



3 October 2023

(23-6627)

Page: 1/20

Original: English

## INFORMAL WORKING GROUP ON MSMEs

### ACCESS TO FINANCE FOR WOMEN-LED MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMEs): A COMPENDIUM OF FINANCIAL INCLUSION INITIATIVES

#### OUTLINE

The following communication, dated 3 October 2023, is being circulated at the request of the Coordinator of the Informal Working Group on MSMEs, Ambassador Matthew Wilson (Barbados) and the Chairs of the Informal Working Group on Trade and Gender, Ambassador Ana Patricia Benedetti (El Salvador), Ambassador Simon Manley (United Kingdom) and Ambassador Clara Delgado (Cape Verde).

## INTRODUCTION

1.1. Women-led MSMEs make a critical contribution to growth, employment, and poverty reduction in their national economies. However, they do not face the same growth trajectories as their male counterparts. Women-led businesses tend to be smaller, have lower levels of production efficiency, are less well connected to markets and institutions, and struggle to access finance on the same terms as men.<sup>1</sup> MSMEs led or owned by women are particularly constrained by a lack of access to capital or financial services.<sup>2</sup> The IFC estimates that the financing gap for women-owned MSMEs in 2017 was USD 1.7 trillion and that women account for a disproportionate share of the financing gap facing firms in developing countries.<sup>3</sup>

1.2. In terms of trade dynamics, women-led MSMEs are less engaged in international trade than their male counterparts.<sup>4</sup> Only one out of five exporting companies is led or owned by women. Supporting access to finance can help to increase the participation of women-led MSMEs in international trade.<sup>5</sup> Increasing women's participation in trade by facilitating access to finance can enhance competitiveness given that trade-engaged firms are, on average, more productive than their non-trade counterparts.<sup>6</sup>

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<sup>1</sup> Definitions for women-owned and women-led business are drawn from the International Workshop Agreement (IWA) on the Definition of a 'Woman-Owned Business' and are as follows:

(i) women-owned business – a business where more than 50 % owned by one or more women, whose management and control lies with one or more women, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are not owned by women; (ii) women-led business – a business that is at least 25 % owned by one or more women, whose management and control lie with one or more women, which has at least one third of the board of directors comprised of women, where a board exists, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are neither led nor owned by women.

<sup>2</sup> ITC. *SME competitiveness surveys in 16 countries*.

<sup>3</sup> IFC. *MSME Finance Gap*. (2017) doi:10.1596/28881.

<sup>4</sup> ITC. *Unlocking Markets for Women to Trade*. (2015) doi:10.18356/aa9eaa55-en.

<sup>5</sup> ITC. *ITC calculation based on surveys in 49 developing countries*. (2023).

<sup>6</sup> Shu, P. & Steinwender, C. The Impact of Trade Liberalization on Firm Productivity and Innovation. *Innov. Policy Econ.* **19**, 39–68 (2018).

1.3. Addressing the financing gap for women-led MSMEs has numerous positive social and economic impacts and can directly contribute to the achievement of the United Nation's Sustainable Development Goals. This compendium provides a non-exhaustive summary of current initiatives led by governments and international and regional institutions which support access to finance for women-led MSMEs and serve to enhance women's participation in the economy.

1.4. The compendium details common problems as well as success factors. Common problems include the perceived risk of investing in women-led MSMEs, low levels of financial literacy among beneficiaries, high default rates, and difficulties associated with engagement with women in remote or rural areas. Common success factors include strong political will, the development of new partnerships both within and outside of government, the presence of strong local institutions from either the public or private sectors, and robust monitoring and evaluation frameworks. The hope is that this compendium can be used to scale up, inspire and develop specific interventions to support women-led MSMEs.

## **INITIATIVES**

2.1. Today, governments, international organisations, financial institutions and CSOs have undertaken several initiatives to close the gender gap in access to finance. The vast majority of initiatives are focused on facilitating access to finance through the provision of loans, grants or other sources of capital. In addition, a number of initiatives provide non-financial support that is designed to facilitate access to networks, markets, and skills.

### **2.1 Select Government-led initiatives**

#### **2.1.1 Argentina: Reciprocal guarantee companies scheme**

2.2. Argentina's Reciprocal Guarantee Companies (SGR) scheme granted guarantees to over 21,000 MSMEs in 2020-21, including women entrepreneurs. In 2021, to expand the total number of MSMEs accessing the banking credit system and the securities market, the government implemented new regulations raising the minimum number of MSMEs that the SGR must incorporate into its portfolio every year, including the requirement to meet a quota for MSMEs headed by women, as well as to incorporate new MSMEs into its guarantees portfolio in order to be authorized to expand its risk funds.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

#### **2.1.2 Australia: Aid for trade to support financial inclusion and access to markets**

2.3. Australia supports regional Aid-for-Trade initiatives that seek to address constraints faced by women through the following programmes: 1) Pacific Trade Invest; 2) the Pacific Private Sector Development Initiative IV; 3) Pacific RISE; and 4) the Pacific Financial Inclusion Programme. These programmes are helping to address constraints by providing support to women-led small and medium-sized enterprises and facilitate their financial stability and growth and entry into new markets (among other objectives).

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

#### **2.1.3 Australia: Partnering with impact investors to support women-owned SMEs**

2.4. The Australian Department of Foreign Affairs and Trade's Investing in Women project partners with impact investors to strengthen access to finance for women-owned and led SMEs in Indonesia, the Philippines and Vietnam, and to build a business case for a more inclusive investing environment globally, across four components. The first component consists of business partnerships supporting coalitions of larger employers committed to driving gender equality in workplaces. The second component is focused on impact investment, through partnerships with investors to strengthen women SMEs' access to finance. The third component is related to government partnerships, which involves working with governments to accelerate workplace gender equality through more gender-responsive policies and legislations. The fourth component involves advocacy and communications.

Source: <https://www.shetrades.com/outlook/home>.

#### **2.1.4 Barbados: National Policy Framework for the Development of MSMEs**

2.5. Pillar 2 of Barbados' National Policy Framework for the Development of Micro, Small and Medium-sized Enterprises is Access to Finance. The policy objectives of this pillar are to mitigate the high level of bureaucracy experienced by MSMEs in accessing finance; strengthening the risk mitigation framework to improve access to finance; and introducing or expanding options for alternative and innovative financing for MSMEs. Developed in 2016, the national policy framework recognizes women as playing a significant economic role and looks to ensure their equality and equity of opportunities between women-owned and men-owned MSMEs through identifying factors that constrain women's business participation; building capacity; facilitating training; developing tools and support services to facilitate innovation; and creating specific enterprise and employment opportunities for women with commensurate funding.

