and regularly report the trend?
- What are the key constraints for women’s SMEs in access to finance (besides the overall finance gaps in the MSME sector)? For example: lack of formal business registration, meeting collateral requirements, lack of credit history in formal FIs, cumbersome loan application procedures and requirements, high interest rates, repayment schedules that do not meet the product cycle, distance and safety when visiting FI branches, lack of financial literacy and education, lack of knowledge of where to go for help, attitudes of bank officers, and lack of family support.
- Why do FIs find it difficult to approach women entrepreneurs as potential clients? For example: lack of credit history, lack of business registration, lack of collateral, poor business performance, and lack of financial literacy.
- What elements are likely to be important for the financial services and products that meet the needs of women’s MSMEs while raising FIs’ profitability and sustainability?
- What channels could be most effective for FIs in outreaching women’s MSMEs during information campaigns or marketing research? Women’s business associations, chambers of commerce, community-based women’s groups?
- What is the level of gender awareness of the staff of participating FIs? Do these FIs have a good track record of adopting and implementing gender equality staff policy in the workplace, and have a gender balance in the shareholders and board members?
- Are there any incentive mechanisms for FI staff when providing gender-responsive services?

C. Possible Gender-Inclusive Design Features

1. Financial Products and Services

- ✓ **Limited funds availability for women's MSMEs.** Consider earmarking funds or setting a target for women's MSMEs where the overall fund access is particularly skewed toward men-owned MSMEs, or encourage participating FIs to set a target for women's MSME borrowers among the total borrowers (see Box 12 – Tajikistan).
- ✓ **Inability to meet collateral requirements.** Consider the following approaches:
 - **Group or third party guarantees.** A number of microfinance institutions have adopted a Grameen-type group lending scheme and assignment of co-guarantors to replace the collateral requirements (see, for example, a special financing scheme established for women entrepreneurs in Pakistan³³), although this appears more difficult with commercial banks and more innovation is needed on this front. In determining the eligibility of co-guarantors, it is important to recognize that, in some cultural context, it is difficult for women to request male co-guarantors or, sometimes, payment is expected if they ask local leaders to be their co-guarantor and prepare required documentation.
 - **Secured loans.** Where the regulatory framework allows (see Chapter 3), it is also a good practice to accept jewelry, machinery, farm equipment, and other movable assets available to women as collateral. In Sri Lanka, for example, gold jewelry is accepted by formal banks as security for loans. Under the ADB Pacific Private Sector Development Initiative (see Box 5 in Chapter 2), secured transactions are promoted in many countries to complement lack of collateral.
 - **Land loans.** Where women's landownership and husband-wife joint titling is limited, FIs could provide a land loan for women to purchase land and other fixed properties that can later be used as collateral for a business loan. Uganda's DFCU Bank provides such a product.³⁴
 - **Use of other physical assets as collateral.** FIs could extend a loan to borrowers if they can present a receipt from a certified warehouse of secured commodities or movable assets (warehouse receipts). Similarly, agribusiness and other enterprises could borrow money without collaterals and purchase machinery and vehicles based on an agreement of sale and ownership transfer to FIs once full payment is made (see value chain finance instruments, Chapter 6).
- ✓ **Inability to obtain loans without husband's (or other male family member's) consent.** Consider setting up a legal advisory desk for women in the FIs to facilitate women entrepreneurs to obtain formal registration and open a bank account. Rawbank, in the Democratic Republic of Congo, is such an example.³⁵

In Pakistan, the Bank of Punjab in 2006 established a special women entrepreneur financing scheme for the World Council for Curriculum and Instruction (WCCI) member customers without any collateral requirement provided that their loan application is accompanied by two letters of personal guarantors and a letter of recommendation from WCCI.

³³ IFC. 2011. *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Washington, DC.

³⁴ Footnote 33.

³⁵ IFC. 2013. *IFC Advisory Services. Access to Finance*. Washington, DC.

- ✓ **Perception of women as high risk borrowers by formal FIs.** Consider the following:
 - Encourage women's enterprises to formally register (see Chapter 3).
 - Raise gender awareness of FI staff. Review current loan applications handling procedures to ensure that application from small women's businesses, particularly from the first-time applicants, would not be disadvantaged.
 - Facilitate recording of microfinance credit history and repayment capacity at credit bureaus and offices and use of this information by FIs.
 - Develop and provide bridge products to support women's enterprises in transition from informal micro loans to larger formal loans (see below).
 - Provide incentives for FI staff who champion outreaching women as clients.
- ✓ **Constraints to scaling up women's loan size.** Consider the following approaches:
 - **Hybrid loans.** Introduce a hybrid product, to combine a modified group loan (such as two women to co-guarantee for a similar business) and an individual loan to support the transition and minimize the risks of specializing into one product or business.
 - **Bridge between MFIs and formal FIs.** To support women entrepreneurs' transition from a microfinance borrower to a formal FI loan borrower, consider narrowing the loan size and requirement gaps between the two. A bridge product could be provided by either MFIs or commercial banks that apply the loan application requirements in the middle—between those of MFIs and formal FIs. Diamond Bank in Nigeria offers such an example. Partnerships between MFIs and commercial banks are also useful. In Tanzania, Sero Lease (an MFI) partnered with Exim Bank to offer an opportunity for their women clients to open savings accounts in the latter. This allowed women clients to build working relationship and credit worthiness for Exim Bank when they need to ask for loans. Some FIs are universal banks that cover both microfinance and SME finance, and in many cases having grown from an MFI into a commercial bank. These FIs (e.g., Cambodia's ACLEDA Bank, Mongolia's XacBank, and see Uzbekistan's Bank Ipak Yuli in Box 12) are likely to be in a better position to offer services to help individual women entrepreneurs become a micro to small enterprise owner.
 - **Easier access to loans.** Simplify loan application procedures and provide training to women applicants to allow easier access to MSME loans.
- ✓ **Need for services outside of MSME lending.**
 - Offer diverse financial services outside of MSME lending, such as savings, microinsurance, and pension funds;
 - When savings are built, leverage these as a qualifier to access a larger loan;
 - Provide business development services, financial literacy, legal advice, confidence-building training, and other services as part of the FI's service package (see Chapter 5).
- ✓ **Women-only financial products and services.** Consider the following, although the experience in this area is limited and results are still to be observed:
 - Consider specializing in women-only financial product lines (see the Philippines' RCBC and Indonesia's Women Angel Fund in Box 11).
 - Consider setting up women's desk or women-only counter services with dedicated and trained staff (see Box 16 on Bangladesh SME loan).
 - Where relevant, consider all women FIs (see India's Bharatiya Mahila Bank in Box 11).

Box 11 Women-Only Financial Products and Services

CASE STUDIES

Philippines: Women's Enterprise Loan

The Rizal Commercial and Banking Co. (RCBC) in the Philippines partnered with the International Finance Corporation to develop products and services for women's enterprises that provide working capital and other solutions for businesses; auto, housing, and other consumer loans for officers and staff; corporate credit cards for key personnel; and special group insurance packages. Women entrepreneurs will also enjoy special privileges, express lane and automatic prequalification for auto and housing loan programs, and premium insurance packages. RCBC's earlier client survey identified that 25% of the women savings account holders own their businesses, assuring a great business opportunity for the bank.

Indonesia: Women Angel Fund

In 2013, Global Entrepreneurship Program Indonesia, through its angel network fund called Angel Investor Network Indonesia, launched a first Women Angel Fund, which will target technology-based women entrepreneurs and provide funds (\$10,000–\$50,000), mentorship, network, business consultation, and credibility to women's business start-ups. Investment funds like this could provide more options for women's micro, small, and medium-sized enterprises.

India: Women-Only Bank

India launched, in November 2013, the first all-women public bank Bharatiya Mahila Bank to cater to the diverse banking needs of women and promote their economic empowerment. Headquartered in Delhi, the Bank will have branches in 25 state capitals. It will lend to micro businesses run by women and provide low-cost education loans for girls. Savings account will provide 4.5% interest. The Bank's board members are all women, and key positions, including treasury heads and security heads, are held by women.

Sources: 2012. *RCBC Launches SME Loans for Women*. <http://www.philstar.com:8080/banking/809017/rcbc-launches-sme-loans-women> (Philippines); 2013. *GEPI Sets Up Angel Investor Network in Indonesia with Female Entrepreneurs in Mind*. <http://www.techinasia.com/angin-women-angel-fund/> (Indonesia); 2013. *Bharatiya Mahila Bank Offers Kitchen Loans to Women on Day One*. <http://www.bhartiyamahilabank.com/bharatiya-mahila-bank-offers-kitchen-loans-to-women-on-day-one/> (India); *The Times of India*. 2013. *Crèches to Kitchens in Mahila Bank's Account*. <http://timesofindia.indiatimes.com/business/india-business/Crches-to-kitchens-in-Mahila-Banks-account/articleshow/26066336.cms>

Box 12 Gender-Inclusive Finance Projects**CASE STUDIES****Tajikistan: Projects Addressing Financing Gaps for Women**

Two new Asian Development Bank (ADB)-financed projects—the Access to Green Finance Project (2013) and the Building Climate Resilience in the Pyanj River Basin (2013)—have a component to provide credit lines via financial institutions, with the former for purchasing and installing energy-efficient and environment-friendly household devices (e.g., insulation, clean cooking and heating stoves, solar water heaters, purifiers, and pumps) and the latter for climate-resilient livelihood activities and agriculture support. In both projects, participating financial institutions are required to target at least 30% borrowers to be women and to develop and adopt financing products and services that meet the needs of women borrowers and women-owned enterprises informed by gender-differentiated client needs assessments. The project management unit will also provide financial literacy training to women borrowers and public information campaigns of the availability of credit lines designed to outreach women borrowers.

Uzbekistan: Equity Investment in Joint-Stock Commercial Bank Ipak Yuli (2012)

An equity investment in Bank Ipak Yuli (2012) builds on the earlier Second Small and Microfinance Development Project (SMDP, 2010), a public sector loan project combined by a piggybacked technical assistance. Under the Second SMDP, Ipak Yuli was assisted to prepare a gender action plan (GAP), which primarily focuses on microfinance operations. The GAP under the Second SMDP targets 25% of lending to go to women's microenterprises, and requires Ipak Yuli to adopt a company gender equality policy and to design women-friendly financial products and other services. Equity investment of ADB's Private Sector Operations Department will supplement the project and expand the Ipak Yuli's GAP to cover small and medium-sized enterprise (SME) lending operations. For its SME operations, Ipak Yuli commits to a step-by-step increase of the total amount of financing and total number of SME loans, each increased by 10% annually within 5 years. In 2011, loan approvals to women-led SMEs against the total loan approvals were only 6.7%. To realize this increase, Ipak Yuli will explore developing women-friendly SME financial services and procedures. To expand its outreach to women's SMEs, Ipak Yuli will develop marketing strategies targeting women. Its customer database, including credit performance, will be sex-disaggregated. Ipak Yuli's confidence in women-led SMEs as borrowers comes from its experience in microfinance operations, as well as the experience of implementing its GAP under the previously approved project.

Sources: Tajikistan: ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Technical Assistance Grant. Republic of Tajikistan: Access to Green Finance Project*. Manila; ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Administration of Grant. Republic of Tajikistan: Building Climate Resilience in the Pyanj River Basin*. Manila.

Uzbekistan: ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Equity Investment. Joint-Stock Commercial Bank Ipak Yuli (Uzbekistan)*. Manila.

2. Service Outreach and Marketing**✓ Time and mobility constraints.**

- Consider branch or booth locations in rural areas closer to clients within the manageable level of operating costs;
- Consider mobile services, such as mobile phone banking and other information and communication technology (ICT)-based service delivery channels to cut operating costs and outreach remote areas, which could substantially help women overcome time and mobility constraints (see Papua New Guinea's MiCash e-transaction program, Box 13);
- Consider location, frequency and timing, and attendance flexibility of meetings so that such meetings would not burden women's already limited time and mobility constraints.

- ✓ **Low education and financial literacy.**
 - Use pictures and illustrations to explain loan application procedures and requirements;
 - Simplify application procedures and forms;
 - Provide self-motivation or confidence-building training as part of financial literacy program for women (see Chapter 5 for more details).
- ✓ **Lack of information about available finance.** Conduct information campaigns and outreach to women's MSME on FIs' financial services and products.
- ✓ **Understanding diverse needs through client research.**
 - Conduct gender-differentiated client needs assessments. Conduct information gathering at the venues where potential women clients gather, such as schools, health clinics, and women's cooperatives;
 - Based on the assessments, develop financial products and services that meet the needs of women's MSMEs and gender-specific marketing strategies (see Microfinance Expansion Project in Papua New Guinea, Box 13).
 - Develop, update, and regularly analyze the sex-disaggregated customer database in the FIs, including the type of their borrowings, their locations, and performance to feed into the marketing strategy for women's MSMEs.

3. FI Staff Attitude and Corporate Culture

- ✓ **Confidentiality.** Adopt measures to ensure that transaction details would not be shared with anyone else, including the husbands or other family members. For example, plastic debit cards are often preferred by women to passbooks that show activity and balances. Train FI staff on the importance of confidentiality.
- ✓ **Gender sensitization of staff.** Train staff on gender-sensitive service delivery and remove gender bias and assumptions. Having more female staff in FIs also helps.
- ✓ **Using role models.** Use role models of successful women entrepreneurs and create the "brand" of FIs as those that support successful women would give incentives for potential women clients to approach FIs.
- ✓ **Gender-equal corporate policy.** Introduce and implement FIs' internal gender equality policies with regard to human resources, sexual harassment, and labor standards to forge gender-sensitive corporate culture. Increase women's representation on the Board and among the management and technical staff.

Box 13 Financial Outreach for Women in Papua New Guinea**CASE STUDIES****MiCash by Nationwide Microbank**

In November 2011, the Pacific Private Sector Development Initiative (see Box 5) launched a pilot e-transaction program called MiCash in partnership with Nationwide Microbank. Initially piloted in one province, MiCash was rolled out to other provinces by mid-2012. It allows customers real-time link into core banking system through a mobile phone and allows deposits, payments, and transfers. By April 2013, there were 12,000 active customers, 61% of whom are in rural areas and 34% are women. Most of the women previously had no access to financial services, and the physical access through MiCash made it possible. Women customers also report the following two major benefits: (i) security—money can be stored safely out of sight of their husbands or other family members and there is no need to carry around cash, which would put them at risk of assault; and (ii) confidentiality and control—women can decide with whom to share the financial information.

Microfinance Expansion Project (2010)

The project provides substantial support to microfinance institutions (MFIs) so they can improve their financial services and outreach to women. It supports extensive training of staff of participating MFIs in gender awareness and microfinance operations involving the following features: (i) training modules to be designed to allow staff with lower levels education to understand; (ii) one of two training specialists will be a woman; (iii) training to be provided outside Port Moresby to minimize travel time especially for women staff; (iv) modular approach to be adopted which will not require long time commitment for each session, giving consideration to the time constraints of women staff; (v) training outcomes assessment to be sex-disaggregated; (vi) business mentors trained on gender awareness prior to placement at MFIs; and (vii) MFI clients' data to be sex-disaggregated and gender analysis conducted. The project's market research and new product development component supports: (i) gender awareness training of MFI staff engaged in market research and product development to ensure gender-balanced participation in the market surveys and application of gender-sensitive research techniques; (ii) new product development carried out in a manner to overcome gender-related barriers (e.g., customary laws to land tenure and use by women); (iii) at least two of 10 new financial products to be developed specifically for women borrowers; and (iv) women community leaders to be supported to establish women's groups so that a feedback mechanism on MFI products and services will be established. The project also supports microfinance industry's performance benchmarking to include gender data, such as the number and percentage of accounts held by women and the number and percentage of accounts held by women in rural areas.

Sources: Spohn, S. 2013. *Breaking Down Barriers: Promoting the Economic Empowerment of Pacific Women*. A presentation made in ADB on 16 July 2013; ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grant. Papua New Guinea: Microfinance Expansion Project*. Manila.

Useful Resources and Tools

International Finance Corporation. 2011. *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Washington, DC.

