

2021 We-Fi Annual Progress Report

I. EXECUTIVE SUMMARY

With the support of the Women Entrepreneurs Finance Initiative (We-Fi), the Asian Development Bank (ADB) has been implementing two ambitious programs to support women-owned/led small and medium-sized enterprises (WSMEs) to grow and contribute to the Asia and the Pacific's regional economy. During this latest reporting period (July 2020-June 2021), the wide-ranging adverse impacts of the COVID-19 pandemic on the region's SME sector, and WSMEs in particular, have increased the relevance of both We-Fi programs, enabling the ADB to provide targeted and holistic support to women entrepreneurs in Sri Lanka, Viet Nam and the Pacific.

ADB's 2021 We-Fi Annual Progress Report will provide analysis and latest data of the programs being implemented in Sri Lanka (approved in 2018) and Viet Nam and the Pacific (approved in 2019). In Sri Lanka, the **"Enabling an Empowering Business Environment for Women Entrepreneurs"** program was expanded and extended following a government request for additional financing (US \$23.45 million) to support SME development with a strong focus on women-owned businesses.¹ This provided an opportunity to improve the blended finance modality offered to WSMEs, shifting to more market-based financing. This is expected to benefit an additional 303 WSMEs by the end of the program. In December 2020, the We-Fi Governing Committee approved these new conditions and the extension of the program to December 2022. While the changes became effective and available to partner banks by April 2021, new outbreaks of COVID-19 and national lockdown measures have stalled uptake of the new conditions given the unstable economic climate.

The pandemic has required some changes in other areas of the program but overall the program remains on track for completion. Key results include: the business training program for WSMEs was shifted online in April 2021 given social distancing requirements: 85 WSMEs completed the online training and presented their business plans to partner financial institutions (PFIs) Strong ownership of the governments. Gender gap assessments for all 10 PFIs were carried out; the Boards of five PFIs approved and endorsed the reports. In addition, gender gap assessments and action plans were prepared for three government agencies (NEDA, IDB and ITI)². An online platform dedicated to women entrepreneurs was launched with already 130 women entrepreneurs registered. Ongoing policy research and support on women's entrepreneurship includes support to the adoption of a national definition of women's owned businesses and a study of graduation bottlenecks for women's businesses. The baseline survey for the rigorous impact evaluation was conducted, collecting data for over 500 WSMEs taking part in the evaluation.

The remaining 18 months of the program will be focused on: accelerating uptake and full usage by WSMEs of the grant facility; finalizing the business training program and its impact evaluation, accompanying

¹ Small and Medium-Sized Enterprises Line of Credit Project - Third Additional Financing:

<https://www.adb.org/sites/default/files/project-documents/49273/49273-004-rrp-en.pdf>

² National Enterprise Development Authority (NEDA), Industrial Development Board (IDB), Industrial Technology Institute (ITI)

government agencies and partner banks in the adoption of the gender gap assessment recommendations, and working with government on WSME policy strengthening.

The second year of the **Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES)** program saw important progress across all of the program's components, in particular in the areas of access to finance and strengthening evidence and policies on WSMEs in Viet Nam, and developing digital and knowledge solutions to women entrepreneurs in the Pacific. In Viet Nam, the program was well-positioned to adapt to the pandemic, responding rapidly to the needs of women entrepreneurs as well as identifying strategic entry points for government to build forward-looking policies for WSMEs. ADB approved a sovereign We-Fi-funded COVID-19 relief grant (effective April 2021) which is designed to incentive partner banks to restructure existing loans and extend new loans to at least 500 WSMEs. This is accompanied by a tailored business training program for at least 500 women SMEs. A business incubator for women SMEs was initiated in Q2 2021.

ADB also approved a nonsovereign loan during the reporting period. A We-Fi transaction TA will help the participating bank to introduce gender disaggregated MIS and to develop products and marketing oriented toward women entrepreneurs. The transaction's public announcement is pending regulatory approvals and is expected shortly.

ADB has also been able to proactively shape national policies on WSMEs thanks to We-Fi. This includes the inclusion of new questions on WSMEs in the national Economic Census of 2021, the development of a national WSME database, the collection of sex-disaggregated credit data by banks, including the State Bank of Viet Nam (SBV), and the policy review and consultation for the development of a White Book on WSMEs.

Key milestones for the next reporting period will include: (i) the effectiveness of additional blended finance transactions, (ii) tailored support to partner financial institutions in gender-responsive financial services and products, (iii) the acceleration of COVID-19 relief grant disbursement and implementation of associated business counselling program for affected WSMEs, (iv) the commencement of the business incubator and WSME training program, (v) completion of WSME data manual and draft of White Book on WSMEs, and (vi) ongoing policy development in partnership with the Ministry of Planning and Investment and the State Bank of Viet Nam.

In the Pacific, the focus was on program development, dialogue with financial institutions and procurement and mobilization of consultants. Initial activities have started in Papua New Guinea. The unforeseen impact of the pandemic posed challenges to implementation, with commercial banks showing less interest in new lending or exploring innovative financial solutions for WSMEs. ADB has adapted its Pacific component accordingly, with a revision to the original proposal approved by the Governing Committee on 17 June 2021. Revision include expanding country focus, replacing the Fiji gender bond with other blended finance transactions across other countries in the Pacific. The design of a new online platform, the Women's Finance Exchange (WFX), was initiated; the WFX launch occurred in August 2021.