Source: <https://www.barbadosparliament.com/uploads/sittings/attachments>

#### **2.1.5 Canada: Financial Inclusion for Micro- Small and Medium-Sized Enterprises**

2.6. Canada's Financial Inclusion Project aims to promote the economic prosperity of low-income women and men in Haiti and the Democratic Republic of Congo by creating a means to increase their income and savings, improve their livelihoods, raise their quality of life, and increase their revenues. Project activities include: (1) increasing the number of people, specifically women, who benefit from financial services through an extension of branches and banking agents and the provision of training; (2) increasing the use of financial services by MSMEs, particularly those controlled by women; (3) increasing the use of agricultural financial services by agricultural entrepreneurs in Haiti; and (4) improving access to mobile savings services and medical insurance for low-income individuals, particularly women in the Democratic Republic of Congo. Results achieved as of September 2021 include: (1) reached 438,000 low-income people in the Democratic Republic of Congo and Haiti with financial services (36% women); (2) launched the Just for Her loan product in the Democratic Republic of Congo, targeting micro, small, and medium-sized enterprises controlled by women. Also distributed USD 6.6 million to 1,001 women since its release in March 2021; (3) in Haiti, the agricultural loan product continues its success, with beneficiaries doubling in year four and reaching a cumulative total of 2,080 beneficiaries, of whom 83% women who work in the agricultural value chain; and (4) cumulatively trained over 216,000 clients in financial literacy (65% women).

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

#### **2.1.6 Colombia: Women Entrepreneurs Fund**

2.7. Created by decree, the Women Entrepreneurs Fund (Fondo Mujer Emprende) was launched in February 2021 by Colombia. Its objective is to finance and strengthen the capacities of women's enterprises. It seeks to contribute to closing the gaps that women face when it comes to starting a business by facilitating: (1) access to finance; (2) structuring of profitable, sustainable, scalable productive projects and a source of quality employment; (3) ICT utilization; (4) addressing barriers to integration into global value chains; (5) strengthening contact networks for commercialization. Priority sectors for rural women are avocados, cocoa, coffee, sugar cane, livestock and handicrafts. Fashion, tourism and processed foods, among others are priority areas for urban women. This Fund has resources from the national budget, international cooperation, and the business sector to support women entrepreneurs.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

#### **2.1.7 Colombia: Fund for financing development in the agricultural sector**

2.8. The Fondo para el Financiamiento del Sector Agropecuario (FINAGRO) finances the production, marketing, processing and support services for agricultural, livestock, fisheries, fish-farming and forestry and rural activities including handicrafts, rural tourism, processing of precious metals and stones and mining. Loans can go to all producers that are natural or legal persons classified and defined by FINAGRO as small, medium-sized or large producers, low-income rural women or MSMEs.

The interest and discount rates on the loans depend on the category of producer requesting the loan, in accordance with FINAGRO's classification. The terms and grace periods for FINAGRO loans depend on the production cycle of the activity to be financed. To be entitled to FINAGRO loans, 75% of the applicant's total assets must be invested in the agricultural sector, or two thirds of their income must stem from the sector. FINAGRO credit lines bring the farmer a number of benefits, since they give access to a loan at a capped interest rate, which is lower for smaller or vulnerable producers. Furthermore, FINAGRO encourages financial intermediaries to grant loans to farmers. This incentive is based on the differential between the maximum interest rate for each category of producer and the rediscount rate granted by FINAGRO to the financial intermediary. This interest spread, or intermediation margin, varies between 7.5 and 12 percentage points, depending on the category of producer.

### **2.1.8 Colombia: Pact for Colombia**

2.9. Colombia's National Development Plan (2018-2022) "Pact for Colombia", includes a chapter on gender, the XIV Pact for Gender Equity for Women. Line G of the Gender Equity Pact considers rural women to be agents of transformation of the countryside. The Pact guarantees the inclusion of rural women in the processes of social and productive planning, the provision of agricultural extension services, and access to credit, leading to equitable rural development. As part of the Pact, the Ministry of Agriculture will promote both savings and access to credit instruments. In particular, it will support the inclusion of family farmers and small producers through the Agricultural Guarantee Fund (Fondo Agropecuario de Garantías – FAG), as well as alliances with the Ministry of Environment and Sustainable Development to incentivise the use of payments for environmental services and the targeting of resources for the development of sustainable projects within the framework of the Green Growth Policy. The Ministry of Agriculture and Rural Development will also coordinate strategies to provide relevant and effective economic and financial education for women in the financial education for women in rural areas.

### **2.1.9 Colombia: Legal support for preferential access to credit**

2.10. Colombia's Law 731/02 explicitly prioritizes rural women. Article 9 created credit lines with preferential rates for rural women. It opened access to the Agricultural Guarantee Fund (FAG) to support women entrepreneurs with access to credit for productive activities. Resolutions 1 and 6/02 of the National Agricultural Credit Commission defines access to credit with resources from the Agricultural Financing Fund (FINAGRO). Conditions are defined for accessing credits and guarantees from the FAG (Fondo Agropecuario de Garantías) and FINAGRO is authorised to open lines of credit to finance rural activities for women. Law 823/03 authorizes credit for women and support for underprivileged single mothers for the development of productive projects.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### **2.1.10 Côte d'Ivoire: Credit fund for women to start and expand their businesses**

2.11. The Fonds d'aide aux femmes de Côte d'Ivoire (FAFCI) aims to enable women in Côte d'Ivoire to create or expand their income-generating projects by providing access to credit at preferential rates. Women aged 21 or above, with an income-generating project, are eligible to apply for a loan from partner micro-finance institutions. Three types of credit instruments are available: credit for women who are at the initial stage of income-generation, credit for women who are already implementing their income-generating project, and group credit for women's groups and women's NGOs. Since its launch, FAFCI has supported 250,000 women from various regions in Côte d'Ivoire and achieved a loan repayment rate of 97%.

2.12. Success factors include political will and effective local micro-finance institutions. The FAFCI is supported by the Office of the President and the First Lady. With the support of government, the initial FAFCI budget was increased from USD 2 million to USD 8 million. The Office of the President aims to eventually increase the budget to USD 40 million in 2025. In addition to government support, local micro-finance institutions are key partners for the project. These micro-finance institutions are responsible for housing funds, assisting women in opening their own bank accounts, and managing the loans.

Source: <https://www.shetrades.com/outlook/home>.

### 2.1.11 Ecuador: Improving access to finance for rural women

2.13. BanEcuador, a national development bank in Ecuador, created two financial products specifically for women: *Credito Super Mujer* and *Credito Mujer Emprendedora*. *Credito Super Mujer* is targeted at women in agriculture who seek to finance their agricultural activities. *Credito Mujer Emprendedora* is aimed at financing the purchase of fixed assets and working capital for women entrepreneurs in the production, commercial, and services sectors.

2.14. In 2021, BanEcuador granted USD 187.2 million worth of total credit to women. This represented 42.51% of the total credit awarded by Ban Ecuador across all their credit lines. In total, 69,813 women's credit operations were generated. Under the *Credito Super Mujer*, loans were granted to women entrepreneurs managing family gardens or farms. In 2021, 9,285 loans, worth approximately USD 23 million, were directed to 9,259 women.

2.15. Challenges to implementation include the geographical distance of the rural population, a lack of trust in the banking institutions, and rural poverty and gender inequality. Success factors include political will, especially from BanEcuador and the Ministry of Agriculture, as well as the development of new partnerships and synergies between Ban Ecuador, the Ministry of Agriculture, UN WOMEN, and the ProAmazonia Project of the United Nations Development Program (UNDP) and the Ministry of Environment.

Source: <https://www.shetrades.com/outlook/home>.

