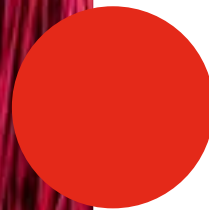




Strengthening & Scaling Gender Diverse MSMEs in Asia



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Foreword

In 2023, Asia drove 70% of the global economic growth. In addition, The region is poised to lead sustainable development for the Global South economies, making significant strides in advancing women's empowerment and gender equality, poverty alleviation, and inclusive development.

Micro, Small, and Medium-sized Enterprises (MSMEs) have played an important role in catalysing this economic growth by creating local domestic demand in the region. MSMEs make up more than 96% of Asian businesses and contribute more than 60% of national labor in Asian economies. Women-led MSMEs comprise almost 23% of MSMEs creating jobs and livelihoods for both women and the broader ecosystem.

However, approximately 400 million MSMEs in emerging economies have unmet financing needs, including access to credit, and business development services to promote enterprise growth, while also grappling with the consequences of climate change as natural disasters continue to affect business operations. It is estimated that the total credit gap for MSMEs is around US\$5.2 trillion. In Asia alone, the credit gap in the sector is estimated to be around US\$2.7 trillion, due to restrictions on finance, equity, and payment services.

Furthermore, despite constituting less than a quarter of the MSME sector, women-owned and led enterprises account for 32% of the MSME finance gap. They find it difficult to grow owing to socio-cultural norms and gendered stereotypes. Women-owned enterprises also often find themselves restricted to the informal sector and face structural biases and barriers towards accessing credit, resources, and capacity-building support since systems and institutions, such as markets, have been historically built for businesses owned and led by men. By fostering an inclusive environment that supports and empowers gender diverse MSMEs, we can unlock immense potential and drive economic prosperity, while also advancing gender equality.

The G20 presidencies of 2022 and 2023, hosted by two major Asian economies, Indonesia and India, respectively, identified the challenges facing gender diverse MSMEs and called for women-led development as a priority to further close the gender equality gap in Asia. ASEAN presidencies, too, have continued to re-emphasize the need to support gender diverse MSMEs in the region to further women's economic empowerment.

To support the growth and expansion of gender-diverse MSMEs in Asia, AVPN in partnership with Visa Foundation constituted a High-Level Taskforce during the G20 Indonesian presidency, with a vision to table key recommendations for policymakers and investors during the G20 Indian presidency. The taskforce brought diverse leaders from the world of policy, corporates, and social investment community such as members from the Asian Development Bank, UN Women, UN Capital Development Fund, UNESCAP, and NITI Aayog, among other Asian voices.

The Gender-Diverse MSME Taskforce report incorporates key actionable recommendations and suggestions for policymakers and social investors to scale gender-diverse MSMEs. It highlights successful strategies and best practices to overcome existing obstacles and provide policymakers, stakeholders, and business leaders with insights and actionable recommendations to create an enabling environment for gender-diverse entrepreneurs.

As we embark on this journey to strengthen gender diverse MSMEs, collaboration among various important stakeholders is key. Governments, the private sector, civil society organizations, and academia must unite to drive change and create inclusive ecosystems that celebrate and support gender diverse MSMEs. Collective action and integration of innovative solutions will be crucial to unlock the full potential of gender diverse MSMEs to build a more equitable and prosperous future.

As Co-Chairs of this Taskforce, we invite you to engage with the valuable insights presented in this report to encourage a gender diverse MSME landscape across Asia.



Kanta Singh

Deputy Country Representative, UN Women,
India Co-chairs of MSME Taskforce



Anne Patricia Sutanto

Vice CEO, PT Pan Brothers Tbk.,
Indonesia

Introduction

1.1 Overview & Background



Asia-Pacific region has about 170 million Micro, Small & Medium Enterprises (MSMEs) contributing \$15 trillion to the region's GDP in 2021. Exports from MSMEs in Asia-Pacific accounted for approximately \$896 billion in 2020. MSMEs are the backbone of Asia-Pacific region's economy, accounting for an average of 97% of all enterprises and 69% of the national labor force¹. In the Association of Southeast Asian Nations (ASEAN), Indonesian MSMEs contribute the largest percentage (61%) to their country's GDP. In South Asia, India's MSMEs have one of the highest shares (49% in 2020) in exports.² MSMEs help stimulate local demand, create jobs and help the economies grow in the region.



With MSMEs in Asia ranging across sectors such as agricultural MSMEs (like food processing, farming, fisheries, animal husbandry etc.) of Central Asia and the Pacific, to the highly industrialised manufacturing MSMEs of North-East Asia and the service-oriented MSMEs of South Asia posit various kinds of challenges and require specific solutions to address sectorial contexts.

In East Asia and the Pacific women own

50% of all microenterprises &

59% of the small and medium-sized enterprises (SMEs).

In South Asia, women own

10% of microenterprises &

8% of SMEs.

Despite their significant proportion and contribution in the region, women-led MSMEs tend to be less profitable than those run by men, and they are more likely to operate in the informal sector (e.g., home decorations, tourism etc.).³ The reasons for these disparities include financial barriers, limited access to markets and information, skills gaps, discriminatory norms, and greater unpaid workloads. Women entrepreneurs are less likely to operate in growth-oriented and technology-intensive sectors and are overrepresented in low-technology industrial sectors with lower profit margins such as the food, garment, textile and leather sectors, but also in service and retail.

1.2 Objectives & Key Outputs

AVPN in partnership with Visa Foundation launched a High-Level Task Force bringing together diverse leaders from the fields of policy, corporations, and the social investment community to make key recommendations on expansion and strengthening of gender diverse MSMEs in Asia-Pacific (with a priority focus on women-led MSMEs in developing economies) to promote sustainable and equitable economic growth and job creation in the region.



Building consensus amongst corporate, government and social investment leaders in Asia-Pacific around the acute challenges in attracting investments for women-led MSMEs



Enhancing understanding and leadership amongst women-led MSMEs around how to strengthen networks and build resilience



Recommending actionable solutions to support and strengthen access to investments for women-led MSMEs

In this report “**Gender diverse**” refers to gender identities that demonstrate a diversity of expression beyond the binary framework. While this Task Force strives to include all marginalised groups within this umbrella, for the purposes of this document*, it will be focusing on “women-led” MSMEs within the realm of gender diverse MSMEs, owing to data limitations and considering women-led MSMEs are significant in number compared within this sub-group.

1.3 Approach & Methodology

The methodology uses a mixed-method approach with a combination of secondary desk research and qualitative interviews with Task Force members, industry experts and women-led MSMEs derived from AVPN’s diverse member network to arrive at actionable recommendations. The study draws on relevant insights provided by the AVPN membership network, especially Task Force members, in order to guide the public sector and the private sector, including catalytic and philanthropic capital providers, on how best to support women-led MSMEs through collective action.

A landscape analysis was conducted to assess the systemic and market conditions of women-led MSMEs in the Asia-Pacific region and identify key barriers and problem statements that needed to be addressed.

Early research findings revealed that in the current landscape, women-led MSMEs are:



Concentrated at a microenterprise level in less productive sectors with lower earnings



Falling behind their male-led counterparts in enterprise dimensions such as size, profitability, formality, scalability and resilience to shocks

This exercise enabled us to identify and group challenges based on key issues that affect all women-led MSMEs across Asia-Pacific. The Taskforce and the subsequent report addresses barriers through the following thematic areas :

▶ Access to Finance and Markets

▶ Digital Inclusion and Transformation

▶ Climate Risks and Adaptation

This report focuses primarily on recommendations for:



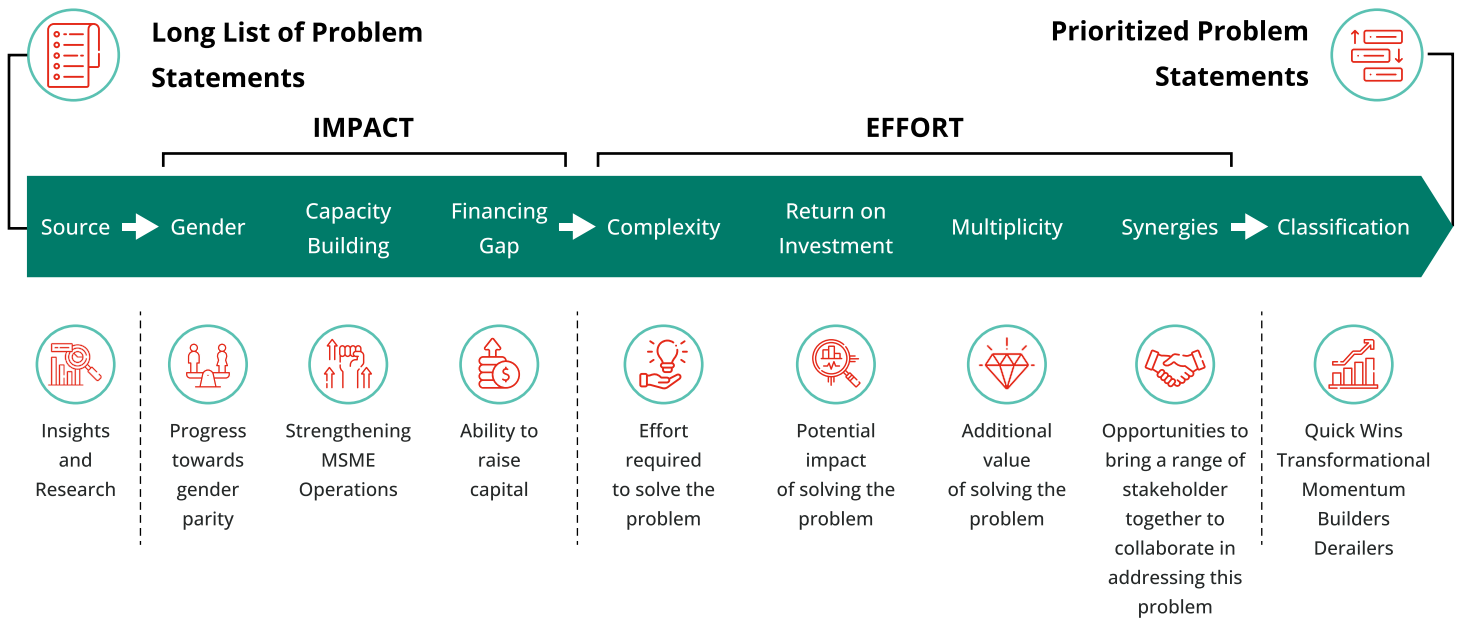
● Public sector institutions including government bodies and legislators

● Private sector stakeholders, including financial institutions, large companies and social investment community including AVPN members

Problem Identification Framework

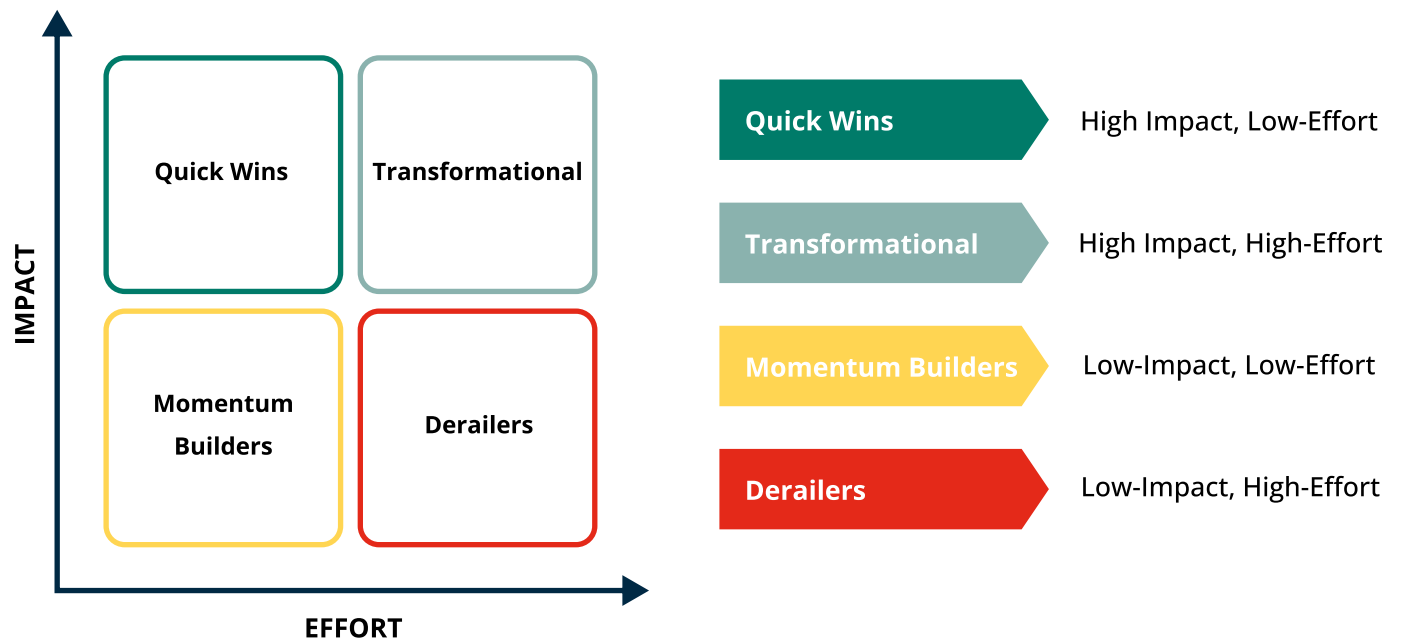
In order to understand the most pressing barriers impeding the progress of women-led MSMEs, the Task Force ran a number of problem statements through a robust framework, to ensure that they solve for the most pertinent challenges for the highest percentage of women-led MSMEs in Asia Pacific. These problem statements were then discussed with the Task Force members through a series of convenings and 1-1 interviews and corroborated with secondary research evidence.





*detailed problem statements are listed in respective thematic areas of the report

Post identification of the problem statements, they were organised on a derived prioritisation matrix on a scale of High, Medium and Low to inform the short, medium and long term recommendations.



The impact/effort matrix was leveraged to prioritise the areas the Task Force sought to address.

From this, problem statements were categorised as:

<p>Quick wins, including high impact, easy interventions to bring quick value at minimal effort</p>	<p>Transformational, including high effort, high impact interventions which can be game changers but take significant time and effort to deliver</p>
<p>Momentum builders, including low effort, low impact interventions which may not be immediately appealing, but may help build momentum in the long term</p>	<p>Derailers, including low impact, high effort interventions which may derail the higher impact activity and hence should be deprioritised.</p>

The Task Force aimed to balance the need for quick wins (e.g., boosting financial literacy to enhance financial inclusion) with more transformational change requirements (e.g., reducing restrictions in regulatory frameworks), and hence selected problem statements within these categories as high priority. Problem statements which were assessed to be momentum builders and derailers were treated as low priority due to their lower impact and criticality.

The shortlisted problem statements have a concerted focus towards achieving gender parity and reflect scope for investment and capacity building of women-led MSMEs. They are designed to bring out recommendations directed towards short-term as well as long-term gains for women-led MSMEs.

Key Research Questions Informing The Recommendations

Areas of Enquiry	
What is the current landscape of women-led MSMEs in Asia Pacific?	<ul style="list-style-type: none"> ▶ How much economic value do women-led MSMEs lose in the APAC region? ▶ What are the core needs, critical barriers, best practices and enablers for women-led MSMEs in Asia-Pacific? ▶ What are some of the systemic policies such as social security and entitlements norms that affect women's access to owning MSMEs?
How do current national policies support and strengthen women-led MSMEs?	<ul style="list-style-type: none"> ▶ Are the national level policies for MSMEs gender intentional? ▶ Are sectoral differences in MSMEs addressed through policies and regulatory frameworks that impact women-led MSMEs? ▶ What are some of the best practices emerging in the region that enable scale up of women-led MSMEs?
From a thematic lens, what is the scope of support for women-led MSMEs?	<ul style="list-style-type: none"> ▶ How does barriers to access to finance can be resolved to ensure that women-led MSMEs can own assets, take official credit and seek financial assistance? ▶ How can digital capacity building help women-led MSMEs match markets conditions and needs of business today? ▶ How is climate change affecting women-led MSMEs and what solutions can resolve emerging challenges and access to insurance?

Indicators discussed by the three working groups

Access to Finance & Markets	Digital Inclusion & Transformation	Climate Risks and Adaptation
<ul style="list-style-type: none"> ▶ Access to capacity building opportunities and networks ▶ Credit histories and credit lending capacities ▶ Gender mainstreaming in value chains and procurement ▶ Inclusive financial product / service design ▶ Gender gap in financial literacy ▶ Access to business development support services 	<ul style="list-style-type: none"> ▶ Access to digital technology infrastructure ▶ Inclusive digital product / service design ▶ Digital literacy skills and capacity building opportunities ▶ Digital public goods like openstack platforms and public access points ▶ Restrictive legal and regulatory frameworks 	<ul style="list-style-type: none"> ▶ Access to climate adaptation finance and disaster insurance ▶ Gender mainstreaming in climate action plans and policies ▶ Information asymmetry to make decisions for climate adaptation ▶ Sustainable business certifications ▶ Knowledge about low-carbon technologies ▶ Limited representation in the clean energy sector



CHALLENGES & RECOMMENDATIONS

Access to Finance & Markets

2.1 Access to Finance & Markets

► Overview

Women-led MSMEs in Asia-Pacific are disproportionately impacted by several systemic barriers in securing adequate financing and accessing new markets, which limits their ability to sustain and expand. Women-led MSMEs experience a significant credit gap compared to their male counterparts, and acquiring financing is often more costly due to unfavorable terms such as higher interest rates. Due to such barriers, women-led MSMEs often resort to relying on informal funding sources and encounter difficulties in expanding beyond local markets.

The Task Force highlighted the following as the key challenges inhibiting access to finance and markets.



Challenges

2.1.1 Women-led MSMEs lack capacity building and networking opportunities resulting in poor enterprise growth and lower representation in the supply value chains

Existing MSME networks across emerging economies in Asia are predominantly male-dominated, with limited female membership⁵. This limits women-led MSMEs' access to crucial networks and potential supply chain partners, and reduces the effectiveness of support systems including mentorship. As a result, women-led MSMEs face an uphill task in developing crucial competitive advantages necessary to sustain and grow (e.g., access to information, finance and relevant markets, and connections to corporate value chains).