II. SUMMARY PROJECT INFORMATION

Program Timeline

Round	Project/Program Name	Implementation Start Date	Commitment End Date	Supervision End Date	Countries (with active projects)
1	Enabling an empowering business environment for women entrepreneurs in Sri Lanka	8 June 2018	30 December 2022	30 June 2023	Sri Lanka
2	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES)	16 September 2019	31 December 2024	30 June 2025	Viet Nam, Papua New Guinea

Mobilization

	ROUND 1			ROUND 2			
	Approved Amount*	Committed Amount	Disbursed Amount	Approved Amount*	Committed Amount	Disbursed Amount	
Status of We-Fi Funding							
We-Fi Financing (A)	\$12,551,800	\$10,055,413	\$7,754,510	\$20,189,000	\$13,065,000	\$1,357,909	
Of which IDA							
Of which FCS**				\$1,269,019			
Mobilization							
IP Contribution (B)	\$23,000,000	\$31,596,144	\$24,496,551	\$147,000,000			
Public sector (C)				-			
Private sector (D)				\$58,500,000	\$7,000,000		
Other funds [specify] (E)				-			
Total Mobilization (F)= (B+C+D+E)	\$23,000,000	\$31,596,144	\$24,496,551	\$205,500,000	\$7,000,000	0	
Of which IDA							
Of which FCS**							
Total Project Cost (G)= (F+A)	\$35,551,800	\$41,651,557	\$32,251,061	\$225,689,000	\$20,065,000	\$1,357,909	
Leverage (F/A)	1.84	3.14	3.16	10.18	0.54	0	

III. IMPLEMENTATION PROGRESS – SRI LANKA

A. SUMMARY PORTFOLIO OVERVIEW

ADB's **Enabling an Empowering Business Environment for Women Entrepreneurs** program in Sri Lanka was approved in 2018 for US \$12.6 million. The purpose of the program was to build an enabling environment for women-owned/led businesses in Sri Lanka through a multi-pronged approach that targets the systemic challenges facing WSMEs, who represent only 14% of all SMEs. There are four components: (i) Access to finance for underserved women-owned/ led SMEs and improving gender-inclusive financial services, (ii) fostering a gender-inclusive policy and regulatory environment, (iii) building business capacity of women's enterprises and (iv) Strengthening the evidence base on women-owned/led SMEs. The We-Fi program became effective in August 2018 and was designed to further leverage the gender focus of ADB's Small and Medium-sized Enterprise Line of Credit (SMELOC), which was operational

since March 2016. A new additional financing was introduced to SMELOC in November 2021 and was approved by the We-Fi Governing Committee in December 2021.

The Executive Agency for the overall program is the Ministry of Finance, and implementation has been supported by the ten partner banks, three government agencies, and two chambers of commerce. Consultants were mobilized to support the implementation of the technical assistance/advisory components (2-4). The program is in its third year of implementation. Components 2-4 are on track for completion by December 2022. Given the impact of the pandemic on business confidence, component 1 progress has stalled since April 2021, and there remains \$2.95 million to be disbursed.

B. KEY ACTIVITIES DURING THE REPORTING PERIOD

The COVID-19 pandemic significantly impacted the SME sector in Sri Lanka, with women's businesses at the forefront of the economic downturn. The ADB program has responded by adapting its technical assistance and advisory activities to the lockdown measures. Below are the key activities and milestones achieved by program component for the reporting period.

Component 1: Access to finance for underserved women-owned/ led SMEs and improving gender-inclusive financial services

Strong interest and commitment to improving WSMEs' access to finance contributed to the Government of Sri Lanka's request to extend the existing program in 2020. The Additional Financing of US\$45 million was approved by the ADB Board of Directors in November 2020; the new financing was blended with the remaining \$2.95 million earmarked for this activity. In addition, the eligibility criteria for the facility were revised for more targeted interventions for underserved WSMEs in productive sectors (excluding trading and leasing). The terms and condition of the We-Fi grant were also revised to facilitate a smooth transition to market-based financing upon the completion of the We-Fi grant. The initial principal paydown of eligible subloans with the We-Fi grant was reduced from existing 20% of the total subloan size to 10%. The incentive grant of 5% for subloans in lagging regions³ and that of 10% for trained subborrowers was retained. As a result, the leveraging of the We-Fi grant will be increased. The maximum subloan size for the blended finance scheme was lowered from SLRs50 million to SLRs30 million to prioritize smaller WSMEs who are considered being more challenged in financial access. It is estimated that \$2.95 million of the remaining We-Fi grant will support an additional 303 WSMEs. However, by the end of the reporting period, the new facility conditions were not yet availed; interviews with partner banks and WSMEs have indicated that the primary reason are low WSME business confidence given the current financial climate. Detailed subloan data of August 2018 - June 2021 is summarized in the table below.

³ lagging areas are Uva, Sabaragamuwa, Western, and Northern provinces

Blended Finance: Summary Statistics (August 2018- June 2021)

Size of Blended Finance	Rs 0.75m - Rs 50.0m	Rs. 0.75m or more	More than Rs 1.5m	More than Rs 2.5m	More than Rs 5.0m	More than Rs 10.0m	More than Rs 20.0m	More than Rs 30.0m ^a
	\$5,000 - \$333,333	\$5,000 - \$10,000	\$10,001 - \$16,667	\$16,668 - \$33,333	\$33,334- \$66,667	\$66,668 - \$133,333	\$133,334 - \$200,000	\$200,001 - \$333,333
We-Fi grant (\$ million)	6.59	0.34	0.19	0.53	0.68	1.26	1.10	2.48
SME Line of Credit (\$ million)	24.45	1.23	0.68	1.97	2.64	4.38	4.28	9.27
Number of beneficiaries	666	269	73	104	76	62	36	46
- Trained	40	7	7	6	4	5	3	8
- Lagging Region ^b	148	56	21	26	17	12	7	9
- First-Time Borrowers	231	101	24	32	23	21	12	18
- Newly Registered	138	54	14	18	15	16	10	11
Average annual turnover (\$)		28,306	51,827	166,664	201,778	381,805	880,972	643,393
Average number of employees		3.4	5.5	11.2	11.6	23.5	33.6	42.6

^a Not exceeding Rs. 50 million (\$333,333) under the first loan and Not exceeding Rs.30 (\$200,000) million under the new loan

^b Lagging regions are the following 4 Provinces: Uva, Sabaragamuwa, Northern and Eastern.

Note: currency exchange rate: Rs/\$ = 170.00 was used during reporting period August 2018-June 2019, Rs/\$ = 181.74 was used for the reporting period of July 2019 - December 2020 and Rs/\$ = 199.75 was used for reporting period January - June 2021. The minimum size of blended finance at Rs. 750,000 was set to be equivalent to \$5,000 as per the assumption of the currency exchange rate (Rs/\$ = 150.00) when the We-Fi grant proposal was submitted to We-Fi Governance Committee.