### 2.1.12 European Union: Revolving fund to provide access to interest-free credit

2.16. The European Union's Women Enterprise Fund (WEF) provides women's groups with interest-free credit for enterprise development. To ensure successful implementation of their priority enterprises and full repayment of the fund, women are required to be in groups of 10-15 members. In addition, funds are allocated to women for institutional support, beneficiary groups receive basic training in bookkeeping, among other entrepreneurial and business management skills development projects.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.13 Fiji: Supporting the sustainable growth of SMEs

2.17. In 2002, Fiji passed the Small and Micro Enterprise Development Act and established the National Centre for Small and Medium Enterprises Development (NCSMED) to support sustainable growth, investment, and meaningful employment in SMEs. NCSMED runs business support programmes which are designed to enhance beneficiaries' skill, product development, and facilitate access to finance. Some of this training has been specifically targeted at women traders.

2.18. Training has been undertaken in 13 major areas in Fiji, benefitting 832 communities and villages. Participating entrepreneurs have reported an increase in range, quality and sales volume. There is strong government support for the NCSMED to continue providing these training programmes and assisting entrepreneurs. International agencies have recognized the importance of NCSMED and partnered to provide specialized training for women involved in specific agricultural projects. The training is in high demand, as it is tailored to meet the needs of participants.

Source: <https://www.shetrades.com/outlook/home>.

### 2.1.14 Guyana: Women of Worth

2.19. The Women of Worth (WOW) is a microfinance scheme, established in 2010 through an Act of Parliament, with the objective of assisting single mothers in Guyana to start or expand their own MSMEs. The programme is a public-private partnership between the Government of Guyana, through the Ministry of Human Services and Social Security, and a private commercial bank, the Guyana Bank for Trade and Industry. Business ventures under multiple sectors were supported under the programme. These sectors include agriculture and agro-processing, health and beauty, handicraft, childcare, design and fashion, and dressmaking. Under the WOW, women – who are single parents and earning less than USD 195 per month – can access loans up to USD 1,200. The interest rate is

6% per annum and the maximum repayment term is 24 months. Between January 2011 and May 2015, 3,422 loans were issued to 3,296 women, including repeat borrowers. The total amount of loan disbursed during this period was USD 1.85 million.

2.20. WOW faced a number of challenges including a concentration of borrowers from urban areas, low survival rates for businesses, and excessive documentation requirements for accessing loans. Measures taken to address these challenges include: expanded engagement efforts to increase the geographical spread of loans, mentorship and support programmes to increase business survival rates, and support from loan officers in preparing documentation.

2.21. Success factors that underpin WOW include political will, the involvement of beneficiaries, and the development of new partnerships. WOW received bipartisan support from parliament, the provision of counselling and mentoring opportunities which encourage engagement, and a public-private partnership between the Ministry of Human Services and Social Security and the Guyana Bank for Industry and Commerce.

Source: <https://www.shetrades.com/outlook/home>.

#### **2.1.15 Kenya: Affordable credit for women to improve lives**

2.22. In 2007, the Kenyan Government set up the Women Enterprise Fund to promote access to affordable credit for women entrepreneurs. The Fund offers unsecured lending, interest free loans and other business services (such as capacity-building on marketing and networking) to women in business. It has also established a partnership with Safaricom to offer mobile banking for loan repayments and other related services. The Fund has provided over 1.6 million beneficiaries from all 47 counties of Kenya with loans totalling KES 16,653,170,580 (approx. USD 157 million). One group of women who received funding from the Women Enterprise Fund reported better nutrition for their families, stable homes because of reliable incomes, additional projects providing diversity of income, improved access to health care and concomitant health benefits, better housing, and the ability to pay school fees.

2.23. Challenges to the Fund's operations include low uptake in some areas, low levels of financial literacy, high default rates, public transport challenges, regional insecurity, lack of self-confidence among participants, droughts, and a lack of suitable partners in remote counties. Political will, the development of new partnerships, and the deployment of technology have all been cited as success factors.

Source: <https://www.shetrades.com/outlook/home>.

#### **2.1.16 Malawi: Promoting women's transition from the informal sector with a loan fund**

2.24. In order to mitigate the specific challenges women face in accessing credit, such as lack of access to collateral, Malawi has established a targeted loan fund which provides opportunities to women entrepreneurs. The Ministry of Gender Affairs is the leading institution and coordinates and provides technical assistance, in collaboration with selected commercial banks, who grant and administer loans. As a complement to funding, women-owned MSMEs receive capacity building training. The fund uses a group approach to ensure that groups, clusters or associations monitor each other to reduce the risk of default. This initiative has not reached full implementation yet due to delays in releasing the seed capital by the National Treasury. This fund is possible thanks to a close public-private partnership between the Government of Malawi and commercial banks.

Source: <https://www.shetrades.com/outlook/home>.

#### **2.1.17 Malaysia: Financing for women in rural areas**

2.25. MARA (the People's Trust Council), a government agency, provides a loan scheme specifically designed for women. This initiative targets rural women particularly those who are most vulnerable in Malaysia. It requires only one guarantor and is open to businesses that are solely online. MARA awards loans from MYR 10,000 up to MYR 50,000. Mara also provides entrepreneurship courses for participants in the loan scheme to foster successful use of the loans.



2.26. This loan scheme has provided 417 women across Malaysia the opportunity to start or expand their businesses. Since 2017, the programme has allocated MYR 11.8 million, out of the 25 million initially allocated, out of which 5 million have been used for entrepreneurship training for women who have participated in the loan scheme.

2.27. Most applicants having little business training. This was remedied by also providing capacity building as a complement to funding. The overall success of the scheme is a function of political will and the reach of MARA. The Minister of Rural Development, a woman, has been supportive of the scheme. MARA is present in state offices across the country, which facilitates rural women's access to financial information and resources.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.18 Maldives: Financial instruments tailored to SMEs**

2.28. The SME Development Finance Corporation (SDFC) was established as a specialized financial institution to provide financial products and ancillary services to MSMEs and entrepreneurial start-ups in Maldives. The SDFC provides 25% of its loan portfolio to women, youth and persons with disabilities. The SDFC provides three primary types of loans: loans targeted at startups (Fashaa Viyafaar Loan), loans for agricultural producers (Dhanduveri Nafaa Loan), and a COVID-19 recovery loan (Viyafaari Ehee Loan). 39 applications were granted loans amounting to MVR 18.04 million under the startup loan scheme alongside 4 loans valued at MVR 985,400 under the agricultural loan scheme. A total of 576 women applicants had been approved for MVR 117.4 million under the COVID-19 recovery loan scheme.

2.29. Factors that have enabled the financing operations of the SDFC include political will, engagement from applicants, and the development of new partnerships. SDFC's capital is allocated from the national government budget which demonstrates a national commitment to SME development. The high volume of applications from both existing MSMEs and startups highlights clear interest and need of applicants. Emphasizing the importance of partnership development, SDFC works in collaboration with various national organizations, including the Business Centre Corporation (BCC), the AgroNet Corporation, and with the relevant Ministries to develop products targeted to priority sectors.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.19 Mexico: Supporting women entrepreneurs with targeted financial products**

2.30. Mexico's Nacional Financiera (NAFIN) is mainstreaming gender in credit products to assist women entrepreneurs in growing their businesses. NAFIN has introduced two financial products aimed at women entrepreneurs: Mujeres Empresarias and Mujeres Régimen de Incorporación Fiscal (RIF)-Crecamos Juntas. Both offer loans with preferential conditions to foster growth and competitiveness in small and medium entrepreneurship owned by women.