Moreover, women entrepreneurs tend to experience a lack of knowledge of and low participation in relevant capacity-building opportunities including skilling, mentorship and peer support. This is because such programs are often designed for male participants, lacking consideration for women's specific learning constraints (e.g., socio-cultural barriers to interactions with male trainers or peers, lack of ability to independently travel to learning centers).

33.3%

of East-Asian women business owners are not engaged with business associations²

1%

of procurement spend of large corporations is won by women-led businesses³

25%

of women entrepreneurs in Vietnam cited a "lack of knowledge and skills" among their staff as a definitive barrier to business development.⁴



Women-led MSMEs face disparities in resources related to transaction cost (information, networks, financial literacy) and competitiveness (cost of capital, technology cost, input cost, compliance cost).

Regula Schegg,

Circulate Capital, Singapore

2.1 Access to Finance & Markets

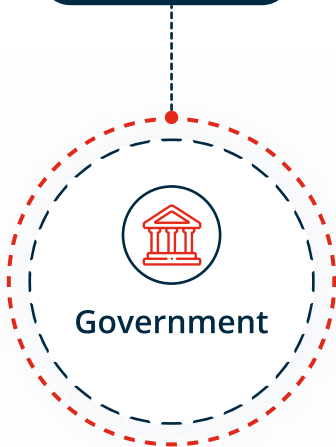
Recommendations

01

Expand national MSME databases to include gender-disaggregated data and provide ongoing measurement of women-led MSMEs' performance in local, national and regional markets

PUBLIC SECTOR

Stakeholders



Recommended actions



Develop a national MSME database with clear guidelines, standardised data collection methods, and an allocated annual budget to collect gender-disaggregated data for MSMEs on a national and local level (e.g., the ['Policy Framework on MSME Data Collection: A Guide for Gender Inclusive Finance'](#)).

Sample metrics to track performance of women-led MSMEs:

- ▶ Sector of operation
- ▶ Size (number of employees)
- ▶ YoY funding raised
- ▶ Loan payback rate
- ▶ Year on Year (YoY) revenue/profit
- ▶ Participation in digital finance.



Conduct annual review of performance metrics of women-led MSMEs to inform inclusive public procurement policies and design relevant capacity-building programs.



Collaborate with industry associations to develop a national gender-disaggregated MSME database, allowing public and private buyers to identify women-led MSME suppliers and invite them to participate in their procurement processes.

PRIVATE SECTOR

Recommended actions



Collect and compile gender-disaggregated data from MSME customers, including the nature of loans provided, interest, repayment, and retention rates for inclusion in a national database.



Leverage data from national gender-disaggregated MSME databases to inform, strengthen and report on gender lens investing (e.g., funding provided to women-led MSMEs) to consciously increase investments towards under tapped regions and sectors.

Stakeholders



Financial Institutions



Impact Investors

2.1 Access to Finance & Markets

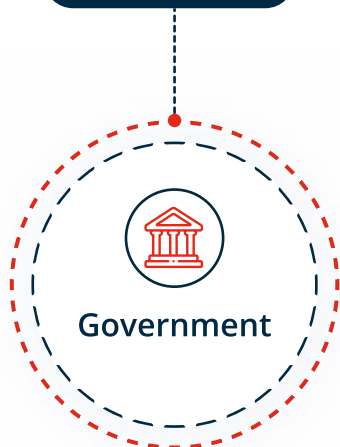
Recommendations

02



Establish gender-responsive procurement (GRP) policies to prioritise participation of women-led MSMEs in government and private sector value chains

PUBLIC SECTOR

Stakeholders



Recommended actions

-  Integrate gender-intentional annual public procurement targets into policies and provisions in procurement laws, supported by ongoing monitoring and reporting on its implementation.
-  Address structural exclusion in the procurement process by implementing strategies such as:
 - ▶ Systematically incorporate inclusive practices in public procurement systems, e.g.,, gender-responsive e-procurement systems, supplier codes of conduct clauses, marketing, training and reporting.
 - ▶ Incentivise large companies to have a minimum procurement threshold of finished goods & services from women-led MSMEs (e.g., this could become a criterion for higher qualification scoring for companies applying for government contracts).

Example

Currently, there is no policy or legislative framework that explicitly promotes GRP among the ASEAN Member States. Governments in the region have established preferential-treatment clauses (e.g., evaluation grids that differentiate between bidder groups, differential pricing, target groups allowed to bid before other groups), which are examples of entry points to more specific GRP legislation. For instance, The Vietnamese Law on Public Procurement provides legal ground for preferential treatment of bidders whose workforce is (i) at least 25% female, or (ii) at least 25% disabled, or (iii) to local small businesses.

PRIVATE SECTOR

Recommended actions

-  Promote Diversity, Equity, and Inclusion (DEI) policies within the sector by providing training to member companies on:
 - ▶ Best practices on setting, tracking, and reporting gender indicators in supply chains
 - ▶ Implementing GRP through their policies, training and monitoring.
-  Establish a mandate for GRP through supplier diversity and development policies with clear actions:
 - ▶ Launch gender sensitisation training(s) in procurement departments to establish the business case for GRP and provide guidelines for its implementation
 - ▶ Set and track diversity targets for hiring in procurement teams and sourcing from women-led MSMEs
 - ▶ Engage with certification bodies (e.g., WEConnect International) and civil society organisations to target and recruit women-led suppliers
 - ▶ Assess and report progress on GRP policies and practices (e.g., self-assessment using the [WEPs GRP Assessment Tool](#)).

Stakeholders



Industry Associations



Large Corporations

2.1 Access to Finance & Markets

Example

IBM Asia-Pacific, Intrepid Travel and Unilever have established global corporate policies on supplier diversity (e.g., setting specific targets for sourcing from women-led MSMEs) and/or a GRP mandate for staff worldwide. Unilever Thailand and Intrepid Travel have also developed innovative partnerships to generate supplier development programmes to integrate women-led MSMEs into their supply chains. Companies with gender equality commitments in the workplace are especially well placed to focus on gender responsiveness in the marketplace.

Case Studies

► Empowering Women-Led Enterprises to Access Government Contracts in Indonesia



MSMEs make up -

99% of all business activities in Indonesia, providing employment for 97% of the workforce and contributing to 60% of GDP.

Although women-led MSMEs account for nearly 64% of MSMEs in Indonesia, only 0.25% of them have benefitted from government procurement spending. This is mainly due to challenges like limited access to information and financial resources coupled with corruption. Recently, the Indonesian government issued Presidential Regulation 12/2021, which mandates all public institutions and departments to allocate at least 40% of their budget for obtaining domestic products from microbusinesses and cooperatives. This policy presents an opportunity for initiatives that aim to enhance capacity building and promote inclusive procurement.

SHE-BID

A capacity building initiative by UNDP's FairBiz Project, Alliance for Integrity and National Public Procurement Agency (LKPP), to equip women-led SMEs to access public procurement tenders, increase their competitiveness, gain knowledge on governance norms and prevention of corruption in government services.

SheTrades & Unilever

International Trade Centre (ITC) is collaborating with Unilever to build capacities of Indonesian women-led businesses and build a pipeline of eligible and informed suppliers who can comply with the sourcing requirements of large corporations such as Unilever.

Case Studies

► WEConnect International: Linking a Network of Women-Led Businesses to Global Markets

[WEConnect International](#) facilitates women-led businesses' participation in the global marketplace, bridging the gap between unmet social needs and service providers. It has implemented a rigorous certification process to verify the ownership, management, and control of women-led MSMEs, instilling confidence in buyers, and acting as a powerful marketing tool showcasing their commitment to diversity and inclusion.



2.1 Access to Finance & Markets

Recommendations

03

Simplify regulatory environments to aid formalisation of women-led MSMEs at the right stage of growth

PUBLIC SECTOR

Stakeholders



Recommended actions

- ▶ Simplify (i.e., reduce the number of steps and time required to complete) MSME registration systems (including permit renewal channels, tax filing systems) through a one-stop-shop service which reduces paperwork, digitises processes, and provide user-friendly online platforms.
- ▶ Develop a comprehensive incentivisation plan to support stage-wise growth of women-led MSMEs e.g., funding assistance to upgrade technology and enable scale for micro enterprises, access to business development services for small enterprises upon formalisation, etc.
- ▶ Reduce the financial, fiscal and regulatory burden on registered companies through preferential tax regimes (e.g., [SME Tax Amnesty in Thailand](#), [revenue-based tax regime in Indonesia](#)) and simplification of accounting standards (e.g., [Code for Accounting of SMEs in Japan](#)).

Example: The Prime Minister Employment Generation Programme (PM-EGP) Scheme in India encourages formalisation by incentivising for working capital loans etc. Under the scheme women entrepreneurs are provided 25% and 35% subsidies for new enterprises set up in urban and rural areas respectively.

Case Studies

▶ Cambodia's One-Roof Service (ORS) digital platform to simplify MSME registrations

The Royal Government of Cambodia has established the [One-Roof Service \(ORS\)](#) - a "one window scheme" for business registration and licensing renewal. While the ORS is not specifically targeting women, there is recognition of the pivotal role of women entrepreneurs in Cambodia as well as the layers of additional challenges they face, compared to their male counterparts. UNESCAP, through the Catalyzing Women's Entrepreneurship (CWE) program is supporting the Cambodian government and has developed guidelines for making the ORS gender-responsive.

The ORS has been operationalized through a Business Registration System on Information Technology Platform (OBR) process. This reduces silos and harmonizes processes and support of different relevant ministries and sectors for MSME development on a single platform called Cambodia Data Exchange (CamDX). The CamDX platform integrates several relevant information systems create an end-to-end coordinated portal to support business registrations and growth.

Some of its differentiating features are:

- ▶ It is meant to reduce the overall time taken for business registration from 99 to 8 days, and increase cost savings and transparency for entrepreneurs through secure digital payments.
- ▶ It enables not only online business registration via a single-entry digital platform, but it also offers a non-digital option for entrepreneurs with limited digital access and skills.

2.1 Access to Finance & Markets

Recommendations

03

Simplify regulatory environments to aid formalisation of women-led MSMEs at the right stage of growth

PRIVATE SECTOR

Stakeholders



Recommended actions

- ▶ Offer post-formalisation incentives such as access to specialised financial infrastructure, credit guarantee facilities, loans at lower interest and quicker application processing (e.g., to women-led MSMEs registered on the Udyam portal in India).
- ▶ Establish a special desk led by women employees to provide prompt services and information to women entrepreneurs about financial and non-financial support available to them (e.g., Bangladesh Krishi Bank's dedicated women entrepreneur desk).

Recommended actions

- ▶ Create awareness about the benefits of formalisation through educational campaigns and provide additional guidance and counselling (e.g., facilitating women-led MSMEs' access to concessional schemes, investing in multi-year mentorship programs).

Stakeholders



"In India, the compliance statutory requirements are quite high (e.g., documentation for Income Tax Return (ITR) and Goods and Services Tax (GST), Shops and License Act registration). A woman street vendor as a sole proprietor sees no incentive in the existing policy structure to register her business. She might not have the skills required to provide documentation and manage the payment of taxes and have to rely on others without knowledge to protect herself. It is essential to build capacities of and collectivise women-led MSMEs as stepping stones to formalisation, otherwise they might become non-compliant very soon."

— **Sanjana Mohanty**, Self Employed Women's Association (SEWA), India

Case Studies

▶ Bridge Institutions: Enabling sustained access to capacity building

Bridge institutions serve as a vital link between women-led MSMEs and the formal banking system. They foster enduring, multi-year relationships with women entrepreneurs, supporting them in transitioning out of extreme poverty, initiating businesses, accessing incremental credit, accumulating assets, and navigating emergencies and setbacks. These institutions offer credit and credit plus services along with training to enhance women entrepreneurs' skills, confidence, and capacity for larger credit.



Women-led MSMEs widely report information asymmetry as the main gap hindering their access to existing opportunities. The Task Force emphasises the crucial role of bridge institutions, such as Self-Help Promoting Institutions (SHPIs) and cooperatives like SEWA, in strengthening and sustaining women-led MSMEs.

To support women-led MSMEs effectively, governments and the private sector should form meaningful partnerships with bridge institutions. This includes allocating budgets to reinforce these institutions and channeling funds to women-led MSMEs through them.

2.1 Access to Finance & Markets

Case Studies

► Friends of Women's World Banking (FWWB): Educating women-led MSMEs on formalisation



Friends of Women's World Banking (FWWB) play a critical role of an intermediary by bridging the information gap around formalisation of women-led MSMEs. Even without entering the tax bracket, women-led MSMEs can report their progress publicly on aggregator portals. This aids access to markets and support systems for these MSMEs. FWWB has enabled MSME registration through capacity building, awareness programs and utilisation of the right use cases. Such use cases in India include:



GST Portal

Women-led MSMEs who fail to meet the GST eligibility criteria (e.g., due to low turnover), are still able to use this portal to create transaction history and establish visibility.



Udyam Portal

Registration on this portal costs approximately INR 5,000, and requires documentation, which FWWB has provided for a certain number of women-led MSMEs



Industry associations

Women-led MSMEs can become members of industry associations and develop better access to capital, networks and markets.



2.1 Access to Finance & Markets

Recommendations

04

Integrate financial assistance with business trainings to enable better management and scale of women-led MSMEs

PUBLIC SECTOR

Stakeholders



Government Agencies

Recommended actions

Build holistic programming that addresses multiple of the top needs of women-led MSMEs, such as providing credit or cash grants with business-focused training and professional mentorship.

Improve women-led MSMEs' involvement and attendance in capacity building programs through post-completion incentives, such as priority procurements from certified MSMEs, reduced interest rates, and market linkages.

PRIVATE SECTOR

Stakeholders



Large Corporations & Financial service providers

Recommended actions

Collaborate with bridge institutions to combine financial products with suitable business skills training, peer mentorship, market linkages and follow-up technical assistance.

Create innovative graduation lending schemes to provide incremental loans linked to trainings where factors such as repayment rates and status of business registration aid women-led MSMEs in scaling their businesses.

05

Enable gender-sensitive policy changes to enable greater access to international markets and capacity building support for women-led MSMEs to be market ready

PUBLIC SECTOR

Stakeholders



Recommended actions

- ▶ Increase women-led MSMEs' participation in trade and investment through formal channels in collaboration with bridge institutions. This can be done by introducing preferential tariffs / duties for women-led MSMEs, gender-intentional mandates in certain categories of goods and services that are predominantly owned by women-led MSMEs, and incentivising financial institutions to offering favourable trade finance to women-led MSMEs.
- ▶ Facilitate cross-border trade in local currency, enable digital payments for cross-border trade and ease remittance norms.

Example

Export Development Canada (EDC), Canada's government-owned export credit agency, works specifically with women-owned MSMEs to provide them with economy specific trade knowledge, export credit and guarantees to secure international transactions, and credit insurance for exporting business owners to cover any losses associated with unpaid invoices.

The ASEAN Single Window has helped facilitate the exchange of trade information across all 10 ASEAN member states. Such instruments can be adapted to the needs of women-led MSMEs by establishing international cooperation, allowing them to access & export to regional markets.

Example

2.1 Access to Finance & Markets

Challenges

2.1.2 Unfavorable banking practices such as excessive documentation & cumbersome collateral requirements

Women-led MSMEs are unserved or underserved by financial institutions and are perceived as higher risk as a result of:

- ▶ Their informal nature and higher concentration at the nano-enterprise or micro-enterprise stage;
- ▶ Inadequate financial knowledge and absence of required financial documents
- ▶ Persistent focus on traditional collateral requirements necessitating male co-signees or guarantors due to largely male ownership of assets (e.g., property, security papers or deposits).



"In Bangladesh, the current requirements from banks to provide business loans include a trade license valid for two years, an annual bank statement, a term certificate, and collateral guarantee. Many women micro-entrepreneurs lack these qualifications, having recently opened bank accounts or performed transactions, not knowing how to fulfill some of these requirements."

— **Nasima Aktar Nisha**, Women & E-Commerce, Bangladesh



Complex requirements, procedures, and technology, coupled with limited business knowledge, can discourage many women-led MSMEs. Women entrepreneurs may feel intimidated or embarrassed by their inability to navigate financial systems. Lengthy processes and high costs, such as income loss from spending time away from business operations to visit banks for credit product information, may also dissuade them from accessing necessary financing.

Women entrepreneurs mention having access to below-average loan sizes, shorter maturity periods, and higher interest rates. Financial institutions use traditional credit scoring methods that often do not allow women to establish a reliable credit history for securing additional financing. For example, creditworthiness for women-led MSMEs seeking larger loan sizes cannot be established through self-help groups (SHGs) or other informal organisations, as they may be informal and do not report individual data.

Recommendations

01

Utilise alternate, innovative mechanisms to address collateral, documentation and credit history requirements

PUBLIC SECTOR

Stakeholders



Recommended actions



Introduce National Collateral Registries to record value of movable assets, machinery and receivables as collaterals through central banks. This will provide alternative credit evaluation, limiting the need for traditional collateral that currently create challenges for women-led MSMEs.



Designate women led MSMEs as priority sector lending and incentivise Non-Banking Financial Companies (NBFCs) and investors to invest in women-led MSMEs (e.g., 80% cover for women-led MSMEs as per the Credit Guarantee Fund Scheme in India).

Example

Through a [National Collateral Register](#), China has established a unified national financing registration system that uses movable property and rights. These leverage alternate collateral like production equipment, raw materials, semifinished and finished products, deposit slips and warehouse receipts as pledges to increase loans for MSMEs.

2.1 Access to Finance & Markets

Case Studies

► Existing Policies to counter the “thin file” case for MSMEs lacking credit history

Many national schemes provide collateral free loans & credit guarantee support to women entrepreneurs, especially in India (CLCSS, CGTSME, HerVikas by Kinara Capital), Indonesia (KUR), Malaysia (Skim Pembiayaan Mikro) & Thailand (B150 million program, Economic Strategy under New Government).