SME Finance Forum. Women's Hub. <http://smefinanceforum.org/322200/womens-hub>

Women's World Banking. 2011. *Women's World Banking White Paper on Providing Women Access to Financial Services in Response to Proposals by the G-20 Financial Inclusion Expert Group*.

World Bank. 2013. Global Findex Database (www.worldbank.org/globalindex) (refer to the gender section).

CHAPTER 5

Building Business Capacity of Women's Enterprises

A. Key Gender Issues

Business Development Capacity of Women's Enterprises: Issues

- Women's enterprises are generally more in need of capacity support than their male counterparts. Access to finance alone is unlikely to increase the number of women's micro, small, and medium-sized enterprises (MSMEs) and improve their productivity.
- Different support is needed at different stages of the business cycle. Business development services (BDS), financial literacy, advisory services on administrative matters or legal disputes, mentoring, networking, information and communication technology and infrastructure support are among such examples.
- Quality, costs, availability, location, and duration of training and capacity development services matter. Partnerships (e.g., public incubator services or financial incentives to private service providers) are crucial in going beyond piecemeal approach to a larger-scale, gender-inclusive BDS for MSMEs.

Both women and men need the capacity to start up and charter their ways to effectively manage and expand their businesses, enterprises, and income generation activities. However, given women's general lower level of education and literacy, general lack of previous experience, limited interactions with and lack of confidence in dealing with "formal" procedures, and lack of networking and formal registration and hence lack of access to information of where they can access services to build their capacity, women's MSMEs have far more capacity needs than men-owned MSMEs.

The following are the types of services that could help women's MSMEs' business capacity and the key issues therein.

1. Business Development Services

Business development services (BDS) typically include the following:

- Facilitating access to markets
- Improving access to less expensive and/or higher-quality inputs
- Introducing new or improved technologies and products
- Improving management and technical skills
- Improving access to export services
- Understanding steps for registration, permit, tax payment, export, and other formal procedures (see Chapter 3)
- Improving access to appropriate financing mechanisms (see Chapter 4)
- Developing their own business proposals
- Legal advice and counseling

- Shared office spaces and office equipment
- Technical services (bookkeeping, information and communication technology [ICT])

There are many public and private service providers that offer BDS, such as specialized companies; nongovernment organizations (NGOs); chambers of commerce; business associations; and public offices, such as those provided by ministries of trade, industry and commerce, or those provided through public–private partnerships (PPPs) (see Table 3). These service providers conduct a range of BDS programs that target different levels of enterprises (i.e., micro versus small and medium-sized enterprises). When extending BDS support, it is important to choose the right service provider for the specific target population.

Table 3 Partner Institutions in ILO’s BDS Training Initiative “Start and Improve Your Business” (SIYB)^a

Public service institutions	Small and medium-sized enterprise development agencies, employment bureaus, social security sector, trade unions, ministerial departments, etc.
Training institutes	Vocational or technical colleges, training centers, universities
Financial institutions	Banks, microfinance institutions
Nongovernment or not-for-profit organizations	International and national nongovernment organizations
Private sector	Consultancy firms, business associations, chambers of commerce, individual consultants

BDS = business development services, ILO = International Labour Organization.

^a SIYB is the ILO-led BDS program that started in the 1980s. Between 2003 and 2010, it has reached more than 4.5 million entrepreneurs in over 100 countries, involving more than 2,500 partner institutions, over 17,000 male and female trainers, and 200 master trainers.

Source: van Lieshout, S., M. Sievers, and M. Aliyev. 2012. *Start and Improve Your Business—Global Tracer Study 2011*. Geneva: ILO.

➤ **Lack of BDS for women’s MSMEs**

In Asia and the Pacific, many governments are aware of the need for BDS and training targeted at MSMEs in general and making efforts to scale up government-led or PPP-based services. Some of them target women entrepreneurs and women-led enterprises (see Box 14 – the Philippines). However, the lack of access to BDS still remains one of the major constraints confronted by women’s MSMEs. One estimate shows that while 75% of businesses in the services sector are owned by women, women make up only 4% of participants in BDS training courses for businesses in the services sector.³⁶ It is crucial to scale up efforts to expand BDS in the region and make special efforts to outreach women’s MSMEs.

Women’s MSMEs’ limited access to business incubation also seems to be an issue. Business incubation is a type of BDS, but unlike many business assistance programs, entrepreneurs who wish to access a business incubation facility must apply for admission. Acceptance criteria vary from program to program, but in general only those with feasible business ideas and a workable business plan are admitted. A study of women’s business incubation in five global

³⁶ International Trade Centre, United Nations Conference on Trade and Development, and World Trade Association. 2007. *Innovations in Export Strategies: Gender Equality, Export Performance, and Competitiveness: The Gender Dimension of Export Strategy*. Geneva: ITC.

Box 14 Philippines: GREAT Women Project**CASE STUDY**

With support from the Government of Canada, the Gender Responsive Economic Actions for the Transformation of Women (GREAT Women) Project, coordinated by the Philippine Commission on Women, started in 2006 with the objective of women's economic empowerment through microenterprise development. The project, together with the local government units' budget support, provides business development services (BDS) to women microentrepreneurs either to help improve their productivity or scale up their business activities. One of the BDS is a Design Clinic Series under which product and marketing experts are dispatched to do on-site assessment of women entrepreneurs' products and provide technical advice and mentoring on value-adding for products, developing new product variants, costing products, improving production capacity, proper packaging, and labeling and assistance with food and nutrition labeling requirements (given that most products are processed food). So far, more than 1,000 women's products have gone through the clinic with the help of the private sector (ECHOSI Foundation). The project also provides the GREAT Women branding to provide quality assurance and add value to these women's products.

Source: Philippine Commission on Women. 2013. *The Enabling Environment for Women's Economic Empowerment Featuring Results of the GREAT Women Project from 2007–2013*. Manila.

regions in 2010 identified only one women's business incubator in the People's Republic of China among the more than 1,000 incubators.³⁷

➤ **Inadequate quality of BDS**

Increased availability of BDS for women's MSMEs, though crucial, is not sufficient. Quality also matters. The global survey conducted by the Economist Intelligence Unit uses five criteria to assess the availability and quality of BDS and training to women's SMEs: (i) wide geographic availability, (ii) accessibility to both women and men, (iii) affordability, (iv) cultural appropriateness, and (v) consideration to the length of training given women's time constraints. Figure 5 shows scoring of some economies in Asia and the Pacific using these criteria. The ratings for Viet Nam, Thailand, the Philippines, and Indonesia are lower than those for other economies.³⁸

2. Financial Literacy Training

➤ **Women's greater needs for financial literacy training**

It is important to note that women are not more likely than men to be rejected for loans. But women are less likely to apply for loans than men.³⁹ This is why it is important to build women's demand-side capacity to approach financial institutions (FIs). Financial literacy and education can play a major role here.

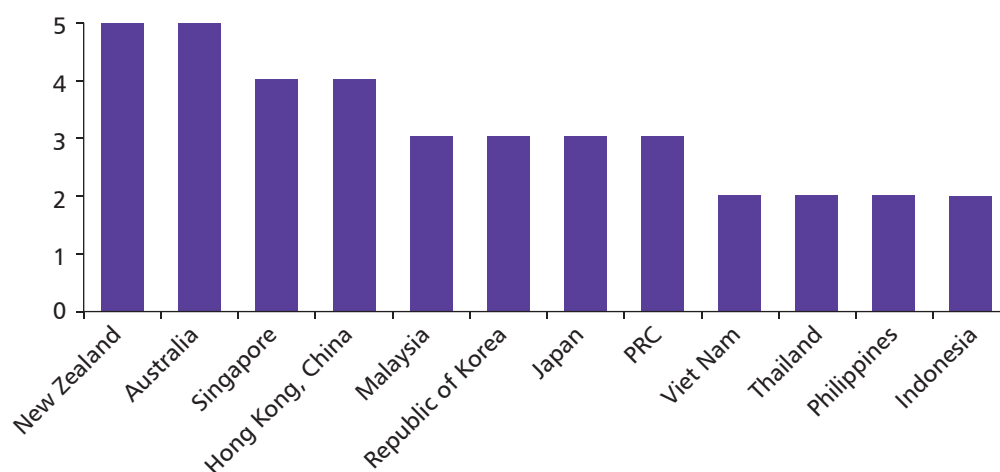
Global evidence shows that women have far limited financial literacy than men. There are multiple reasons but the most prominent ones are the limited access to financial services, in

³⁷ InfoDev. 2010. *Gateway to Economic Development through Women Empowerment and Entrepreneurship*.

³⁸ World Bank. 2010. *Economic Opportunities for Women in the East Asia and Pacific Region*. Washington, DC.

³⁹ World Bank. 2010. *Gender Dimensions of Investment Climate Reform: A Guide for Policy Makers and Practitioners*. Washington, DC. pp.147–148.

Figure 5 Quality of SME Training and Business Development in Selected East Asian and Pacific Economies



SME = small and medium-sized enterprise, PRC= People's Republic of China.

Source: World Bank. 2010. *Economic Opportunities for Women in the East Asia and Pacific Region*. Washington, DC.

general, that limits women's knowledge of financial products and the sociocultural context that drive women to be more dependent on husbands and other male family members.

Experience elsewhere shows that the benefits of financial literacy/education to women include (i) built confidence base of women in dealing with FIs and public authorities, and (ii) more likelihood of women's MSMEs in obtaining financing by effectively presenting their business proposals. OECD notes that quality financial education in schools has the potential to bridge the gender gaps by influencing students' financial attitudes and behavior at the earlier stage.⁴⁰ In the long run, this could also influence the sociocultural perceptions of women's access to finance.

3. Networking and Organizing

➤ Need for inclusive and affordable networking

Membership associations, such as women's business associations and women chambers of commerce, can be a key source of financial, business, marketing, and legal information for their members. They can also provide physical forums of exchange and marketing opportunities such as local, national, or international trade fairs. Government can also use their channels to disseminate vital information to women's MSMEs. However, some of these official associations could be "exclusive" and often urban-based. It is important that more affordable business networking services are developed for women's MSMEs to choose from, depending on their size, sector, location, and business philosophy. Women's NGOs and microfinance institutions (MFIs) can play an important role here.

⁴⁰ OECD. 2012. *Closing the Gender Gap: Act Now*. Paris. p.122.

It is also important for women's MSMEs to organize themselves as an important stakeholder group to voice out concerns and demand broader policy and legal reforms such as equal property rights and better working environment. As owners, shareholders, or managers of MSMEs, women are underrepresented in government-led committees for policy decisions or among opinion leaders. Women-owned microenterprises work in isolation, and evidence shows that their increased participation in community-based organizations, such as farmer groups and cooperatives, result in better representation of their voice. Further, as workers of SMEs, women's unionization level is lower than that of men.

4. Other Needs for Advisory Support

➤ **Limited capacity to access official business processes**

Women's MSMEs are more likely to be disadvantaged in access to knowledge of where to register, how much tax to pay, and what procedures to follow. Measures to make such information accessible to MSMEs and advisory services to facilitate these formal procedures need to take into account specific constraints of women's MSMEs (see Chapter 3).

➤ **Lack of legal literacy**

Women's MSMEs often lack knowledge of laws and legal procedures that affect their business operations. Aside from their lack of knowledge of laws, handling registration, licensing, and other formal procedures, women's MSMEs have limited legal literacy in handling commercial disputes such as nonpayment by customers and other breaches of contracts (Chapter 3).

5. Access to Technology and Infrastructure

➤ **Limited access to enterprise-supporting technology and infrastructure**

In the Asia and Pacific region, access to technology and infrastructure, in support of businesses and enterprises, is still limited particularly in remote rural areas. ICT not only facilitates registration (Chapter 3), banking (Chapter 4), and networking (Chapter 5) particularly for time-short and mobility-constrained women's enterprises but also could offer direct entrepreneurship opportunities (e.g., mobile phone, computer hubs). ICT also helps marketing through e-commerce and e-retailing. However, women—particularly rural and low-income women—have limited computer literacy that needs to be addressed when ICT infrastructure support is extended.

Basic infrastructure, such as electricity, water supply, roads, and affordable transportation, facilitates both men's and women's enterprise activities and marketing. Improved basic infrastructure may reduce the time and drudgery required for household duties for women's enterprises, which may further help their business activities. However, even where infrastructure is improved, women entrepreneurs may not be able to capture the opportunity to expand their economic and enterprise activities compared with their male counterparts if they have limited business capacity. Therefore, infrastructure development and women's business capacity development need to go hand in hand (see India's Madhya Pradesh energy program, Box 15).

Box 15 India: Combining Rural Power Supplies with Women's Rural Livelihoods (Madhya Pradesh Energy Efficiency Improvement Program, 2011)

CASE STUDY

This program aims to assist power distribution companies to provide quality 24-hour power supply to 100% of rural villages in Madhya Pradesh. A technical assistance attached to the program provides support to enhance the energy-based livelihoods of women entrepreneurs to capitalize on a stable, 24-hour, and quality power supply. A household survey showed there was an estimated 53,600 women-operated microenterprises in the project area, such as handicrafts, small-scale catering, shopkeeping, agro-processing, and services. Close to 30% of home-based microenterprises were operated by women. Focus group discussions with women identified that the increased and more regular electricity supply will reduce the production costs and lead to business expansion and acquisition of electrical equipment. About 18% of women entrepreneurs interviewed said that they would expand their business activities, while 9% said that they would start new businesses. Almost all respondents reported that they faced severe problems with household chores due to lack of electricity. Focus group discussions also found that 50% reported severe constraints to existing microenterprises due to lack of electricity. Building on these findings, the technical assistance project Enhancing Energy-Based Livelihoods for Women Micro-Entrepreneurs builds the capacity of 20,000 women entrepreneurs and 1,000 women's self-help groups (SHGs) to enhance the business opportunities opened up by improved power supply in the rural areas. The main gender targets and indicators include (i) improved business opportunities for 20,000 microenterprises headed by women as a project outcome; (ii) 500 women's SHGs across 32 districts trained in business development services; and (iii) 500 women's SHGs trained in gender-sensitive user awareness and energy conservation programs.

Sources: ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility and Technical Assistance Grant to the Government of India: Madhya Pradesh Energy Efficiency Improvement Investment Program*. Manila; ADB. 2012. *Gender Tool Kit: Energy. Going Beyond the Meter*. Manila.

B. Key Questions in Gender Analysis

- ➡ What are the key capacity needs and gaps for women's MSMEs to start, operate, expand, and improve productivity and competitiveness of their businesses and enterprises? How are these capacity needs and gaps different from those of men's MSMEs?
- ➡ What types of training, advisory services, and BDS are available for women's MSMEs (e.g., entrepreneurship, financial literacy, meeting public document requirements, legal services, mentoring, networking, branding ICT, office, and infrastructure support)? Further,
 - Do they meet quality standards?
 - Are they available in rural areas, or locations accessible by women?
 - Do they meet the needs of women's MSMEs (including duration and location of training)? What needs to be improved?
 - Do they use gender-sensitive curriculum?
- ➡ What service providers exist to provide envisaged MSME training and advisory services? What are the level of their understanding and staff sensitivity to gender issues?
- ➡ Are there separate outreach services for women's MSMEs?

- ➡ Do women's business associations, women's chambers of commerce, trade unions, or other women's groups meet the networking needs of women's MSMEs? Do they effectively raise women's MSMEs' voice as a policy advocacy body?

C. Key Gender-Inclusive Design Features

1. Business Development Services

- ✓ Design and deliver gender-inclusive or women-targeted BDS that take into account the following quality criteria or lessons learned:⁴¹

Content

- Content of BDS needs to be based on the specific needs of the local business context and the target groups. Gender-focused needs assessment should be conducted to assess availability, affordability, type of economic activities and products, current capacity and knowledge, accessible location, time of the day, and the length of BDS, and cultural barriers to access BDS to inform the content and delivery methods of BDS.
- BDS should include encouragement of group formation and organizing among micro and small-sized women's enterprises in improving their bargaining power and formalizing their voice and needs.
- Mentoring services to follow up on women trained on business development and entrepreneurship are often welcomed by women entrepreneurs (see, for example, Supporting Microentrepreneurship for Women's Empowerment Project in India⁴²).