2.31. Mujeres Empresarias offers women-owned businesses up to MXN 5 million (USD 251,000) for working capital and fixed asset acquisition. It does not require any collateral for loans up to MXN 2.5 million (USD 125,000). Mujeres RIF-Crecamos Juntas is aimed at women registered with the RIF and offers loans up to MXN 300,000 (USD 15,000) for work capital and fixed asset acquisition. The two products have a national coverage. Between 2015 and 2021, 20,234 loans have been granted, totaling an amount of MXN 26,184 million (USD 132 million). Out of the granted loans, 16,152 were awarded to women-led businesses.

2.32. One of the challenges in introducing these financial products was getting commercial banks to accept them. To address this challenge, participating banks were sensitized to the need for differentiated financial products for women entrepreneurs with the help of concrete statistics. Political will resulting in the coordination of national institutions, the development of new partnerships between national institutions and private banks, and strong local institutions including commercial banks were critical success factors.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.20 New Zealand: Supporting women exporters through capacity building and investment events**

2.33. New Zealand Trade and Enterprise (NZTE), in partnership with Te Taurapa Tuhono, hosts events to support women exporters: InvestHer Showcase and Women in Export Leadership. InvestHer Showcase is a platform for women-led companies to raise investments by pitching their ideas to investors. Women-led companies receive coaching to develop and deliver their pitches. Each year a different partner organization in the investment ecosystem is chosen to host the event and ensure investors participate. Women in Export Leadership is a networking event for women exporters to share knowledge and experiences in participating in trade. Online events last for one hour, with the first half dedicated to a woman sharing her export story and the second half focused on questions/feedback on the story. In-person events are longer and include an additional half hour for networking, followed by a presentation and feedback or questions. Two InvestHer Showcases were hosted in the last three years. In the latest showcase, six women entrepreneurs raised investments totaling more than NZD 6.6 million.

2.34. NZTE faced two primary challenges: ensuring that the language used in the InvestHer and Women in Export Leadership events was strength-focused and pushback regarding the women-only nature of the events. Success factors include strong local institutions – including investment which are willing to increase the representation of women in their portfolios – as well as the political will of NZTE itself.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.21 Rwanda: Government guaranteed loans**

2.35. To guarantee funding for women entrepreneurs, the Government of Rwanda, under the Business Development Fund, created the Women's Guarantee Fund, which covers between 50 and 75% of collateral required by a lending institution. Women are supported to apply for a loan, and if it is determined to be viable, the financial institution applies to the Women's Guarantee Fund for a credit guarantee for the loan. The maximum guaranteed amount is RWF 500 million for agricultural projects and RWF 300 million for other sectors, within a maturity period of 10 years. To date, the Women's Guarantee Fund has administered RWF 89,212,654,691 (approx. USD 93 million) to over 40,000 women support access to finance.

2.36. The major challenge facing the Women's Guarantee Fund has been a general lack of understanding of the Fund's goals and operation by women entrepreneurs. Some women entrepreneurs thought that the Fund provided grants rather than loans. This misunderstanding resulted in loan defaults. To overcome this, the organizing institutions conducted joint awareness campaigns to ensure that women understand the nature of funding opportunities and their liabilities and responsibilities in relation to funding. More broadly, the Fund has been successful due to high levels of political will as evidenced by the level of funding for the Fund that is drawn from the government ordinary budget and the engagement of partners from both the public and private sectors.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.22 Senegal: Supporting women's entrepreneurship through microfinance**

2.37. The government of Senegal has created the National Fund of Credit for Women (Fonds National de Crédit pour les Femmes – FNCF) to promote women's access to microfinance. The FNCF has established a line of credit and a financing system for the activities of women's organizations to: develop productive and income-generating activities; strengthen, through training, managerial capacities; propel women towards formal entrepreneurship; create project incubator spaces in promising market niches; and contribute to the fight against the feminization of poverty. The FNCF has raised more than XOF 2.5 billion for female beneficiaries. More than 3,000 women received financial support, whereas 2,387 additional women benefited from capacity building and technical support on project management.

2.38. The FNCF has been supported by political will, the involvement of beneficiaries in novel loan management processes, and the development of new partnerships. The FNCF benefits from an annual subsidy provided by the Government of Senegal. This subsidy supports the continuous



operation of FNCF. Most of the loan beneficiaries are organized in groups which provide refinancing to all active members and ensure full repayment of the loan. Each group is well-organized, with a president, a treasurer, a secretary, and an auditor. Finally, having an extended network of financial partners makes it possible to reach the maximum number of targets throughout the country.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.23 Senegal: Access to finance for women**

2.39. The National Fund for the Promotion of Women's Entrepreneurship (Fonds National de Promotion de l'Entreprenariat Féminin – FNPEF) is a government agency that provides women with access to financial resources to support them in carrying out income-generating activities. The Fund aims to provide financial services to increase women's access to finance, and technical and non-financial assistance to women through training, networking and information dissemination. Funding for the FNPEF is provided by the national government budget on an annual basis. The FNPEF has worked to increase the participation of women in its activities by including women's network in its steering committee.

2.40. FNPEF faced challenges in reaching women, especially in rural areas. This was addressed through partnerships with insurance companies, which enabled the fund to expand and reach more women in rural areas. Monitoring and evaluation become a challenge for FNPEF. To remedy this, monitoring is conducted through regular on-site visits. Following the site visits, road maps are developed to consider potential problems and solutions.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.24 Seychelles: Grants help seed women-led startups**

2.41. Seychelles' Seed Capital Grant-Scheme aims to enhance the development of more competitive and resilient businesses and provides seed capital to businesses less than 3 years old. In 2017, the grant scheme was administered by the Department of Industry and Entrepreneurship Development. In 2018, the grant scheme was moved to the Enterprise Seychelles Agency (ESA) for administration. Eligible startups can each receive up to SCR 50,000 (approx. USD 3,600) to assist them in their early stages of development. The Seed Capital Committee, under the Enterprise Seychelles Agency, administers the scheme. The committee is comprised of representatives from the Department of Industry and Entrepreneurship Development, the Ministry of Finance, Trade, Investment and Economic planning, the National Institute of Science, Technology and Innovation, and members of the private sector. In 2017, a total of 278 grants were administered from various sectors such as agriculture, cleaning, maintenance, fisheries, manufacturing and handicrafts – 54% of grantees were women.

2.42. The Grant-Scheme faced a number of challenges including, the low literacy rates among applicants, a lack of compliance reporting, weak administration and enforcement of the scheme, unclear responsibilities for committee members, and the lack of an appeal mechanisms. Measures taken to address these challenges include assistance in the drafting and submission of applications, the provision of advisory services to beneficiaries to assist in compliance reporting, changing the designated authority to the Enterprise Bangladesh Agency, revision to the governance structures of the committee, and the inclusion of an appeals mechanism. The Grant-Scheme has been facilitated by the political will and commitment of the Government of Seychelles.