Example

The Bangko Sentral ng Pilipinas (BSP), supported by the International Finance Corporation (IFC) and the World Bank (WB), has officially launched the Open Finance PH Pilot in Philippines, aiming to help the unbanked—particularly those who lack documentation—build a financial profile and credit history and, over time, access loans and other services that were once out of reach. The Pilot is a voluntary undertaking of financial institutions to co-develop an open, inter-operable and scalable ecosystem that empowers consumers to take more control over their financial data and enable them to access a range of financial products and services from different providers.

Recommendations

01

Utilise alternate, innovative mechanisms to address collateral, documentation and credit history requirements

PRIVATE SECTOR

Stakeholders



Recommended actions



Leverage alternate methods to determine credit worthiness of women-led MSMEs:

- Direct data (e.g., utility bill payments, business orders, social data usage)
- Indirect methods using machine learning (e.g., psychometric analysis, big data, social data, blockchain, group risk assessment)



Develop alternative forms of collateral more suited to assets typically owned by women-led MSMEs such as insured inventory, appliances and jewelry (e.g., gold jewelry is accepted by banks as collateral in Sri Lanka).

Example

Pre-score/pre-approval of loans by WING Bank, Cambodia. Here, the Wing Bank has deployed Scienaptic's AI-powered credit decisioning platform to use cutting-edge digital credit decisioning process to improve financial inclusion in Cambodia.

Tenbox, a portfolio MSME supported by Sasakawa Peace Foundation is an MSME founded by two young Khmer women in Cambodia and has been selected as one of the finalists in the [CNAI Accelerator](#) programme. It is a digital wholesale marketplace for retail store owners. It has partnered with Visa and AEON Specialized Bank to provide a flexible payment option for its clients - a line of credit for up to 52 days with no interest or fee charge. By using Tenbox's service, their clients can buy products now and pay later, helping them to better their shop cash flow and replenish their shop inventory. Tenbox uses digital technology to work with micro entrepreneurs who are not credit worthy, to build credit history for them through transaction data supporting them to eventually access formal financial services.

Example

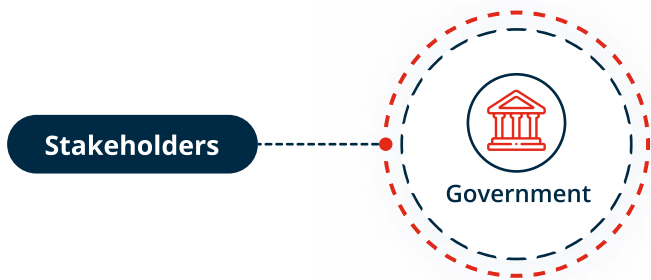
2.1 Access to Finance & Markets

Recommendations

02

Implement gender-intentional product design principles based on the needs, service delivery and financing strategies suited for women-led MSMEs

PUBLIC SECTOR



Recommended actions

- ▶ Provide capacity building for regulators and financial institutions to drive gender-intentional design of financial products and services for women-led MSMEs including innovative financial instruments like gender bonds, SDG-linked bonds, and public-private-philanthropic partnerships.


Example


Under Grameen Impact's Grameen Outcome Accelerated Lending (GOAL) series of SDG-linked Bonds, two existing women-focused bonds provide entrepreneurship training to marginalized Indian women, with outcome targets linked to income growth and aligned with several SDGs. Grameen Impact implemented the bonds within months, providing initial capital to implementing partners like social enterprises, and searched for outcome funders to pay for the outcomes – driving down the cost of capital for implementers.

PRIVATE SECTOR

Recommended actions

- ▶ Designate women MSMEs as a target customer segment and design marketing, delivery channels and customer service to specifically attract this demographic:

 Invest in gender disaggregated customer research, and product design through a gender-intelligent lens.

 Focus marketing, delivery and customer service on mitigating gender bias and enable ease of doing business for women-led MSMEs.



2.1 Access to Finance & Markets

Challenges

2.1.3 Limited financial literacy restricting awareness and access to formal financial products and services

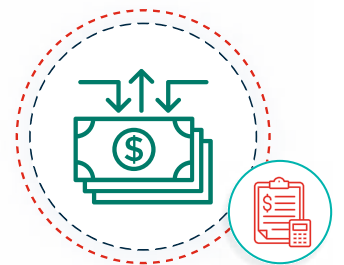


64% of women in Indonesia have low financial literacy compared to 60% of the men⁷

26% of women with inactive bank accounts in India cited the reason for inactivity as not knowing how to use the account by themselves. 42% of all women's bank accounts in India are inactive, amounting to a 12% gender gap compared to the global average of 5%⁸

Foundational financial literacy for women in Asia-Pacific continues to be low, especially in South Asia. Women-led MSMEs in the early-to-mid phases of the business lifecycle, especially in economically disadvantaged areas are constrained by limited access to financial information and engagement with formal systems, impeding their growth and driving reliance on informal financing.

Key financial steps – such as assessing different financing options, applying for loan applications, and making credit repayments – can be an intimidating process confronting women-led MSMEs with low financial literacy. This hinders their access to financial resources which are crucial for business growth and success. Low financial literacy also pushes women entrepreneurs into traditional, low-income generating sectors (such as home-based businesses in textiles, catering, embroideries, boutiques, crafts).



Note: For the purpose of this study, the Task Force has referenced the definition of financial literacy for MSMEs provided by the OECD International Network on Financial Education (INFE) Working Group. Financial literacy is the process by which women-led MSMEs may:

- ▶ recognise the interaction between personal and business finance;
- ▶ know where to go for help;
- ▶ improve their understanding of the financial landscape, products and concepts of relevance; and
- ▶ develop the skills, knowledge, attitudes and confidence through information, instruction and/or objective advice, to become more aware of financial risks and opportunities, make informed business plans and related choices, and manage their financial records, planning and risks effectively

Case Studies

▶ Essential components of financial literacy initiatives

A successful financial literacy intervention for women should include a four cornerstone approach⁹:



Confidence

It should tackle the paralyzing effect of not feeling knowledgeable in finance.



Budgeting

It should empower women to discuss financial struggles openly and enable them to create financial plans.



Saving

It should provide actionable steps to building and utilizing a savings fund.



Investing

It should enable women to make investment decisions based on the viability of different financial assets at their disposal.

2.1 Access to Finance & Markets

Recommendations

01

Train community-based bank facilitators/ agents in collaboration with collectives to offer financial assistance and literacy training to women-led MSMEs at the last mile

PUBLIC SECTOR

Recommended actions

Stakeholders



- ▶ Enhance and scale financial literacy programs led by women in the existing self-help group (SHG) model across Asia-Pacific to build ownership, agency and financial literacy for participants with regards to the group's operations, savings, loan requirements and repayment.
- ▶ Utilize the delivery model of training and deploying community-based agents to reach women-led MSME at the last mile for:



Financial literacy and bank correspondence



Non-financial empowerment through an aggregator platform to offer mentorship, learning and troubleshooting opportunities



Market linkages with service providers and financial institutions.

Example

Under Deen Dayal Upadhyaya Antyodaya Yojana (DAY) – National Rural Livelihood Mission (NRLM), a comprehensive financial literacy program has been executed in India in partnerships with Rural Self Employment Training Institutes (RSETI) and banks. As of March 2020, more than 18,000 Financial Literacy Community Resource Persons (FL-CRPs) have been trained to conduct village level financial literacy camps, due to which 960,000 Self Help Groups (SHGs) and nearly 7 million SHG members have received financial literacy training.

PRIVATE SECTOR

Recommended actions

- ▶ Allocate resources to effectively train community-based agents across the following three formats of training:



Direct in person delivery in 1-1 as well as 1- group formats.



Community-based training sessions at times more suited to women's participation.



Offer online literacy training with assessments, videos and gamification.

- ▶ Test and evolve indirect community-based solutions to financial literacy through a 'sandbox approach' (i.e, experimenting with innovative solutions within a well-defined space and duration with appropriate safeguards). Scale solutions which have proven to be successful by linking them to incentives such as access to additional funding, guaranteed increase in income, fellowships, food vouchers and children's education.

Stakeholders



2.1 Access to Finance & Markets

Case Studies

► Women Entrepreneur Financial Empowerment Program in India: 'Vitta Sakhis'



Global Alliance for Mass Entrepreneurship (GAME) has partnered with National Rural Livelihood Mission (NRLM) in India to enable access to credit for over **10,000 women entrepreneurs** across 16 districts in the 3 states of **Maharashtra, Madhya Pradesh, and Rajasthan**. This programme aims to catalyse the entrepreneurial and financial ecosystem and strengthen the capabilities of different stakeholders such as public sector banks, digitally-led NBFCs and small finance banks

The programme seeks to identify and train '**VittaSakhis**' from Self Help Groups (SHGs) and supplement the existing NRLM training protocol to help women-led MSMEs to develop financial planning and management skills, apply for and benefit from government schemes/ compliances, onboard onto digital tools, and participate in incubation programs. As a result, **150 women-led MSMEs** have secured loans in the last 3 months.



Case Studies

► Community Agent Network in the Philippines

Grameen Foundation has developed a *Community Agent Network* in the Philippines which is funded by the JPMorgan Chase Foundation. The mostly female agent network allows women agents to connect individuals with banks, government agencies, utility companies, and other businesses. Since 2016, this network has worked with 1,900 agents of which 75% are women who own or operate small convenience stores. Agents have facilitated more than 4.3 million transactions valued at \$24.9 million since 2016.

Case Studies

► Sa-Dhan and RBI Depositors Education Awareness: Financial Literacy for bankers in India

Sa-Dhan, an association of community development finance institutions in India, has invested in the capacity building of microfinance institutions with support of the *RBI Depositors Education Awareness (RBI-DEA) Scheme*. This has been implemented through a series of workshops primarily sensitize the borrowers on various aspects of banking and lending approaches, especially for women-owned microbusinesses. Sa-Dhan in association with its 29-member institutions has organized 2250 workshops across 20 States/UTs and 83 Districts. Out of 83 districts, 57 are aspirational and 26 are non-aspirational districts. 75% of these workshops have organized in rural India followed by 20% and 5% in semi-urban and urban India respectively.

Building upon this momentum, Sa-Dhan is now commissioning a research study to understand the financial health of women-owned micro businesses in India, intended to investigate:



Ways to build resilience and financial health of women entrepreneurs



Various financial needs and challenges women entrepreneurs face in running their businesses



Ways in which financial institutions can provide credit support to women entrepreneurs to establish their livelihood and ways to improve their wellbeing.

Case Studies

► Let's Talk Money: Building Financial Literacy

In partnership with Good Return, the National Bank of Cambodia launched 'Let's Talk Money', a consumer awareness campaign to spark intergenerational dialogue about important money matters through social media, TV, radio, SMS and face-to-face sessions. The campaign reached over 1.5 million people. Supported by ESCAP, the National Bank of Cambodia and Good Return renewed the campaign in 2021 under 'Let's Talk Money: Little by Little', which includes a *four-part drama video series* on financial education, as well as a 24-episode radio talkback show and training sessions with 2,000 garment workers and 300 women entrepreneurs.



2.1 Access to Finance & Markets

Recommendations

02

Contextualise financial literacy training programmes to fit the existing socio-cultural milieu of women-led MSMEs

PUBLIC SECTOR AND PRIVATE SECTOR

Stakeholders



Recommended actions

Ensure ease of accessibility to existing financial literacy opportunities for women-led MSMEs. Curriculums need to solve for reach and access:



Language barriers: Financial literacy models need to reduce language barriers for women-led enterprises through use of simple vernacular languages.



Socio-cultural barriers: Programmes focused on improving financial literacy of women-led need to consider the physical safety, trust and confidence of women-led MSMEs to participate. For instance, programmes can consider delivering such modules through a women-only training cadres at appropriate times and venues.



Physical barriers: Collaborate with online and offline platforms with a large proportion of existing women users (e.g., communities of women-led MSMEs such as business councils, trade unions, worker unions and informal groups on social media) to ensure financial literacy is supplemented by effective use-cases, incentives and peer networks and ability to partake in conversations beyond borders.

Case Studies

► #SheMeansBusiness – Approaching Financial Literacy through Partnerships

Meta's #SheMeansBusiness programme aims to build women's economic empowerment globally through comprehensive business skills training and networking opportunities. In Asia-Pacific, Meta has partnered with over 25 governments and local organizations that create economic opportunities for women-led MSMEs, reaching over 200,000 women.

#SheMeansBusiness launched business resilience and financial education (BRFE) modules in Asia-Pacific during COVID-19, which included training on financial planning and provided access to financial support from national governments and other service providers. BRFE modules were localized for 6 markets to help women-led businesses pivot, build resilience, and grow.

In Pakistan for instance, the State Bank of Pakistan (SBP), National Institute of Banking & Finance (NIBAF) and consulting agency Demo supported Meta in training 30,000 women across 51 cities of Pakistan in the first phase of #SheMeansBusiness. The program has recently launched its second phase to digitally amplify 500 women-led MSMEs through training, resource access, and networking opportunities. Additionally, Dial Zero, Meta's associated sales partner in Pakistan will provide advanced training on export advertising to 100 participants and Meta will provide ad credits on Facebook to help them boost their presence by reaching out to target customers both locally and globally.



Case Studies

► The Importance of Sustained Capacity Building for Financial Literacy

Cautionary tales exist about the limitations of single-issue training programs for women entrepreneurs in Asia-Pacific. Those without robust follow-up mechanisms may not effectively address the cultural barriers to accessing financial services. For instance, a single financial literacy workshop might enhance understanding of saving and investment strategies, but sustained growth for women-led MSMEs would likely require a longer-term mentorship strategy and reinforcement of support networks. Offering access to finance without business training or follow-up support does not lead to long-term growth for women-led MSMEs.

2.1 Access to Finance & Markets

Case Studies

► **Build Back Better – Enhancing Recovery and Resilience of MSMEs in Bangladesh**



UNCDF launched this project supported by Visa, in partnership with ShopUp, a leading full-stack business-to-business (B2B) platform, and ekShop, an e-commerce aggregator platform. It aims to develop an approach and tools that support acquisition of the financial and digital literacy skills needed to adopt and leverage digital services, with a focus on women-led micro and small enterprises.

The main components of the project include a Rapid Needs Assessment, development of e-learning modules, including audiovisual and app-based tools, and building of entrepreneurs' capacity to use digital tools. The curriculum developed in the project emphasizes two prominent principles: the need for customization to learner needs, and that financial literacy training needs to be application-driven as life skills rather than academic skills and delivered through community-based models.

“Aligning the objectives for financial literacy trainings to needs of MSMEs at different stages of growth is tricky. For instance, women-led MSMEs may require financial literacy to understand interest rates, their financial rights and protection, ways to acquire capital for assets or financial statements, depending on their stage of growth.”

– Susan Olsen

Principal Investment Specialist, Private Sector Financial Institutions,
Asian Development Bank (ADB), Thailand



Recommendations

02

Financial literacy programmes need to contextualise the training to fit the existing socio-cultural milieu of women-led MSMEs

PRIVATE SECTOR

Stakeholders



Recommended actions



Invest in and leverage social media platforms (e.g., TikTok, Instagram) to educate women-led MSMEs on important topics related to financial literacy and drive positive business outcomes

2.1 Access to Finance & Markets

Case Studies

► RBL Bank & ADB: Evolution of a financial literacy approach in India (2013-21)

RBL Bank in India developed a class-room based financial literacy training program called 'Saksham' (2013) which utilizes visual aids, stories, role-playing activities and exercises that resonate with lives and experiences of women in low-income communities. Trainees are taught how to access banking services, repay loans responsibly, alongside financial planning and life skills.

In 2015, Asian Development Bank (ADB) invested in expanding RBL Bank's financial inclusion project through a five-year loan of \$100 million, an equity investment of up to \$50 million, and a capacity building technical assistance grant of \$800,000. This assistance allowed RBL Bank to expand its mobile technology and expand its lending efforts towards MSMEs, with a special focus on women and the agricultural value chain. RBL Bank also launched 'Unnati', a blended digital and in-person customer education program in Bihar (2016), and 'Swadhaar Saathi', a mobile application enabling customers to build digital financial records and allocate funds to current expenses and future goals.

RBL Bank has provided financial literacy and customer education training to over 348,985 women across 5 states of India (2021). Despite restrictions caused by the COVID-19 pandemic as well, RBL Bank was able to train 97,467 participants using traditional classroom methods, telecalling and mobile banking using 'Swadhaar Saathi'.



"Developing financial literacy needs to be seen as an extension of survival mechanics. It is important to introduce policies which empower women to make financial decisions in their typical roles, and to use real experiences to translate outcomes which are personal and real, directly related to families and businesses of women. Curriculums for financial literacy for women should be needs-based and less speculative, utilizing preferred reward systems related to discounts, celebration and community."

- Tamara Singh, Sustainable Finance Development Network (SFDN), Singapore

Case Studies

► Advancement for Rural Kids: Boosting financial literacy through application in Philippines

Advancement for Rural Kids (ARK) is an MSME in Philippines led by Ayesha Vera-Yu which has been sponsored by the Facebook Community Accelerator Program. ARK co-invests alongside communities who want to secure food, health, income, & a sustainable future by engaging parents and teachers to create gardens and kitchens to make lunches for students. During COVID-19, ARK pivoted this model to the creation of vegetable baskets with built-in performance incentives such as raffle tickets, prizes and quasi-credit solutions. ARK has successfully expanded its reach to 180+ villages, and has provided training to women on farming practices, household management, and budgeting via Microsoft Excel.



2.1 Access to Finance & Markets

Challenges

2.1.4 The full potential of women-led MSMEs on e-commerce platforms remains unrealised since they are unaware of or unable to access business development services at affordable costs

E-commerce, including social commerce, provide a unique opportunity to mitigate some of the barriers and constraints facing women-led MSMEs. E-commerce offers lower barriers to entry than traditional brick-and-mortar businesses with potentially lower start-up costs and without the need for a physical storefront. Further, it can:



Enable women-led MSMEs to expand their customer base and grow beyond local markets.



Provide a degree of flexibility in terms of work hours, location and online interaction with customers.