To complement the blended finance facility, ADB has also proactively been working with the 10 PFIs to develop more gender-responsive financial services and products, which will foster sustainability of program impacts. These advisory services are provided by a consulting firm with experience in WSME development, and consists of three steps: gender gap assessments, action plans, and adoption of recommendations by each respective Board. The gender gap assessments are focused on indicators where PFI performance can be compared to Sri Lankan market or global best practice based on quantitative and qualitative data of PFIs. Each benchmarking assessment covers key operational area of the PFI that can potentially affect services to women, including gender strategy, leadership and empowerment, data analysis and marketing, service to women entrepreneurs and service to women personal banking clients.

In early 2021, draft gender gap assessment reports were finalized and virtual workshops were held for each of the 10 PFI's senior and middle management to discuss the findings and the recommendations. As

of end-June 2021, 5 PFIs obtained board-level approvals of the gender gap assessment reports.⁴ Below is a summary of the key findings.

(i) Positive results are:

- State-owned banks are successfully reaching women clients in lagging regions.
- Leading private sector banks are pursuing a gender-smart banking methodology including launching women's brands or branded products.
- State-owned banks are achieving good gender balance in staff in relevant departments though not always in upper management.
- PFIs with stronger performance in reaching WSMEs with the We-Fi facility are dedicated to serving women as clients for a wide range of bank services, including personal banking. Such a PFI tries to utilize We-Fi grant as a strategic marketing tool to expand their customer base.

(ii) Ongoing challenges are:

- Most PFIs do not undertake gender-smart client segmentation or customer profiling by sex despite the mandatory reporting requirement on loans to women by the Central Bank of Sri Lanka.⁵ Thus, they do not conduct marketing or cross-selling targeting WSMEs.
- PFIs do not have a gender-responsive management information system (MIS) to disaggregate customer data by sex. One reason is that most management and staff do not see the value of sex-disaggregated customer data.
- PFIs with weaker performance in reaching WSMEs with the We-Fi facility demonstrate communication bottlenecks between head office and branches in terms of product awareness of branch officers. Loan officers are sometimes not aware and are informed by the head offices only at the appraisal stage.

Component 2: Gender-inclusive policy and regulatory framework, and network strengthening to support women-owned/led SMEs

This component also provided support to government agencies to strengthen their WSME policies. During the reporting period, gender gap assessments were completed for the following organisations: National Enterprise Development Agency (NEDA), Industrial Development Board (IDB), Industrial Technology Institute (ITI), Federation of Chamber of Commerce and Industry of Sri Lanka (FCCISL) and National Chamber of Commerce of Sri Lanka (NCCSL).

The gender gap assessment reports and action plans were finalized and presented to the three government organizations (NEDA, IDB and ITI) in early 2021. Findings and recommendations were also discussed at the interagency coordination meeting in February 2021 chaired by the Deputy Secretary to the Treasury and with three individual government organizations. The boards of those three organizations have discussed the draft reports by June 2021 and their formal approvals will be expected in Q3 2021. Gender gap assessments and action plans for the two chambers of commerce are under preparation for submission to them by Q3 2021. Recommendations for the three government organizations were made in two broad categories (i) policy level recommendations and (ii) organization specific recommendations.

⁴ The 5 PFIs that obtained board approvals on the gender gap assessment reports were BOC, RDB, Commercial Bank of Ceylon, Sampath Bank and DFCC Bank. Out of them, 3 PFIs (Commercial Bank of Ceylon, RDB and DFCC) requested further assistance to implement the recommendations.

⁵ Central Bank of Sri Lanka. 2017. *Implementation of Budget Proposals 2017 in Respect of Banking Services*. https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/cdg/BSDCircularNo1of2017_0.pdf

Component 3: Building business capacity of women’s enterprises

The business development trainings were designed in 2019 to (i) cover a wide range of subjects related to business management and entrepreneurship, (ii) have a limited number of participants per session to ensure personalized support, and (iii) ensure an opportunity for women participants to present their business plan to banks to obtain feedback and gain confidence. The course structure comprises five full working days spread over 3 weeks, including a presentation of the business plan in the last day to banks.⁶

Trainings have been delivered in two different tracks catering to different target groups of women entrepreneurs. “Special Track” is for the women entrepreneurs that are nominated by PFIs while “General Track” is open to all the qualified women entrepreneurs and will be advertised through social media and local newspaper. All the participants were required to agree to take part in the impact evaluation surveys (see below, section C)

Due to the need for social distancing, the “General Track” was re-designed to be delivered online. The



Image 1 – Online Business Development Training for Women Entrepreneurs on 10-28 May 2021

dedicated online platform (see below) was used to conduct the trainings. Requirements for completion and training contents are the same in principle while a mix of online group sessions, video recordings of trainer presentations, animation content and individual handholding were developed in late 2020. Due to the urgent capacity building needs expressed by many female entrepreneurs to face the challenges from the pandemic, the staggered basis training provision for RCT was not pursued, instead training was started to be provided on first-come and first-serve basis.

The online “General Track” trainings were advertised through local newspapers and social media. General Track trainings were started from April 2021 and four sessions were completed, where 85 women entrepreneurs completed the training. There has been follow-up for trainees in the Special Track. A half-day follow up session was also provided in each location six months after the original training to support the trainees refresh their memories to enhance the effectiveness of the training. 323 women entrepreneurs were nominated by banks and 201 women entrepreneurs completed the training by June 2021.

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Component 4: Strengthening the evidence base on women-owned/led SMEs.

Please see below on information on the rigorous impact evaluation (section C).

⁶ The design of the training program was finalized in 2019 based on lessons learned from a similar training in 2018 to women entrepreneurs in agriculture and food sector under another ADB’s TA component.

C. KNOWLEDGE AND THOUGHT LEADERSHIP

Rigorous Impact Evaluation measuring impact of business development trainings for WSMEs

The impact evaluation will measure the impact of We-Fi blended finance and business development trainings. The original research design aimed to compare WSMEs following the different training streams: (a) Special track, (b) General track in 2020 and (c) General track in 2021 in their business practices and performance.