Source: <https://www.shetrades.com/outlook/home>.

### **2.1.25 South Africa: providing access to finance and industry and export market development**

2.43. South Africa's Women's Fund provide affordable, usable and responsive finance to enterprises to accelerate the economic empowerment of women. It targets formally registered enterprises that are 50% + 1 share owned and/or managed by women. The fund supports start-up enterprises and expansions. While not especially targeting the export sectors, these women could operate in export sectors.

2.44. South Africa's Sector Specific Assistance Scheme (SSAS) aims to develop the industrial sector and broaden the export base. The SSAS addresses factors that constrain export growth and supports the participation of women in the export sector (among other groups). The scheme is an 80:20 cost-sharing grant for projects to develop particular sectors, find new export markets, and promote the economic empowerment of women.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### **2.1.26 Switzerland: Advisory services to financial institutions**

2.45. Switzerland's Women Banking Champions Program is designed to increase access to financial services for women and women entrepreneurs in the Middle East and North Africa region through the provision of advisory services to financial institutions (banks and microfinance institutions). More specifically, the Program will provide support to financial intermediaries in key Middle East and North Africa markets to position themselves as women banking champions, in turn creating a demonstration effect in their respective markets. The support provided will help financial institution expand their offerings, including financial and non-financial services, such as networking opportunities and trainings to women clients. The indirect impact of the project is to improve women economic empowerment and ease the business environment for women in the region.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### **2.1.27 Togo: National Fund for Inclusive Finance**

2.46. Togo's National Fund for Inclusive Finance (Fonds national de la finance inclusive – FNFI) was set up in 2014 to strengthen the financial and operational capacity of decentralised financial service providers (FSPs) to meet, on a permanent basis, the need for local financial products expressed by communities that do not have access to traditional financial services. The FNFI provides loans designed to support and encourage income-generating activities (petty trading, agriculture, crafts, etc.) among women and men. By 21 July 2023, more than 1.8 million people from all socio-economic strata had benefited from loans allocated via 13 fund products with a repayment rate of 94.76%. While the number of beneficiaries is evolving, the Togolese authorities are maintaining their 2025 vision of reaching 255,000 additional beneficiaries by 2025.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### **2.1.28 Tunisia: Assistance services to women entrepreneurs**

2.47. Tunisia's Competitiveness Support and Export Development Fund (TASDIR+) promotes exports by offering a range of support and assistance services such as partial subsidies with non-reimbursable co-financing to individual businesses and trade associations. It gives preference to companies headed by women (among others).

### **2.1.29 Uganda: Promoting affordable credit and financial literacy**

2.48. Uganda's Women Entrepreneurship Programme (UWEP) aims at improving access to financial services for women and equipping them with skills for enterprise growth, value addition and marketing of their products and services. This programme is implemented as a Rolling Programme under the Ministry of Gender, Labour and Social Development (MGLSD). The Programme is designed to address the challenges women face in undertaking economically viable enterprises. One of the four targeted objectives of the Programme is to provide affordable credit and support access to other financial services to enable women establish and grow their business enterprises. The Programme established the Women Enterprise Fund (WEF) providing women groups with interest-free credit for enterprise development on a revolving fund basis. Women are required to be in groups of 10-15 members to ensure successful implementation of their priority enterprise and full repayment of the fund. In addition, funds are allocated to women for institutional support – beneficiary groups receive basic training in bookkeeping, among other entrepreneurial and business management skills development.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.30 United Kingdom: Investing in Women Code

2.49. The Investing in Women Code is a commitment to improving female entrepreneurs' access to tools, resources, and finance in the United Kingdom (UK). The Code commits signatory financial services organisations (currently 215) to promoting female entrepreneurship by: (1) having a nominated member of the senior leadership team who will be responsible for supporting gender-equality; (2) increasing the transparency of financial services firms' data concerning support for female entrepreneurs; and (3) Adopting internal practices to improve female entrepreneurs' access to finance. The Code's signatories (e.g. Banks, Angel Investors and Venture Capital Funds) represent over GBP 1 trillion in assets managed. The Investing in Women Code continues to grow. As more signatories join, the gender desegregated data set increases and more of the market is covered. Thanks to the Code, more organisations are committed to supporting women-owned MSMEs to access finance and reduce the gap between men and women.

2.50. The UK supports The Women Entrepreneurs Finance Initiative (We-Fi). This is a World Bank hosted partnership among 14 governments, 6 multilateral development banks, and others. Modelled closely on the UK Code, We-Fi is developing the Women Entrepreneurs Finance Code. This initiative aims to get financial institutions globally to consistently track levels of women-owned MSME financing and to take measures to expand financing.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.31 United States: Strategy on Global Women's Economic Security

2.51. The United States' Strategy on Global Women's Economic Security (January 2023) is centred on: (1) increasing the availability of financial products and services (savings, credit, investment and insurance) adapted to the unique needs of women and women entrepreneurs – this includes insurance, micro enterprise credit, and agricultural credit (among others); (2) fostering access to property and land; (3) promoting climate finance that increases gender equality; and, (4) encouraging the use of digital finance.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.32 Zambia: fostering women's financial participation through inclusive strategies

2.52. The Zambian Ministry of Finance has incorporated gender concerns in its National Financial Inclusion Strategy (2017-2022) and the National Strategy on Financial Education (NSFE II) for Zambia (2019-2024). These strategies require the collection of gender disaggregated data by survey. The programme is ongoing and the full impact will be established during the mid-term review and at the end of the implementation period in 2024.

2.53. The implementation of the programme has been limited by the financial and human resources allocated to the programme and the limited financial sophistication of the target population and consumers at large. Political will remains a critical factor in the success of the programme as does the development of new partnership between government and the private sector.

Source: <https://www.shetrades.com/outlook/home>.

### 2.1.33 Zambia : 50 Million African Women Speak Platform

2.54. Zambia's 50 Million African Women Speak Platform aims to empower women entrepreneurs by providing access to financial and non-financial business information. The project targets connecting 50 million women across Africa through a web-based platform. The areas that the project addresses are: (1) access to business information (financial and non-financial); (2) learning (Peer-to-peer); (3) knowledge transfer; and (4) ideas and business opportunities. The online platform was operationalized in July 2019 and has enrolled more than 3,000 women entrepreneurs.

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.34 Zambia: Export Development Fund

2.55. Zambia's Export Development Fund (ZEDEF), managed by Zambia's Development Agency (ZDA), is designed to facilitate export finance. ZEDEF provides low interest loans provided to exporting companies as well as those with the potential to export. Loans are mostly for the purpose of pre-shipment or post shipment requirements by exporters. To date, the Fund has worked with various Producer Associations to support the interests of members such as the Association of Zambian Women in Mining (AZWIM).

Source: WTO Database Gender-Responsive Trade Policies (upcoming).