However, in most countries in the Asia-Pacific, women-led MSMEs need access to affordable business development services (BDS) to expand to new physical or digital markets. Access to BDS has the potential to enhance the performance of women-led MSMEs, allowing them to compete more effectively, operate more efficiently, innovate and grow profitability. This can also allow women-led MSMEs to focus on their core competencies, while outsourcing non-core tasks to specialised advisors and reducing search costs for relevant information.

Note: 'Business Development Services' (BDS) includes the provision of general information, consulting and training services across a wide range of core business support functions, including (i) sales and marketing, production, (ii) ICT, (iii) human resources (HR), (iv) financial management, (v) legal issues and regulations. Some examples include services in packaging, accounting, logistics, marketing, graphic design and photography.

Since women-led MSMEs are unaware of or are unable to access BDS at affordable costs, it cripples their ability to transition from physical to online selling. Furthermore, lack of market information and connections limits the competitiveness, innovation and ability of women-led MSMEs to develop differentiated market strategies.

35% of Indonesia's online commerce revenue is generated by women entrepreneurs, despite constituting 51% of MSMEs

Recommendations

01

Provide access to Business Development Services (BDS) to women-led MSMEs

PUBLIC SECTOR

Stakeholders



Recommended actions

- ▶ Partner with business development service providers to incentivise the provision of customized solutions in the areas of technology, product development, marketing techniques, shipping and logistics, to women beneficiaries of existing national policies seeking to expand market access for their MSMEs.

Example

The '*One District One Product*' scheme in India allows MSMEs to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. Access to BDS is part of the scheme's framework for value chain development and alignment of support infrastructure.

2.1 Access to Finance & Markets

Recommendations

01



Provide access to Business Development Services (BDS) to women-led MSMEs

PRIVATE SECTOR

Stakeholders



Recommended actions

- ▶ Offer an assisted e-commerce adoption model (e.g., customer service support with regular in-person touchpoints) to women-led MSMEs to:
 -  Provide accessible, transparent recourse mechanisms to build trust
 -  Inform and build inclusive, user-centered journeys for online marketplaces
- ▶ Train women entrepreneurs as sales representatives / ambassadors and incentivise referrals to extend access to other women, especially those who run their business from home (e.g., referral codes shared over digital channels, and recruiting women who are already using digital platforms as customers rather than sellers)

Case Studies

▶ The Need for Assisted Adoption of E-commerce Markets



Women report feeling more confident adopting a platform if they know that they will be able to resolve any issues that arise. Research indicates anecdotes of women-led MSMEs, faced by technological challenges, reducing their use and trust of platforms; challenges included being locked out of an account, an inability to register an account or change the registration, uncertainties over whether their registration had been approved, and never receiving payment or a delivery.

Sales representatives and recruiters for digital platforms should explain their recourse mechanisms, clearly address key concerns and build trust to drive adoption, while ensuring women-led MSMEs understand how to use the platform and manage any challenges that arise. Registration processes need to be clarified and barriers reduced for informal businesses to register. Women-led MSMEs need a clear understanding of where to obtain technical assistance and their options in handling complaints or disputes. Recourse systems need to be accessible, efficient, and free or low-cost, provided either in-person, by phone or text, and e-commerce features need to protect buyers and sellers, facilitate payment and delivery, and streamline product/service discovery.



Example:



The logo for Sleek, featuring the word "Sleek" in a stylized, lowercase font with a blue and green color scheme.

Sleek is a single platform service to help entrepreneurs incorporate and operate businesses in Singapore and Hong Kong. It uses a back-end operating system platform that handles everything from incorporation, government, accounting, taxes and visas to regulatory compliance, payroll, employment services and insurance. It aims to be the go-to platform for entrepreneurs and business owners who want to focus on building their businesses, as Sleek takes away all the back-office hassle.

2.1 Access to Finance & Markets

Recommendations

02

Strengthen the capacity of organisations providing BDS to MSMEs to deliver gender-sensitive products and services tailored to the needs of women-led MSMEs

PUBLIC SECTOR

Recommended actions

► Set up training institutions / centres that will:



Offer business development services to formally registered women-led MSMEs at nominal / no cost (e.g., leveraging postal services for product delivery, providing access to warehouses, etc.)



Become leading institutions for knowledge and applied research in strengthening BDS for women-led MSMEs.

Stakeholders



Case Studies

► Negosyo Centres in Philippines: Providing free access to Business Development Services (BDS)

The [Negosyo Centres](#) illustrate the benefits of building a single visible entry point for the supply of government BDS nationwide. The Negosyo Centres (NCs) were established under the Republic Act 10644 (2014) and provide:



Assistance with business registration (e.g., coordination with respective local government units)



Business information (e.g., training and support programmes by banks and governments)



Business advisory services (e.g., free one-on-one advice and access to a mentoring programme).

There were 1,087 NCs in the Philippines by 2019, majorly in local government offices. The Republic Act 10644 also stipulates that all business counsellors and staff working in the NCs must undergo the Small Business Counselling Course (SBCC) training which covers modules on business diagnostics, strategic marketing, operations management, financial management, and investment promotion. Some key learnings from the NCs include:



Development of an online platform for managing information and data



Emphasis on performance reporting and monitoring (the Negosyo Centre Monitoring System)



Value of developing partnerships with private-sector suppliers of business management tools (e.g., to secure subscription plans to advanced network connectivity such as Quickbooks Online and Microsoft Office 365 Accounts).

2.1 Access to Finance & Markets

Recommendations

02

Strengthen the capacity of organizations providing BDS to MSMEs to deliver gender-sensitive products and services tailored to the needs of women-led MSMEs

PUBLIC SECTOR

Stakeholders



Multilateral organisations and Investors

Recommended actions



Invest in capacity building for organisations which may offer various types of business development services to MSMEs with priority to women-led service providers (e.g., Business Link Pacific)

Example

Business Link Pacific (BLP) is a programme funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and delivered by DT-Global. It offers SMEs in the Pacific region a Toolkit for self assessment and financing services and supports them with a range of professional development support and localised technical assistance. BLP has mandated capacity building for all staff and key partners to mainstream gender throughout their activities. It has ensured that all its services, including business diagnostic tools, its subsidy scheme, grants and concessional loans prioritise ways in which gender inclusion can be achieved and promoted.

Case Studies

► WeAct (Women Entrepreneurs Access Connect and Transform) strengthening linkages in India

WeAct is an enterprise development program focused on women-led businesses, supported by Accenture and implemented by the Entrepreneurship Development Institute of India. So far, it has impacted over 12,000 marginalized rural women entrepreneurs across 16 states and 2 union territories in India.

Along several other services, WeAct aims to strengthen market access for women-led MSMEs by establishing various B2B and B2C linkages. Examples of this include partnerships with:



E-commerce platforms such as costBo, Mera Mobile Mera Marketing and Amazon Karigar during COVID-19 with negotiated waivers on registration fees and payment gateway fees).



Retail outlets to understand their criteria and payment structures to connect its member MSMEs.

2.1 Access to Finance & Markets

Case Studies

► Business Development by the Chamber of Commerce at Mann Deshi Foundation, India

Mann Deshi Foundation in India is a rural bank for women with business schools, a Chamber of Commerce and a community radio as bundled offerings for women-led MSMEs. The Chamber of Commerce is dedicated to policy advocacy for women micro entrepreneurs and for enabling access to new markets, peer networks and improved business practices. The services provided include a toll-free helpline for women-led MSMEs, and advisory and mentorship services in finance, marketing, registration and legal matters. Some of the challenges faced by women-led microbusinesses associated with Mann Deshi include:



Their informal nature and low business turnover, leading to challenges with regulations in order to sell on formal platforms such as Amazon



Their rural locations (e.g., challenges with couriers to buy and sell goods)



A fragmented network

Corporate partnerships to subsidise and ensure secure shipments and additional benefits, and government partnerships to utilize existing infrastructure for collection and dispatch of goods (e.g., railways, postal services, warehouses) can go a long way in ensuring support to women-led MSMEs.

Case Studies

► Women's Entrepreneurship Self-Check (WE-Check): International Labor Organisation (ILO)

Recognising that business development services are often gender neutral and do not cater to the specific needs and realities of women-led MSMEs, the ILO seeks to strengthen gender sensitisation through the Women's Entrepreneurship Self-Check (WE-Check) process among service providers. WE-Check is a self-assessment to guide public and private business development service providers through a self-reflection process, aiming to improve the way they serve women entrepreneurs. This culminates in a WE-Check action plan, i.e. a practical roadmap that organizations can follow to make their communications and outreach, products and services, and internal processes better adapted to the needs of women entrepreneurs.



For instance, the Zamzam Foundation in Somalia undertook the WE-Check process to find that they could benefit from the creation of gender-specific programming for women to participate fully in entrepreneurship activities. They launched a pilot project in April 2021 to test the feasibility of the recommendations from their assessment, including creating a centralized data management system to support the design of more effective and targeted programming for women entrepreneurs.



CHALLENGES & RECOMMENDATIONS

Digital Inclusion & Transformation

2.2 Digital Inclusion & Transformation

► Overview

Women-led MSMEs face greater barriers in terms of limitations on time, mobility and resources, along with significant cultural, social and safety concerns, restricting their access to formal financial institutions. Access to digital tools can aid business formalisation and growth for women-led MSMEs and can facilitate greater access to finance and acquisition of skills for them.

Women's use of digital technology is also influenced by limited access to devices and broader market forces, which present an additional structural barrier that affects women-led MSMEs' capacity to leverage digital technologies. This limited access to digital technology impedes MSMEs from entering new markets/ segments and accessing government schemes, as well as innovating and adapting to evolving business environments while remaining competitive.

The Task Force has discussed some of the following challenges to digitisation for women-led



Lack of gender intentionality in the design of digital finance products and services



Limited access to technology and poor digital literacy for women-led MSMEs



Restrictive legal and regulatory frameworks discouraging access, ownership and control of technology



Limited usage of business technology solutions and access to open stack digital business ecosystems

Challenges

2.2.1 Lack of gender intentionality in designing digital finance products and services



8% of B2C Fin-Techs reported calculating gender-disaggregated TAM across 43 countries¹¹

Digital financial technology (fintech) services generally identify new customers based on analysis of Total Addressable Market (TAM), which helps to identify and prioritise profiles of early adopters of any new product or offering. Within Asia, the majority of fintech firms do not account for gender-disaggregated data in their TAM analyses, with the typical consumer being a man. This becomes a self-fulfilling cycle whereby products are then designed primarily to cater to the preferences of this male-oriented target consumer segment. Fintech firms often assume that women led-MSMEs have lower demand for their products, exacerbated by limited effort to cater to women's specific needs.

This lack of gender-disaggregated data hinders product designers from understanding specific disparities and challenges disproportionately faced by women-led MSMEs, such as limited digital literacy, insufficient infrastructure access, and costs. Research finds that even when available, data is not effectively leveraged to inform product design, product usage, Customer Acquisition Cost (CAC) and Customer Lifetime Value (LTV).¹¹

2/3 of the women-focused fin-techs across 43 countries (including 11 countries in Asia-Pacific)¹¹ report fundraising and investor bias as their biggest business challenges

Moreover, fintechs focusing on women face additional barriers to fundraising and investor bias. This widens a gap among private investors in adequately understanding on-the-ground challenges and lived realities of women-led MSMEs; consequently, the investment community risks pushing initiatives purely based on market trends and technological appeal, with limited understanding of the nuances to appeal to a women-focused customer base.

2.3 Digital Inclusion & Transformation

Recommendations

01

Improve the quality, availability and utilisation of gender disaggregated data, to drive design of relevant digital offerings (products and services)

PUBLIC SECTOR

Stakeholders



Recommended actions



Design and adopt a national digital inclusion index with comparable metrics for access, affordability and digital ability (e.g., [digital inclusion index in Australia](#)). This index may be utilised by governments and private companies to measure digital inclusion (including digital financial inclusion) and set digital transformation targets for women-led MSMEs.



Governments can use this digital inclusion index to:

- ▶ Drive gender-intelligent planning and execution of digital initiatives across state departments
- ▶ Design relevant training interventions to expand the digital footprint of women-led MSMEs
- ▶ Develop transformative e-governance structures to improve access to social services for women.



Establish a policy framework for '[data utilities](#)' (ways for MSMEs to leverage their digital data for increased and cheaper access to finance and other value-added services) via a public-private partnership to:

- ▶ Create a level playing field for lenders and solution providers through real-time and affordable access to verified (financial) data on MSMEs, helping them better assess MSME credit risk and onboard them faster
- ▶ Increase access and control for MSMEs to the data they generate, making it easier for the public and private sector to leverage this data to access finance and value-added services.



Include a specific mandate in the development of such data utilities on providing ways to use the data for supporting unbanked or informal MSMEs. This can build on principles of open banking to promote data ownership, inclusion, and competition in MSME lending.

"The development of data utilities requires collaboration between policy makers, regulators, banks, digital lenders, service providers, technology companies, and representatives of MSMEs. The due diligence process for these must cover issues mandated by regulators and bank prudence, such as technology integration, risk models and management, compliance, data security and privacy, fair lending, and reputation risk."

- Tamara Singh, Sustainable Finance Development Network (SFDN), Singapore

2.2 Digital Inclusion & Transformation

Example

The Government of India adopted a unique national ID (named Aadhaar) to facilitate opening of bank accounts (Jan Dhan Yojana). The Aadhaar card serves as a single document for the opening of bank accounts which is then used by the government for direct transfer of subsidies related to cooking gas, electricity etc. This intervention has resulted in shrinking the gender gap in bank account ownership from 20 percentage points to 6 percentage points (2014-17).

Furthermore, banks have created 'Aadhaar ATMs', allowing customers to withdraw cash from their bank account with nothing more than their 12-digit digital identity number and their biometrics. This service was designed specifically for those who do not have a smartphone, are not digitally literate, or are not comfortable with using debit cards- many of whom are women.

Case Studies

► Generating data insights to inform product design in Myanmar

UNCDF conducted an [action research program](#) with three large microfinance institutions (MFIs) in Myanmar on data utilities to develop gender smart enterprise financing. The support entailed using product development ideation through human-centric design and data analytics to address specific gender barriers faced by women micro-enterprises. Using almost one million customer data records, 2,777 lean data surveys, and UNCDF Finscope market data, the three MFIs received technical support to use women customer data insights to better tailor loans to the needs of specific women-led MSME segments including merchants, farmers, and home-based MSMEs.

This research has identified potential business cases for each MFI to address barriers for women entrepreneurs. Proposed product ideations and refinements included launching awareness campaigns for loan products, reducing MSME registration requirements, better predicting loan graduation, and launching refinancing mechanisms for loans to better serve women-led MSMEs.



"Laws like India's Digital Personal Data Protection Act need to bring in provisions to monetise the opportunity for women-led MSMEs to create and share their information, creating a strong incentive for them to use digital technology."

– Madan Padaki, GAME & Sylvant Advisors, India

Case Studies

► Developing 'Data Utilities' to drive inclusive access to credit for women-led MSMEs

'Data utilities' should be built on common standards and principles which address concerns around privacy, trust and liability for MSMEs sharing their individual data. These could eventually become interoperable to support cross border data sharing. The business case for developing data utilities includes the following benefits for MSMEs, lenders and service providers:



Reduces data duplication and eliminates the need for expensive data acquisition and handling by lenders



Avoids the need for MSMEs to manually consolidate and provide the same (often out of date and unverified) data



Maximises existing cost spent on data creation and storage by creating a myriad of uses.



Allows lenders and service providers to invest in and compete on value-generative processes (e.g., proprietary credit decisioning algorithms) rather than foundational data collection.



Enables increased, safer lending for MSMEs through better credit risk assessments, use of alternative data sources, reduced transaction costs and faster processing

2.3 Digital Inclusion & Transformation

Recommendations

01

Improve the quality, availability and utilisation of gender disaggregated data, to drive design of relevant digital offerings (products and services)

PRIVATE SECTOR

Stakeholders



Digital product / service providers

(E.g., Fintech/ Ecommerce)

Recommended actions



Leverage gender-disaggregated data from the national digital inclusion index supplemented by market research (i.e., user testing focused on women-led MSMEs as a priority segment) to map digital inclusion trends, inform the analysis of Total Addressable Market (TAM), design offerings and go-to-market strategy tailored for women-led MSMEs.



Monitor trends related to adoption and utilisation of products and services by women-led MSMEs and incorporate findings as inclusive principles/features to design, develop and roll out digital offerings.



Best Practice: Inclusion of design features enhancing safety, security and affordability, and adoption of marketing techniques that resonate with women led-MSMEs, including word-of-mouth, community building and social media advertising¹²

Case Studies

► Training trainers with Wing Bank to improve digital financial inclusion for women in Cambodia

Wing Bank in Cambodia utilises 11,000 'Cash Xpress' Agents (~80% women) nationwide to provide digital financial services. Over 4,000 Wing Cash Xpress Agents have been trained on customer centricity through a gender lens as part of the continuous customer experience improvement plan for the organisation.

"Financial institutions have two key benefits of offering digital lending to MSMEs:

- *It cuts down transaction cost and risk drastically (e.g., increasing exposure for credit underwriting, leading to lower lender risk and larger sums of credit)*
- *It can increase market penetration by increasing the number of new clients, making them bankable through digitisation.*

It is imperative for governments and financial institutions to ensure that digital credit opportunities are designed to reach and adequately support women-led MSMEs."

- Arindom Dutta, Senior Advisor- Sustainability/ Agribusiness, ex- Rabobank, India

Case Studies

► Partnerships to understand women-led MSMEs as potential customers:

Many startups have begun to focus on MSME women entrepreneurs, based on insights related to the segment's specific needs for digital financial services. Such startups could potentially be partners of choice for banks, fin-techs and enterprise development organisations that are targeting this market segment:

Zilingo

Working with 75,000 merchants and 6,000 factories across Asia, Zilingo is a B2B marketplace for wholesale buyers and sellers.

Sheroes

With more than 21 million registered women users across India, Sheroes has launched a peer-to-peer marketplace and provides loans for women entrepreneurs.