Due to the COVID 19 pandemic, however, the trainings were transferred online and given the challenging economic context facing WSMEs, the decision was not to delay the trainings which would provide vital support to their business survival. The staggered approach initially foreseen by the impact evaluation to create a control group was replaced by a first-come basis approach. The impact evaluation was redesigned as follows:

1. Instead of a rigorous quantitative evaluation based on a randomised controlled trial (RCT), a more qualitative (but still rigorous) before-after analysis to be conducted.
2. Contribution Analysis (CA) to be used as a rigorous qualitative framework for conducting the before-after comparison.
3. Results of the General Track training to be compared with the results of the special track training results.
4. Baseline survey for the online general track training participants to be conducted using phone interviews.
5. End survey to be conducted one year after the participants completed the training program.

Baseline surveys were carried out from March 2021 to June 2021 for 219 WSMEs.

Research: Policy paper on over indebtedness and graduation issues of women entrepreneurs.

Due to lack of demand for the We-Fi grant in the Northern and Eastern Provinces, ADB and the government sought to better understand the constraints caused by women entrepreneurs' overindebtedness to microfinance and their challenges accessing formal sources of financing in these provinces, which are considered as economically lagging regions. A draft report was prepared and discussed with the Department of Development Finance, Ministry of Finance in June 2021. The recommendations in the draft report covered issues on the policy and regulatory framework, specialized finance schemes, market behaviour, financial literacy and market infrastructure.

Advocacy and Events:

Government of Sri Lanka issued a press release on 25 November 2020 acknowledging We-Fi and ADB on the third additional financing:

http://www.erd.gov.lk/index.php?option=com_content&view=category&id=29&Itemid=226&lang=en&limitstart=5



Image 2: Awareness Raising of We-Fi program on local news papers

Newspaper advertisements were published by Ministry of Finance announcing the We-Fi facility. Advertisements were published in local languages as well as in English.

An ADB video highlighting how access to credit is improved for women in Sri Lanka acknowledged We-Fi’s contribution in Q4 2020.

<https://www.adb.org/multimedia/partnership-report2019/stories/access-to-credit-empowers-sri-lankan-women/>

6 videos featuring impact stories of We-Fi beneficiaries were produced and shared with WSMEs during training sessions.

- <https://www.adb.org/news/videos/promoting-women-s-entrepreneurship-sri-lanka>
- <https://www.adb.org/news/videos/empowering-women-entrepreneurs-sri-lanka-indumala-s-story>
- <https://www.adb.org/news/videos/empowering-women-entrepreneurs-sri-lanka-ruchirani-munasinghes-story>

- <https://www.adb.org/news/videos/empowering-women-entrepreneurs-sri-lanka-nelum-devi-s-story>
- <https://www.adb.org/news/videos/empowering-women-entrepreneurs-sri-lanka-pradeepa-nilanthis-story>
- <https://www.facebook.com/adbslrm/videos/empowering-women-entrepreneurs-with-business-skills/875357092885287/>

D. KEY CHALLENGES AND LESSONS LEARNED

Challenges:

- The COVID-19 pandemic caused disruption across all aspects of the program, in particular preventing activities in the field and creating uncertain financial climate for SMEs. Sri Lanka experienced rapid increases in COVID-19 cases from early October 2020, which worsened after April 2021, leading to a country-wide lock-down. As a result, banking operations in the field were disrupted and qualitative data collected from loan officers and women entrepreneurs suggest that women SMEs started to put their new investments on hold given the economic environment. Disbursement and utilization of the We-Fi blended finance facility has slowed and capacity building for implementing agencies and consultations experienced delays. While technical assistance/advisory services continue to advance, delays in disbursement in the next reporting period may need to be addressed through a program extension until the economic climate improves.

Lessons:

- We-Fi has already had an impact on PFIs attitudes and perceptions of their female clients. Positive, profit-making opportunities through the We-Fi facility have led to PFIs more engaged in improving their services and products tailored to women entrepreneurs.
- Continuous robust monitoring and assessment of behaviors of PFIs and beneficiary WSMEs are critical for effective policy formulation. ADB’s monitoring system established for the overall SME project

(database, dedicated project implementing unit, regular field visits) has helped to keep progress on the blended finance facility and assess the effectiveness of the ADB's approach.⁷

- ADB's experience of setting targets for WSMEs was particularly relevant in shaping its COVID-19 response to supporting the SME sector more broadly in Sri Lanka. Stronger familiarity of the gender challenges confronting WSMEs in accessing finance among government counterparts has enabled ADB to also introduce more ambitious targets in its COVID-19 emergency response and to systematically include advisory and technical assistance programs dedicated to WSMEs in SME development lending in South Asia and other ADB subregions.

III. IMPLEMENTATION PROGRESS - WAVES

A. SUMMARY PORTFOLIO OVERVIEW

The **WAVES** program follows a programmatic approach. ADB approves projects for Viet Nam and the Pacific region that are within the scope of the program's three components, namely i) access to finance, ii) enabling environment and iii) capacity development of WSMEs. In Viet Nam, the executive agencies implementing the program are the State Bank of Viet Nam and the Ministry of Planning and Investment. In addition, the program is currently working with four provinces and six commercial banks. In the Pacific, advisory services are currently underway in Papua New Guinea, with financial institutions such as MiBank, and the Centre of Excellence for Financial Inclusion (CEFI) as implementing partners.

Program delivery has accelerated in year 2 but remains behind schedule in both Viet Nam and the Pacific due to longer than expected preparation times with government and private sector counterparts, and the uncertain economic climate brought on by COVID-19. As of 30 June 2021, approvals have been provided for five technical assistance projects and one grant project. In Viet Nam, activities are gaining momentum with ADB approving two projects within the reporting year (and a third in July 2021). All three projects have or will be made effective during the upcoming reporting year and are complemented by the ongoing TA activities. In the Pacific, mobilization of consultants for the delivery of training to WSMEs in PNG and scoping studies on technology constraints as well as WSME market segmentation to support the design of a suitable WSME lending product in PNG, were achieved during the reporting period.