### 2.1.35 Zimbabwe: Providing accessible financial services to women

2.56. The Zimbabwe Women's Microfinance Bank (ZWMB) is a state bank, which was established to champion women's financial inclusion, economic and social empowerment by providing low-cost financial resources to women. ZWMB aims to reach the unbanked and under-banked population in the economy, including women, youth and people with disabilities.

2.57. From 2018 to 2020, ZWMB has seen an increase in the number of saving accounts opened by women. A total of 85,876 savings accounts were opened by women. ZWMB also granted 84,789 loans to women and disbursed ZWL 95,432,417 (USD 264,000).

2.58. ZWMB faced a shortage in foreign currency to acquire robust technological systems. Consequently, ZWMB liaised with the Central Bank to secure the necessary foreign currency. Success factors include political will – the government provided financial and moral support – as well the development of new strategic partnerships between organizations in the agricultural sector which enabled farmers to access hard currency.

Source: <https://www.shetrades.com/outlook/home>.

### 2.1.36 Zimbabwe : Women's development fund

2.59. Zimbabwe's Women's Development Fund was established in 2005 to address the lack of collateral among women and the high interest rates being charged by banks. 75% of a given loans is provided to purchase equipment and 25% as cash for working capital. Beneficiaries are trained prior to any disbursement of the project loans. The first disbursement of USD 1 million was made in 2010. The Fund is being administered by the Ministry of Women Affairs, Community, Small and Medium Enterprise Development through the People's Own Savings Bank (POSB). To date 1,917 women's groups have benefited and USD 3,459,156 has been disbursed resulting in more than 9,585 employment opportunities. The Ministry has included a monitoring and evaluation process as part of the Fund's activities.

## 2.2 Select Financial institution-led initiatives

### 2.2.1 Bangladesh: a policy framework for financial institutions

2.60. Bangladesh Bank's SME and Special Programmes Department formulated and instituted a policy framework to be implemented by banks and non-bank financial institutions. It includes specific policy suggestions, target-based SME financing plans, refinancing schemes and training programmes. The policies also target at least 15% of all the SME funds to be allocated to women-owned businesses. Bangladesh Bank instructed banks and financial institutions to advertise all the facilities made available by the policy framework in print and electronic media. Due to this intensive and targeted information campaign, over 35,000 aspiring women entrepreneurs, including many in rural areas, were able to launch their businesses. Banks and financial institutions have loaned BDT 8.93 billion (USD 106 million) in capital and BDT 256 billion (USD 3 billion) of refinancing to women-owned businesses in 2018 and 2019. Many banks and financial institutions in Bangladesh now place a higher priority on women applicants, have special provisions for women-owned businesses that are unable to leverage collateral, and provide special advice and service centres for women entrepreneurs.

2.61. Women entrepreneurs and women-owned businesses in Bangladesh face several challenges in accessing finance and financial services, including the perceived risks of investing in women-owned businesses, lack of information about opportunities among women entrepreneurs, and loan processing delays. Political will, the involvement of beneficiaries, and transparency and disclosure of information were cited as success factors.

Source: <https://www.shetrades.com/outlook/home>.

### **2.2.2 El Salvador: Development Bank of El Salvador (BANDESAL – Banco de Desarrollo de El Salvador)**

2.62. The Development Bank of El Salvador supports the sustainability of Salvadoran female-led MSMEs, through a number of specific credit lines including the credit line for the economic recovery of Salvadoran female entrepreneurs. Provided by BANDESAL second-tier lines, this credit promotes economic recovery by facilitating access to working capital and investment in fixed assets. Other credit lines include a special credit line and a direct credit line for female entrepreneurs. The first helps meet the working capital and fixed asset requirements of female entrepreneurs (natural or legal persons) seeking to grow their businesses, who request financing from eligible intermediary institutions. The second finances female entrepreneurs from MSMEs who are interested in investing in productive projects that include capital formation expenditure and current expenditure or working capital.

### **2.2.3 The Gambia: A financial product built for women entrepreneurs**

2.63. Reliance Financial Services – a non-bank financial institution – conducted detailed market research in Gambia to identify the needs and market potential of financial products and services specifically designed to support women entrepreneurs. These financial products include micro loans, savings plans, and life insurance. The average loan amount ranges from USD 100, and based on savings capacity, can be increased to USD 500. Loans typically have a six-month term, with a two-month grace period in repayment between the two principal and interest repayments on the 3<sup>rd</sup> and 6<sup>th</sup> months after disbursement. For over 99% of the women in the programme, this product is their first interaction with a formal financial institution. Since its inception, over 40,000 borrowers have used this financial product across Gambia. Annual disbursements to businesses average USD 15 million with a repayment rate of 98%.

2.64. The following challenges were identified: i) funding challenges stemming from high subscription rates – this has been overcome by arranging contingency lines of credit with local banks, as well as by obtaining funding from other organizations that offer concessionary loans; ii) the cost of product delivery. This cost was underestimated because of the great distances between some of the communities and the branches as well as the manual nature of the record-keeping. The programme has started automating the groups' financial records to overcome this challenge, and in the long run, plans to activate mobile accounts for members, for the purposes of disbursement and loan repayments, in order to minimise transport costs. At the macro level, programme success has been driven by the development of new partnerships and high levels of beneficiary engagement in the programme.

Source: <https://www.shetrades.com/outlook/home>.

### **2.2.4 Mauritius: No-guarantor loans to help women-owned businesses expand in value-added sectors**

2.65. The Development Bank of Mauritius provides a special loan scheme designed to assist women entrepreneurs to start a business in sectors with high valued-added potential including manufacturing and agriculture. This loan scheme has a ceiling of MUR 500,000 at a preferential fixed interest rate of 3%, with a period of repayment of up to seven years, and a moratorium of up to one year. This loan does not require a personal guarantor, which is often a factor of economic exclusion for women. It is designed to cover up to 90% of the cost of a project. To date more than 300 women-owned businesses have benefitted from the scheme. Since its inception over MUR 20 million have been disbursed.

2.66. Limited business knowledge and skills of applicants and a lack of awareness of different financing options posed challenges to the operation of the scheme. Sensitization efforts designed to inform women entrepreneurs about the different specialized schemes available to them have been undertaken in order to address the latter challenge.

Source: <https://www.shetrades.com/outlook/home>.

## **2.3 International and regional-led initiatives**

### **2.3.1 The African Development Bank**

2.67. The African Development Bank (AfDB) provides affordable finance for women entrepreneurs, training of financial institutions and reform of regulatory frameworks to improve the business environment through AFAWA (Affirmative Finance Action for Women in Africa), a pan-African initiative to bridge the USD 42 billion financing gap facing women in Africa – including USD 15.6 billion in agriculture alone. The expected projects under consideration include; (i) a finance aspect: lending to women is seen as riskier, so they face prohibitive interest rates – in addition, women often lack traditional collateral and guarantees; (ii) a capacity aspect: financial institutions lack the capacity to understand and respond appropriately to women entrepreneurs, who also often lack the financial and business acumen to respond to the needs of financial institutions; and (iii) a business environment aspect: in many countries, legal and regulatory frameworks hinder women's full participation in private sector growth.