2.2 Digital Inclusion & Transformation

Case Studies

► Digital wallet and payments platform for women-led micro and small businesses in Fiji

Most market vendors in Fiji are women-led informal businesses, reliant on daily sales for income and only able to accept cash payments. As the Fiji Government actively migrates to the digitisation of national services and travelers prefer to transact using digital payments, informal women market vendors may be left behind. Traditional banks in Fiji are not offering solutions for this segment, which also limits women's ability to save money.



The Australian Government has partnered with Fintech Pacific, Mastercard and ygap to develop and pilot an accessible, tailored digital mobile phone payment acceptance and saving capability for 400 women-led micro and small businesses in Fiji, along with conducting the associated training required for adoption. This digital wallet and payments platform will be informed by research on customer experience, needs and barriers through a human-centred design process. It is expected to increase women micro traders' incomes by reaching customers, strengthen their financial and digital literacy, and place control of women's income and assets in their own hands.



As part of this partnership



Mastercard links the secure payment platform to their global payment network.



Fintech Pacific is responsible for the design and development of the core product application of financial services as well as ongoing customer support and application updates.



The Australian government is providing catalytic funding, gender expertise to strengthen social and commercial impacts, connection to an extensive network, support to capture and report social impact, safeguards standards and practices, national and global recognition.



ygap will engage Fiji's women entrepreneurs by leading contextualised, community-led business and financial training, supporting human-centred design, and advocating for their adoption of the platform.

2.2 Digital Inclusion & Transformation

Recommendations

02



Set / Provide incentives, such as reduced registration and tax benefits, based on specific targets for serving women-led MSMEs, to NBFCs, financial institutions promoting digital inclusion, and fintechs led by or fostering gender balance

PUBLIC SECTOR

Stakeholders



Recommended actions

- ▶ Consider providing incentives (e.g., reduced registration and/or capital requirements, exemption from or reduced rates of taxation on gains, and/or matching funds or guarantees) based on defined targets for the number of women-led MSME customers served, to:
 -  NBFCs and financial institutions facilitating digital-financial inclusion of women-led MSMEs (e.g., onboarding support for digital payments and digital wallets)
 -  Fin-techs which are women-led / have gender balanced portfolios.

PRIVATE SECTOR

Recommended actions

- ▶ Pursue gender inclusive portfolio allocation with measured targets for fintechs / digital enterprises which have a defined percentage of women customers or are women-led, to reduce biases in the design and deployment of digital products/services to women-led MSMEs.

Stakeholders



Capital providers

Case Studies

▶ Sprint4Women Challenge in Zambia: Incentivising women-focused digital financial innovation

The *Sprint4Women challenge* was launched by United Nations Capital Development Fund (UNCDF) to:



Incentivise fintech companies focused on increasing women customers



Increasing the capacity of FinTechs (often women-owned) to increase their women customer base.

UNCDF invited fintechs interested in increasing the number of their women customers to apply and compete for a US\$85,000 cash grant prize as well as US\$50,000 worth of technical assistance from experts in product design, data analytics and digital-financial services.

The three finalists (and products) were: a pay-as-you-go energy product targeting women's savings groups (Fenix International); a financial investment product for low-income women through mobile money (Hobbiton Unit Trust); and a bundled savings and loan product based on mobile money transactions (Jumo Zambia).

They completed 'design sprints', testing and iterating their products in consultation with women users. They then presented to a judging panel a summary of their product, how it was designed to address the particular challenges of Zambian women, how the product iterated after their design sprints in the field, and how they would scale to reach the numbers set by the challenge. The cash grant is tied to the winning DFS provider increasing its active customer base by 30,000 customers over a defined period of time, 60% of which will be women.

2.2 Digital Inclusion & Transformation

Challenges

2.2.2 Limited access to technology and poor digital literacy for women-led MSMEs

315Mn

Fewer women (vs. men) own a smart phone in low & middle-income countries 13

4/5

Women didn't use the internet in least developed countries in 2020 14



Governments can use this digital inclusion index to:

- ▶ Lack of STEM education and inadequate upskilling opportunities
- ▶ Social biases and discrimination
- ▶ Constraints arising from dearth of suitable network/mentoring opportunities
- ▶ Inadequate access to technological infrastructure

Recommendations

01

Establish long-term comprehensive digital literacy programs using a gender-sensitive approach

PUBLIC SECTOR

Recommended actions

Stakeholders



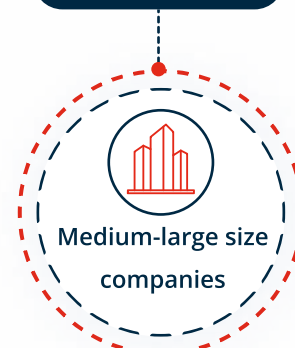
- ▶ Build digital capacity building solutions which incentivise extended beneficiaries such as existing women users, friends, family, community groups and social workers who are digitally skilled) to teach other women groups and women-led MSMEs how to use mobile handsets and digital services, there by influencing a culture of technological adoption.
- ▶ Develop a comprehensive certification program which addresses digital requirements of women-led MSMEs of various sizes, encompassing engagement with workforce and management, awareness about open-source tools, and provision of direct advisory services.
- ▶ Launch digital capacity building programs at subsidised rates for women-led MSMEs with certifications which may potentially serve as preferential criteria for sanctioning loans from national banks.

PRIVATE SECTOR

Recommended actions

- ▶ Invest / promote / partner to drive milestone-based digital literacy programs for potential and existing women entrepreneurs. Such programs should be tailored to the woman entrepreneurs' context and delivered by skilled and gender-sensitised mobile agents to ensure personalised support in the achievement of milestones.
- ▶ Invest in providing accelerator support and mentorship to women-led MSMEs focused on high-tech sectors (e.g., development of AI, Internet of Things, ICT and other digital products and services).

Stakeholders



Example

Australia's *Digital Solutions program* works with small businesses to offer digital specific advice in terms of usage of digital tools, online selling, digital marketing and online data security.

Example

The Internet Saathi Accelerator was launched by SHEROES in partnership with Google's Internet Saathi programme to support 500 plus women-micro entrepreneurs through mentorship, digital and financial skilling, and community engagement. Delivered completely online, the 6-month programme is hosted in six Indian languages. are some of its core components.

Google's Internet Saathi programme in collaboration with Tata Trusts has created a cadre of digitally-trained women in rural communities who train other women. These women trainers also fulfill objectives of portfolios that have cross-linkages with the Trusts' digital intervention programmes e.g., they are recruited as field data collectors for the Indian government's 'Aspirational districts' programme.



"Can we develop policies to digitally enable MSMEs starting when they interact with a government agency or a private financial institution for the first time? Can we implement gender sensitised digital certification programs, linked to push and pull incentives? Digital inclusion is best not left to chance but delivered by a structured program with clearly defined incentives for women-led MSMEs to move up the ladder through pre or post facto certification."

- Madan Padaki, GAME & Sylvant Advisors, India

Case Studies

► Digital Capacity Building through an Entrepreneurship Master Class, Women & e-commerce forum

During COVID 19, Women & e-commerce forum in Bangladesh grew from a membership of thirty thousand in to one million in seven months based on a value proposition that provided market access, and essential business skills to women entrepreneurs. Their signature online training program "Entrepreneurship Master Class" trained 400,000 women entrepreneurs on topics critical to launching and managing a business such as financial management and digital media, (E.g., Facebook Live)



2.2 Digital Inclusion & Transformation

02

Establish gender-sensitive feedback loops that uncover women-led MSMEs' priorities and constraints

PUBLIC SECTOR

Stakeholders



Recommended actions

- ▶ Facilitate aggregation of data insights (e.g., on usage of digital tools) from digital service providers to evaluate the impact of key digitisation policies and programs and to ensure gender-inclusive implementation.

PRIVATE SECTOR

Recommended actions

- ▶ Adopt a human-centered design approach by developing dashboards which aggregate feedback on priorities and constraints of women-led MSMEs and integrate these into product design on an ongoing basis.
- ▶ Socialise key gender-disaggregated data insights on MSMEs along with best practices/lessons learned from working with this segment with ecosystem players (e.g., local administration, application developers). This would ensure that grievances faced by women-led MSMEs are collected and considered for future product/service design and delivery.

Stakeholders



"Many women entrepreneurs started their journey during the pandemic out of necessity, as their husbands' jobs were affected, and they faced financial difficulties. We provided them with free training and resources to get started. As their businesses began to flourish and grow, they realised their own potential and started taking entrepreneurship seriously."

- **Nasima**, Women & e-commerce Forum, Bangladesh



"The rapid evolution of technology has necessitated a commitment for us to staying updated and agile. Continuous learning and adaptation have been vital in keeping my business relevant in the ever-changing digital landscape. The greatest challenge has been staying ahead of the curve, arranging finances to update data & platforms of learning and anticipating trends to remain competitive."

- **Cavita Mehra**, Mindskillz (Woman-led MSME), India

2.2 Digital Inclusion & Transformation

03

Focus on STEM education for girls to increase their participation in the tech workforce and in STEM-related entrepreneurship

PUBLIC SECTOR

Recommended actions



Build partnerships with multilateral organisations, the private sector and civil society to support women's participation in STEM education, careers and entrepreneurship through programmes supporting formal and non-formal training in STEM (e.g., integrating STEM-related capacities into curriculums provided by government skilling institutions such as RSETI in India).



Introduce gender quotas in STEM-focused government-sponsored incubator or accelerator programmes to incentivise and encourage aspiring women entrepreneurs in STEM.

Stakeholders



Government

PRIVATE SECTOR

Recommended actions

- ▶ Advocate for and promote recognition of women STEM leaders who serve as role models, and develop mentorship programmes connecting these leaders to women-led MSMEs in STEM sectors.

Stakeholders



Technology companies
and civil society
organisations

Stakeholders



Academic & vocational
training institutions

Recommended actions

- ▶ Increase awareness and demonstrate the potential of ICT careers for students choosing a course of study at university, to promote increased STEM entrepreneurship for women in the future.
- ▶ Introduce indicators in ongoing STEM education programs to assess entrepreneurial aptitude, interest and behaviors of girls and women, to form cohorts which may be differentially supported with enterprise development training to promote entrepreneurship.

2.2 Digital Inclusion & Transformation

Challenges

2.2.3 Limited usage of digital business technology and access to openstack digital business ecosystems

36% is the mobile internet gender gap in South Asia, compared to 15% in LMC countries globally 12

14% of women in India use UPI (digital payments) compared to 32% men 12

Case Studies

► **Women-led MSMEs can gain the following benefits from the usage of digital technology for business:**



Greater access to business vendors, networks and knowledge sharing



Flexibility to shift the time and place of work, which allows women more flexibility to balance domestic and entrepreneurial responsibilities and avoid dangerous commutes, and



Time and cost efficiencies in managing their businesses, which disproportionately benefit women, given that they are more time impoverished than men.

Along with strengthening access to smart devices and connectivity for women-led MSMEs, it is essential to tackle their fears of using unfamiliar technology, and to establish a strong business case with a clear and simple pathway to obtain the benefits of digital transformation.

Women-led MSMEs require access to digital assets, knowledge networks and business development services to be able to fully participate in the digital ecosystem to utilise open stack solutions initiated by governments and companies. Furthermore, lack of policies and capacity building for data protection and cyber safety and security to help prevent fraud and provide grievance redressal is a gap in the digital business ecosystem which may disproportionately affect women-led MSMEs due to their lower digital-financial literacy.

Recommendations

01

Enable access to public digital platforms for women-led MSMEs

PUBLIC SECTOR

Recommended actions

► Facilitate digital inclusion for women-led MSMEs by mobilising investments towards high-quality open access digital infrastructure including:



Physical components (e.g., public access points for internet, broadband, mobile networks, end-user devices, etc.)



Digital components such as a public stack allowing information flow in a standardised, secure and interoperable manner between women-led MSMEs and the government (e.g., digital public goods and services available on open access platforms to enable business growth)

Stakeholders



Government

PRIVATE SECTOR

Recommended actions

► Partner with governments to fund public digital investments including technological and capacity building investments, research and development (R&D) for digital products and services catered to specific needs of women-led MSMEs

Stakeholders



Large companies
/ banks

2.2 Digital Inclusion & Transformation

02

Develop gender-sensitive digital user journeys and use cases to drive inclusion of women-led MSMEs on openstack platforms



PUBLIC SECTOR

Stakeholders




Government

Recommended actions

-  Facilitate the development of a set of archetypes/ personas of women-led MSMEs as a national public good to understand their typical entrepreneurial journeys including their use of digital technology:
 - ▶ Develop and utilise market research through government agencies with wide geographical presence (e.g., National Rural Livelihood Mission (NRLM) / Ministry of Rural Development (MoRD) in India), in partnership with financial institutions and large companies
 - ▶ Ensure that personas are updated periodically using dynamic gender-disaggregated data in order to unlock targeted ecosystem support.
-  Create differential user journeys for adoption by women-led MSMEs across implementation of all policies and interventions around digitisation.

PRIVATE SECTOR

Recommended actions

-  Invest in the development of gender-inclusive user experiences in the next wave of digitisation:
 - ▶ Promote women in leadership positions in companies leading innovation in artificial intelligence (AI) and machine learning (ML)
 - ▶ Invest in women-led digital MSMEs in sectors such as fin-tech, health-tech and agri-tech.

Stakeholders





Capital Providers

Stakeholders




Technology companies
and Fintechs

Recommended actions

-  Onboard women led-MSMEs to digital platforms via community-based agents e.g., incentivising younger women to support older women entrepreneurs in their digital journeys.
-  Develop a 'digital life' for women customers with use cases to motivate consistent participation and usage of digital identities and digital services:
 - ▶ Introduce digital use cases which are relatable, exciting and convenient for women, (e.g., receiving an e-coupon upon digital payment)
 - ▶ Ensure gradual participation in additional digital use cases most applicable in the user journeys of women-led MSMEs in specific sectors, till an inflection point is reached where women are curious and empowered to develop their own use cases (e.g., gamification to incentivise women users to try certain applications)

Recommended actions

-  Invest in the creation and engagement of digital communities as a means to network, promote peer learning and capacity building, share information, digital assets and support services, especially in collaboration with enterprise support organisations

Stakeholders



Social media
platforms

2.2 Digital Inclusion & Transformation

“Women need to be motivated to use digital technology at the entry point and then be given enough incentives to make the transition to other digital pathways. This requires a staged approach with multiple attractive use cases to create an integrated ‘digital life’ which must appear interconnected, easy to adopt and convenient.”

- Sharon Buteau, LEAD at KREA University

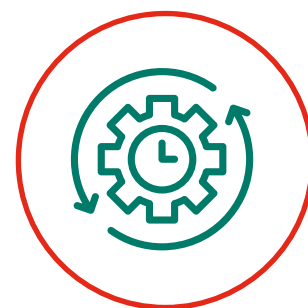


“We need to develop a common understanding of entrepreneurial journeys of women-led MSMEs including aspects like their financial profile, digital life and behaviors. This requires creating personas and archetypes which are currently insufficiently developed and not available in the public domain. If updated regularly, these personas will help inform the design of digital products, services and interventions to cater to women-led MSMEs.”

- Madan Padaki, GAME & Sylvant Advisors, India

“We confront several obstacles when contemplating investments in Learning Management Systems (LMS), Learning Experience Platforms (LXP), Articulate, Virtual Reality (VR), Augmented Reality (AR) and gamification platforms for enhancing soft skills training for our clients. These challenges encompass financial limitations, the need to evaluate returns on these investments, identifying the most fitting technology solutions, and ensuring seamless integration and efficient utilisation within the organisational context of our clients.”

- Cavita Mehra, Mindskillz (Woman-led MSME), India



Case Studies

► Khatabook: Empowering women retailers in India

About half of all women-led MSMEs in Central & East Asia are active in the Wholesale/Retail sector, with the highest engaged in India (63.9%). *'Khatabook'* (meaning 'credit ledger') was launched to address challenges faced by such MSMEs, such as manual data entry and resulting calculation errors, lack of real-time visibility into business transactions, and data loss due to the physical handling of accounting books.

Khatabook is a software-as-a-service (SaaS) company offering digital business solutions catered to MSMEs including:



A mobile-first accounting solution for retailers, enabling digital recording of credit extended to customers, using WhatsApp, SMS, Unified Payments Interface (UPI) and QR systems



An accounting software focused towards distributors and traders



A digital shopfront platform to digitise end-to-end business processes



A staff and salary management platform

Simplicity, inclusion of local languages, and a scalable tech platform have been vital to Khatabook's success. It is poised to become an accessible digital bank as well as a distribution platform for other services and products tailored to MSMEs (e.g., invoice discounting and supply chain financing for MSMEs and their partners to collaboratively manage their capital).

2.2 Digital Inclusion & Transformation

Challenges

2.2.4 Restrictive legal and regulatory frameworks discouraging access, ownership and control of technology

50% of the 190 economies surveyed in *Women, Business, and the Law* (World Bank Group 2020), have at least one law impeding women's economic opportunities¹⁵

The regulatory environment for women-led MSMEs differs across countries at various stages of development, and often lags behind technology based innovation. The role of regulators is to develop specific guidance based on implications for the large-scale adoption of technologies.

Discriminatory laws and regulations hinder asset ownership and access to technology for women-led MSMEs, making business registration and banking challenging. This is further exacerbated by women's underrepresentation at top ranks in ICT ministries and telecommunications regulatory agencies in Asia-Pacific. Women-led MSMEs remain excluded from digital markets, and do not have equal access to digital learning.

Women-led MSMEs across 6 Asian countries ranked 'security and safety' as the top decision-making criteria to select a financial service provider, due to concerns like privacy and online frauds¹⁶



Women-led MSMEs face an unsafe online environment including malpractices (such as fraud, hacking and, intellectual property infringement), data privacy, protection and grievance redressal issues, discouraging them from digitalization. The methods and laws aimed at ensuring their safety are often nonexistent or ineffective. Lack of foundational IDs in conjunction with complex processes like KYC, licensing & taxation, increases the regulatory compliance burden on women-led MSMEs. For instance, micro-enterprises' lack of Goods and Service Tax (GST) certification appears to be a barrier to register on e-commerce sites in India.