B. KEY ACTIVITIES DURING THE REPORTING PERIOD

Component 1: Access to finance

In Viet Nam, ADB has been developing emergency support to WSMEs affected by the pandemic through We-Fi resources. A \$5 million COVID-19 relief grant was made effective in April 2021 to incentive banks to provide support to at least 500 WSMEs affected by COVID-19 through (i) deferring principal payment or (ii) extending new loans to eligible enterprises. Five banks have joined the grant project. This grant is complemented by a specialized business training program for at least 500 WSMEs to develop skills to better navigate the pandemic's economic impacts (see below, Component 3).

ADB is also developing additional transactions with commercial banks in Viet Nam, which will be approved and made effective during the next reporting period. As part of these transactions, ADB will be providing advisory services to conduct gender gap assessments and supporting banks to develop gender-responsive financial products and tools including the collection of sex-disaggregated data of clients. By January 2021,

⁷ ADB. [Evaluation of Small and Medium Sized Enterprise Line of Credit Project](#). 2020.

a gender gap assessment for one commercial bank was already completed, and is being followed up by technical assistance to strengthen the bank's gender-responsive capacity.

In the Pacific, the gender bond projected for Fiji was delayed due to the COVID-19 impact on potential partner banks' interest in engaging in an innovative financial product during the pandemic. Following the We-Fi Governing Committee approval of seeking alternative blended finance modalities to expand WSMEs access to finance, ADB has been proactively engaging with partner financial institutions in Papua New Guinea (PNG), Micronesia and Fiji. In PNG, ADB has started to work with the microbank, MiBank, to develop specialised, if possible digital, financial products for WSMEs and support sex-disaggregated data collection for credit scoring which will inform lending decisions.

Component 2: Reduced non-financial barriers/ enabling environment

ADB has been working closely with the State Bank of Viet Nam (SBV) and MPI on strengthening WSME policies and evidence base in Viet Nam. A WSME data gap assessment was completed in December 2020, which identified WSME related indicators to be included in Viet Nam's 2021 Economic Census. Related survey questionnaire, data collection and processing software were developed, and the survey is being conducted to collect WSME data nationwide. The survey questions include both supply and demand side constraints, and a supply side survey was initiated with selected banks in Q2 2021 before wider circulation to all banks. ADB is working with business associations to identify the WSMEs for the survey on the demand side. The findings of the data gap assessment are also being used by SBV to inform future areas of strengthening their sex-disaggregated data collection.

In addition, ADB has been conducting a gender gap assessment of existing policies and laws on WSMEs in consultation with MPI. On policy review and barrier study, the list of WSME related policies and legal documents were identified in close consultation with MPI, as the key technical counterpart. The policy review at both national and local level is ongoing. The field visit in one of the four selected provinces was conducted in April 2021, which included the review of the implementation of WSME support policies at the local level and the preparation for recommendations for technical support. ADB is working on the WSME policy and legal framework review for 3 other provinces before the on-site visits, which have been delayed because of the pandemic's lock-down measures. The findings of this review will inform the White Book on WSMEs which MPI has requested ADB, through We-Fi, to support.

Component 3: Capacity development of WSMEs

In Viet Nam, a comprehensive training program for WSMEs has been designed and is currently being implemented by the Women's Initiative for Startups and Entrepreneurship (WISE). There are two streams. The first is a business incubator and accelerator, which will provide training to at least 500 WSMEs. ADB is working with its partner Women's Initiative for Start-ups and Entrepreneurship (WISE) and closely with government counterparts in the design of the program. The second stream is the specialized COVID-19 business and capacity training program developed for 500 WSMEs (see above Component 1) to provide them with skills and capacity to overcome the pandemic crisis. Due to the pandemic, the training will be provided online and progress on the start-date has been stalled as WISE identifies WSMEs to take part in the program.

In PNG, on 27 April 2021, the ADB project team engaged the Center for Excellence in Financial Inclusion (CEFI) to provide online training to WSMEs. CEFI will first conduct a pilot training on digital financial literacy, business skills and debt management and e-commerce. These training activities will promote access to skills for over 170 WSMEs in PNG. The initial pilots will be used to further improve training delivery, but will then also have the opportunity to be scaled in other Pacific countries, and will

complement another ADB sovereign project in PNG, “Improving Financial Access and Entrepreneurship Development Project” (currently being processed), which has also a WSME focus, supported by the gender thematic window of the Asian Development Fund 13.

C. KNOWLEDGE AND THOUGHT LEADERSHIP

Impact Evaluations:

In Viet Nam, the impact evaluation will be initiated in Q1 2022 and will aim to capture the effect of incentives for bank loan officers to onlend to WSMEs; it will be linked with one of the proposed transactions for the next reporting period. Focus group discussions, individual interviews, and surveys to capture the impacts of receiving We-Fi financing has had on women entrepreneurs will be initiated in Q4 2021.

Research:

In Viet Nam, the WSME policy and legal review and barrier study has been initiated. The analysis of the survey results identifying challenges to WSME access to finance, analysis on WSME data collected under the 2021 Economic Census, and all findings from the policy review and barrier study will be consolidated in a White Book in Q2 2022. The White Book will be published as a joint ADB and MPI working paper on WSMEs in Viet Nam by end 2022.

For the Pacific, market research on access to credit constraints of women SMEs in PNG is being conducted. The report will be available in the next reporting period. ADB has also recruited researchers to prepare a literature review of women’s economic empowerment in the Pacific, with a specific focus on WSMEs in the formal and informal sectors. The review will include analysis on linkages between women’s economic empowerment and violence against women and girls; barriers, challenges and successes of women formalizing businesses or moving from micro or small enterprises to medium enterprises; and the impact of COVID-19 on women owned MSMEs.

Advocacy and Events:

ADB launched the Women’s Finance Exchange, an online portal to promote gender responsive financing on 12 August 2021. As a partner to the platform for Pacific activities, We-Fi is specifically acknowledged.