Outreach and Delivery

- To accelerate BDS outreach to more enterprises, a quota or target could be set for women among the total number of BDS recipients. Where relevant, BDS covering only women can be used as an effective tool (see Bangladesh SME Development Project, Box 16).
- Linking financial services to BDS helps address women's time constraints and lack of information on where to access different services.
- One-stop-shop information services on available BDS for women's MSMEs would be helpful. Trade offices, employment agencies, and skills

In India, under the Supporting Microentrepreneurship for Women's Empowerment Project (Japan Fund for Poverty Reduction Grant, 2010), 1,300 women entrepreneurs in selected Indian states are being trained on business development, financial literacy and management, and leadership skills. Two enterprise advisory mentors for each of the 15 microfinance institutions and financial institutions are being recruited to provide a complementary support to the women entrepreneurs who have gone through the training but need more on-time business advice.

⁴¹ On lessons learned, see, for example, OECD. 2012. *Closing the Gender Gap: Act Now*. Paris; van Lieshout, S., M. Sievers, and M. Aliyev. 2012. *Start and Improve Your Business—Global Tracer Study 2011*. Geneva: ILO.

⁴² ADB. JFPR 9145-IND: Supporting Microentrepreneurship for Women's Empowerment – Back to Office Report of Review Mission (25–26 April 2013). Unpublished.

In Malaysia, SME Bank established an incubator system targeted at women entrepreneurs, providing a range of services including financing facilities, entrepreneurship training and counseling, and marketing advice, particularly in manufacturing and tourism sectors. In Cambodia, the government is piloting the Technology Development Fund, a type of incubation facility providing matching grants to the small and medium-sized enterprises (SMEs) that have a proven track record in food processing and are willing to upgrade their sanitary and phytosanitary standards. In the first round of support, seven out of 10 food-processing SMEs supported are owned by women. The government plans to expand the pilot, ensuring equal representation of women's SMEs.

development agencies should coordinate efforts to work with the private sector to update and disseminate the list of available services.

- Service providers need to make an effort to outreach through marketing and awareness raising of the availability of BDS through channels familiar to women entrepreneurs such as women's business associations and microfinance associations.

Linkages and Partnerships

- Support to market access needs to go hand in hand with improved accessibility to markets, such as physical mobility to access markets.
- For sustained skills development, BDS initiatives should be linked to the national competency framework and the certification

system of service providers. Partnerships between BDS service providers (including technical and vocational institutions), research institutes, NGOs, and women's business associations to develop quality curriculum targeted at women's SMEs would be useful in expanding coverage and reducing costs.

- BDS alone may not work for drastically improving women's MSMEs' productivity or business scale. BDS needs to be effectively linked to accessible financial services and the enabling policy and business environment to comprehensively tackle multiple constraints that women's MSMEs face.
- ✓ **Business incubator facilities.** When business incubator facilities are established, consider including measures to promote women's access to such facilities through information campaigns, assistance to prepare business proposals, a quota for women's MSMEs or women-targeted business incubator programs (see the example on Malaysia⁴³). These incubator facilities can be offered from the private sector, the public sector (see, for example, Cambodia's Technology Development Fund⁴⁴), and through PPPs.

In Indonesia, under the International Labour Organization's Promise Impacts Project, a multinational insurance company Allianz provided financial training to female and male microfinance clients through training of trainers provided to microfinance institution staff. This is conducted as part of Allianz's corporate social responsibility program, and this also helps their brand awareness, as insurance is part of the financial training. This type of public-private partnership can be leveraged to expand the coverage of financial literacy training for women and men.

2. Financial Literacy

- ✓ Provide more financial education and literacy programs for women's MSMEs. Consider financial literacy education for women in a school curriculum and as part of FIs' outreach strategy (see, for example, financial literacy training conducted in Indonesia⁴⁵).

⁴³ IFC. 2011. *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*. Washington, DC. p. 53.

⁴⁴ ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loan for Subprogram 3. Kingdom of Cambodia: Promoting Economic Diversification Program*. Manila.

⁴⁵ Source: Financial Literacy Trainings by Corporates: A Business Case of Allianz, National Seminar "MSMEs Development through Responsible and Sustainable Financial Inclusion" (Promise Impact Project), Jakarta, Indonesia, 6–7 May 2013.

- ✓ Design financial literacy training responsive to the financial literacy level of the target groups. In general, training could include (i) how to set financial goals, (ii) bookkeeping and general accounting, (iii) how to separate business account and personal account, (iv) how to avoid over-indebtedness and default, and (v) basic concept of financial products.

3. Networking and Organizing

- ✓ Strengthen women's business association, women's chambers of commerce, national gender focal agencies, and women's NGOs to provide networking capacity to women's MSMEs (see the example on Cambodia⁴⁶). This is not only to enhance women entrepreneurs' knowledge and access to information but also to raise their voice as an advocacy group to contribute to higher decision-making process.

In Cambodia, the Emerging Market Entrepreneurs (EME), as part of a global business incubator network iDisc, is supporting women enterprise owners in coping with cultural and financial barriers. EME provides networking opportunities to their women members through monthly networking nights. This is important, as men often do networking through informal gatherings such as karaoke bars and places exclusively for men, which limits women's businesses' opportunities for networking. EME also has sponsored establishment of the Cambodia Women Entrepreneur Association to facilitate further networking among businesswomen in the country.

4. Advisory Services on Formal Procedures and Dispute Resolutions

- ✓ Provide advisory services through public offices and BDS service providers to inform women's MSMEs of where to register, what procedures to follow, and the advantage of registration. These can be done through
 - Public awareness campaign through the use of brochures and other information, education and communication materials (use of illustrations can be considered for illiterate women);
 - User guides to registration and licensing developed by the responsible public offices (again, use of illustrations can be considered for illiterate women); and
 - Information kiosks and help desks targeted at women's MSMEs.

5. Legal Literacy and Advisory Services

- ✓ Provide free or affordable legal advisory services (through public offices and BDS services providers) that provide information about the steps and procedures, costs, and time required (see Chapter 3).
- ✓ Provide legal literacy training as part of BDS through women's business associations or legal NGOs.

6. ICT for Women's MSMEs

- ✓ Expand ICT infrastructure and services to MSMEs that facilitate registration and tax payment, access to finance, and enterprise activities and marketing.
- ✓ Encourage women to start and operate ICT-based enterprises such as village mobile

⁴⁶ Source: <http://www.idisc.net/en/Article.39378.html> and <http://www.emergingmarket.asia/eme/>

In **Bangladesh**, Grameen Telecom, through Grameenphone, operates the National Village Phone Program, which has provided 30,000 jobs for poor women in rural areas as village phone operators and served more than 15 million poor rural population by bringing affordable and reliable telecommunications to them. An operator takes up a loan from Grameen Bank to subscribe to Grameenphone. Grameen Telecom Unit offices provide training, subscriber identity module (SIM) cards, and technical services, while Grameenphone provides network coverage, tax, value-added tax, and other government requirements. Village phone operators can then make money by charging markup on top of airtime tariff. Today, as mobile coverage has expanded, the original village phone model has evolved to meet other needs of the poor such as access to information on health, agriculture, and finance.

phones (see, for example, Grameenphone's National Village Phone Program in Bangladesh⁴⁷) and computer hubs.

- ✓ Train women to use ICT as a marketing tool through e-commerce or e-retailing and provide online help desk, as this does not require a huge capital investment and women can operate from home. In so doing, ensure well-functioning business transaction environment such as secure payment, reliable distribution system, and quality control of the products sold (see, for example, e-commerce of Alibaba.com⁴⁸).
- ✓ Ensure online services and mobile applications are available in local languages.
- ✓ Provide computer literacy training to women entrepreneurs, as computers and mobile technology could be particularly threatening to computer-illiterate women-led and rural-based microenterprises.

Global online shopping outlets, such as Alibaba.com, provide a great opportunity for women entrepreneurs to market their products. Women entrepreneurs in India registered on Alibaba.com increased by 70% over a year, representing a diverse set of industries from hair and beauty to gems and jewelry, machinery to food processing. E-commerce is considered by Indian businesswomen a flexible, accessible, and cost-effective platform to overcome traditional male-dominated boundaries and explore business prospects beyond conventional channels. Women can save time in business cycle, better manage time between home and work, and expand marketing channels even to overseas. Alibaba.com notes that globally, female entrepreneurs form a significant proportion of its registered user base, including more than 25% in the United States, 27% in Malaysia, and 20% in Viet Nam.

7. Building Women's Entrepreneurship along with Infrastructure Development

- ✓ Where possible, combine infrastructure development and women's entrepreneurship and skills training to maximize the benefits for women's MSMEs (see Box 15 – India).
- ✓ Conduct research on the “win-win” effect of improved infrastructure and enhanced business capacity of women's enterprises on the reduction of women's time poverty and economic empowerment.

⁴⁷ Source: Grameen Foundation. <http://www.grameenfoundation.org/>

⁴⁸ “E-Commerce Witnesses 71% YoY Growth by Women Entrepreneurs,” 28 December 2011, SEI News Desk. http://www.smallenterpriseindia.com/index.php?option=com_content&view=article&id=776:e-com. 28 December 2011.

Box 16 Bangladesh: Small and Medium-Sized Enterprise Development Project (2009)**CASE STUDY**

The project provides additional credit facility to participating financial institutions (PFIs) that further onlend funds to micro, small, and medium-sized enterprises (MSMEs). In line with the 2008 Refinance Scheme for Women Entrepreneurs of SME, 15% of the credit facility is earmarked for women entrepreneurs, of which 40% is to be dedicated to women's microenterprises. For women entrepreneurs to effectively obtain loans from these PFIs, a technical assistance subproject (Promoting Women Entrepreneurship in Bangladesh) was attached to the credit facility project to provide women a range of business development services (BDS) support. The Bangladesh Women Chamber of Commerce and Industry (BWCCI) works as an implementing partner for the BDS project. As of September 2012, the subproject has achieved the following:

- Baseline surveys and training needs assessments of women entrepreneurs in six districts completed, confirming low awareness of available financial products and low use of technology to run their businesses and informing training modules and materials for capacity building and advocacy campaigns;
- 771 women entrepreneurs oriented on bank lending procedures and business promotion, and 273 women entrepreneurs assisted in processing loan applications;
- 506 women entrepreneurs trained on the newly designed training module on "Entrepreneurship Development & Business Management;"
- 16 legal literacy sessions carried out, benefiting 160 women entrepreneurs;
- 29 dedicated women's desks established in PFIs in six districts;
- Six advocacy women's groups formulated to work with PFIs to simplify loan application procedures to come to agreement to adopt a uniform loan application form in Bengali;
- 296 PFI staff have been oriented on gender issues and needs of women entrepreneurs;
- A letter issued by the National Board of Revenue appointing a gender focal point at its district office to provide more women-friendly tax office services;
- BWCCI advocacy ongoing for a quota for women entrepreneurs in international trade fairs; and
- Heads of SME sections of 44 PFIs oriented on women's entrepreneurship issues and the project progress through workshops.

Source: ADB Database (Regional Technical Assistance 6337 Developing Partnership Program for South Asia—performance monitoring report).

Useful Resources and Tools

IFC. Women in Business Module of SME Toolkit. <http://www.smetoolkit.org/smetoolkit/en>

ILO Tools:

Bauer, S., G. Finnegan, N. Haspels, L. Deelen, H. Seltik, and E. Majurin. 2004. *GET Ahead with Women in Enterprise Training Package and Resource Kit*. ILO. Bangkok and Geneva.

ILO. Start and Improve Your Business Program. <http://www.ilo.org/empent/areas/start-and-improve-your-business/lang--en/index.htm>

See www.ilo.org/wed for other ILO tools for women's entrepreneurship development.

OECD. 2012. *Closing the Gender Gap: Act Now*. Paris.

World Bank. 2010. *Economic Opportunities for Women in the East Asia and Pacific Region*. Washington, DC.

CHAPTER 6

Building Gender-Inclusive Value Chain

A. Key Gender Issues

Gender-Inclusive MSME Value Chain: Issues

- Women are often invisible in the value chain analysis, resulting in the gender-blind design of value chain support projects and programs. Gendered value chain analysis is the first step to identify where women are and where the potential exists for upgrading their productivity and skills.
- Gender-inclusive value chain development when designed well could substantially benefit women's MSMEs through provision of basic infrastructure and production or marketing technology, finance, skills development, and product branding.

Efforts to support MSMEs through improved access to finance and business capacity development would not bear results if the entire value chain fails within which these MSMEs are located. In the increasingly globalized market, support to MSMEs must be integrated into the broader value chain development, rather than the piecemeal support to individual products or services.

For the value chain development to contribute to inclusive growth and poverty reduction, it is crucial to link a large number of MSMEs to local, national, and international value chains. At the same time, for sustained growth, MSMEs—whether suppliers, producers, traders, or exporters—need to upgrade their capabilities to move up the value chain. There are various options for upgrading their capabilities, including

- *product upgrading*: moving into more sophisticated product lines with increased product value;
- *process upgrading*: transforming inputs into outputs more efficiently by reorganizing the production system or introducing superior technologies;
- *functional upgrading*: acquiring new, superior functions in the chain, such as design or marketing; or
- *inter-sectoral upgrading*: applying newly acquired competences to move into a new sector.⁴⁹

Selecting and prioritizing investment and capacity support to the value chains that involve more women-concentrated MSMEs is the first step to offer greater opportunities to benefit women. Unfortunately, most of the value chain interventions continue to ignore gender issues. As a result, gender inequalities perpetuate or sometimes exacerbated when support to male-dominated sectors is constantly prioritized.⁵⁰

⁴⁹ Danida. 2011. *Gender and Value Chain Development. Evaluation Study*. Copenhagen. p.14.

⁵⁰ Mayoux, L., and G. Mackie, 2007. *Making the Strongest Links. A Practical Guide to Mainstreaming Gender Analysis in Value Chain Development*. Addis Ababa: ILO.

Once the value chain sector is determined, an important next step for gender-inclusive MSME value chain development is to carry out gender analysis as part of the overall value chain analysis. There are many tools developed for this purpose, including ILO's Gender Equitable Value Chain Action Learning tools,⁵¹ SNV's guidelines for gender mainstreaming in value chain development,⁵² and USAID's Behavioral Change Perspective on Gender and Value Chain Development. Examples of gender analysis of the Bangladesh jute sector (USAID, Table 4)⁵³ and the Ethiopia traditional weaving sector (ILO, Figure 6)⁵⁴ are included below. They typically analyze (i) what opportunities exist in different segments of the value chain to support women's participation; (ii) what are the constraints to women's participation; and (iii) what are the possible solutions to address these constraints.

Based on the gender analysis, gender-inclusive value chain interventions should be developed, including infrastructure and technology support, finance, capacity development, and marketing and branding. The Ethiopian case example (Figure 6) provides possible solutions to address gender-specific problems in the value chain identified in the problem tree in the lower half of the chart.

Table 4 Opportunities for Gender Integration, Jute Value Chain, Bangladesh (Example 1: USAID)

Value Chain Component	Numbers of Participants	Percent of Women	Constraints to Female Participation	Illustrative Solutions
Retting	All farmers get involved in their jute retting process. Besides, they hire additional labor.	Almost zero in the softening process (putting jute underneath water) but about 50% in fiber extraction	Women cannot get involved in work with watery or muddy conditions due to social and cultural barriers.	Promoting alternative retting systems where little water is required and women can work in the homestead
Jute diversified goods production	300 businesses. This number may be spread over the whole country and no specific number in south only. However, a rough estimate could be 100.	Women involvement as worker is very high, more than 75%	Women's entrepreneurship is limited in rural areas. Some NGOs operate in the areas involving women workers.	Assisting urban-based jute diversified private sector producers to create linkages with rural (existing and potential) women
Domestic and International Retailing	20–30 brands having multiple outlets nationally. Most of them are NGO based. Besides, exporters' rejected items (rugs, hammock, curtains, etc.) are sold in urban areas in street side.	Mostly women in the NGO retail outlet in Bangladesh, maybe 70%	Not enough retail shops for women to participate.	Create domestic market for jute-based products.