Recommendations

01

Develop gender-responsive tiered regulations and guidelines to encourage digital service providers to easily reach and service women-led MSMEs

PUBLIC SECTOR

Stakeholders



(e.g., National Banks)

Recommended actions



Issue guidelines with tiered regulations (e.g., risk-based customer due diligence), consistent with global Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) standards.



Offer safeguards to financial institutions in the form of guidelines and policies which encourage digital KYC and customer due diligence, credit guarantees and other forms of insurance to cater to the digitisation needs of women-led MSMEs.



Incentivise women-led MSMEs towards the dual goal of formalisation and technology adoption by offering a limited tax break to women-led MSMEs which have been certified as digitised, or have signed a self declaration to attest their digital capabilities.

2.2 Digital Inclusion & Transformation

Recommendations

02

Build Digital Public Infrastructure (DPI) grounded in inclusivity, classifying women-led MSMEs as a priority segment in policy frameworks for digitisation

Note: Digital Public Infrastructure (DPI) refers to interoperable, open, and inclusive systems supported by technology to provide essential public and private services.

Some examples of DPIs are



Digital ID systems such as India's Aadhaar, Singapore's Singpass, and the United Arab Emirates' UAE-Pass;



Digital payment systems, especially fast payment systems, such as Brazil's Pix, India's UPI, etc.; and



Data-exchange platforms such as India's Digilocker and Account Aggregator, Singapore's MyInfo, Australia's Customer Data Right, etc.

PUBLIC SECTOR

Stakeholders



Government

Recommended actions



Mandate digital inclusion as a basic principle of policy frameworks and regulations for Digital Public Infrastructure (DPI) by developing distinct business cases for financial institutions to provide access to financial services and information through digital channels for women-led MSMEs.



Facilitate the use of digital transaction data as credit infrastructure, to compensate for information asymmetries to expand access to credit, insurance, and savings for women-led MSMEs (e.g., digital payment solutions for commerce generate rich data on cash flows and business performance of active MSMEs, which can be used by credit providers).



Formally recognise alternate collateral options for digitised women-led MSMEs (e.g., through open APIs (Application Programming Interface), India's Open Credit Enablement Network (OCEN) enables MSMEs participating in digital markets to secure credit based on business history).



Leverage DPIs to supervise and enforce financial consumer protection laws and regulations, and consumer redressal mechanisms services:

- ▶ Institute programs and systems for reporting and sharing fraudulent transactions, behaviors, and typologies
- ▶ Provide new channels for customers to raise complaints/ inquiries, channeled through to the relevant entities involved in the transaction chain, and then tracking and enforcing pre-agreed response times
- ▶ Providing tools to financial service providers to gather all the information necessary to address customer complaints.



2.2 Digital Inclusion & Transformation



We often face challenges with staying compliant with evolving digital regulations, especially in the financial sector with UPI integration as it requires continuous monitoring and adaptation. In addition to this, ensuring the highest standards of data security and privacy for our customers' sensitive data while integrating various digital solutions seamlessly with our existing infrastructure can be complex.

- **Roopa Venkat**, Globe Moving (woman-led MSME), India

Examples

Kenya: 'Kopo Kopo' is a fintech firm that offers digital payment access to merchants in Kenya through Safaricom's M-PESA. Kopo Kopo analyzes merchant payment transaction data to offer MSMEs a range of value-added services, such as unsecured short-term loans;



Singapore: 'LenddoEFL' is a fintech company that uses psychometric tests as part of the credit scoring model, using more than 10,000 different data points of new customers;

China: MYBank uses an AI-powered risk-management system, comprising over 100 predictive models, 3,000 risk profiles and 100,000 metrics, to calculate a line of credit for MSMEs;



Colombia: 'Banco Davivienda' in Colombia has provided loans to MSMEs by taking security interests in the credit card receivables generated by their own point-of-sale systems to finance small restaurants and retail enterprise;

Mexico: The 'Nacional Financiera (NAFIN) system' is a reverse factoring platform allowing financial institutions other than the buyer's bank to discount the buyer's receivables.



Case Studies

► Sahamati and Reserve Bank of India's Account Aggregator Framework



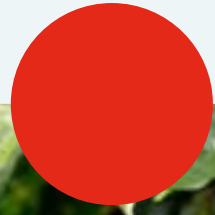
The Reserve Bank of India, India's central bank and regulatory body, is promoting a quiet revolution in how credit is given by financial institutions through Account Aggregators (AA). The RBI licenses AA to consolidate all banking-related data for the purpose of seeking a loan. AA is making it easier for banks and NBFCs to determine the creditworthiness of their clients by consolidating all financial data and helping determine the capacity to repay a loan based on estimated cash flow of MSMEs.

Sahamati (DigiSahamati Foundation), is a member-driven industry alliance formed to promote and strengthen the Account Aggregator ecosystem in India. It is a not-for-profit company aiming to strengthen India's Data Empowerment and Protection Architecture and the Account Aggregator network. Sahamati has formed several working groups constituting AA participants with two-fold intentions of self-regulation and collaboration.

For instance, the Assisted, Aadhar-enabled AA Working Group aims to build out a secure, simple Aadhaar based process for using Account Aggregator in an assisted mode to improve financial inclusion for citizens who lack access to smartphones or have low levels of digital-financial literacy. Women-led MSMEs, often newly banked and lacking assets or credit history, stand to gain the most from inclusion of their considerations by AA.

For some nonbank financial companies (NBFCs) in India, the AA ecosystem enabled an 8% higher conversion rate in MSME lending, a 65% savings in depreciation costs, and a 66% reduction in costs related to fraud detection. According to industry estimates, banks' costs of onboarding customers in India decreased from \$23 to \$0.1 with the use of DPI.





CHALLENGES & RECOMMENDATIONS

Climate Risks & Adaptation

2.3 Climate Risks & Adaptation

Challenges

MSMEs in Southeast Asia collectively account for almost 30 million tonnes of carbon (equal to national emissions of Brunei or Cambodia). Of these MSMEs, women-led MSMEs account for 33-66% of enterprises indicating that women-led MSMEs need to be at the forefront from a just climate future. Furthermore, women-led MSMEs show a disproportionately higher interest in supporting the renewable energy sector. The share of women in the renewable energy sector workforce globally is higher than that in the fossil fuel sector, notably 32% compared to 22%.¹⁷

United Nations Industrial Development Organisation's (UNIDO) study across 4 countries concluded that women are more inclined than men to establish businesses in green industries than conventional industries. This indicates that women-led MSMEs can drive the required change in meeting carbon emission targets.¹⁸

Women not only make more climate conscious business decisions but also make savvier startup founders. Startups founded by women generate on average 78 cents in revenue for every dollar invested in them, which is more than double the 31 cents in revenue generated by male-founded startups.¹⁹

However, women-led MSMEs are challenged by lack of awareness and insufficient knowledge around climate risks and mitigation measures. Some factors that deter women-led MSMEs from being able to gain sufficient information on the need, benefits and know-how of adopting sustainable business practices include:



Limitation of resources, time and expertise



Limited digital capabilities

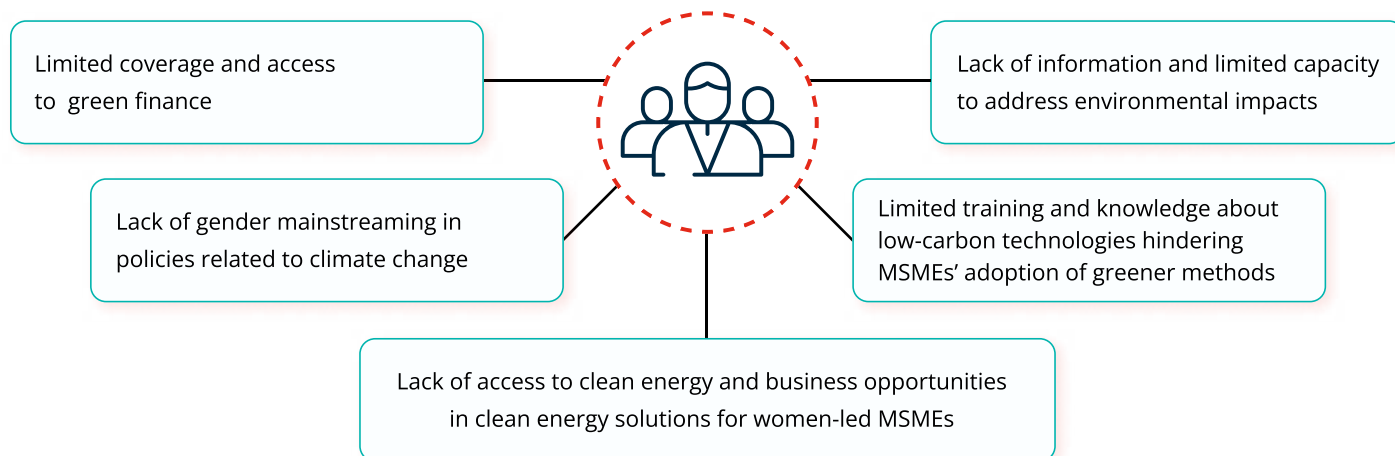


Restricted access to networks, mentorship and technology



Gender-based socio-cultural norms pertaining to mobility and caregiving responsibilities

The Task Force has highlighted the following key challenges toward climate risks and adaptation:



Note:

Several of the barriers listed above affect all MSMEs regardless of who owns or leads them as the world continues to grapple with solutioning for impacts of climate change. However, climate change impacts women differentially and posits very gender specific challenges for women in Asia-Pacific as they continue to be primary caregivers and in a climate crisis, family needs take precedence over enterprise. Women-led MSMEs struggle with the very same challenges with greater constraints and little to no resources.



"Mapping climate risk is crucial to women-led MSMEs' resilience against disasters and informs business risks. For instance, strengthening women-led MSMEs located in flood-prone construction sites would eventually be a lost investment. India has prepared a G20 Climate Risk Atlas which proves the necessity to build resilience solutions for women-led MSMEs which might guarantee them economic sustenance for the next 25 - 40 years."

- **Shuva Raha**, CEEW, India

2.3 Climate Risks & Adaptation

Challenges

2.3.1 Limited access and coverage of green financing

34%

of MSMEs in Asia Pacific worry about the impact climate change could have on business continuity²⁰

2.3%

of climate finance intends to support gender equality and address the multi-fold climate risks faced specifically by women and girls²¹

- ▶ Green financial products and services comprising of mitigation finance and adaptation finance are required to protect MSMEs from extreme climate changes and the impacts thereof across all sectors and at the local level. Some of the key factors causing women-led MSMEs to suffer from poor access to green finance are:



Weak enabling environments: Women-led MSMEs in emerging markets struggle to access green finance due to misaligned or poorly enforced policies, limiting regulatory frameworks, prohibitive trade laws and prevailing gender biases.

Lack of formal access to investment opportunities: Poor communication channels between investors and women-led MSMEs lead to a lack of awareness of attractive climate financing opportunities at both ends. Intermediaries have limited capacity to accurately assess women-led MSMEs for risks, which in turn face difficulties to meet application, eligibility and reporting criteria.



Gaps in mapping of demand characteristics and type of financial products: The current categories of available financial products, the regulatory aspects and risk profiles are unable to address the requirements of women-led MSMEs. Factors like insufficient collateral or credit history, micro assets, and variable cash flows make it difficult for women-led MSMEs to access products like gap finance, capital investment and climate insurance

- ▶ As climate adaptation financing for women-led MSMEs is a relatively new and niche sector with typically higher risk ratings, governments in Asia-Pacific will have to play a primary role to de-risk private investments and provide the first set of solutions. Catalytic policies and risk mitigation instruments by governments are imperative to incentivise the market to develop such financial products and scale necessary efforts. Climate finance needs to flow to projects and programmes that are tagged as principally targeting gender equality.

Case Studies

▶ Country Spotlight: National MSME Resilience Core Group (RCG) in Philippines

The National MSME Resilience Core Group (RCG) is a public-private sector consortium committed to strengthen the disaster resilience of MSMEs in the Philippines. Annual MSME Resilience Forums are leveraged to showcase the RCG's accomplishments and recent developments to support MSMEs in preparing for and recovering from disasters, respecting the principle of leaving no one behind.

"It is challenging to quantify climate impacts for women-led MSMEs to attract funding for climate-based projects beyond the conventional solar and wind energy projects. There is a need to expand the definition of green finance in policies without diluting its message, to address different forms of climate vulnerabilities and develop sustainable adaptation mechanisms as per needs of local ecosystems."

- Chakravarthy AB, Upaya Social Ventures, India



2.3 Climate Risks & Adaptation

Recommendations

01

Strengthen access to climate adaptation financing for women-led MSMEs

PUBLIC SECTOR

Stakeholders



Recommended actions

Designate women-led MSMEs as priority sector lending for financial institutions to ensure they receive climate adaptation financing (e.g., subsidies on loans for women-led MSMEs to buy government approved or recognised adaptation machinery).

Integrate women-led MSMEs in the national and sector-specific climate adaptation targets and plans. National governments should involve multiple sectors in adaptation planning to ensure inclusive progress and development.

Promote easy exchange of climate risk information, data and insights from country level exercises and ex-ante analysis of policies between countries to mobilise gender-responsive investments (e.g., risk-proofing insurance products) for women owned MSMEs.



Provide incentives for private, institutional and individual investors, including:

- ▶ Drive taxation and other benefits for investors and create a formalised approach to funding for the women-led MSME sector
- ▶ Encourage de-risking for investors by defining a first-loss coverage mechanism
- ▶ Conduct training interventions to expand the digital footprint of women-led MSMEs to enable digital monitoring and reporting
- ▶ Prioritise public procurement for women-led MSMEs practicing sustainable business practices
- ▶ Incentivise companies supporting climate resilience of this segment in their value chain

Leverage specialised national agencies and accessible mechanisms to provide research and development (R&D) grants for development of climate adaptation products by and for women-led MSMEs. This will facilitate development and adoption of emerging technologies through recognition and financing support for last mile adaptation.



Example

Rwanda's national climate change strategy addresses intersectional challenges faced by populations through integration of climate change lens to all welfare protection policies including sustainable land use, energy security, water resource management, health and disaster risk reduction



"Financial institutions are investing in climate financing but may not be recognising it as such or monitoring its impact. Similarly, small businesses are engaging in positive climate action because it makes business sense to do so but are not aware that they are doing it. Consciously capturing this information would be an expensive effort. Digital monitoring and reporting on climate financing hence becomes critical, to bring down the transaction cost of human intervention, so boosting digitisation might allow women-led MSMEs to use climate finance."

- Arindom Dutta, Senior Advisor- Sustainability / Agribusiness, India

2.3 Climate Risks & Adaptation



"The current capacity of financial entities to understand climate risks and insurance is limited, and capacity building needed to develop appropriate financial products. Climate adaptation is already a niche investment sector as is gender lens investing in MSMEs. Bringing together large investors including sovereign wealth funds across countries to create a pooled fund will help assess the capacities of women-led MSMEs and provide capital at lower risk."

- Gauri Singh, Deputy Director-General, International Renewable Energy Agency (IRENA), UAE.


01

Strengthen access to climate adaptation financing for women-led MSMEs

Recommendations

PRIVATE SECTOR

Recommended actions

 As part of the ESG mandate, large corporations can build gender action plans integrated with climate risk assessments in their value chains. This can also build evidence for women-led MSMEs to attract green finance (e.g., gender conscious climate risk assessments and pricing methodologies, loss-adjustment procedures and distribution channels).

Stakeholders






Large companies

Stakeholders



Blended finance providers

Recommended actions

-  Improve the risk-return characteristics of climate adaptation investments for women-led MSMEs, supported by regulatory and taxation frameworks.
-  Create products and opportunities based on differentiated outcomes or extending different financial and non-financial return expectations within an investment structure.
-  Drive strategic agendas to address financial uncertainty in the nascent climate adaptation sector for women-led MSMEs.

Example

Guarantees and co-financing, risk-tolerant capital structures supported by governments (e.g., the [Global Fund for Coral Reefs](#), a blended finance vehicle established through a coalition between UN agencies, government agencies, financial institutions, and private philanthropy sources)

"ESG disclosures for large companies today are already translating to pressure for MSMEs in their supply chain. National banks as well as private investors have started to consider inclusion of ESG performance as a criteria to provide loans. Women-led MSMEs should be able to communicate the story of their social and environmental impact to build a competitive edge."

- Priya Thachadi, Villgro, Philippines



"Microfinance institutions play a critical role in providing access to early funding to women-led MSMEs. Large corporations can extend support through vehicles such as corporate social responsibility (CSR) and procurement among others. Philanthropic grants can also create significant impact in testing and building specific solutions for women-led MSMEs. Finance should be seen as an implementation lever for climate adaptation. Financial inclusion plans laid out by governments should be cross-linked with women-centric schemes in sectors such as clean energy sector and manufacturing."

- Shuva Raha, CEEW, India

2.3 Climate Risks & Adaptation

Case Studies

► Orange Bond Initiative (OBI): Adopting an inclusive approach through a diverse investment strategy

The *Orange Bond Initiative* is the world's first asset class built by and for the Global South and the 99% as a solution to financing gender equality. It is a gender lens debt security designed to fund financially empowered gender systems and enhance living standards for women in resource-limited nations. Launched by the Impact Investment Exchange (IIX), the initiative is supported by a Steering Committee and Advisory Council including institutions like the Australian Department of Foreign Affairs and Trade (DFAT), ANZ Bank and the United Nation's Capital Development Fund (UNCDF) among others. Together, they intend to set benchmarks for gender bonds, funnel capital into appropriate debt securities, and provide practitioners with tools to foster a gender-inclusive financial landscape.

As part of this initiative, IIX is prepared to release the sixth bond in the *Women's Livelihoods Bond (WLB) series* with the goal of positively affecting the lives of 500,000 women and girls. IIX is targeting an issuance size of 100 million USD that will comprise a multi-country and multi-sector portfolio of companies that will collectively empower women and girls to build economic resilience and advance climate action. The WLB6 qualifies as an Orange Bond and is expected to align with ICMA's Green and Social Bond Standards, the UN SDG Bond Impact Standards, and the ASEAN Social Bond Standards.