### **2.3.2 The Asian Development Bank: Small and Medium-sized Enterprises Line of Credit Project in Sri Lanka**

2.68. Since 2016, the Asian Development Bank (ADB) has been implementing a USD 175 million credit line through 10 local banks to underserved SMEs, including women-led firms. In 2018, the project enhanced its gender-related impact with the introduction of a USD 12.6 million grant from the Women Entrepreneurs Finance Initiative (We-Fi). The expanded support includes blended finance through an SME line of credit and We-Fi grant, and capacity development support for women entrepreneurs, banks, government organizations, and other key stakeholders. 1,305 women-led SMEs have borrowed from ADB's credit line. With the additional We-Fi support in 2018, a USD 6.3 million grant blended with USD 25.2 million in ADB credit line has been accessed by 637 women-led SMEs that were previously capital-constrained. Capacity development is also on track. As of February 2020, 187 women entrepreneurs had completed business development training across the country. Gender gap assessments have been carried out for 10 participating banks, three government organizations, and two chambers of commerce to improve their service delivery to women.

2.69. Challenges include prevailing inequities in the labour market and in rates of women's entrepreneurship. High-level government engagement and ownership has been vital for achieving successful implementation and sustainable institutional behavioral shifts. The development of partnerships with local financial institution to deliver project goals in conjunction with the implementation of a robust monitoring and evaluation system and the provision of technical assistance has also been necessary. The efforts have been supported by a proactive dissemination campaign to boost awareness among potential female beneficiaries as well as banks as to how to access new opportunities provided by the project to improve their business practices. These lessons highlight the importance of designing responses which address the multiple gender-specific barriers women SMEs face.

2.70. Bearing the challenges in mind, the ADB also has a Guidance Note on Fostering Regional Cooperation and Integration for Recovery and Resilience, which recognises and advocates for supporting women's entrepreneurship through skills training and greater access to finance and technology. Areas of focus can include: (a) promoting women's access to and trade skills (e-commerce) and tourism activities; (b) helping women in border communities participate in cross-border activities; (c) protecting migrant workers' benefits; and (d) enabling women-led MSMEs to join the cross-border supply chain and trade activities, among others. Recommended policies include identifying private sector solutions to overcome capital constraints such as supply chain finance solutions/incentives for financial institutions, among others.



### 2.3.3 Regional Trade Agreement (RTA) Provisions

2.71. Various WTO Members have integrated non-binding provisions in their existing trade agreements focusing on the need to improve women's access to finance, with a particular attention to female entrepreneurs; therefore, acknowledging that this is a barrier to address. These provisions range from financial training, financial assistance and literacy programmes; facilitating access to loans and credits, supporting business women in accessing financial instruments. Other provisions focus on providing an enabling legal, administrative, institutional, technical, tax and financial frameworks for the setting up and expansion of MSEs, including women's entrepreneurs' small businesses. Also, some state parties committed to eliminate all laws, regulations and practises that hinder women's access to financial assistance including credit, especially in agriculture. While these RTAs clearly recognise the systemic barriers that affect women in trade and investment and in accessing finance, they are not many. Also, they create general objectives in terms of enhancing women's access to finance, but they do not develop the kind of specific measures that state parties would take to implement these measures. In sum, they are outlining what to do but not how to do it. Hence, so far, concrete commitments and strategies are missing from these RTAs on how parties can improve women entrepreneurs' access to finance.<sup>7</sup>

### 2.3.4 The United Nations Capital Development Fund: Shifting Financial Policies and Practices to Include Women

2.72. The United Nations Capital Development Fund (UNCDF) leads the Shaping Inclusive Finance Transformations (SHIFT) in ASEAN programme. The activity was funded by the Australian Government's Department of Foreign Affairs and Trade (DFAT). SHIFT aims to improve the living standards of vulnerable groups by opening the door towards digital financial inclusion as well as expanding the potential for enterprise development, employment, and increased economic participation. It does this by stimulating investment, business innovations, and regulatory reforms to advance financial inclusion and accelerate access to economic opportunities for marginalized groups including women. The programme has four components (policy and advocacy, data and analysis, learning and skills development, and grants) and covers Cambodia, Lao PDR, Myanmar and Vietnam (including ASEAN at the regional level).

2.73. To date, 4 new financial products have been the direct result of the initiative. Two of these are in Myanmar and specifically target women, whilst the other two target MSMEs more generally and young homebuyers in Cambodia. SHIFT has also taken forward data training activities in Cambodia, Myanmar and Vietnam. With respect to policy, an indirect result has been the recent approval of the National Financial Inclusion Strategy in Cambodia. Although not approved based on the training conducted by SHIFT, its development was partially informed by the programme. Insights created as part of SHIFT were transformed into blogs, infographics, and a working paper that were presented to the ASEAN regional platforms of regulators to share best practices and inform policy.

2.74. Factors that have been critical to SWIFT's success include the development of new partnerships between local financial services providers and regulators, the involvement of beneficiaries through pre-training surveys, and the deployment of data analytics to facilitate capacity development and knowledge transfer to market actors.

Source: <https://www.shetrades.com/outlook/home>.

## PRACTICAL RECOMMENDATIONS: CONSIDERATIONS FOR GOVERNMENTS AND FINANCIAL INSTITUTIONS

3.1. Investment professionals, asset managers, investment funds, private equity firms, development finance institutions, microfinance institutions and banks targeting MSMEs have an important role to play in meeting the financial needs of women-led MSMEs. A review of good

<sup>7</sup> Anoush Der Boghossian, Amrita Bahri, "Finding Feet on Trade Agreements: Empowering Women Entrepreneurs Amidst a Pandemic", (2023), 50, Legal Issues of Economic Integration, Issue 1, pp. 13-40.

practices highlights key recommendations for investors who aim to invest in women-owned or -led businesses<sup>8,9</sup>:

1. **Ensure internal buy-in.** An investment strategy centered on supporting women-led MSMEs requires commitment from senior management. Making internal strategy and staffing changes to create a gender focal point, such as appointing a gender specialist, forming a gender committee, or establishing a transformation office, can help to achieve internal buy-in and ensure that investment strategies are gender-responsive.
2. **Adopt a common language.** The development of an efficient and profitable investment strategy requires a design that is coherent. The need for coherence becomes more acute when investment strategy is undertaken in partnership with external stakeholders. A necessary precondition for achieving investment strategy coherence that supports women-led MSMEs is the development of a common language and alignment of priorities.
3. **Use existing initiatives or expertise as a starting point.** Using existing information and working with gender and investment experts can catalyze and accelerate investment strategies and processes to support women-led MSMEs.
4. **Leverage networks to give firms visibility.** Partnerships between women industry networks, women associations and trade organizations can help to establish linkages with women-led MSMEs and leaders and make them aware of funding opportunities.
5. **Adopt a targeted marketing approach.** Targeted marketing can encourage women-led MSMEs to access existing financial services and products.
6. **Appoint a gender focus person or team internally:** As noted above, a gender focus person or team can help to ensure internal buy-in. A similar role can also be used to build trust with women-led MSMEs and to ensure that women's business and financial needs are being adequately met by existing processes.
7. **Add non-financial products and services.** Access to finance is a necessary but not sufficient condition for women-led MSMEs to thrive. Non-financial support and services that facilitate women's access to networks, information, and mentorship are critical to achieving long-term business success.
8. **Upgrade your team.** Staff training and the inclusion of women as relationship managers is crucial to ensuring that staff address unconscious bias, are aware of the market potential of women-led MSMEs, and are adeptly incentivized to meet the needs of women-led MSMEs.
9. **Adapt the firm's value proposition.** Women-led MSMEs face unique challenges, such as access to collateral, relative to their male counterparts. Firms should tailor products and develop partnerships to circumvent inappropriate collateral requirements and high interest rates for women-led MSMEs.
10. **Explore options to reduce transaction costs.** Leveraging established and emerging technologies, including mobile technology, cloud computing and blockchain, to automate underwriting and loan servicing tasks can reduce transaction costs. In turn, reductions in transaction costs can facilitate economies of scale which make it easier and cheaper to provide financial services to micro and small businesses.
11. **Collect data and measures outcomes.** Building the case for enhanced investments in women-led MSMEs requires access to continuous, comparable, and granular data.
12. **Target sectors that suffered during the COVID-19 pandemic.** Women-led MSMEs are concentrated in sectors, such as tourism and textiles, most impacted by the COVID-19