D. KEY CHALLENGES AND LESSONS LEARNED

Viet Nam

The COVID-19 pandemic has been the main challenge to project implementation in Year 2. International experts have not been able to travel to the country, and domestic travel by national experts has been restricted. The situation has worsened since April 2021: restricted mobility and social distancing have prevented onsite field visits (component 2) to provinces and cities, and work-from-home arrangements for government officials have caused further delays in administration due to connectivity and technology issues. These challenges have been addressed through moving all training activities online, and ensuring regular virtual conferences with consultants who cannot travel. The need for flexible approaches to adapt to rapidly changing COVID-19-induced conditions has been a key lesson learnt, and to ensure regular online consultations with government to keep on track of progress.

A second challenge has been high staff turnover among government implementing agencies. ADB has been working to engage further with senior management to ensure continuity and engaged a project coordinator to work closely with the agencies to timely identify and address any issues with the workplan.

Pacific

The COVID-19 pandemic posed challenges to implementation as country economies have been differently affected. During the current COVID-19 crisis, regulators expected banks to support the real economy by utilizing their regulatory capital and liquidity buffer to lend more. In practice this did not happen as banks realized the risks of lending in uncertainty were far greater than the potential macro-economic benefits.⁸ Their focus was and still is on portfolio management and adequate provisioning. In line with this, the issue is therefore not the lack of funds⁹ for not lending, but rather the lack of risk appetite to lend to SMEs, including WSMEs who - in the pandemic context – have been harder hit than their male peers.^{10,11}

IV. IMPACT AND PROGRESS TOWARDS MEETING WE-FI TARGETS

Sri Lanka

Despite a challenging reporting year, the program has been successful in achieving strong results, in particular related to technical assistance/advisory components which were seen as providing much-needed support to both governments and WSMEs as they navigate the uncertain economic climate. Moreover, earlier strong results have also positioned the program to deliver remaining indicators in the remaining program period. The table below summarizes the status of achievements of key results indicators.

WAVES

The WAVES program has faced challenges in accelerating progress towards its We-Fi indicators in year 2 due to the COVID-19 pandemic. For Viet Nam, commitments, disbursements, number of WSMEs financially supported, and number of WSMEs trained were not met in June 2021. However, policy support to government was enhanced, with strong results (not foreseen in the proposal) in terms of the Economic Census We-Fi indicators, and other policy development. The program also underwent significant adaptation with pandemic relief shaping the lending and business development support. This adaptation responded to the acute need for such support by WSMEs, with already 25% of total funds of the COVID-19 relief grant disbursed by Q3 2021 since it became effective in Q2. While there are delays in respect to the indicators, the program is well-positioned to accelerate and catch up over the next reporting period, with new transactions set for approval by Q4 2021 and the training program launched online in Q3 2021. Similarly, in the Pacific, year 2 has seen delays against original targets but progress has been made in the development of advisory and technical capacity development services adapted to the changing business environment.

⁸ EY 2021, [The COVID-19 Pandemic: Potential Impacts on Financial Regulation](#)

⁹ ADB 2020. PSDI Annual Report FY 2019-2020. Manila

¹⁰ UN Women, 2020, [The effects of COVID-19 Pandemic on Women and Businesses](#)

¹¹ CIBE 2020. *COVID-19's Arrival in PNG: Impacts on women-owned and -operated MSMEs*. July 2020. Port Moresby

V. PLANS FOR NEXT YEAR

Sri Lanka

Most of the program is set for completion by end of the reporting period (June 2022). Below lists the key activities

Component 1: Access to finance for underserved women-owned/ led SMEs and improving gender-inclusive financial services

- Disburse the remaining We-Fi grant (2.95 million) in three semi-annual fund allocations, with an estimated 303 WSMEs to benefit. As indicated under 'Challenges', this will depend on the economic climate and business confidence of WSMEs. If the pandemic continues to affect adversely WSME's interest in accessing new loans, alternative solutions may need to be sought, including program extension.
- 5 PFIs will secure board approvals for their respective gender gap assessment by December 2021. Additional trainings will be provided for 4 PFIs to improve banking practices for WSMEs based on their gender gap assessments and recommendations.

Component 2: Gender-inclusive policy and regulatory framework, and network strengthening to support women-owned/led SMEs

- Three government agencies undertake gender mainstreaming training by December 2021
- Policy paper on promoting graduation of informal women's businesses to formalized commercially oriented businesses finalized, with workshop organized by December 2021.

Component 3: Building business capacity of women's enterprises

- 10 online business development trainings to be conducted, which will support 250 women entrepreneurs.
- Online platform to be formally launched and initiate services for networking and mentoring. Governance and implementation arrangements of the platform after to be further discussed and finalized with the government.

Component 4: Strengthening the evidence base on women-owned/led SMEs

- Midline and endline surveys will be completed as scheduled for women trainees under the "Special Track" training and "General Track" training.
- 3 national seminars or webinar on women entrepreneurship development will be planned to be held. This will share results from the We-Fi program and also discuss national definition of women-owned business.

WAVES

Component 1: Access to Finance

Viet Nam

- ADB's board approved in July 2021 an ADB loan of \$25 million, which is blended with a We-Fi grant of up to \$750,000. The loan and grants are expected to be signed in Q4 2021. All blended finance transactions require the partnering bank to agree to undertake gender gap assessments, and advisory services, which are in line with the We-Fi indicators. Disbursement of the already approved COVID-19 grant relief will be accelerated. Two additional transactions signed by Q2 2022. One transaction is expected to close in Q4 2021.