Recommendations

02

Expand access to disaster risk insurance and risk-transfer instruments to reduce the financial burden and impacts on women-led MSMEs before and during disasters





PUBLIC SECTOR

Stakeholders



Government

Recommended actions

-  Draft Nationally Determined Contributions plans (i.e. national climate action plan to cut emissions and adapt to climate impacts) with a gender lens in line with the Paris Agreement and/or identifying the role of women in achieving these contributions.
-  Introduce temporary Universal Basic Income (UBI) programs during and after disasters with robust, gender-conscious and inclusive delivery systems to protect impacted MSMEs and individuals.
-  Invest in gender-responsive capacity building powered by a collaborative data-driven approach by financial institutions, industry and research agencies on profiles, needs and specific challenge areas to be addressed for women-led MSMEs at different stages of growth across sectors.
-  Provide direct financial support during disasters to ensure the subsistence of women-led MSMEs through cash assistance (e.g., direct benefits transfers and/or conditional cash transfers).

Example

The *Singapore Self-Employed Person Income Relief Scheme (SIRS)* was introduced in 2020 to support Singaporean self-employed persons (SEPs) whose businesses had been affected by the COVID-19 pandemic. Under this scheme, the government offered three quarterly cash payouts by to the neediest sections of the population determined by their income record and asset ownership.

2.3 Climate Risks & Adaptation

Recommendations

02

Expand access to disaster risk insurance and risk-transfer instruments to reduce the financial burden and impacts on women-led MSMEs before and during disasters

PRIVATE SECTOR

Recommended actions



Support the recovery of women-led MSMEs during and post disasters by designing offerings like:

- ▶ Milestone-based financial incentives (e.g., interest rate subsidies, tax credits and grants) for women-led MSMEs with sustainable practices to reduce costs incurred and enhance their eligibility to secure additional green financing.
- ▶ Microinsurance schemes with a series of subsidised premiums for specific low-income women-led MSMEs in trades such as street vendors, farmers and weavers.
- ▶ Cash assistance schemes to direct financial support during disasters to ensure the subsistence of women-led MSMEs (e.g., direct benefits transfers and/or conditional cash transfers)

Stakeholders



Recommended actions



Provide direct support to women-led MSME suppliers through supplier protection and development programs to ensure business continuity in specific areas like procurement of credit, workforce compensation and advances against orders.



Engage women-led MSME suppliers in specific adaptation-related capacity building activities enabling them to develop understanding and skills to assess, pre-empt and adapt to potential climate impact challenges.

Stakeholders



Recommended actions



Establish knowledge and data sharing platforms to bridge the information gap between funders, intermediaries & women-led MSMEs:

- ▶ Share data of women-led MSME portfolio companies including sustainable solutions deployed with broader industry groups for sharing learnings.
- ▶ Liaise with insurance companies to design relevant climate insurance products for women-led MSMEs based on derived learnings.
- ▶ Engage with financial institutions to assess the risks and rewards of small-scale green investments and drive product designs relevant for this segment.



Focus on driving asset creation for women-led MSMEs as a key investment area with support from public institutions and designing intelligent incentive structures.

Stakeholders



“ESG disclosures for large companies today are already translating to pressure for MSMEs in their supply chain. National banks as well as private investors have started to consider inclusion of ESG performance as a criteria to provide loans. Women-led MSMEs should be able to communicate the story of their social and environmental impact to build a competitive edge.”

- Priya Thachadi, Villgro, Philippines



2.3 Climate Risks & Adaptation

Case Studies

► Upaya Social Ventures: Creating Dignified Jobs through Climate-resilient ventures in India

Upaya Social Ventures supports and invests in early-stage businesses that create dignified jobs for those in extreme poverty. Upaya recognised that stable, safe and inclusive jobs or livelihood opportunities can support households in breaking the extreme poverty cycle. Recognising the disproportionate impact of climate change on said livelihoods, Upaya also focuses on investing in businesses that integrate innovative solutions for climate adaptation.



In 2021, Upaya invested in Resham Sutra, a company that replaced the traditional thigh reeling method for women by introducing solar-powered silk spinning machines. Their impact is three-fold - replacing the drudgery of an old method with innovative technology, integration of renewable energy sources and improved productivity and income for women by 16%.

Upaya has also invested in Raheja Solar's DIY foldable solar dryers to revolutionise post harvest processing by reducing wastage at the farm level through a decentralised model. Raheja Solar also secures better prices for the dried products for farmers through market linkages. By accelerating and investing in such targeted solutions, Upaya is addressing the effect of climate change on vulnerable communities by ensuring that jobs and livelihoods are also sustainable.

Case Studies

► Tajikistan Climate Resilience Financing Facility (CLIMADAPT)



Climate Investment Funds and the European Bank for Reconstruction and Development (EBRD) have supported a climate resilience financing facility called [CLIMADAPT](#). This facility has collaborated with local financial institutions in Tajikistan to structure credit so that women can access financing for climate-related investments. Since it was observed that most women-led MSMEs do not have the information and collateral to get credit, help desks for women were set up in local banks, and some unconventional collateral requirements were put in place, like accepting jewelry to guarantee a loan. Banks also committed to having women on their staff to work with women entrepreneurs.

This project has gone beyond the goal of enhancing climate action and is driving shifts in gender norms. Women in Tajikistan who borrowed adaptation finance reported a shifting of gender norms, making decisions around purchasing equipment that they had never been part of before. 92% participants said they became less time-poor, 60% said they now had more ability to influence household on assets, and 77% said they had more influence over decisions on equipment.¹²

2.3 Climate Risks & Adaptation

Challenges

2.3.2 Lack of information about the costs and benefits of relevant green practices, limited capacity (resources, time, expertise) for understanding environmental requirements

29%

of women respondents of Meta's Global State of Small Business Survey had made changes to business practices to reduce climate change compared to 26% of men. 22

20%

of women respondents reported that they needed more information before making a climate-related change to their business practices compares to 15% of men. 22

Due to a lack of clear and universal definition for a green business, governments are hindered in offering a policy-friendly environment for MSMEs, investors and financial institutions. Women-led MSMEs also suffer from a lack of technological know-how and support to adopt green practices or pivot to a green business. Green industries also continue to be perceived as higher cost centres and more investment-heavy than conventional industries which puts green industry products at a disadvantage.

Furthermore, a general perception that running a green business requires "higher technical abilities" discourages women from exploring the prospect and subjecting investors to a similar bias. Historically, with the conventional energy sector being male-dominated, women are also often convinced that they do not have the right "network" to successfully establish a green business.

"Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) has always observed that women entrepreneurs are not aware of subsidies or of insurance schemes, more so on climate adaptability. This is why we work with networks and collectives since sharing of information, participatory and engaging stakeholder consultation at all levels of decision-making including cost-benefit analysis of policies."

- **Nisha Onta**, WOCAN, Thailand



Recommendations

01

Enable access to information and knowledge for women-led MSMEs and supporting ecosystem partners to make informed decisions around climate adaptation

PUBLIC SECTOR

Stakeholders



Government

Recommended actions



Launch platforms focusing on knowledge and technical assistance, profiles and case studies and market linkages with investors focused on the climate adaptation and mitigation agenda, in partnership with climate experts, multilateral agencies and investors for women-led MSMEs.

Example

The [Renewable Energy and Energy Efficiency Partnership](#) (REEEP) develops innovative financing mechanisms to make clean energy and energy efficiency technology accessible and affordable to all. REEEP invests primarily in disruptive approaches led by MSMEs in low- and middle-income countries, facilitating market- and community-led energy transitions.

2.3 Climate Risks & Adaptation





Recommendations

01

Enable access to information and knowledge for women-led MSMEs and supporting ecosystem partners to make informed decisions around climate adaptation

PUBLIC SECTOR

Recommended actions

-  Educate investors and large companies on existing national climate policies and priorities, including regulatory requirements and incentives for climate action as relevant to women-led MSMEs (e.g., carbon pricing mechanisms)
-  Propose push-and-pull incentives (e.g., regulatory requirements) for climate action, aligned to existing national policies defined by the respective ministries to augment the role and impact for women-led MSMEs as part of the larger supply chain.
-  Define 'green' or 'sustainable' taxonomy and regulations for investors and intermediaries. This may be leveraged to incorporate concerns such as access, affordability and long-term viability, and guide funding towards loans for women-led MSMEs working towards climate adaptation.
-  Leverage an open-source platform to collect gender disaggregated data on climate adaptation of MSMEs. A user interface which gives direct outcomes for women-led MSMEs can be shared with stakeholders to scout for new additions to their MSME engagement and serve as a primary database to verify by investors.

Stakeholders



"There is no unanimity on a lot of jargon used with respect to climate risks and adaptation, making it too complicated for local bank managers for instance, to understand what these terms mean. This can drive further exclusion if not clarified."

- Arindom Dutta, Senior Advisor- Sustainability / Agribusiness, India






PRIVATE SECTOR


Stakeholders



Recommended actions

-  Improve ESG performance through capacity development of women-led MSME suppliers to achieve environmental sustainability (as part of the 'inclusive business' agenda defined by leading companies- including dissemination of information on sustainable practices, adherence to regulations, costs and benefits management and provision of support mechanisms).
-  Drive key development programs covering industry-specific technical assistance to address knowledge and skill gaps faced by women-led MSME suppliers around climate risks.
-  Link women-led MSMEs to appropriate financing and technological support possibly through internal funding channels.

Recommended actions

-  Invest in building a 'green' portfolio with a broader agenda at play for both the investor and investee - with a scope for development of instruments which cater to outcomes on the mitigation and capacity building side, in addition to adequate returns to investors.



Stakeholders

2.3 Climate Risks & Adaptation

Recommendations

02

Incentivise women-led MSMEs to adopt green business practices through business certifications which bring forth benefits and opportunities

PUBLIC SECTOR

Stakeholders



Government

Recommended actions



Design national industry-specific sustainability certifications or incentivise alignment of businesses to existing global sustainability certifications (e.g., Global Organic Textile Standard) and eco-labelling schemes for products. Business benefits to women-led MSMEs from such certifications should outweigh the time and often high costs undertaken to obtain them.



Stimulate the uptake of industry-specific green labels by setting requirements such that all or a certain percentage of public procurement be certified uniformly.

PRIVATE SECTOR

Stakeholders



Large companies

Recommended actions



Incentivise women-led MSMEs suppliers to align with national and/or global green certification standards, accreditations and incentives, reducing their climate impact as a result. Targets set for women-led MSMEs could be meaningful and achievable with positive outcomes like capacity building and technology investments.

Example

Decathlon has introduced requirements applicable to suppliers in 43 sourcing countries around reduction and mitigation of environmental impact and the health, safety and respect for human rights of workers in factories. A rating ranging from A to E is assigned to each of its manufacturers based on regular audits. This rating allows Decathlon to define a trajectory to work on making improvements. Decathlon does not dismiss the non-compliant factories but instead supports them in taking better consideration of workers' well-being and the impact on the environment and recognises their success through awards. Decathlon's commitment is to achieve an A, B or C rating for 90% for its direct suppliers (tier 1) by 2026.

Case Studies

► Zero Effect Zero Defect (ZED) Scheme: Green Certification for MSMEs in India

The Zero Defect Zero Effect (ZED) Certification Scheme aims to enable and facilitate MSMEs to adopt Zero Defect Zero Effect (sustainable) practices besides motivating and incentivizing them for ZED certification. Through the journey of ZED Certification, MSMEs can reduce wastage substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, among others.

The government has proposed an 80% subsidy on the certification cost for micro enterprises, 60% for small enterprises, and 50% for medium enterprises. There is an additional 10% subsidy offered to women-led MSMEs. ZED-certified MSME players are being offered subsidies in stall charges, airfares, and freight charges for participating in businesses exhibitions and fairs abroad. They are also eligible for concession in banks' processing fees and rate of interest along with preference in lending and have a higher credit rating.



2.3 Climate Risks & Adaptation

Case Studies

► Capacity Building Pathways for Women-led MSMEs to adopt sustainability

The 1.5°C Supplier Engagement Guide provides practical guidance that any company can use to work with suppliers (especially MSMEs) and implement a 1.5°C aligned target and move to action. It includes examples from the experiences of the 1.5°C Supply Chain Leaders, including Unilever, as well as other leading practices and frameworks for supplier engagement.

Free and accessible resources such as SME Climate Hub's Climate Fit course offer online training to help small and medium-sized companies to upskill themselves to reduce their emissions. Whatever the location or size of the MSME may be, this course aims to help small and medium businesses navigate the path to net zero, in seven achievable steps. As a result, women-led MSMEs can prepare themselves to attract better market opportunities as sustainable businesses.



Case Studies

► Knit Asia: Challenges in obtaining Green Certifications in Garments Manufacturing in Bangladesh

Knit Asia is a small enterprise in the garments and textiles manufacturing sector which obtained tremendous growth by building a competitive edge for corporate export customers through green certifications. These include the LEED-Certified Green Garment Factory, WRAP, BSCI, CT PAT, GOTS, OEKO-TEX, OCS, Wal-Mart – Yellow Certification, Environmental & Chemical Policy (ECP) certification by M&S, ACCORD, ALLIANCE, Best award on Waste Water Management from DECATHLON.

This has been an expensive and challenging undertaking for Knit Asia for several reasons:

- Large buyers do not follow a standard audit process due to different regulations across countries, leading to repetitive costs and cumbersome procedures to assess similar indicators.
- Majority of these buyers have established a rigorous list of requirements for potential suppliers to adhere to, often without providing the adequate support for them to sustain and grow.
- Consultants tend to charge a hefty fee to prepare MSMEs to work with large businesses (e.g., training employees before audits) and suggest corrective action plans (e.g., to improve metrics such as daylight savings) requiring funds which women-led MSMEs may be unable to afford.
- Despite being available at lower interest rates, existing green financing opportunities demand complex, costly and time-consuming documentation, compliance and reporting, which may be frustrating for women-led MSMEs with limited awareness, funds and mentorship.

2.3 Climate Risks & Adaptation

Challenges

2.3.3 Lack of gender mainstreaming in policies related to climate change

6/26 countries in Asia-Pacific have been categorised in advanced stage of progress regarding gender responsive budgeting, while the remaining 20 are in the early stage of progress²³

National climate action plans and policy frameworks across Asia-Pacific are either implicitly male-biased or gender-neutral, insufficiently questioning existing intersectional inequalities and impacts of climate change on gender. They still stop short of gender-transformative approaches, where women are recognised as actively contributing to adaptation.

Lack of robust and consistent gender-disaggregated data across countries in Asia-Pacific leads to lack of information on gendered needs as well as the response to implemented climate policies and budgets. This gap can lead to policies that overlook gender-specific climate resilience needs of women-led MSMEs.



Different ways of recognising gendered vulnerability (pivoting from viewing women-led MSMEs as vulnerable to positioning them as change agents with involvement in decision-making processes and implementation) are required to shape adaptation policy approaches (from gender-neutral to gender-transformative). A gender-transformative approach which recognises women-led MSMEs as critical contributors is vital for policies fostering equitable adaptation and empowering women entrepreneurs in a changing climate.

Recommendations

01

Develop a national framework combining existing gender equality laws, policies, and institutions with climate change and disaster risk management laws and policies

PUBLIC SECTOR

Recommended actions



Develop climate adaptation legislation which is focused on strengthening capacities of women-led MSMEs:

- ▶ Adopt a national framework approach to address underlying drivers of gender inequality in the context of climate change
- ▶ Design gender mainstreaming guidelines for budgets and implementation of climate and disaster management policies
- ▶ Actively consult women-led MSMEs to integrate their priorities into climate change and disaster risk management actions.



Ensure relevant cross-referencing of policies and schemes with aligned priorities. For instance, women-centric financial inclusion schemes can be cross-linked with policies in the clean energy and manufacturing sectors (e.g., Ujala scheme in India), where access to finance may be used as an implementation lever for climate adaptation for MSMEs



Integrate periodic, systematic monitoring and impact assessment of policies to collect data on their implementation and complete the feedback loop in order to reformulate and strengthen policy frameworks



Integrate a gender lens in the regulatory framework (legislation and policies) of thematic areas (e.g., national contributions to emission reductions under the UN Framework Convention on Climate Change and Paris Agreement) across sectors (e.g., agriculture, construction and health)

Stakeholders



2.3 Climate Risks & Adaptation

Example

The Union Ministry of New and Renewable Energy (MNRE) in India released a policy framework for Decentralized Renewable Energy (DRE) livelihood applications. The framework intends to strengthen distributed renewable energy supply particularly through end-user financing and livelihoods development for rural populations. It is the first of its kind to have explicit references to challenges faced by women.

Recommendations

02

Develop a gender equality scorecard to analyse gender mainstreaming in monitoring and evaluation for climate change related policies

PUBLIC SECTOR

Recommended actions



Introduce a scorecard as a tool to assess gender equality in monitoring and evaluation for climate-related policies, structured around gender equality vectors such as:

- ▶ Workforce participation: (women's) share in skilled/unskilled jobs in climate jobs and in technical, and STEM focused roles
- ▶ Value chains: (women's) participation in different phases of climate-related value chains (e.g., operations, logistics, marketing, sales, etc.)
- ▶ Awareness: (women's) awareness about climate risks, mitigation technologies, available green finance options, etc.
- ▶ Knowledge and capacity: (women's) knowledge base on low-carbon technologies, their benefits and uses
- ▶ Technology adoption: (women's) adoption rates of low-carbon technologies for business operation as per nationally defined green taxonomies (e.g., building refurbishment, energy efficiency technologies, renewable energies)
- ▶ Green Certification: carbon footprint measurement and certification of women-led businesses
- ▶ Innovation: (women's) share in patents of low-carbon technologies

Stakeholders



Case Studies

▶ Reserve Bank of India: Regulations on climate risk and sustainable finance

In 2021, the Reserve Bank of India (RBI) set up a 'Sustainable Finance Group' (SFG) within its Department of Regulation to lead regulatory initiatives in the areas of sustainable finance and climate risk. The SFG participates in issues relating to sustainable finance or climate risk, with the international standard setting / co-operation bodies, other central banks, other financial sector regulators and the Government of India. The group is also instrumental in suggesting strategies and evolving a regulatory framework, including appropriate climate-related disclosures, which could be prescribed for banks and other regulated entities to propagate sustainable practices and mitigate climate-related risks in the Indian context.