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<sup>8</sup> The recommendations presented in this compendium were developed by the ITC in consultation with the Chairs of the WTO Micro, Small and Medium-sized Enterprise Informal Working Group and the WTO Trade and Gender Informal Working Group.

<sup>9</sup> ITC. *Twelve Lessons in Gender Lens Investing*. (2021).

pandemic. Building back better from the pandemic will require targeted interventions including measures to increase the resilience of women-owned and led firms to exogenous shocks.

#### **NEXT STEPS**

- 4.1. Key issues emerging from the compendium for Member States.
  - 4.2. Potential next areas of work.
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## ANNEX

Country	Initiative Name	Type of Organization	Name of Organization	Start Date	End Date
ARGENTINA	Reciprocal Guarantee Companies (SGR) scheme	Government Agency	-	-	-
AUSTRALIA	Partnering with impact investors to support women-owned SMEs	Government Agency	Department of Foreign Affairs and Trade	2016	Ongoing
AUSTRALIA	1) Pacific Trade Invest; 2) the Pacific Private Sector Development Initiative IV; 3) Pacific RISE; and 4) the Pacific Financial Inclusion Programme	Government Agency	-	-	-
BANGLADESH	Banks build women-friendly financial structures	Private Sector	Bangladesh Bank	2010	Ongoing
BARBADOS	National Policy Framework for the Development of Micro, Small and Medium-sized Enterprises	Government Agency		2016	Ongoing
CANADA	Financial Inclusion for Micro-Small and Medium-sized Enterprises	Government Agency	-	-	-
COLOMBIA	Women Entrepreneurs Fund (Fondo Mujer Emprende); FINAGRO; The National Development Plan 2018-2022; National Laws "Pact for Colombia", includes a chapter on gender, the XIV Pact for Gender Equity for Women	Government Agency	-	-	-
CÔTE D'IVOIRE	Credit fund for women to start and expand their business	Government Agency	Fonds d'aide aux femmes de Côte d'Ivoire (FAFCI)	2012	Ongoing
ECUADOR	Improving access to finance for rural women	Government Agency	Ban Ecuador	2019	Ongoing
EUROPEAN UNION	Women Enterprise Fund (WEF)	Government Agency	-	-	-
FIJI	Supporting the sustainable growth of SMEs	Government Agency	National Centre for Small and Medium Enterprises Development	2002	Ongoing
GAMBIA	A financial product built for women entrepreneurs	Financial Institution	Reliance Financial Services	2014	Ongoing
GUYANA	Women of Worth	Government Agency	Ministry of Human Services & Social Security	2010	Ongoing
KENYA	Affordable credit for women to improve lives	Government Agency	Women Enterprise Fund	2007	Ongoing
MALAWI	Promoting women's transition from the informal sector through a loan fund	Government Agency	Ministry of Gender Affairs	2016	Ongoing
MALAYSIA	Financing for women in rural areas	Government Agency	MARA (the People's Trust Council)	2017	Ongoing
MALDIVES	Financial instruments tailored to SMEs	Government Agency	SME Development Finance Corporation (SDFC)	2019	Ongoing
MAURITIUS	No-guarantor loans to help women-owned businesses expand in value-added sectors	Financial institution	Development Bank of Mauritius	2019	Ongoing

Country	Initiative Name	Type of Organization	Name of Organization	Start Date	End Date
MEXICO	Supporting women entrepreneurs with targeted financial products	Government Agency	Nacional Financiera (NAFIN)	2015	Ongoing
NEW ZEALAND	Supporting women exporters through capacity building and investment events	Government Agency	New Zealand Trade and Enterprise	2019	Ongoing
RWANDA	Government-guaranteed loans enable women's access to finance	Government Agency	Ministry of Gender and Family Promotion (MIGEPROF), Business Development Fund, and others	2011	Ongoing
SENEGAL	Supporting women's entrepreneurship through microfinance	Government Agency	National Fund of Credit for Women (Fonds National de Cr�dit pour les Femmes- FNCF)	2010	Ongoing
SENEGAL	Access to finance for women	Government Agency	Fonds National de Promotion de l'Entreprenariat F�minin (FNPEF)	2004	Ongoing
SEYCHELLES	Grants help seed women-led startups	Government Agency	Enterprise Seychelles Agency	2017	2021
SOUTH AFRICA	Women's Funds; Sector Specific Assistance Scheme (SSAS)	Government Agency	-	-	-
SWITZERLAND	MENA Financial Inclusion: Women Banking Champions Program:	Government Agency	-	-	-
TOGO	National Fund for Inclusive Finance (Fonds national de la finance inclusive – FNFI)	Government Agency	-	2014	Ongoing
TUNISIA	The Competitiveness Support and Export Development Fund (TASDIR+)	Government Agency	-	-	-
UGANDA	Uganda Women Entrepreneurship Programme (UWEP)	Government Agency	-	-	-
UNITED STATES OF AMERICA	Strategy on Global Women's Economic Security	Government Agency	-	2023	Ongoing
ZAMBIA	Fostering Women's Financial Participation through Inclusive Strategies	Government Agency	Ministry of Finance	2019	2024
ZAMBIA	50 Million African Women Speak Platform; Zambia Export Development Fund (ZEDEF)	Government Agency	-	-	-
ZIMBABWE	Providing accessible financial services to women	Government Agency	Zimbabwe Women's Microfinance Bank (ZWMB)	2018	Ongoing
ZIMBABWE	Women's Development Fund	Government Agency	-	2005	Ongoing

Country	Initiative Name	Type of Organization	Name of Organization	Start Date	End Date
ADB	Small and Medium-sized Enterprises Line of Credit Project in Sri Lanka	Financial Institution	Asian Development Bank	2016	Ongoing
CARIBBEAN EXPORT DEVELOPMENT AGENCY	WE-Xport	Regional agency	Caribbean Export Development Agency	2018	Ongoing
UN CAPITAL DEVELOPMENT FUND	Shifting Financial Policies and Practices to Include Women	Regional or International Organization	United Nations Capital Development Fund	2015	Ongoing