Pacific

- In PNG, market research, institutional assessment and scoping on technology constraints of MiBank will be finalized, and the design and pilot-testing of a financial product carried out. In addition, rolling out of at least one hackathon to identify a solution(s) that will support the collection and analysis of business data for WSMEs in the Pacific which ultimately will help banks and financial institutions to make informed lending decisions that are gender considerate. At least 40 WSMEs are expected to take part in the pilot of this financial product.
- Expansion to 1-2 other Pacific countries to support at least one further financial institution to increase their gender responsive financing, including start of the design for a blended finance product suitable for WSMEs. Similar to the agreement with MiBank, at least 40 WSMEs will take part in the pilot.
- Launch and expansion of the Women's Finance Exchange. The Women's Finance Exchange is an initiative to support financial institutions and WSME borrowers through tech-enabled solutions, digital support, and capacity building. The seeding and development of WSMEs will help empower women entrepreneurs to take control over their resources and give them tools for life-long change. WFX was officially launched in August. The importance of gender responsive financing across ADB's sovereign and private sector operations and fintech solutions for women's increased access to finance was underscored. Over 260 participants joined this event. It was followed by a webinar entitled, 'Banking the Female Economy' which showcased how three private sector institutions, TymeBank in South Africa, Kaleidofin in India and M-Pesa in Africa, are successfully targeting the female economy, and their lessons learned in gender-responsive financing.¹² WFX will also be expanded through a fourth subproject. Discussions on the nature of support of this subproject are currently ongoing.
- Finalization of at least one new research paper addressing WSMEs; ongoing consultations with national stakeholders.

Component 2: Reduced non-financial barriers/ enabling environment

Viet Nam

- Development of WSMEs database: i) Completion of the WSME database manual; ii) Completion of the report presenting analysis of national data on WSMEs, the findings from the survey under 2021

¹² Launch and webinar materials are available at https://events.development.asia/learning-events/womens-finance-exchange-banking-female-economy?hash=s9RSv7pa17Rh8REi0NnWZzheKxxQA_euBG21qfpb4HE.

Economic Census and serve as the basis for the development of the White Book on WSMEs in Viet Nam. The White Book will be finalized during the next reporting period.

Component 3: Capacity development of WSMEs

Viet Nam

- Implementation of Specialized Business Counselling Program Training Services and business incubator for at least 500 WSMEs (from Q3 2021 through Q2 2022)

Pacific

- PNG: Roll out of the online WSMEs training in the areas of digital financial literacy, business planning and debt management, and e-commerce. This will be in PNG and the plan is to roll it out to other Pacific countries in 2022. Target is to reach further 150 WSMEs during the year.
- Alongside the support to a FI for digital financial products suitable for WSMEs, there will be specific training to these WSMEs to use the digital applications. Target 60 WSMEs in 2022.
- The WFX will showcase through webinars/roundtable and other online events knowledge/research in gender responsive financing. Planned events: 2 in 2022

ANNEXES

ANNEX I. IMPLEMENTING PARTNER WE-FI TEAM

Key Program Management Contact Person(s)

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ANNEX II. FUNDING AND BUDGET INFORMATION

A. Status of We-Fi Funding

Cost and Budgeting Table				
Budget Categories	ROUND 1			
	Approved Amount	Revised Amount (if applicable)	Committed Amount	Disbursed Amount
Component 1: Access to finance for underserved women- owned/led SMEs and improving gender-inclusive financial services -We- Fi Grant ¹ -Capacity Building for PFIs	\$9,950,000	N/A	\$8,024,309	\$6,736,705
	\$9,500,000		\$7,585,000	\$6,589,449
	\$450,000		\$439,309	\$147,256
Component 2: Gender inclusive policy and regulatory framework, and network strengthening to support women-owned/led SMEs	\$500,000	N/A	\$495,391	\$130,585
Component 3: Building business capacity of women's enterprises	\$400,000	N/A	\$375,914	\$220,879
Component 4: Strengthening the evidence base on women-owned/led SMEs	\$690,000	N/A	\$658,698	\$165,240
Contingencies²	\$ 204,000	N/A	-	
Fees	\$ 807,800	N/A	\$501,101	\$501,101
Total Budget	\$12,551,800		\$10,055,413	\$7,754,510

Note:

¹*ADB loan and We-Fi Grant are allocated to 10 participating banks annually. The new cycle started in January and funds were transferred to the banks in early April.

²*Contingency is earmarked for additional activities for Non-financing activities and Technical Assistance/Advisory Activities, Research and Monitoring and Evaluations.

Cost and Budgeting Table				
Budget Categories	ROUND 2			
	Approved Amount	Revised Amount (if applicable)	Committed Amount	Disbursed Amount
Component 1: Improved access to finance				
The Pacific	\$4,500,000		\$1,500,000	-
Viet Nam	\$10,549,000	N/A	\$6,668,000	\$92,280
Component 2: Reduced non-financial barriers/Improved enabling environment				
The Pacific	\$500,000		\$500,000	-
Viet Nam	\$1,001,000		\$1,001,000	\$66,212
Component 3: Capacity development of WSMEs				
The Pacific	\$250,000		\$250,000	
Viet Nam	\$1,168,000		\$1,168,000	\$121,417
Monitoring and Evaluation				
The Pacific	\$250,000	N/A	\$250,000	-
Viet Nam	\$650,000	N/A	\$650,000	-
Subtotal: Pacific and Viet Nam	\$18,868,000		\$11,987,000	\$279,909
Fees*	\$1,321,000	N/A	\$1,078,000	\$1,078,000
Total Budget	\$225,689,000	N/A	\$13,065,000	\$1,357,909

Note: *Cash received for fees

B. Types of Activities Funded

Funding Categories	Committed Amount
	Round 1
Investment Activities / Grants to WSMEs	\$7,585,000
Technical Assistance/Advisory Activities	\$934,700
WSME Capacity Building	\$375,914
Research, M&E and Evaluations	\$658,698
Fees	\$501,101
Total	\$10,055,413

Funding Categories	Committed Amount
	Round 2
Investment Activities	\$ 500,000
Technical Assistance/Advisory Activities	\$ 4,169,000
WSME Capacity Building	\$ 1,418,000
Grants to WSMEs	\$ 5,000,000
Research, M&E and Evaluations	\$ 900,000
Fees	\$1,078,000
Total	\$ 13,065,000

ANNEX III. EXAMPLES OF IMPACT ON WSMEs

Interviews from We-Fi trained women entrepreneurs in Sri Lanka

“Business Development training transferred me to think and take decisions as an entrepreneur”.