NGO = nongovernment organization, USAID = United States Agency for International Development.

Source: USAID. 2011.

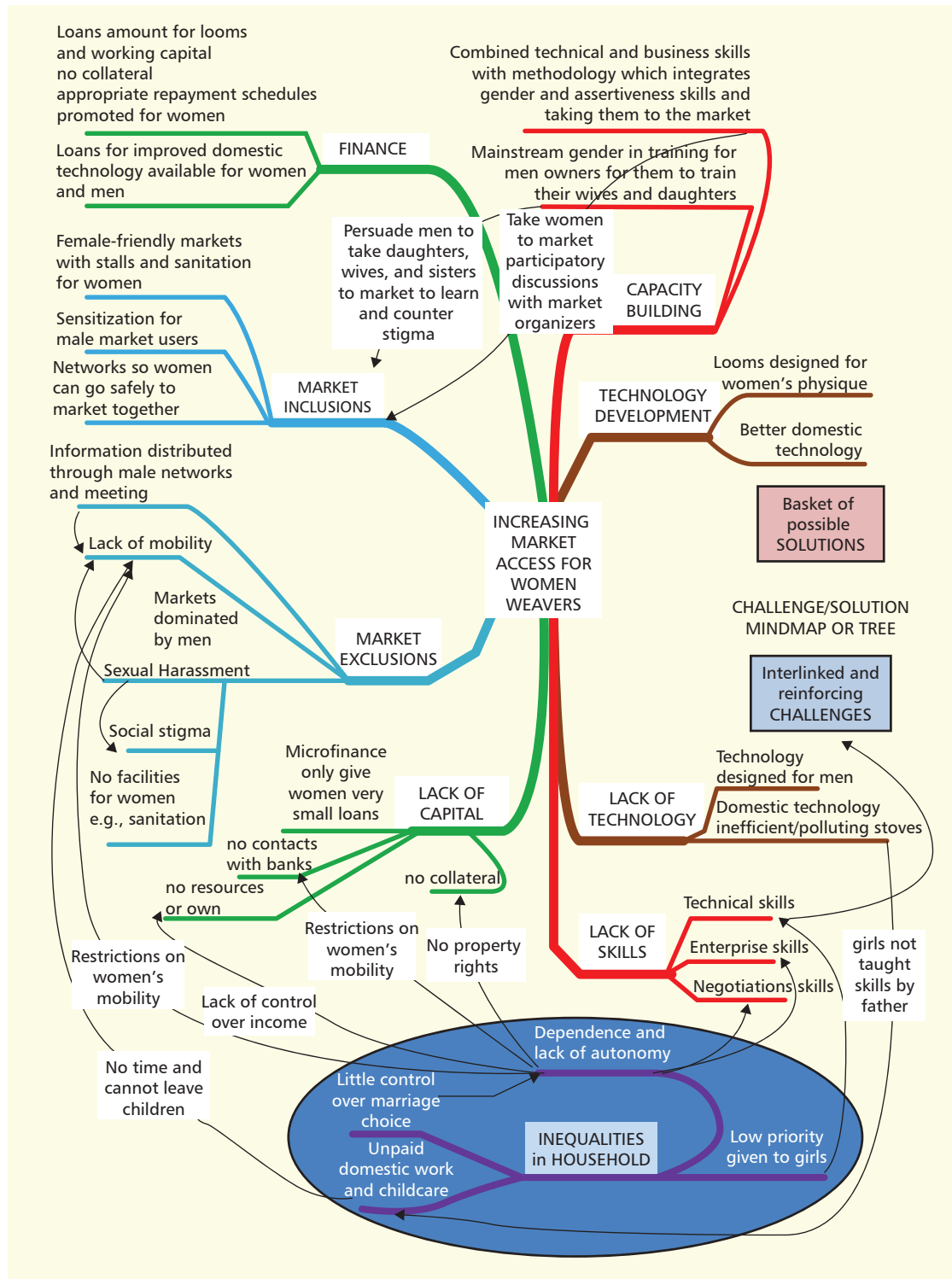
⁵¹ Footnote 50, p. 47.

⁵² SNV. 2011. *Gender Mainstreaming in Value Chain Development*. The Hague.

⁵³ USAID. 2011. *Bangladesh Value Chain Selection and Rapid Analysis: A Roadmap for Inclusive-Growth for Non-Food Value Chains*. Dhaka.

⁵⁴ Footnote 50, p. 47.

Figure 6 Gender Analysis of Value Chain: Ethiopia Traditional Weaving Sector (Example 2: ILO)



Source: Mayoux, L., and G. Mackie. 2007. *Making the Strongest Links. A Practical Guide to Mainstreaming Gender Analysis in Value Chain Development*. Addis Ababa: ILO. p. 60.

B. Key Questions in Gender Analysis

- ➡ Does the value chain to be supported involve a large number of women-owned or -managed MSMEs or offer substantial employment opportunities for women?
- ➡ Where are women concentrated in the value chain concerned, e.g., production, processing, retailing? What percentage of labor force in that particular segment are women? Any gender wage gaps?
- ➡ Within the activities women are already engaged in, what are the bottlenecks for women in improving productivity and values and reducing operations costs (e.g., skills training; reasonably priced and quality raw materials; finance and other productive assets; marketing, information, and technology; adequate policy, regulations, and institutional frameworks; sociocultural practices and perceptions of women)?
- ➡ What are the possible solutions to address the above?
- ➡ Is there any scope for upgrading women's economic activities to the higher-value products/processes or to different sectors, building on the existing skills endowment of the women? If so, how? (e.g., a woman with domestic worker skills to be trained to run a food catering business employing other women; more employment options for women in nontraditional sectors such as construction, science, and technology).
- ➡ Which stakeholders are important to work with in narrowing gender disparities and improving productivity and value addition of the product? What is the level of their capacity and commitment?
- ➡ Do enterprises employing a large number of women adopt and practice women-friendly and gender-equal human resource or working environment policies? Do their boards have women's representation?

C. Possible Gender-Inclusive Design Features

- ✓ Identify the value chain sector, subsector, or component that offers potentials for women's employment and prioritize support (see Box 18 – Mongolia).
- ✓ Consider setting a numerical or percentage target for women or women's MSMEs as input suppliers, producers, intermediaries (such as marketers and processors), and retailers through the value chain development support.
- ✓ **Value chain infrastructure and technology support.** Consider including basic infrastructure and technology that reduce women's "time poverty" and enhance women's improved productivity and business activities (e.g., agro-processing machinery and equipment, household electrification, clean cookstoves, water supply and sanitation, women's market sections with sanitary facilities, affordable and safe transportation, ICT and mobile applications).
- ✓ **Value chain finance.** Value chain finance is a comprehensive approach which builds linkages across value chain actors (e.g., between suppliers and producers) through

innovative financing instruments such as product financing, receivables financing, physical asset collateralization, risk mitigation products, and financial enhancements products.⁵⁵ Consider value chain finance instruments that take into account needs and constraints of women's enterprises that tend to be at the lower end of the value chain. Particularly, instruments that allow pre-financed sales or advanced inputs or equipment procurement without funds, replace collateral requirements with available assets, and package business loans and household needs such as family emergencies are likely to be helpful for women's microenterprises. (See examples of value chain finance instruments in Box 17, and gender-inclusive financial products and services in Chapter 4.)

- ✓ **Value chain skills upgrading.** Consider measures to provide women with product, process, functional, and inter-sectoral skills upgrading, so that the skills upgrading are not just for “quick wins” but also for more challenging skills areas (e.g., skills in nontraditional sectors) for a longer-term change in gender relations.

In Pakistan, the Mennonite Economic Development Associates and the Entrepreneurship and Community Development Institute developed a sales agent model within the embroidery subsector. Whereas most female embroiderers were selling their products through male intermediaries (i.e., husbands or other close relatives) into local markets given restrictions on their mobility, the two agencies trained female sales agents to link embroiderers into fast-growing urban markets. By providing inputs and services, the model addressed the isolation faced by many of the embroiderers while raising incomes substantially for thousands of disadvantaged rural women.

Box 17 Examples of Agriculture Value Chain Finance Instruments that Are Likely to Benefit Micro to Small Women's Enterprises

Product financing

- **Trader credit:** Traders advance funds to producers to be repaid, usually in kind, at harvest time. This allows traders to procure products and provides a farmer with needed cash (for farm or livelihood usage) as well as a guaranteed sale of outputs.
- **Input supplier credit:** An input supplier advances agricultural inputs to farmers for repayment at harvest or other agreed time. The cost of credit (interest) is generally embedded into the price.

Asset collateralization

- **Warehouse receipts:** Farmers or other value chain enterprises receive a receipt from a certified warehouse, which can be used as collateral to access a loan from third-party financial institutions against the security of goods in an independently controlled warehouse.
- **Financial lease:** A purchase on credit that is designed as a lease with an agreement of sale and ownership transfer once full payment is made (usually installments with interest). The financier maintains ownership of said goods until full payment is made, making it easy to recover goods if payment is not made, while allowing agribusiness and farmers to use and purchase machinery, vehicles, and other large ticket items without requiring the collateral otherwise needed for such a purchase.

Risk mitigation products

- **Insurance:** Insurance products are used to reduce risks by pooling regular payments of clients and paying out to those affected by disasters. Payment schedules are set according to statistical data of loss occurrence and mitigate the effects of loss to farmers and others in the value chain from natural disasters and other calamities.

Source: Miller, C., and L. Jones. 2010. *Agricultural Value Chain Finance. Tools and Lessons*. Rome: Food and Agriculture Organization of the United Nations. pp. 56–57.

⁵⁵ There are many other ways for grouping value chain finance instruments. This tool kit drew on Miller, C., and L. Jones. 2010. *Agricultural Value Chain Finance. Tools and Lessons*. Rome: Food and Agriculture Organization of the United Nations. This offers a detailed account of agriculture value chain finance instruments.

(See also discussion on BDS in Chapter 5 and the Pakistan example of female market intermediaries.⁵⁶)

- ✓ **Product marketing and branding.** Consider gender-inclusive corporate culture, women's rights record, or women-friendly work environment could be used as the brand image for product marketing. (See India's Khadi Reform and Development Program in Box 18.)

Box 18 Gender-Inclusive Designs in Value Chain Support Projects

CASE STUDIES

Mongolia: Agriculture and Rural Development Project (Additional Financing, 2013)

The project aims to improve value chains of agribusiness enterprises to deliver higher-value products. At least 50 value chain investment (VCI) agribusiness subprojects in such sectors as cashmere and wool, leather, milk, and meat are to be supported by the project until 2017. Cashmere and wool value chains are particularly dominated by women-owned small and medium-sized enterprises (about 90%, according to the Chamber of Commerce data). The project has four outputs: demand-driven VCI finance, herders' production capacity support, brand development and management, and project management. The gender action plan of the additional financing includes the following key gender-inclusive features: (i) each VCI proposal from enterprises must include gender analysis, measures to promote gender equality in the enterprise and with suppliers and communities, and a corporate code of social responsibility that includes internal human resource gender equality policy and antisexual harassment policy; (ii) all participating enterprises with less than 40% of women in management and technical positions will develop concrete actions to increase women; (iii) at least three of seven representatives of the local herders' task force will be women; (iv) at least 35% of herders' cooperatives receiving project support will be headed by women; (v) at least 40% of marketing and technical training, 20% of fodder production training, 50% of veterinary training, and 40% of livestock training participants will be women; and (vi) at least 45% of jobs generated through VCI proposals and 35% of new permanent jobs under the herder support component will be for women.

India: Khadi Reform and Development Program (2008)

Khadi is a handspun and handwoven cotton, silk, or wool cloth, originally promoted under the rural self-employment scheme under Mahatma Gandhi. The government has been subsidizing the industry, and the production and marketing inefficiencies have resulted in stagnant khadi sales despite the industry's potential. But the industry provides vital employment to women and the poor—about 1 million households work in the industry as artisans or khadi institutions (production nongovernment organizations) workers. Within the khadi value chain, women are concentrated in the lower-paying segment as spinners (80% women) on a part-time basis. The Asian Development Bank-financed policy-based loan (with a piggybacked technical assistance project) approved in 2008 has been designed to modernize the industry through improved competitiveness, savvy marketing and branding, and substantial capacity building of renewed khadi enterprises and employees in the sector. The reform of the sector is expected to provide a more substantial source of income to these poor women. The program's gender action plan includes (i) marketing training for women's groups, which will be registered as official enterprises (rather than relying on khadi institutions for marketing); (ii) a "khadi mark," a new branding tool of quality khadi to include "women friendliness" (as part of people-centric) as the brand image; (iii) awareness raising of women khadi value chain workers of the commitment of the industry under the khadi mark (e.g., minimum wages, gender-equal wages, workers' rights, new opportunities); (iv) women khadi value chain workers' participation in technical training on new raw material procurement and cotton silver production technologies; (v) women khadi value chain workers' participation in negotiation and entrepreneurship skills; and (vi) training for women on production management and skills enhancement in traditional village industries. The program experienced initial start-up delays and has been extended until 2015.

Sources: ADB. 2013. *Additional Financing for Mongolia Agriculture and Rural Development Project*. Gender Action Plan. Manila; ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Program Loan and Technical Assistance Grant*. India: *Khadi Reform and Development Program*. Manila.

⁵⁶ Source: http://apps.develebridge.net/amap/index.php/Women_and_the_Value_Chain_Approach#_note-4

Useful Resources and Tools

Danida. 2010. *Gender and Value Chain Development. Evaluation Study*. Copenhagen.

Mayoux, L., and G. Mackie. 2007. *Making the Strongest Links. A Practical Guide to Mainstreaming Gender Analysis in Value Chain Development*. Addis Ababa: International Labour Organization.

Miller, C., and L. Jones. 2010. *Agricultural Value Chain Finance. Tools and Lessons*. Rome: Food and Agriculture Organization of the United Nations.

SNV. 2011. *Gender Mainstreaming in Value Chain Development*. The Hague.

United States Agency for International Development (USAID). 2010. *A Guide to Integrating Gender into Agriculture Value Chains*. <http://agrilinks.org/library/guide-integrating-gender-agricultural-value-chains>

_____. 2011. *Bangladesh Value Chain Selection and Rapid Analysis. A Roadmap for Inclusive Growth for Non-Food Value Chains*. Dhaka.

_____. 2011. Behavior Change Perspectives on Gender and Value Chain Development. Tools for Research and Assessment. *Field Report*. No.11.

_____. Gender in Value Chain Development Wiki. <http://www.microlinks.org/good-practice-center/value-chain-wiki/566-analytical-tools-working-women>

CHAPTER 7

Institutional Capacity Development

A. Key Gender Issues

Institutional Capacity Development for Gender-Responsive MSME Sector: Issues

- Multiple institutional stakeholders are involved in the micro, small, and medium-sized enterprise (MSME) sector support. The level of their gender responsiveness and capacity to deliver quality services need to be assessed and necessary capacity enhancing measures included in the program or project designs.
- A common capacity gap is the lack of understanding of gender issues in the sector. The lack of sex-disaggregated data contributes to it.
- Gender-sensitive culture of these institutions is also an important element to be addressed.

There are a number of institutional stakeholders involved in women's MSME finance and development. These key institutional stakeholders and their roles are summarized in Table 5. A common capacity gap among all the institutional stakeholders exists in their understanding of gender issues in the sector. For example, governments often perceive women and women's MSMEs as needy, requiring "high transaction costs," and are unable to see the longer-term benefits of gender-inclusive policy and programs.⁵⁷ They are not always aware of the international conventions in support of women's economic empowerment and women in the MSME sector that their countries have signed up for (see Chapter 1). Gender sensitization and sex-disaggregated data collection should become a standardized approach when ADB considers programs, projects, and technical assistance support in the MSME sector finance and development. Gendered impact evaluation should also be considered to inform further policy and project designs (see Box 19 – Armenia).

