Women’s Entrepreneurship, Financial Inclusion and Fintech:

How can innovative financial mechanisms and technologies be leveraged to help women entrepreneurs access funding and grow?

ESCAP Sustainable Business Network, 6th Meeting
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Women’s entrepreneurship: Key Challenges

- Women’s entrepreneurship is a pathway for income-generation, gender equality and economic empowerment
- Multiplier effects on family welfare, social and economic development / growth
- Key barriers faced by women entrepreneurs in the Asia-Pacific region

✓ Access to business finance and credit

- Lack of collateral
- Reduced credit worthiness
- Poor borrowing terms (high rates, rapid collection)
- Lack of gender-responsive lending
- Use of informal lending

✓ Limited business/digital skills, networking/mentoring, access to information about business support services and capital
✓ Policy, regulatory and broader socio-economic and cultural challenges, including gender biases
Addressing the Challenges: Eco-system Approach

Transformative Change

Conditions supporting provision of enabling tools and solutions: policies, programmes, institutions

Tools and solutions for women entrepreneurs
Catalyzing Women’s Entrepreneurship

- Five-year project (2018 – 2023) funded by the Government of Canada

- Integrated approach to the development of entrepreneurial ecosystems that support women-owned micro, small and medium enterprises (MSMEs).

- 6 target countries (2 per sub-region, pending selection):
  - South-East Asia (Cambodia, Laos, Vietnam, Myanmar)
  - South Asia (Bangladesh, India, Nepal, Sri Lanka, Pakistan)
  - Pacific (Fiji, Samoa, Vanuatu)
Catalyzing Women’s Entrepreneurship

Three-pronged focus:

1. **Access to Innovative finance solutions**
   - Supporting the development of innovative financing mechanisms, such as a women’s bond, impact investment funds targeting women, and application of FinTech solutions

2. **Use of ICTs by women entrepreneurs**
   - Enhanced capacity of women entrepreneurs to utilize ICTs in support of their businesses: APCICT’s Women ICT Frontier Initiative (WIFI)

3. **Enabling policy environment**
   - Improving policy frameworks and programmes to facilitate women’s entrepreneurship, with a focus on innovative finance and access to ICT
Catalyzing Women's Entrepreneurship

Expected results

- Strengthened capacity of Government to institutionalize gender-responsive entrepreneurial ecosystems in the participating countries.
- 20,000 women entrepreneurs have benefited from increased access to finance and use of ICT, capacity development, improved policies and business environment.
- 500,000 indirect beneficiaries positively impacted by the project (e.g. employees, family members, value chains and the wider community).
We are working with…

• **Governments:**
  • Concerned line ministries / committees (Industry, ICT, Finance, Central Banks, Women’s Ministry etc).

• **Bilateral donors, foundations:**
  • Interested in partnering to provide business capital for women
  • Planning or implementing business development projects / women’s economic empowerment and entrepreneurship projects

• **Private sector / NGO’s:**
  • Companies with innovative ideas and solutions for financing and development of women’s entrepreneurship

• **Women’s/business networks:**
  • Participatory project design and implementation
Innovative finance / FinTech

The project will support expansion of FinTech solutions targeting women entrepreneurs in target countries through:

• Women MSME FinTech Innovation Fund, with UNCDF
  • To support expansion of FinTech based platforms that can help primarily women owned/led MSMEs better access finance
• Analytical studies and advisory services to Governments for enabling FinTech
Looking for solutions: Challenge fund

ESCAP and UNCDF are working together to launch a Women’s MSME Fintech Innovation Fund which will ...  
- Co-fund and provide technical support for companies to pilot innovative digital solutions that improve access and usage of financial services for women-owned, managed, and/or led MSMEs
- Target at solutions that are ready for pilot testing and provide US $25,000 to US $50,000 of co-funding for selected projects
  - Applicants expected to fund 30% of the total project cost
  - Successful applicants to receive technical assistance, connection with investors, and potential access to additional grants for project scale-up if the pilot is successful
- Pilots should be tested for 9 to 12 months
Preferred solutions

Including solutions that:

• present an innovative technological replacement for reengineering credit operations which enable women MSMEs to better access financing for running their business.
  • (e.g. P2P lending, alternative credit scoring, automation of loan origination process, credit approval process, disbursement and repayments)

• utilise an emerging technology
  • (e.g. blockchain or distributed ledger technology, with a focus on Big Data analytics for credit assessments, smart contracts and/or trade financing)

• leverage a combination of women customer-centric credit products with technology-driven innovations that overcome potential roadblocks
  • (e.g. sales and delivery channels, marketplace lending, supply chain financing, credit assessment, alternatives to collateral and risk management).

• couple access to finance with financial literacy and business management skills
  • improving digital literacy and/or business management capacity development that can improve women owned, managed or led MSME’s ability to better manage their business operations, manage funds, e.g. cash-flow management or digital accounting tools, etc.
Eligible applicants

• Include: Regulated financial institutions, payment service providers, agent bank aggregators, mobile network operators, fintech companies, etc.

• Applicants can be based anywhere globally, but the project must target women-owned, managed or led MSMEs in one or more of the target countries

• Must partner with a financial service provider in the target country/ies for delivery of the innovative solution (either the applicant or their financial service provider partner must be a registered entity)

• Commit to participating in monitoring and evaluation activities, including measuring the number of direct and indirect beneficiaries and gender-related impacts
When?

• Call for proposals to be announced in early 2019

Questions?