To assess the progress of its regulated entities in managing climate risk, RBI has prepared a consultative discussion paper to sensitise regulated entities to incorporate climate-related and environmental risks in their business strategies, governance and risk management frameworks. In line with the international best practices, it guides banks to adopt a forward-looking, comprehensive, and strategic approach to climate-related risks.

Further, a Task Force on Sustainable Finance has been set up by the Government of India to define the framework for sustainable finance in India, establish the pillars for a sustainable finance roadmap, suggest draft taxonomy of sustainable activities and a framework of risk assessment by the financial sector.



2.3 Climate Risks & Adaptation

Challenges

2.3.4 Limited training, capacity gaps, and insufficient knowledge about low-carbon technologies hindering women-led MSMEs' adoption of greener methods

14% of women micro-entrepreneurs in India have the machines used in their businesses as their first and only asset, while 37% of them do not own any physical asset ²⁴



Women-led MSMEs have limited capacity to adopt low-carbon technologies because of limited access to funds, networks, ICT and advisory services, and inadequate infrastructure in rural areas. Women-led MSMEs are not equipped with region-specific climate risk assessments deploying new-age technologies like AI, remote sensing, and GIS. They hence lack climate information such as ecological hotspots and critical areas for intervention, and are often unable to leverage technology to anticipate, plan, and prioritise actions against climate impacts.

Furthermore, policies and programs which establish use cases to increase access to low-carbon technology may reproduce assumptions that technology users are primarily male. They may fail to reflect the context, motivations and power structures in which adaptation decisions are taken for MSMEs, and how these must differ for women users. For instance, mobile bee-hives (used to support mobility in response to climate trends) or harvesting implements (used to increase labor efficiency) are often too heavy for women to carry or use, highlights the way in which simple inputs and technologies could be designed in ways that are more responsive to the needs of women-led MSMEs. The opportunity to leverage climate-resilient technology is not gender-neutral.



Recommendations

01

Develop shared, community-based resource solutions for women-led MSMEs to collectively adopt sustainable technologies and infrastructure at an affordable cost

PUBLIC SECTOR

Recommended actions



Coinvest / incentivise / liaise with large companies in utilities, logistics and financial services to provide access to shared and community-based resource services as subsidised, viable long-term support for women-led MSMEs across all sectors. Such sustainable solutions will help save resources and costs, and tackle challenges like limited security, infrastructure, and physical space:

- ▶ Shared, efficient distributed energy (solar or other) models for cheap and reliable energy to power adaptation solutions (e.g., localized, off-grid IoT solutions or hyper-local prepaid energy meters that can leverage platform infrastructure)
- ▶ Communal, shared storage spaces for women-led MSMEs to access on a pay-per-use basis especially in rural areas, to save resources in the form of security, energy cost, and community logistics
- ▶ Shared cold chain and cold storage for the distribution of perishables produced or sent to the last-mile, combined with flexible credit and predictive ordering to protect women-led MSMEs against flood and drought.

Stakeholders



2.3 Climate Risks & Adaptation

Recommendations

01

Develop shared, community-based resource solutions for women-led MSMEs to collectively adopt sustainable technologies and infrastructure at an affordable cost

PUBLIC SECTOR

Recommended actions



Liaise with philanthropic foundations to identify and pilot solutions which provide shared access to low-carbon technologies in economic sectors and activities where women-led businesses are most active (i.e., low-scale agriculture, food processing, hospitality, education, retail, arts, cosmetics, textiles and apparel).

Stakeholders



Government

Example

Low-carbon solutions here could include adoption of appliances such as solar water heater systems, energy efficient refrigeration systems, smart irrigation systems and solar lighting to cut electricity costs over a period of time for women-led MSMEs in hospitality, agriculture, food processing and retail.

02

Invest in improving accessibility of digital infrastructure and cutting-edge technology to enable a transition to green business practices for women-led MSMEs

PUBLIC SECTOR

Recommended actions



Establish an open window mechanism to evaluate the alignment of innovative digital infrastructure and technology products to Sustainable Development Goals (SDGs) and climate policies at regular intervals. This may help subsidise such technology at an early stage, especially decentralized, last-mile green adaptation solutions, through an expert panel which recognises sectors and subsectors with green technology.



Instruct banks to provide government-recognised priority sector lending for the purchase of specific equipment / technology to women-led MSMEs.



Establish schemes to subsidise asset financing for renewable energy appliances (e.g., solar cookers) to empower women-led MSMEs operating in this sector (e.g., under programmes like [Solar Sakhi](#) in India).

Stakeholders



Government



“Women could be the target customer base for several renewable energy solutions (e.g., clean cooking devices). However, in order to purchase any large assets, women-led MSMEs would require access to term loans. There are several structural issues in asset financing including liability management and interest rates based on potentially higher risk perception, which may make the entire proposition unviable for banks as well as the MSMEs. If this asset class can be made bankable through targeted schemes, there will be a huge impact. In addition to policies and regulations, blended capital through commercial and philanthropic funding could play a significant role as gap funding to make asset financing viable.

- Arindom Dutta, Senior Advisor- Sustainability / Agribusiness, India

2.3 Climate Risks & Adaptation



Recommendations

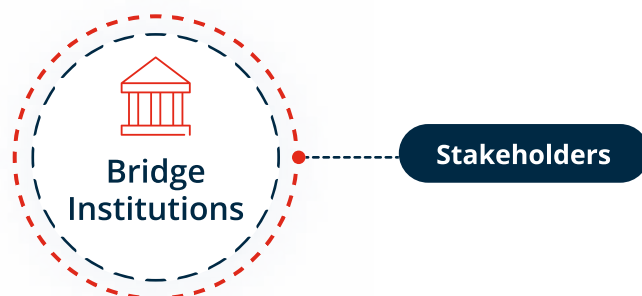
02

Invest in improving accessibility of digital infrastructure and cutting-edge technology to enable a transition to green business practices for women-led MSMEs


PRIVATE SECTOR

Recommended actions

-  Build awareness regarding the business case for co-investments in low-carbon technologies for women-led MSMEs through proactive supply chain financing solutions
-  Provide technical assistance to investors, financial institutions and women-led MSMEs on evolving climate risks and resultant shifts in market dynamics and technology innovations.



Recommended actions

-  Explore opportunities in collaboration with low-carbon technology providers to act as a key delivery channel to reach climate-vulnerable women-led MSMEs and deliver climate-adaptive products / services to them.

"It is important for the ecosystem to be ready for when women-led MSMEs seek support for a green transition. In Australia for instance, the government provides support to citizens transition to solar-powered electricity in two ways:

- ▶ Government rebates which can contribute to the cost of purchasing and setting up systems
- ▶ 'Feed-in tariff' obtained from selling some of the electricity generated back into the grid

Such solutions could similarly electrify women-led MSMEs.

– Stuart Thomson, The Good Business Foundation, Australia



Case Studies

▶ Digital platforms aimed at increasing climate change action by and for women-led MSMEs

Digital platforms are proving to be a great lever for addressing the lack of information and knowledge gaps experienced particularly by women to access green technologies:

The *Meri Saheli* e-commerce App by Frontier Markets (FM): FM operates in 2,000 villages in India, with 20 micro distribution hubs managing 10,000 rural women entrepreneurs (called Saral Jeevan Sahelis) that use the Meri Saheli App to facilitate access to products and services in clean energy solutions, essential services, and finance (among other products) to over 700,000 households.



The *1 Million Women* application offers tools to cut carbon pollution in key action areas of everyday life focusing on home energy savings and clean energy options, minimising food waste, reducing overconsumption, investing wisely, sustainable fashion and low-impact travel.

Yukke is a mobile application that provides a digital space for women in business to transact products and services, collaborate with fellow entrepreneurs, access coaching and mentorship, and source funding support. Though not proactively focused on climate action, it can be a space for buyers and sellers of clean energies.

2.3 Climate Risks & Adaptation

Case Studies

► Jai Kisan: Digital technology to enable working capital financing for rural MSMEs in India

'Jai Kisan' is a rural focused Neo Bank, whose application 'Bharat Khata' provides a one stop solution for rural businesses' and individual's financial needs starting with best suited credit products. 'Jai Kisan' leverages advanced digital technologies to build the first full-stack and seamless banking experience for rural individuals. It holds customer empathy at the heart of its operations and aims to empower MSMEs in rural value chains in sectors like dairy, poultry, manufacturing, agriculture and fishery. 'Bharat Khata' is powered by two products:

- A fully digital 'Buy Now, Pay Later' solution for rural businesses to provide formal credit to their customers;
- 'Supply Chain Financing' as a flexible and collateral-free credit solution to help growth-oriented businesses bridge gaps in their credit cycles, with easy onboarding and low turnaround time.

These products enhance digital connectivity for women-led MSMEs within value chains and allow tracking of credit and transactions, reminders for collection of dues, inventory management and business processes automation.



Case Studies

► ATEC: Clean cooking technology designed for women

An Australian company called ATEC provides households sustainable, affordable and accessible clean cooking products: Induction Cooking and Biodigester. ATEC has designed its biodigester system for instance, through a human-centered design approach such that it:

- Matches the needs of rural farming families (the biodigester only requires 2 livestock or 5kg of green waste per day in order to produce enough gas for daily cooking needs)
- Provides a system that can work in a variety of challenging environments (flood resistant up to 1.8 meters, no cracking in high groundwater)
- Qualifies as an asset and part of a commercially distributable system through retail channels
- Offers consumers a high-quality product at an affordable price point they can afford (the biodigester has an expected lifespan of 25 years and comes pay-as-you-go (PAYGO) enabled)

Every biodigester produces up to 1,800 liters of renewable biogas per day, which can be used for cooking, and 30 tons of organic fertilizer per year for agriculture. The use of bio-slurry reduces the quantity of water required for agriculture and the use of organic fertilizer increases crop yield by up to 32%, supporting food production with efficient energy use. This innovation also frees up an extra 20 hours per week for women when compared to cooking with wood and removes the health hazard of indoor air pollution.



2.3 Climate Risks & Adaptation

Challenges

2.3.5 Limited women-led MSMEs' representation in the clean energy business landscape

Women's representation on energy company boards In South Asia is 25

11% In Thailand

30% In Vietnam

50 billion USD is the valuation of the market opportunity for clean energy- powered livelihood appliances to boost India's rural economy, especially among women 26

MSMEs are significant emitters of greenhouse gases due to heavy use of fossil fuels, and their unorganised nature of operation. Women-led MSMEs are disproportionately vulnerable to the lack of energy access as energy offers an opportunity for them to have greater time and efficiency in productive business activities and flexibility in sequencing tasks with access to lighting at night. Energy also improves access to public services and creates opportunities for part-time income-generating activities for women-led MSMEs.

Women have traditionally been under-represented in the energy industry with senior positions in decision-making around energy generation, transmission and distribution being held mainly by men in most Asia-Pacific countries. This has led to inadequate consideration of the needs of small-scale energy users, particularly women-led MSMEs, in the planning of centralised energy systems. Women have different energy needs from men and use energy differently, with varying preferences and priorities, which should be addressed in policy design.

Lack of gender assessments in access to energy and the largely gender-blind energy value chain reflect that the contributions or the potential of women-led MSMEs as change agents is not recognised in the sector. Women-led MSMEs should be empowered to bring to the table different social networks from men (as community mobilisers) and access hard-to-reach households (as technicians) to deploy energy solutions.




Recommendations

01

Develop distinct and attractive entrepreneurial capacities, roles and opportunities for women-led MSMEs to be active stakeholders in the clean energy landscape

PUBLIC SECTOR

Recommended actions

-  Build knowledge and enhance the capacity of industry-focused networks and clusters for mobilising women-led MSMEs as active agents to increase access and use of clean energy in their respective sectors
-  Establish explicit policies and schemes to support women-led MSMEs' adoption of Distributed Renewable Energy (DRE) livelihood appliances (e.g., building incentives for green technology operators for offering price advantages to women-led MSMEs)
-  Integrate DRE livelihood appliances into existing rural entrepreneurship support activities and schemes for women across various ministries.

Stakeholders



Government

"Besides being consumers, women-led MSMEs can be great multipliers of information and knowledge sharing, especially if they are offered a platform (a local community organisation, an industry focused cluster, a fair-trade community etc.) and resources."

- Amanda Satterly, Asian Development Bank, Philippines



2.3 Climate Risks & Adaptation

Recommendations

01

Develop distinct and attractive entrepreneurial capacities, roles and opportunities for women-led MSMEs to be active stakeholders in the clean energy landscape

PUBLIC SECTOR

Stakeholders



Recommended actions



Encourage cluster-specific planning involving women-led MSMEs as decision makers in adaptation practices to shape just energy transitions:

- ▶ Establish policies such as credit guarantees and other incentives for cooperative banks to strengthen financing for entrepreneurial cluster activities in clean energy for women.
- ▶ Establish schemes to engage existing women's cooperatives in productive activities in the clean energy sector by ensuring their participation is made more conducive (e.g., localised trainings, introducing gender-sensitive infrastructure like women's bathrooms, safety requirements and additional facilities such as commute services, creches and meal vouchers).

Example

Anand Milk Union Limited (AMUL) is an enterprising Indian cooperative producing perishable dairy products at large volume with technology and machinery engaging thousands of rural women. Learning from such models can strengthen women-led MSMEs' roles in the clean energy value chain.

"It is highly recommended to adopt a cluster model with proven success which may be replicated with ease. For instance, a cluster of women-led MSMEs engaged in post-farm solutions (e.g., manufacturing pickles) can create a large volume of products which can be sourced upwards in the value chain to large e-commerce buyers."

- Shuva Raha, CEEW, India



Case Studies

▶ Powering Livelihoods: Learning from successful approaches in encouraging women's agency

Council on Energy, Environment and Water (CEEW) and Villgro have partnered to run a USD 3 million (INR 21 crores) initiative called *Powering Livelihoods* to mainstream clean energy-based solutions in India's rural economy. They have conducted a study to explore learnings, evidence, and recommendations on creating sustainable livelihood opportunities for rural women, emanating from gender-forward initiatives deployed by the Powering Livelihoods programme, to mainstream women in Distributed renewable energy (DRE)-powered livelihoods.

Some of the programme's key learnings include:

Women require the freedom to work at certain times of the day due to their domestic and caregiving responsibilities and solutions to learn and earn in their existing environments.

Women need not be trained to learn entirely new areas of work or reinvent their livelihoods, but rather enhance their areas of work with technology / reinvent the process of their livelihoods.

For effective gender mainstreaming, technology providers and promoters should build their internal capacity to understand the needs, expectations and constraints of their women stakeholders and look for pathways that help evolve a women consumer into a local leader.



2.3 Climate Risks & Adaptation

Recommendations

01

Develop distinct and attractive entrepreneurial capacities, roles and opportunities for women-led MSMEs to be active stakeholders in the clean energy landscape

PRIVATE SECTOR

Stakeholders



Recommended actions

Build technical capacities of clusters of women in their communities to increase their local participation across the clean energy value chain including in core engineering activities.

Recommended actions



Advertise the access and use of clean energy to women-led MSMEs while proactively addressing access, affordability, long-term viability of clean energy technologies and their implications on business productivity.



Actively take feedback from women end-users and early adopters using innovative strategies (e.g., hyper-local awareness events, featuring women-led MSMEs in marketing collaterals, Do-it-yourself (DIY) product installation and service training videos) to ensure that products are women-friendly.

Stakeholders



Example

Some core levers for advancing climate action alongside gender equality could include strategic partnerships (private-public-philanthropic- technology companies), engagement of women-led MSMEs in the design and diffusion of technological breakthroughs in climate adaptation, cultivation of women-led MSME champions and synergising top-down and bottom-up approaches towards mitigating climate risks

Case Studies

► Developing a women-led ecosystem approach with end-to-end value chain participation

Engaging women, as proven by models like [Solar Sister](#) not only serves the expansion of the piloting and deployment of clean energy technologies, but also empowers women-led MSMEs by positioning them at the centre of climate action efforts. Women-led MSMEs could play the following roles in the clean energy sector:



Vocational and technological skilling: Women can be trained to provide vocational/technical skills to ultimately create an inclusive workforce in the clean energy sector (e.g., by institutions such as Skill Council for Green Jobs, Industrial Training Institutes (ITIs) and Indian Institute of Technology (IITs) in India)



Manufacturing: Women-led MSMEs can manufacture domestic appliances like milk chillers, silk reeling machine and solar cookers which can be commissioned and sold in international markets through international trade shows (e.g., women-led MSMEs in China are able to sell such appliances to markets in Africa and Latin America where they may be used).



Repair and Maintenance: Women-led MSMEs can be trained to sell DRE livelihood and household appliances.



Marketing and Sales: Women-led MSMEs can be trained to provide repair and maintenance support services at the last mile.

Acronyms

MSMEs	<i>Micro, Small and Medium-sized Enterprises</i>
ESG	<i>Environmental, Social, and corporate Governance</i>
SHG	<i>Self Help Group</i>
NBFC	<i>Non-Banking Financial Institution</i>
CLCSS	<i>Credit Linked Capital Subsidy Scheme</i>
CGTMSE	<i>Credit Guarantee Fund Trust for Micro and Small Enterprises</i>
KUR	<i>Kredit Usaha Rakyat</i>
SHPI	<i>Self-Help Promoting Institutions</i>
ICT	<i>Information and Communications Technology</i>
TAM	<i>Total Addressable Market</i>
CAC	<i>Customer Acquisition Cost</i>
LTV	<i>Lifetime Value</i>
ROI	<i>Return on Investment</i>
SMEs	<i>Small and Medium-sized Enterprises</i>
MMT	<i>Million Metric Tons</i>
GRP	<i>Gender Responsive Procurement</i>
B2C	<i>Business-to-Consumer</i>
BDS	<i>Business Development Services</i>
STEM	<i>Science, technology, engineering, and math</i>
DPI	<i>Digital Public Infrastructure</i>

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