B. Key Questions in Gender Analysis

- ➡ What are the key institutional stakeholders in a proposed program or project that are likely to influence the capacity of women's MSMEs?
- ➡ What is the level of their understanding of gender equality issues in the services they provide? If the understanding is low, what are the key factors (e.g., lack of data, sociocultural bias)?

⁵⁷ ILO. 2011. *Gender Review of SME Policy*. Islamabad.

Box 19 Armenia: Gender Impact Evaluation of Business Development Services and Networking

CASE STUDY

An impact evaluation has been built into the Asian Development Bank-financed Women's Entrepreneurship Sector Development Program (see Box 6) to assess the impact of business training and networking on women entrepreneurs. The evaluation will analyze the extent to which increased knowledge of financial and business practices of women entrepreneurs through business development services (BDS) and networking can influence access to credit and other business performance indicators and whether the impact is greater for female entrepreneurs or for male ones. The evaluation will compare a "treated" group (i.e., 100 women and 100 men who participated in the BDS training package) to a "control" group who are nonparticipants. It will be done in two phases: Phase 1 to design the detailed methodology and collect the baseline data, at the beginning of the training and networking activities; and Phase 2 to collect end-line data more than a year after the training and networking activities took place. The findings of the evaluation will inform further refinement of the program design, particularly the methodology used for BDS and networking, as well as future projects in the country and neighboring countries with similar gender-based constraints for women entrepreneurs.

Source: ADB. 2012. *Gender and Development Cooperation Fund Proposal on Armenia Impact Evaluation Study of Business Training on Women Businesses' Performance*. Manila.

- ➡ What is the level of institutional gender balance among their technical staff and at the management and boards? Do they have a corporate or institutional gender equality policy in their workplace and a good track record of implementing it?
- ➡ What type of institutional capacity development initiatives can be provided through a proposed program or project to improve the stakeholder's gender responsiveness in their service delivery? Who could be utilized to improve gender capacity (e.g., Ministry of Women, women's business associations, women's nongovernment organizations [NGOs])?
- ➡ Could the terms of reference, performance-based contracts, and the selection criteria specify gender sensitivity and gender responsiveness of the service providers or contractors?

C. Possible Capacity Development Initiatives for Gender-Responsive MSME Finance and Development

Table 5 provides examples of capacity development initiatives that can be considered for key stakeholders in providing enabling environment for gender-responsive MSME finance and sector development. Box 20 provides an example of ADB-financed MSME project in the Maldives in providing comprehensive institutional capacity development support to various government ministries, business development services center, business associations, NGOs, and women and youth.

Table 5 Examples of Stakeholder Capacity Development for Gender-Responsive MSMEs

Sector and Function	Stakeholder Examples	Capacity Development for Gender Responsiveness
Public sector		
Enabling policy environment	Ministries and agencies on trade, commerce, industry, SME development, public employment agencies	<p>Conduct gender sensitization and awareness</p> <p>Assist to conduct gender analysis (involving gender focal points in the ministry and agency), collect sex-disaggregated data, and regularly update database</p> <p>Assist to conduct public dialogue on gender reform needs of policy and strategy</p> <p>Informed by gender analysis, revise, adopt, and enforce a sector policy and strategy that includes explicit emphasis in support of women's MSMEs</p> <p>Recruit more women in the ministries and agencies to build gender-responsive institutional environment</p> <p>Set a target for female staff's participation in technical and leadership training</p> <p>(see Box 20 – the Maldives)</p>
Registration, licensing, tax payment, customs clearance	Local registration and payment offices; customs	<p>Train staff on gender-sensitive customer handling</p> <p>Assign more female staff to the counter services</p> <p>Consider providing separate toilet facilities, clean counter, and waiting space, and where segregation is a cultural norm, consider a women-only counter</p> <p>Streamline the registration and payment procedures and adopt online system.</p> <p>Establish one-stop-shop service points through collaboration across different agencies and offices to avoid multiple travels.</p>
Law and justice reforms	Parliament, courts (including small claims courts)	<p>Train parliamentarians on gender-unequal property laws and other legal gender-based discrimination</p> <p>Increase female mediators and judges</p> <p>Train mediators and judges on gender-sensitive case handling</p> <p>At courts or mediators' offices, consider providing separate toilet facilities, clean counter, and waiting space</p> <p>Consider establishing women's legal help desk</p>
BDS, TVET, and other skills training	Public training institutes, agriculture extension offices, social security offices	<p>Assist to partner with private sector (women's business associations and MFIs) to conduct women's MSMEs training needs assessments</p> <p>Assist to develop and adjust training modules to meet the needs of women's MSMEs and train staff</p> <p>Ensure sufficient number of women trainers</p>
Gender-responsive policy advocacy	National gender machinery (e.g., Ministry of Women, National Commission on Women)	<p>Facilitate their roles to partner with women's advocacy groups and NGOs to effectively lobby gender policy and law reforms with Parliament and line ministries</p> <p>Involve them in committees and decision-making bodies on relevant law, policy, and strategy development (e.g., committee to develop a new SME strategy)</p>

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Table 5 continued

Sector and Function	Stakeholder Examples	Capacity Development for Gender Responsiveness
Private sector		
Financial services	FIs	<p>Train management and staff on gender sensitization and awareness</p> <p>Assist in conducting marketing research to assess gender-differentiated needs and constraints of potential clients. Consult with women's MSME groups in this process.</p> <p>Assist in developing financial products and services responding to women's MSMEs' needs</p> <p>Promote and facilitate their roles to link up with other service providers such as government's one-stop-shop service providers on MSMEs, legal services, available BDS, and women's MSME networking bodies</p> <p>Support development and maintenance of sex-disaggregated customer database and performance benchmarking</p> <p>Promote FI's internal gender equality policies (e.g., recruitment, promotion, work conditions, labor standards, sexual harassment, and other human resource-related issues) and more women in the FI's boards of directors, management, and other decision-making positions.</p>
MSMEs as job providers to women	MSMEs	<p>Promote their compliance with core labor standards including safe and sanitary work environment, gender-equal pay, and antisexual harassment policy</p> <p>Encourage them to place staff skills development in their core corporate strategy and ensure women employees have equal access to skills enhancement opportunities</p> <p>Encourage corporate social responsibilities including support to local women's economic empowerment</p>
BDS and networking	BDS service providers, technical and vocational training institutes, women's business associations, consulting firms	<p>Set national quality standards for BDS providers including gender-responsive training content and delivery methods, outreach to women entrepreneurs, and market linkages.</p> <p>Train staff on gender sensitization and awareness</p> <p>Provide direct capacity support to BDS providers targeting women's MSMEs</p> <p>Support knowledge exchange among BDS providers for building good practices</p> <p>Support women's business associations in promoting networking among women's MSMEs</p> <p>(see Box 20 – the Maldives)</p>
Legal services (registration, tax, customs, commercial disputes)	Law firms	<p>Select firms with female mediators and lawyers and/or a track record in promoting gender equality</p> <p>Train staff on gender sensitization and awareness to ensure they provide effective consultation and counseling with women entrepreneurs</p>

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Table 5 continued

Sector and Function	Stakeholder Examples	Capacity Development for Gender Responsiveness
Nongovernment and civil society organizations		
Organizing women	Labor unions, women's groups, women's business associations	Support these groups to mobilize women entrepreneurs for public information campaigns on MSME finance, registration, tax payment, and BDS and legal service availability; participation in focus group discussions and marketing surveys; and advocacy for policy and legal reforms Support labor unions to organize women within SMEs to voice their needs
Legal services	Legal NGOs	See "Legal services" under the private sector
BDS and networking	NGOs providing BDS and entrepreneurs networking	See "BDS and networking" under the private sector
Research, studies, and impact assessments	Academe and research institutes	Train staff on gender sensitization and awareness Support knowledge exchange among them to apply solid gender analysis methodology in the MSME sector
Cross-cutting capacity gap for all institutional stakeholders		Support all stakeholders on gender sensitization, sex-disaggregated data collection, gender analysis, and gender impact assessment (see Box 19 – Armenia)

BDS = business development services; FIs = financial institutions; MFIs = microfinance institutions; MSMEs = micro, small, and medium-sized enterprises; NGOs = nongovernment organizations; SMEs = small and medium-sized enterprises; TVET = technical and vocational education and training.

Source: Author.

Box 20 Maldives: Inclusive Micro, Small, and Medium-Sized Enterprise Development Project (2012)

CASE STUDY

The project provides support to strengthen the micro, small, and medium-sized enterprise (MSME) sector in the country through (i) business support infrastructure and services, (ii) improved access to MSME finance, and (iii) technologies for MSME development. The project's gender action plan includes a comprehensive package of institutional capacity development to ensure key stakeholders' services and functions are catered to the needs of women and youth entrepreneurs. It includes the following features:

- Build capacity of the business development services (BDS) center (BDSC) through (i) expanding its services to seven provinces, making BDS more accessible; (ii) developing and conducting additional 30 BDS and 500 training programs informed by a study on higher-value and less-saturated business opportunities for women and youth; (iii) developing linkages between the BDSC's services with educational institutions to explore entrepreneurship education through these institutions; (iv) supporting information dissemination and outreach to women and youth about opportunities available from BDSC; and (v) supporting BDSC in operating two incubator facilities to support 20 MSMEs for which women and youth-led MSMEs will be included;
- Support the Ministry of Economic Development through (i) providing gender sensitivity training for staff involved in MSME development, (ii) conducting studies on the impacts of the MSME Act and the BDSC services on women and youth participation to inform an MSME development strategy, (iii) developing gender-sensitive communication materials, (iv) training staff on gendered value chain analysis, and (v) facilitating coordination with other departments including the Department of Gender Equality;
- Train women's entrepreneurship associations in (i) strengthening their governance structures and strategic planning, (ii) providing business management training to women-dominated cooperatives, (iii) conducting gendered value chain analysis and policy and law analysis; and
- Engaging and training 19 nongovernment organizations in community mobilization and providing additional entrepreneurship training targeted at women and youth.

Source: ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant. Republic of the Maldives. Inclusive Micro, Small, and Medium-Sized Enterprise Development Project*. Manila.

CHAPTER 8

Indicative Performance Indicators

Policy-based operations need to report on progress made on gender-inclusive policy actions and triggers and/or gender targets in the MSME sector and other related reforms when justifying the proposed tranche release. Similarly, investment projects under implementation need to report on key gender targets and indicators included in the project gender action plans or in the design and monitoring framework. This chapter provides possible examples of performance indicators for ADB programs and projects supporting gender-inclusive MSME finance and development. Indicators at each level are categorized into four areas: (i) human capital, (ii) economic empowerment, (iii) voice and rights, and (iv) gender capacity development.⁵⁸

A. Country and Sector Level Outcome and Indicators

Gender Equality Outcome: Improved economic status of women	
Gender Equality Dimension	Sample Gender Equality Indicators
Human capital	<ul style="list-style-type: none">• Number and percentage of women and men receiving business development services and other advisory services (e.g., how to start and operate a business, taxation, and business regulations)• Number and percentage of women and men using information and communication technology
Economic empowerment	<ul style="list-style-type: none">• Number and percentage of women with increased incomes• Number of jobs created for poor women and men• Changes in income disparities between women and men (wages gaps)• Percentage of registered enterprises that are owned or managed by women (micro, small, and medium-sized)
Voice and rights	<ul style="list-style-type: none">• Amendments to finance and labor laws and regulations to protect women's rights and remove legal obstacles to women's business activities (e.g., inheritance, property ownership, family law, banking, taxation, equal employment opportunity, sexual harassment, requirements for male signatures on banking or business documents)• Percentage of women in high decision-making forums related to small and medium-sized enterprises (SMEs) (ministerial committees, company boards)
Gender capacity development	<ul style="list-style-type: none">• Evidence that policies and strategies include gender equality objectives and address the barriers to women's economic advancement in formal employment, SME development, and access to financial and business services

⁵⁸ This chapter is replicated and modified from ADB and Australian Aid. 2013. *Tool Kit on Gender Equality Results and Indicators*. Manila. Chapter on Finance Sector, Private Sector, and Enterprise Development.

B. Program and Project Level Results and Indicators

1. Gender Equality Dimension: Human Capital

Sample Results	Sample Indicators
Increased capacity of women to understand and use financial, banking, and business development services (BDS) effectively	<ul style="list-style-type: none"> • Number and percentage of women and men trained in BDS; financial literacy; business registration, regulations, and procedures • Number and percentage of women and men trained in computer literacy and online business • Number of financial institutions (FIs) that conduct financial literacy training in conjunction with service delivery • Number of organizations supported to improve the quality and appropriateness of financial products to benefit women
Work environment improved for women and men in small and medium-sized enterprises (SMEs) and FIs	<ul style="list-style-type: none"> • Evidence of gender equality corporate policy (including antisexual harassment) and compliance with core labor standards in the SMEs and FIs supported

2. Gender Equality Dimension: Economic Empowerment

Sample Results	Sample Indicators
Increased employment of women — Women supported to access employment outside the agriculture sector	<ul style="list-style-type: none"> • Number and percentage change of registered women's micro, small, and medium-sized enterprises (MSMEs) • Number of MSMEs (women-owned versus men-owned) supported by the project • Number and percentage of MSMEs established or expanded by women and men; and number operational and profitable at project completion • Number and percentage of women and men supported to gain formal employment through MSMEs
— Targets met for increased employment by women in the finance sector	<ul style="list-style-type: none"> • Number and percentage of additional women employed to work in financial institutions (FIs) under the project • Number and percentage of women in senior positions
— Targets met for women's or women's MSMEs' access to financial services	<ul style="list-style-type: none"> • Number and percentage of women's and men's MSME borrowers • Number of nonsecured loans provided to women and men • Number and percentage of women and men who "graduate" from microfinance institutions to formal banks • Number and percentage of women versus men receiving a range of financial services (e.g., savings, loans, insurance, transfers, remittances, bank accounts accessible by mobile phones) • Examples and number of financial services and products specifically designed to meet the needs of women entrepreneurs and MSMEs (e.g., women's desks, group guarantees, microinsurance services)

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Sample Results	Sample Indicators
<ul style="list-style-type: none"> — Women supported to access higher-paying jobs including in nontraditional areas and growth sectors of the economy 	<ul style="list-style-type: none"> • Changes in the percentage of women in management, technical, and professional positions under the project • Number and percentage of women and men who participated in training to assist them to access higher-income employment • Number and percentage of women and men trained in business development services (BDS) and other training and advisory services • Number and percentage of women and men trained in nontraditional areas, growth sectors, or higher-income employment and enterprises • Number and percentage of women and men receiving incubator facility support or incentive funds (e.g., trade development fund)
Increased ownership of assets by poor women	<ul style="list-style-type: none"> • Changes in the amount and types of assets owned by women (sole and joint ownership with men), such as land, housing, telephones, and other assets for enterprise development • Evidence of gender discriminatory laws or practices on property ownerships eliminated
Improved capacity of women entrepreneurs and MSMEs <ul style="list-style-type: none"> — Private FIs providing BDS to women 	<ul style="list-style-type: none"> • Number of training sessions and other BDS (e.g., information, mentoring programs, market access, product improvement) targeted specifically at women entrepreneurs in the formal and informal sectors of the economy • Number of women who benefit from targeted BDS and other training and advisory services • Number of value chain improvement activities benefiting women

3. Gender Equality Dimension: Voice and Rights

Sample Results	Sample Indicators
Women supported to become aware of their economic, labor, and human rights	<ul style="list-style-type: none"> • Number of women trained on their legal rights as workers (e.g., pay, conditions, health and safety, sexual harassment), including women market vendors • Evidence that women are more aware of their economic and labor rights and applying their knowledge accordingly • Examples of changes to policies, laws, regulations, or conditions in favor of women's economic and labor rights • Women's views and levels of satisfaction regarding workplace practices and complaints (e.g., recruitment, pay, conditions, promotion, health and safety, sanitation facilities)
Increased membership, representation, and networking of women entrepreneurs and women's micro, small, and medium-sized enterprises	<ul style="list-style-type: none"> • Number of women participating in business networks and associations • Number and percentage of women in decision-making positions in the women-men joint private associations, small and medium-sized enterprise and financial institution boards, and other decision-making bodies

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Sample Results	Sample Indicators
Women empowered to play an increased decision-making role in their households and communities	<ul style="list-style-type: none"> • Examples of changes in women's decision making in the family and community organizations due to project activities • Changes in women's control over income (their own earnings and bank accounts, and other family income); and examples of women's and men's spending priorities • Changes in men's support for women's work (e.g., men undertaking domestic work, or women working in nontraditional income-earning roles)

4. Gender Equality Dimension: Gender Capacity Building

Sample Results	Sample Indicators
An enabling legal, regulatory, and institutional framework and capacity in place for supporting women's micro, small, and medium-sized enterprise (MSME) development	<ul style="list-style-type: none"> • Sex-disaggregated database on staff, employees, and MSMEs developed, maintained, and regularly analyzed and reported by the ministries, small and medium-sized enterprises (SMEs), financial institutions (FIs), and business development services (BDS) service providers • Evidence that structural barriers to women's employment and enterprise development are researched and analyzed • Evidence that the national gender strategies and action plans cover women's entrepreneurship and MSME support and that the national SME strategies, policies, and laws are set in support of gender inclusiveness of the sector • Evidence that gender policy covers countering sexual harassments • Evidence that gender analysis undertaken of tax and other regulatory reforms to assess their different impacts on men's and women's employment and enterprise development • Examples of support provided to amend discriminatory legislation and policies, including for women and men with disability and other marginalized groups • Levels of satisfaction of women regarding the implementation and impact of laws, policies, and regulations on their ability to earn income
Increased understanding and positive attitudes of FIs staff toward women's MSMEs	Number of FIs staff trained on gender sensitization and support services toward women's MSMEs

APPENDIX 1

Key Women's Micro, Small, and Medium-Sized Enterprise Initiatives in Other Multilateral Development Banks

African Development Bank

Since 2004, the African Development Bank (AfDB) has engaged in the African Women in Business Initiative (AWIB) under which financial and technical assistance services are provided for African women entrepreneurs to improve their competitiveness. AfDB's Private Sector Department has helped develop incentives to encourage commercial banks and microfinance institutions to invest on women entrepreneurs. Among these efforts was the creation of the Growth-Oriented Women Entrepreneurs Guarantee Program for banks, amounting to \$10 million in Kenya; €10 million in Cameroon; and a technical assistance facility of \$3 million, the latter supporting training of female entrepreneurs, bankers, and business services providers.¹ Through this initiative, AfDB has also helped improve the understanding of gender dimensions and challenges faced by African women entrepreneurs through a wide array of knowledge products, including key studies and assessments of barriers to women's entrepreneurship, seminars and conferences, and knowledge-sharing and networking events. Meanwhile, AWIB has also worked with the New Faces New Voices group since 2009 in enhancing women's participation in finance and capacity-building activities.

AfDB has also created various interventions to increase entrepreneurship among women in the region. This includes the €15 million Microfinance Capacity Building Trust Fund that started in 2011 to build the capacity of the microfinance institutions supporting female entrepreneurs.² AfDB has also invested in more than 500 small-scale socioeconomic infrastructure such as production and multipurpose centers, shops, among others, which serve as production facilities, training centers, and marketplace for women's microbusinesses.

These experiences have culminated in the recent Bank Gender Strategy for 2014–2017, which highlights women's legal status and property rights and their economic empowerment as among its operational priorities.³

European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) has been supporting small businesses and entrepreneurship through its Small Business Support (SBS) program.⁴ Among the core focus of the SBS program is to unlock the potential of women in business (WIB) by providing tailor-fitted advisory services, entrepreneurship training courses, mentoring and coaching services, as well as facilitating linkages with finance and enabling networking and business matching opportunities.

Operating across Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan since 2001, the SBS program has helped WIB in Central Asia to act as catalysts for transition and economic development. Since 2007, nearly 30% of SBS projects targeted women-owned and -managed enterprises, matching €2 million of donor funding with €1.5 million contributions from 580 enterprises for this purpose. The program's success stories include that of Super-Pharm LLC, a WIB enterprise manufacturing medical supplies in Kazakhstan. In 2010, the program helped Super-Pharm LLC by introducing quality standards management and marketing strategies. As a result, the business grew, accompanied by the rise in its employees from 12 to 130 personnel in a span of 3 years. SBS is now helping Super-Pharm LLC develop an export strategy and improve production practices to enable the enterprise to penetrate new markets. The SBS program has been present even in districts of Central Asia, an example of which is SBS's Women and Youth-Focused Micro and Small Enterprise Development Programme in the Burlinskiy District of Western Kazakhstan.

Other efforts by EBRD include a program piloted in Turkey, which dedicated credit lines for women entrepreneurs. In partnership with four Turkish banks, this effort aimed to increase the percentage of women-owned and -managed small and medium-sized enterprises (SMEs) in the banks' loan portfolio by (i) providing business advisory services and support in developing products and approaches, (ii) providing managerial and financial literacy support, (iii) increasing program awareness and motivation throughout the banks' management and branches, and (iv) implementing targeted marketing and communication strategies. This initiative is expected to be replicated in Central Asia and other EBRD countries of operations.

Inter-American Development Bank

The Inter-American Development Bank (IDB) has implemented various projects and funds to assist the propagation of women's micro, small, and medium-sized enterprises (MSMEs). In 2006–2009, IDB approved 78 technical cooperation grants and projects, amounting to over \$180 million, to help address various gender challenges including female entrepreneurship.⁵ Since 2011, IDB's Integration and Trade Sector has focused on three work areas, namely sovereign guarantee loans supporting trade and integration, projects with groups of producers to promote exports and access to markets, and the Aid for Trade Fund.⁶ IDB's Aid for Trade Strategic Thematic Fund has devoted resources from Canada's Can\$10 million contribution in support of gender equality within the Fund's core areas composed of trade facilitation, sanitary and phytosanitary standards, trade policy and regulations, and trade-related adjustment to help female traders, entrepreneurs, and smallholder farmers.⁷ IDB also partnered with governments. An example of which is the Ciudad Mujer⁸ (Women City) in El Salvador where IDB invested \$20 million for women's centers acting as one-stop shops providing services related to reproductive health, entrepreneurship, employment, and support for survivors of violence. Another is IDB's \$10 million loan to Peru's Mibanco⁹ which helped improve women microentrepreneur's access to financial services. IDB launched a Community of Practice in Trade and Gender to build a network in Latin America and the Caribbean region, fostering knowledge and experiences on trade and gender.

The Multilateral Investment Fund (MIF), a member of the IDB Group, has been working with Ecuador's Banco Pichincha in helping small and medium-sized enterprise (SME) clients since 2008.¹⁰ To help the MIF and Banco Pichincha reach more women-owned and -led SMEs, MIF approved a \$1 million project conducted within the framework of women entrepreneurship Banking (weB). Launched in April 2012, the weB provides incentive for banks and other financial institutions in Latin America and the Caribbean to support inclusive lending models to boost women entrepreneurs' access to finance. The weB will be complemented by Banco Pichincha's risk analyses, the latter aided by the Entrepreneurial Finance Lab's psychometric parameters. The risk analyses will equip Banco Pichincha craft effective strategies in helping enterprises that are unable to meet the current minimum borrowing requirements.

International Finance Corporation

The International Finance Corporation (IFC) adopted gender as one of six cross-cutting strategic priorities in December 2012. A key area of IFC's new gender strategy includes the expansion of opportunities for women entrepreneurs, through which IFC provides (i) assistance in drafting and enacting gender reforms in support of women's economic empowerment, (ii) support to enhanced lending to women-owned small and medium-sized enterprises (SMEs), and (iii) assistance in developing value chain programs to help women involved in manufacturing and agribusiness. IFC's Development Goals include increasing access to finance for women-owned businesses, targeting to channel at least 25% of SME loans to female-owned SMEs and 50% of all micro loans to women borrowers.¹¹

In partnership with financial institutions globally, IFC's Banking on Women program, launched in 2010, has helped enhance access to finance for women entrepreneurs, with services including equity/capital, loans, risk-sharing facilities with banking and nonbanking partners, credit insurance, and supply chain finance and distributor finance. As of 2013, about \$569 million has been devoted for IFC's account and syndicated loans and an additional \$87.5 million from parallel lenders has been mobilized.¹² More than 20 investments and advisory services projects were launched.¹³ Meanwhile, proper monitoring is key in measuring performance and gaps, thus through the same program, IFC completed a survey of 10% of SME financial institutions to identify the lending baseline of female-owned enterprises.

IFC also worked with global businesses in achieving its gender strategy. In 2013, it has partnered with Coca-Cola in implementing a \$100 million, 3-year project aimed at providing business skills training and financing to women-owned SMEs across the Coca-Cola value chain.¹⁴

Being a core to IFC's gender strategy, knowledge sharing on promoting women's entrepreneurship and access to finance has been continuously promoted. In 2013, IFC and the G20 partners launched the Women's Finance Hub, an online platform that aids in dissemination of critical information on issues related to women's market.

World Bank

According to its annual gender report, the World Bank has been able to reach 24.5 million micro, small, and medium-sized enterprise (MSME) clients through \$3 billion loan portfolio and \$2 billion lending technical assistance projects in 2012 alone.¹⁵ In 2013, the World Bank, among other efforts, approved the Women Entrepreneurship Development Project, a \$53 million project intended to increase the income and employment of MSMEs in Ethiopia through tailored financial instruments and entrepreneurial skills development for female growth-oriented entrepreneurs in the country.

During 2007–2010, the World Bank Gender Action Plan (GAP)—a comprehensive initiative focusing on increasing women's access and participation in labor, land and agriculture, private sector development and finance, and infrastructure—helped advance women's economic empowerment. Through \$52.2 million, funding over 270 efforts covering over 78 countries, the GAP has been evident in the World Bank's analytical and operational work. Key results from GAP contributions to women in the private sector include 88,000 women smallholder producers in Kenya gaining access to markets; increase in female-run microenterprises in Ethiopia; 350,000 women entrepreneurs in Egypt gaining improved access to financial services; 2,000 women entrepreneurs in various countries receiving training; and 2,500 women accessing \$86 million in loans with International Finance Corporation's support.¹⁶ Among GAP's success stories is the Adolescent Girls Initiative (AGI) launched in 2008. The first AGI pilot project was the Economic Empowerment of Adolescent Girls (EPAG) and Young Women in Liberia, which aimed to provide 2,500 women 16–27 years old in Greater Monrovia and Kakata City classroom training, job placement, and support including microenterprise advisory services. It aimed to train 70% of the girls in business development skills and 30% in job skills and entrepreneurship skills. The project survey¹⁷ show EPAG has been so far very successful in achieving its primary objective of increasing employment and earnings among young women. Initial results suggest trainees are likely to be self-employed rather than wage earners and average income of trainees was over 100% higher than those who did not receive training, leading to increased savings for girls. Empowerment programs like EPAG are expected to induce positive changes in the outlook of the beneficiaries' families and communities.

After the GAP, the World Bank continues to help governments and the private sector understand how business laws, regulations, and institutions affect women's capacity in starting and operating businesses.

- ¹ African Development Bank (AfDB). *African Women in Business: Fighting the Challenge for Development in Africa*. Abidjan. <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/dépliant%20AWIB%20ENGL.pdf>
- ² AfDB. 2011. AfDB Launches Microfinance Capacity Building Fund. News release. 20 July.
- ³ AfDB. 2013. AfDB Gender Interventions to Be Tailored to Realities on the Ground, says its Special Envoy on Gender. News release. 14 October.
- ⁴ Small Business Support. <http://www.ebrd.com/pages/workingwithus/sbs.shtml>
- ⁵ Gender Equality in LAC and the IDB. <http://www.iadb.org/en/topics/gender-indigenous-peoples-and-african-descendants/gender-equality/gender,1926.html>
- ⁶ Inter-American Development Bank (IDB). 2012. *Trade and Gender: Advances in the Process of Gender Mainstreaming in Trade Operations*. Washington, DC.
- ⁷ Footnote 5.
- ⁸ IDB. 2012. *Loan Proposal: El Salvador Ciudad Mujer*. Washington, DC.
- ⁹ IDB. 2009. *Project Abstract: Mibanco*. Washington, DC.
- ¹⁰ Multilateral Investment Fund (MIF). 2013. MIF and Banco Pichincha Join Efforts to Better Serve Women Entrepreneurs in Ecuador. News release. 10 October.
- ¹¹ World Bank and International Monetary Fund. 2013. *Update on the Implementation of the Gender Equality Agenda at the World Bank Group*. Washington, DC.
- ¹² Footnote 11.
- ¹³ IFC. Banking on Women. http://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Financial+Markets/MSME+Finance/Banking+on+Women/
- ¹⁴ International Finance Corporation (IFC). 2013. IFC, Coca-Cola Join Forces to Support Thousands of Women-Owned Businesses in Emerging Markets. News release. 11 March.
- ¹⁵ World Bank. *Projects & Operations Results: Banking on Women Extending Their Access to Financial Services*. <http://www.worldbank.org/en/results/2013/04/01/banking-on-women-extending-womens-access-to-financial-services>
- ¹⁶ World Bank. 2011. *Gender Equality as Smart Economics: World Bank Group Gender Action Plan Four-Year Progress Report*. Washington, DC.
- ¹⁷ World Bank. 2012. *Adolescent Girls Initiative Results Series: Can Skills Training Programs Increase Employment for Young Women? The Case of Liberia*. Washington, DC.

APPENDIX 2

Sample Terms of Reference for Consultants

Sample Terms of Reference for Gender Specialist for Project Design

The consultant will be responsible for the following tasks:

- Review Asian Development Bank (ADB) documents on the requirement for gender mainstreaming, such as Policy on Gender and Development (1998), Operations Manual C2 on Gender and Development in ADB Operations (2010), and Guidelines for Gender Mainstreaming Categories of ADB Projects (2011).
- At the outset, agree with ADB and the executing agency (or private sector sponsor) on the intended gender category.
- As part of the poverty and social analysis, conduct a detailed gender analysis as guided by ADB's *Gender Tool Kit: Micro, Small, and Medium-Sized Enterprise Finance and Development*.
- Review the country's policies, laws, and regulatory frameworks and actual practices related to the micro, small, and medium-sized enterprise (MSME) development, business administration, finance, property ownerships and other relevant aspects and conduct gender analysis, identifying any gender discriminatory provisions and practices and possible areas of policy actions and reforms.
- Collect the data on the current situation of women's MSMEs' access to finance, assess the key constraints both on the demand and supply sides, and assist financial institutions or small and medium-sized enterprise development agency (if applicable) in designing key elements of financial products and services catering to the needs of women's MSMEs.
- Review the capacity of women entrepreneurs and women's MSMEs in setting up, operating, and expanding their businesses; identify what business development services (BDS), incubator facilities, business networking, legal advisory services, infrastructure and information and communication technology, and other services already exist; and propose gender-inclusive and gender-responsive BDS support and the possible service providers.
- Review the capacity of the institutional stakeholders (e.g., regulatory agencies, banks and financial institutions, service providers, civil society organizations) in providing enabling environment and services for women's MSMEs.
- Review the institutional stakeholders' gender sensitivity in terms of their institutional gender equality policy, compliance with labor laws, antisexual harassment measures, sex ratio of employees/staff, and the level of women's representation in the decision-making bodies (e.g., management, Board of directors).
- Conduct gendered value chain analysis to identify potential areas of value chain support to women under the proposed program/project.

- Assess both positive and adverse gender impacts of the proposed policy actions or interventions.
- Collect sex-disaggregated baseline data of possible key gender targets for consideration in the proposed program/project (e.g., percentage and number of women's MSMEs of the total registered MSMEs, percentage and number of women's MSME borrowers [number of enterprises and loan amount])
- Based on the analysis above, develop gender-inclusive policy actions (in the case of policy-based operations) for inclusion in the policy matrix, or prepare a project gender action plan (GAP) that includes the gender-inclusive features and gender targets (with baseline) and that mirrors the design and monitoring framework outputs of the project, in accordance with Guidelines for Gender Mainstreaming Categories of ADB Projects. Provide implementation arrangement and cost estimates for the project GAP.

Sample Terms of Reference for Gender Specialist for Project Implementation Support (for Projects with a Gender Action Plan)

The consultant will be responsible for assisting the project management unit (PMU) of the project in implementing the project gender action plan (GAP), monitoring and regularly reporting the progress made in GAP implementation, and assessing and documenting gender equality results of the project. More specifically, the consultant will perform the following tasks:

- Review the project GAP prepared during the project design together with the PMU in the Executing Agency (EA), participating financial institutions (FIs), and other key stakeholders to understand the objectives behind it.
- Based on the GAP implementation schedule and implementation arrangements designed at the time of project approval, develop a more detailed GAP implementation schedule and establish an implementation mechanism.
- Conduct training in gender awareness and the project GAP to all PMU staff, FIs (as needed), and other relevant institutional stakeholders at the outset of the project implementation.
- If baseline survey is conducted, ensure that the questionnaire designs are made in a way to collect sex-disaggregated data. Analyze the results from the gender perspectives.
- Regularly update the GAP implementation matrix, providing detailed assessments of the reasons behind progress, and include in the quarterly or 6-monthly reports of EAs to ADB.
- As needed, suggest amendments to the GAP to EA and ADB together with the reasons.
- Assist EA and ADB project review missions in assessing the progress in GAP implementation and achieving the intended gender equality results.
- Coordinate across different institutional stakeholders involved in implementing the project GAP.
- Design and conduct gender-related training programs per project GAP.

APPENDIX 3

Sample Policy Matrices

Lao People's Democratic Republic: Second Private Sector and Small and Medium-Sized Enterprises Development Program (2013)

Policy Actions	Subprogram 2 Accomplishments (2011–2013)	Post Program Partnership Framework (2013–2015)	Medium Term Direction and expected results (2013–2017)
1. Implementation of SME Policy and Access to Services			
1.1 Coordination of participatory SME Policy development	<p>1) Government (MPI) institutionalized Provincial Public-Private Dialogue (P3D) Forum in Luang Prabang in addition to Champasack and initiated phase 3 by expanding into other provinces (Xiengkhouang).</p> <p>2) SME Development Plan with defined targets and measures is incorporated into the National Social Economic Development Plan 7 (NSED7 2011–2015), approved by the Government. Key features of the strategy include: (i) promoting women entrepreneurs and (ii) Regulatory Impact Assessment (RIA) to improve business environment for SMEs</p> <p>3) SME monitoring unit continues to publish quarterly updates on the on implementation of the SME development plan (2011–2015).</p> <p>4) Government enacted the SME law which changed the office of SMEPDO to a department under MOIC's structure with enhanced responsibilities. The law mandates DOSMEP to support and facilitate development of women entrepreneurs.</p>	<p>1) DOSMEP undertake comprehensive study on priority areas for SME Development Plan of 2016–2020</p> <p>2) DOSMEP reviews the structure, financial management and reporting procedures for the SME Fund</p>	<p>1) Number of investment climate issues discussed increase by 10% every year.</p> <p>2) SME Development Plan at least 90% implemented by 2015 with at least 80% activities (at least partially) achieved</p> <p>3) SME law implemented based on focus areas including development of women entrepreneurs</p>
1.2 Improve SME access to business services and finance	<p>5) DERM undertakes a thorough review of the current registration system and considers recommendations for (i) decentralizing registration offices to the district level, (ii) financial sustainability of ERM; and (iii) outreach to women entrepreneurs</p> <p>6) DERM implements steps to further enhance the enterprise registration system including by developing a strategy for online registration.</p> <p>7) DOSMEP launched the network of service providers which includes business advisory services including vocational training for women entrepreneurs</p>	<p>3) DERM implements decentralization of registration offices to the district level.</p> <p>4) DOSMEP studies ways to improve network of service providers</p>	<p>4) more than 90,000 enterprises registered and with a target of 48% of women owned enterprises</p> <p>5) 300 SMEs accessed business development services for the network of expert providers including 40% by women entrepreneurs</p>

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Policy Actions	Subprogram 2 Accomplishments (2011–2013)	Post Program Partnership Framework (2013–2015)	Medium Term Direction and expected results (2013–2017)
	<p>8) The CIB-online fully functioning, all queries for credit information utilize the online system and all new loans above 50 million Kip require credit reports</p> <p>9) The Government decides to host the secured transaction registry at the Ministry of Finance (MOF) and MOF assigns team to work on the registry.</p>	<p>5) The Ministry of Finance (MOF) establishes the secured transaction registry at the MOF.</p>	<p>6) The CIB made autonomous and at least 350 electronic transactions through the CIBonline made per day</p> <p>7) A secured transaction registry fully functioning registry with at least 100 securities registered including 40% by women Entrepreneurs</p>
2. Promoting Regulatory Efficiency			
	<p>10) Government enacted the Law on Making Legislation and included provision requiring law making authorities to provide RIA notes for proposed legislation.</p> <p>11) The Government strengthened and revised composition of RIA inter-ministerial taskforce to reflect the expansion of RIA in other line ministries</p> <p>12) Government made substantial progress in implementing the RIA strategy by expanding the RIA units in MPI, MOF, MOJ and the National Assembly in addition to the pilot in MOIC. 30 % of RIA unit members are female staff.</p> <p>13) MOIC implements its RIA work plan for capacity building and published its first preliminary impact assessments</p> <p>14) MPI established the one stop service center and initiated evaluation of its effectiveness by using RIA system.</p>	<p>6)The Government drafts PM instructions on regulatory and budget impact assessment</p> <p>7) The Government agree on ministry to host the RIA Office/Learning Center</p> <p>8) Government prepares update on RIA activities and circulates amongst taskforce members.</p> <p>9) All RIA pilot units complete 1 PIA and publish on their respective websites</p>	<p>8) The Government issues PM instructions on regulatory and budget impact assessment</p> <p>9) Government establishes RIA Office/ Learning Center</p> <p>10) Government circulates bi-annual report on RIA activities to all ministries and private sector</p> <p>11) Government continues to implement a transparent regulatory system with at least 25 preliminary impact assessment (PIA) on key legislation or regulation completed</p> <p>12) The number of enquiries and transaction at one stop service center increases by 10% every year.</p>
3.Trade Policy for SME Growth			
3.1 Continue to implement measures to enhance SME growth from trade	<p>15) The Government through the Ministry of Science and Technology (MOST) issued Intellectual Property Law and implementing regulations on Geographical Indication (GI) consistent with WTO procedures</p> <p>16) MOIC through FTPD drafts trade integration dissemination guideline to disseminate trade information to SME on ways to utilize preferences under trade agreements including outreach activities for business community, particularly women entrepreneurs</p>	<p>10) MOST prepares framework for local registration of GI products and complete registration of 1 GI product</p> <p>11) FTPD adopts trade integration dissemination guidelines and begin implementation of key areas including outreach activities for women entrepreneurs</p>	<p>13) MOST continue to register GI products based on Lao national framework consistent with international best practices.</p> <p>14) Implementation of strategy including outreach activities for women entrepreneurs</p>

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Policy Actions	Subprogram 2 Accomplishments (2011–2013)	Post Program Partnership Framework (2013–2015)	Medium Term Direction and expected results (2013–2017)
3.2 Enhance transparency in trade policy	<p>17) MOIC operationalized the SPS and TBT notification units and published notification on MOIC website.</p> <p>18) MOIC (through DIMEX) developed and implemented the Lao PDR Trade Portal which provides web based information systems to assist SMEs/exporters obtain information on trade related regulations</p> <p>19) Government issued decision to implement coordination mechanism on information sharing between ministries and agencies on trade-related measures.</p>	<p>12) MOIC considers web based recommendation to implement trade system that facilitates SMEs to sell products to ASEAN partners.</p>	<p>15) Dissemination of information on trade regulations and SPS/TBT notifications to SMEs.</p> <p>16) MOIC implements web based recommendation to facilitate SMEs to sell products to ASEAN partners.</p> <p>17) Government implement coordination mechanism</p>

ASEAN = Association of Southeast Asian Nations, BOL = Bank of Lao PDR, CIB = Credit Information Bureau, DERM = Department of Enterprise Registry and Management, DIMEX = Department of Import and Export, DOSMEP = Department of Small and Medium Enterprise Promotion, ERM = Enterprise Registry and Management, ERO = Enterprise Registry Offices, FTPD = Foreign Trade Policy Department, GI = Geographical Indication, MOIC = Ministry of Industry and Commerce, MPI = Ministry of Planning and Investment, P3Ds = provincial public-private dialogue, PMO = Prime Minister's Office, RIA = regulatory impact assessment, SMEs = small and medium-sized enterprises, SMEPDO = SME Promotion and Development Office, SPS = sanitary and phytosanitary, TBT = technical barriers to trade, WTO = World Trade Organization.

Viet Nam: Second Small and Medium-Sized Enterprises Development Program Subprogram 2 (2013)

Policy Action	Subprogram 1 Summary of Actions Accomplished Under Subprogram 1 (September 2010)	Subprogram 2 Summary of Actions Accomplished Under Subprogram 2 (September 2013)	Post-Program Policy Partnership Framework
A. Enhancing the policy and planning framework for SME development			
1. Improve policy/planning framework for SME development initiatives. (MPI)	1.1 MPI approved the publication of the first SME White Paper summarizing key issues and actions taken to address constraints to on private sector/SME development.	MPI, in coordination with other government agencies and stakeholders, has improved the policy and planning framework for SME development by: 1.1 Evaluating the implementation of the first Five Year SME Development Plan 2006-2010 and disseminating the results of such evaluation among stakeholders. (Accomplished)	Institutionalized better policy making process for promoting SME development with increasing use of SME data and improved stakeholder consultation. Annual reports on the implementation of the SMEDP are widely shared and discussed with stakeholders. Further development of improved SME sex-disaggregated databases
	1.2 MPI upgraded and maintain SME information website to include links with available statistical data of SMEs.	1.2 Conducting consultations with relevant line ministries, provincial governments, Viet Nam Women Entrepreneur's Council and development partners to discuss the draft SME Development Plan 2011-2015. (Accomplished)	
	1.3 Government issued Decree 56/2009 to reform the policy environment and policy support for SMEs, with a provision to support women-owned enterprises	1.3 In accordance with the definition of SME set out in Decree No. 56/2009, publishing SME composition data disaggregated by size. The Government has also published sex-disaggregated data. (Accomplished)	
	1.4 Government issued Resolution No. 22/2010 to provide guidelines for implementation of Decree 56 on provision of support policies for SMEs.	1.4 Issuing the second SME Development Plan 2011-2015, containing specific programs in support of women entrepreneurs. (Accomplished)	
	1.5 MPI started seeking inputs from line ministries, provincial governments, business association and other stakeholders on the implementation of latest SME development policies (Decree 56 and Resolution 22)	1.5 Publishing the SME White Paper 2011 containing comprehensive analysis and statistics on the SME sector. (Accomplished)	
	1.6 MPI submitted to Prime Minister for approval a new Decision to enhance the role of SME Promotion Council in supporting SME development.	1.6 Approving the National Strategy on Gender Equality 2011-2020 which specifies a target of 30% increase in women entrepreneurs by 2015. (Accomplished)	

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Policy Action	Subprogram 1 Summary of Actions Accomplished Under Subprogram 1 (September 2010)	Subprogram 2 Summary of Actions Accomplished Under Subprogram 2 (September 2013)	Post-Program Policy Partnership Framework
B. Improve the efficiency of administrative systems in support of SME development and operations			
2. Improve and develop national business registration system. (MPI)	2.1 MPI implemented the new national web-based business registration (NBRIS), which simplifies and unifies the process across 63 provinces and consolidate the information nationally.	MPI has improved the efficiency of the national business registration system by: 2.1 Capacity building of the provincial registrar offices to implement the new national business registration system. Around 40% of officer trained were women (Accomplished) 2.2 Acknowledging pursuant to Decree No. 43/2010 validity of web-based registrations and streamlining and coordinating the issuance of tax and enterprise codes through the national business registration system. (Accomplished)	Established an efficient and consistent electronic -base national business registration system. Coordinating business registration information with GSO databases and EDA's Database for consistent reporting.
3. Simplify administrative procedures. (OOG)	3.1 OOG published in the web site all existing administrative procedures affecting businesses at both the national and provincial levels.	The Government has substantially simplified the administrative procedures through Project 30 and by: 3.1 Establishing APCA as a permanent agency under Decision No. 74/2010 to regularly review consistency and simplify administrative procedures of all government agencies. (Accomplished)	Improved business certainty and reduced the cost of compliance with Government regulations. Simplification of remaining 1000 APs. Institutional strengthening of the APCA.
	3.2 Government issued Decree 63/ND-CP on Administrative Procedure Control to institutionalize the control mechanism for administrative procedures from drafting to implementation phase.	3.2 Enabling APCA to coordinate with the relevant ministries, government agencies and business associations to ensure simplification of administrative procedures affecting businesses at both national and provincial levels. (Accomplished)	
	3.3 Government issued Resolution 25/NQ-CP on the simplification of 258 prioritized administrative procedures including those in tax, custom, land, building and real estate sectors.	3.3 The Prime Minister ratifying 25 ministerial resolutions that allow simplification of around 4,800 administrative procedures. Of these administrative procedures, around 3,800 have already been simplified. (Accomplished) 3.4 APCA conducting RIAs of around 2700 of the administrative procedures mentioned in 3.3 above. (Accomplished)	
4. Simplify tax and customs policies and administration procedures. (MOF)	4.1 MOF implemented pilot e-customs program to 10 provinces.	MOF has substantially simplified tax and customs procedures to reduce compliance costs for SMEs by: 4.1 Requiring full implementation of the e.customs system for commercial imports and exports through Decree No. 87/2012/ND-CP. (Accomplished)	Continue to reduce tax compliance costs extending recent progress to other tax instruments. Ensure full implementation of the Medium-Term Plan for Customs Modernization 2011–2015

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Policy Action	Subprogram 1 Summary of Actions Accomplished Under Subprogram 1 (September 2010)	Subprogram 2 Summary of Actions Accomplished Under Subprogram 2 (September 2013)	Post-Program Policy Partnership Framework
	4.2 MOF issued a Master Plan for implementation of the ASEAN Single Window.	4.2 Granting the Prime Minister’s approval to the Medium Term Plan for Customs Modernization 2011–2015. (Accomplished)	
		4.3 Implementing a simplified tax payment system through Decision No. 85/2011 that facilitates speedy release of goods from customs. (Accomplished)	
		4.4 Reducing the submission of VAT declarations from monthly to quarterly basis under the amended Law on Tax Administration. (Accomplished)	
C. Strengthen the regulatory framework for competition policy			
5. Improve the quality of the new legal documents and provide legal support for businesses. (MOJ)	5.1 National Assembly amended Law on Laws to strengthen provisions on consultations and regulatory impact assessments.	MOJ has strived to improve the quality of new legal documents and extend legal support to private businesses by: 5.1 Issuing guidelines to conduct RIAs across government agencies. (Accomplished).	Institutionalized a standard system of regulatory review and quality control to improve the quality of business related regulations
	5.2 Government issued a Decree 24/2009 on implementing regulations for regulatory impact assessment.	5.2 MOJ and the CIEM undertaking regular trainings on the guidelines for Government officials. (Accomplished)	Fair competition (including free entry and exit) promoted for SMEs across all sectors in Viet Nam
	5.3 MOJ reorganized the ministry based Decree 93/2009 and assigned the General Department to be responsible for law preparation and RIA enforcement	5.3 Reviewing the implementation of Decree 66/2008 and Program 585 on legal support to SMEs. (Accomplished)	Extend PPPs opportunities to SME sector in Viet Nam
	5.4 Government issued 66/2008 on legal support to enterprises to ensure their rights to conduct business are protected.	5.4 Establishing a new division within the MoJ to assist the implementation of Decree 66 and Program 585. (Accomplished)	Assist implementation of Program 585 with adequate resources.
	5.5 VCA published a report reviewing the status, and providing perspectives on, economic concentration in Viet Nam.	5.5 VCA completing a 5-year enforcement review of the Competition Law to guide the amendment of the law and implementing regulations. (Accomplished)	Competition Law and Enterprise Law approved by the National Assembly in 2014.
		5.6 VCA undertaking advocacy activities on Competition Law, including organization of seminars to introduce the law. (Accomplished)	Merger of VCA and the VCC to allow for the institutional strengthening of the authority.
		5.7 CIEM preparing the first draft of the amended Enterprise Law 2005. (Accomplished)	Improvements to the technical definitions of market share allow efficient determination of monopolistic power through mergers and acquisitions.

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Policy Action	Subprogram 1 Summary of Actions Accomplished Under Subprogram 1 (September 2010)	Subprogram 2 Summary of Actions Accomplished Under Subprogram 2 (September 2013)	Post-Program Policy Partnership Framework
6. Improve labor market regulation, labor relation and labor market data collection system. (MOLISA)	6.1 MOLISA implemented provision of Social Insurance Law to replace severance pay with unemployment insurance	MOLISA continues to implement the Unemployment Insurance Scheme, striving for expanded coverage and quality of services provided to assist re-integration of beneficiaries into the labor market by: 6.1 Reviewing the implementation of the Unemployment Insurance Scheme for private companies and expanding the coverage of the Scheme. (Accomplished)	A more flexible labor market developed to support SME employment and development. Streamlining procedures for registering, claiming and receiving unemployment insurance benefits.
	6.2 MOLISA established a Center for Industrial Relations to support improved labor relations.	6.2 Publishing sex-disaggregated labor market data through its annual 'Employment Trends' publication and website. (Accomplished)	Improve dissemination of the scheme and efforts towards improving the share of employees that return to work before end of benefits.
D. Enhancing SME access to finance			
7. Improve SMEs' access to conventional commercial bank lending. (SBV)	7.1 SBV issued Circular 12/2010/TT-NHNN to provide guidance to credit institutions on VND lending with negotiation-based interest rate, including for short-, medium- and long-term lending for development investment, service and business projects.	SBV has improved access to credit by SMEs with the implementation of a number of reforms, including by: 7.1 Providing training to credit institutions to facilitate access to finance by SMEs. (Accomplished) 7.2 VWU supporting access to targeted credit to around 286,000 women entrepreneurs. (Accomplished) 7.3 Issuing guidelines to provide favorable credit terms from financial institutions to SMEs. (Accomplished)	Develop a more flexible interest rate environment that is conducive for commercial bank lending to SMEs. Develop a more diverse range of debt financing products and services for SMEs to access.
8. Improve SMEs' access to alternative financial services. (SBV)	8.1 National Assembly passed the Law on SBV with a provision that allows SBV, under certain circumstances, to regulate the interest rate mechanism applicable to credit institutions and between credit institutions and customers. 8.2 MPI in collaboration with MOF completed a final draft of a joint-circular on the government-funded capacity building programs to improve SME competitiveness and access to finance. 8.3 Government issued Decree 95/2008 aimed at improving SMEs' access to leasing finance.	8.1 Submitting a new draft Decree on activities of financing and leasing companies for the approval of the Prime Minister which is intended to consolidate earlier regulations to ensure consistency with the recent Law on Credit Institutions. (Accomplished)	Allow for more efficient financing of leasing companies to facilitate their operations.

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Policy Action	Subprogram 1 Summary of Actions Accomplished Under Subprogram 1 (September 2010)	Subprogram 2 Summary of Actions Accomplished Under Subprogram 2 (September 2013)	Post-Program Policy Partnership Framework
9. Establish credit guarantee activities in support of SMEs' improved access to (debt) finance. (MOF)	9.1 Government implemented the Credit Guarantee Scheme for SMEs.	9.1 MoF revising the regulatory framework of the Credit Guarantee Scheme, providing for a balanced credit risk and collateral sharing with commercial banks. (Accomplished)	Maintained a viable and sustainable market-based credit guarantee system in support of greater SME-oriented lending.
	9.2 Based upon the initial experiences, VDB reviewed the scheme and proposed revision to MOF focused on credit risk and collateral sharing with the participating banks.		
10. Improve access to equity finance and corporate governance practices in larger SMEs. (MPI and MOF)	10.1 MOF issued a Decision on the trading of unlisted (public) securities at HNX, to support the development of the UPCoM.	10.1 Producing a diagnostic study with specific recommendations for improving the efficiency, trading volume and number of listed companies of the UPCoM market. (Accomplished)	Improved access to equity finance and corporate governance standards and practices in larger SMEs.
	10.2 HNX commenced pilot operations of the UPCoM market in Ha Noi for unlisted public companies.		
	10.3 MPI submitted to the Government a revised Decree 139/2007/ND-CP to improve existing regulations on the rights and protection measures for minority investors in joint stock companies		

AP = administrative procedures, APCA = Administrative Procedures Control Agency, ASEAN = Association of Southeast Asian Nations, CIEM = Central Institute for Economic Management, EDA = Enterprise Development Agency, GSO = General Statistics Office, MOF = Ministry of Finance, MOJ = Ministry of Justice, MOLISA = Ministry of Labor, Invalids and Social Affairs, MPI = Ministry of Planning and Investment, NBRS = national web-based business registration, OOG = Office of the Government, RIA = regulatory impact assessment, SBV = State Bank of Vietnam, SME = small and medium-sized enterprises, SMEDP = SME development plan, UPCoM = unlisted public companies market, VCA = Viet Nam Competition Authority, VCC = Viet Nam Competition Council, VDB = Viet Nam Development Bank

APPENDIX 4

Sample Gender Action Plans

Armenia: Women's Entrepreneurship Support Sector Development Program, 2012

Activities	Performance Indicators / Targets	Responsibility	Tranche 1	Tranche 2	End of Program
Output 1. Improved institutional framework supports women entrepreneurs and MSMEs					
MOE implements national strategy for small and medium entrepreneurship development, including Women's Entrepreneurship Promotion	<ul style="list-style-type: none"> Adopted State Strategy 	MOE		X	
MOE implements action plans linked to the National Strategy of Small and Medium Entrepreneurship Development targeted at women entrepreneurs and MSMEs ^a	<ul style="list-style-type: none"> At least 2 action plans 	MOE			X
SME DNC assesses the role of women entrepreneurs in growth sectors	<ul style="list-style-type: none"> PACA Reports 	SME DNC	X		
SME DNC implements action plan for developing women entrepreneurs in identified sectors ^a	<ul style="list-style-type: none"> Action Plan 	SME DNC		X	
SME DNC undertakes annual survey of women entrepreneurs and identify problems to be addressed and lessons learned	<ul style="list-style-type: none"> At least 700 women entrepreneurs surveyed annually 	SME DNC			X
MOE implements interagency coordination working group on women entrepreneurship promotion	<ul style="list-style-type: none"> Minutes from meetings of the working group and work plan 	MOE		X	
SME DNC improves women presence through appointment of women to Board of Trustees	<ul style="list-style-type: none"> At least 50% of new SME DNC Board of Trustees will be women 	SME DNC		X	
SME DNC and PFI staff trained on gender awareness ^a	<ul style="list-style-type: none"> Schedule of trainings List of participants (at least 40 participants) 	SME DNC, PFIs		X	
SME DNC establishes a sector specific data base with sex-disaggregated data	<ul style="list-style-type: none"> System provides sex disaggregated information including number of registered businesses, number of employees, sector, region 	SME DNC		X	

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Activities	Performance Indicators / Targets	Responsibility	Tranche 1	Tranche 2	End of Program
Output 2. Improved capacity of women entrepreneurs and MSMEs					
SME DNC implements public awareness campaigns supporting women entrepreneurship ^a	<ul style="list-style-type: none"> Documented evidence of at least 5 campaigns 	SME DNC			X
SME DNC provides BDS and training by facilitating at least 8 start-up campaigns of which at least 40% of the participants are women	<ul style="list-style-type: none"> Schedule of trainings At least 40% of trainees are women 	SME DNC	X		
SME DNC increases outreach and tailors training and business development services for women entrepreneurs and MSMEs ^a	<ul style="list-style-type: none"> Schedule of at least 20 BDS trainings At least 50% of participants are women 	SME DNC		X	
	<ul style="list-style-type: none"> Number of women entrepreneurs and MSMEs that receive BDS from the SME DNC annually increases from 2174 in 2011 to 3500 				X
SME DNC designs and pilots a mentorship network for women entrepreneurs ^a	<ul style="list-style-type: none"> Evaluation report of mentorship networks design and pilot (a total of at least 30 mentors in the 10 marzes) 	SME DNC			X
Output 3. Improved access to finance by women entrepreneurs and MSMEs					
SME DNC issues gender-responsive loan guarantees under new schemes	<ul style="list-style-type: none"> Sex disaggregated loan guarantee application and approvals At least 30% are women entrepreneurs and MSMEs 	SME DNC	X		
SME DNC improves availability of loan guarantees to women entrepreneurs and MSMEs ^a	<ul style="list-style-type: none"> At least 50% of loan guarantees and or other financial products are to women entrepreneurs and MSMEs 	SME DNC		X	
PFI improves availability of loans to women entrepreneurs and MSMEs ^a	<ul style="list-style-type: none"> At least 2,600 new loans under the program from PFIs to MSMEs of which at least 50% should be women entrepreneurs and MSMEs 	PFIs			X
Output 4 Improved business environment supports MSMEs					
MOE consolidates existing databases in to one sex-disaggregated database on micro, small, medium-sized and large enterprises in Armenia	<ul style="list-style-type: none"> Consolidated database, sex disaggregated 	MOE		X	

ADB = Asian Development Bank, BDS = business development services, CBA = Central Bank of Armenia, GAP = gender action plan under the program, MOE = Ministry of Economy, MOF = Ministry of Finance, MSME = micro, small and medium-sized enterprises, PACA = Participatory Appraisal of Competitive Advantage, PFI = participating financial institution, SME DNC = SME Small Medium Enterprise Development National Center.

^a TA supports this activity.

Bangladesh: Small and Medium-Sized Enterprise Development Project, 2009

Activities	Indicators and Targets	Responsibility	Time Frame
Output 1: Constraints and Opportunities to Women’s Entrepreneurship Identified			
(i) A minimum of 15% of the Project’s credit line should be earmarked for women entrepreneurs. ^a	Project progress report Project completion report	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 1–36
(ii) Collect baseline information and data on women’s entrepreneurship in selected districts on factors that enable women to, or constrain them from, becoming effective entrepreneurs in selected industries known for women’s involvement.	Baseline information and data collected in six selected districts Training and capacity development needs assessment (6) carried out in selected districts		Months 1–2
(iii) Carry out training and capacity development needs assessment in selected districts to inform the advocacy, training, and capacity development initiatives supported under outputs 2 and 3.			Months 3–4
(iv) Identify capacity needs and knowledge gaps.			Months 5–6
Output 2: Advocacy Initiatives for Enforcement of Gender-Responsive Regulations and Policy Reform Implemented			
Advocacy for the enforcement of gender-responsive regulations			
i) Assess the current status of enforcement of gender-relevant provisions in Bangladesh Bank’s regulatory frameworks	Gender-responsive practices adopted by participating financial institutions (PFIs) (scheduled commercial banks and financial institutions) [15] documented 12 advocacy sessions carried out in PFIs 35 dedicated women entrepreneurs’ desks open at PFIs 6 training sessions carried out 600 PFI desk officers trained including Bangladesh Bank desk officials 36 legal literacy and aid initiatives carried out 360 women entrepreneurs benefited from legal literacy and aid Effective participation of women entrepreneurs (90% participation rate)	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 6–8
(ii) Document practices adopted by scheduled commercial banks and nonbank financial institutions.			Months 6–36
(iii) Ensure the adequate dissemination of information on these facilities and simplified procedures by (a) identifying potential women borrowers through promotional and awareness-building campaign; (b) attract women borrowers; and (c) provide assistance in processing women’s applications (i.e., from filling up applications and other required forms to step-by-step listing of compliance requirements).			
(iv) Establish dedicated women entrepreneurs’ desks in PFIs.			
(v) Ensure PFIs (scheduled commercial banks and nonbank financial institutions) review their overall credit lending procedures and adopt simplified procedures to encourage women applicants.			
(vi) Design, develop, and deliver orientation and training programs targeting PFI officials.			
(vii) Women entrepreneurs commit to participate actively in training activities to be conducted under the Project prior to and after disbursement.			
(viii) Provide legal aid and literacy services to women entrepreneurs and associations.			

Table continued

Activities	Indicators and Targets	Responsibility	Time Frame
Advocacy for gender-responsive policy reform			
Support ongoing efforts to engage with relevant government entities and local government bodies, and advocate for gender-responsive policy and legal and regulatory reforms to ensure (i) women’s greater representation in small and medium-sized enterprise (SME) decision-making processes and structures; and (ii) women entrepreneurs’ equal access to financial resources, business opportunities, infrastructure, and services.	Three gender-responsive policy and legal and regulatory reforms initiatives supported. ^b	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 6–36
Output 3: Technical Capacity of Selected Women Entrepreneurs and Associations Strengthened			
(i) Training programs designed, pilot-tested, and conducted on women entrepreneurship development under private–public partnership between BWCCI and the Ministry of Industry. (ii) Gender issues integrated in the content of all training modules developed and used in loan-supported training programs. (iii) Exposure visits and lateral learning organized. (iv) Support provided to operationalize SME help-lines in selected areas.	900 women entrepreneurs trained Exposure visits (5), trade fairs (5) and lateral learning events (5) carried out; SME help-line (5) supported in selected districts.	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 7–8 Months 9–10 Months 10–34
Output 4: Dissemination of Findings and Identification of Follow-Up Initiatives			
(i) Assess the results of the activities in outputs 2 and 3.	Relevant TA findings disseminated through relevant government, civil society and private sector networks. National workshops (2), divisional seminars (6), advocacy meetings (60) organized; exposure visits (3) and trade fairs (3) attended.	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 35 Months 36
(ii) Disseminate findings and lessons from technical assistance (TA) activities at national workshops, divisional seminars, advocacy meetings, exposure visits, and trade fairs.			
(iii) Plan follow-up activities. ^c			
Others			
TA staff: (i) project manager, (ii) training coordinator, (iii) policy/ legal and advocacy coordinator, (iv) senior accounts officer, and (v) support staff (36 months each); and (i) monitoring and evaluation specialist, and (ii) technical advisor (6 person-months each), on an intermittent basis.	BWCCI progress report	Finance Division of the Ministry of Finance in consultation with other relevant agencies.	Months 1–36

BWCCI = Bangladesh Women Chamber of Commerce and Industry, PFI = participating financial institution, SME = small and medium-sized enterprise, TA = technical assistance.

^a This is in line with the provisions set out in the recently enacted amendment to the Refinance Scheme for Women Entrepreneurs of SME (2008), raising the minimum target for earmarked resources to women entrepreneurs from 10% to 15%, 40% of which will be dedicated to small women entrepreneurs.

^b These areas include (i) Ministry of Industry: review of the industrial policy to reserve industrial parks for women entrepreneurs in all divisional towns, establish a separate bank for women entrepreneurs and ensure collateral-free loans for women entrepreneurs; (ii) Ministry of Commerce: review the export policy to make it gender-friendly; ensure 25% quota for women entrepreneurs' participation in international trade fairs, single exhibition of local products, and other market promotion activities in foreign countries, and single country trade fair; (iii) Ministry of Finance: remove or replace current guarantee requirements on commercial loans to women entrepreneurs; and (iv) Bangladesh Bank: (a) establish central and local monitoring bodies for financing of women entrepreneurs; (b) restructure the boards of public sector banks to include at least 25% women representation; (c) monitor and record lending operations on a gender-disaggregated basis; and (d) implement the provision for collateral-free access to finance from bank and other sources. (BWCCI. 2009. *Women's National Business Agenda*. Dhaka.)

^c Initial consultations with women entrepreneurship (2009) suggest the need for a venture capital risk management fund to increase the interest and eagerness of commercial banks to lend to women entrepreneurs.

Source: ADB estimates.