Dulani Kumari is a 37 year-old women entrepreneur, from Rathnapura district who owns a bridal saloon named Dulani House and Bridal. In 2015 she left her full-time IT job because of family commitments but was looking for income-earning opportunities to support her family. She completed a bridal dressing and beauty culture courses in 2015-2017 and started a saloon in 2017.

She participated in and completed the We-Fi business development training during April to May 2021. She applied for the training after she saw the newspaper advertisement in March 2021. The training corresponded to her desire to improve her management and business skills.

The training has been a major turning point for her business. Since May she started implementing changes and adopts new business practices, including record keeping. Prior to training, she has been pricing her services against market rates. After the training she now knows how to do costing and set prices. Even during the COVID pandemic which has seen a drop in customers, she has managed to revise her prices and turned a profit. She is now confident when taking business decisions along with her technical knowledge. Prior to the training she has tried several times to start record keeping and none has been successful since she did not have any basic knowledge on record keeping.

She has been able to follow the online course during her free time. She was especially happy with the efficient mentoring and hand holding support given by the two lecturers to clarify questions and to develop the business proposal. She has been recommending the training to other women entrepreneurs, and thanks We-Fi for making this useful training available to her during these difficult times.

“Business Development training enabled me to improve my visionary thinking towards catering to another generation”.



62 year-old Priyangani Jayawardena from Colombo district followed and completed We-Fi business training as a participant of the third session. She has been a trainer of voice management, accent neutralizing, soft skill development, speech writing and speech coaching for over thirty years. She started her own business to deliver trainings in 2008. Her main clients are corporate sector staff, but she also trains school kids. She has been conducting trainings through workshops before COVID 19 and presently conducts trainings using online tools. Presently she is training local as well as foreign students located in Middle East countries.

Priyangani was very positive about the training she received. She learnt how to develop a business plan and the learning has inspired her to be more visionary about her future business activities. Her plan is now to cater to another generation by expanding the business. She also plans to develop a website to attract more client awareness of her work, expanding her client base; previously she relied on recommendations. The training helped her gain skills to grow her business, in particular skills such as bookkeeping, or costing and planning of business activities. She mentioned the training videos helped her to learn efficiently, since she was able to watch them several times. The online learning format made it also seem less intimidating than an actual classroom setting.

In addition to learning new skills, she was happy about the networking opportunity among women entrepreneurs. Through the WhatsApp group she has constantly communicated with fellow WSMEs and also plans to support few women entrepreneurs who were learning with her, to improve their English knowledge free of charge.

Interview with Mrs. Trinh Thi Huong, Director of Policy & General Affairs Division, Agency for Enterprise Development, Ministry of Planning and Investment (MPI) of Viet Nam

The Agency for Enterprise Development of MPI is the implementing agency for many of the policy reforms that We-Fi is supporting in Viet Nam. Mrs. Trinh Thi Huong is the Project Director.

ADB: The “Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific” (WAVES) program in Viet Nam, funded by We-Fi, has been under implementation for more than 1 year, how do you assess its relevance and effectiveness?



Ms. Huong: WAVES is a very meaningful initiative. The Technical assistance (TA) was launched to support women’s businesses at the right time. Although, the implementation is a bit delayed due to Covid-19, it is going well and is set to achieve some of key accomplishments.

We highly appreciate the TA support as it has assisted the Government of Viet Nam to address key priorities in improving the enabling business environment for women-owned small and medium enterprises (WSMEs) through enhancing the implementation effectiveness of the SME Support Law and policies vis-à-vis WSMEs at both the central and provincial levels. Thanks to the TA support, the first-ever national database on WSMEs in Viet Nam is being developed, and we are very happy that the first draft of this database will be available by the end of 2021.

We are aware that WSMEs play a vital role in the economic and social development of Viet Nam. WSMEs are estimated to account for 21% of formal businesses and have similar average annual revenues to their men-owned counterparts. However, WSMEs are facing greater vulnerability and additional barriers to start up and/or expand their businesses. Especially due to Covid-19, they are suffering more and more difficulties and challenges. This database will help the government provide necessary and timely support to this vulnerable group.

ADB: Could you please highlight some other areas of the TA support for which your agency is the lead implementing agency?

Ms. Huong: The TA is also assisting us to develop a White Book on WSMEs in Viet Nam, which is expected to be published in 2022. It is the first comprehensive knowledge paper in Viet Nam on WSMEs that the government has prepared. It will not only provide an overall analysis on WSME’s operations, the policy environment, barriers which WSMEs are facing in starting and managing their businesses but also provide recommendations for the short-, medium- and long-term development.

With the TA, we are also piloting support at the provincial level and have selected four provinces, Can Tho, Hue, Lam Dong and Lao Cai. We will be reviewing the business policy and legal environment and providing advice and recommendations to these provinces to develop effective plans to support WSMEs. We held initial consultations with key stakeholders in Can Tho in 2021. This allowed us to meet with

women entrepreneurs and provided useful feedback that is helping us to design demand-driven support for the province. When the Covid-19 pandemic allows us to resume travel, we plan to meet with the other three provinces.

Overall, this TA is providing critical support and is making important contributions to enhancing women economic empowerment in Viet Nam—especially now as women entrepreneurs are trying to recover from the economic impacts of the pandemic.

ADB: Thank you very much for your leadership, which is ensuring the successful implementation of these policy reforms.

Interview with Mr. Khuc Van Hoa, Deputy General Director/Director of Corporate Banking Department, Tien Phong Bank

Tien Phong Bank (TPBank) is one of 5 participating banks in the We-Fi funded COVID-19 Relief for Women-Led Small and Medium-Sized Enterprises, which incentivizes banks to restructure existing or extend new loans to women entrepreneurs affected by the Covid-19 pandemic. Through the first 5 months of implementation, TPBank has led the program by using 77% of disbursed funds.

ADB: How do you assess the relevance and effectiveness of the Cov-19 grant project?

Mr. Hoa: In our view, the ADB administered We-Fi grant is not only a financial support project but also a project of humanity with a great motivational value for women enterprises in Viet Nam, who are facing many difficulties and challenges during the Covid-19 pandemic. TPBank highly appreciates ADB's support, and we commit to join hands with ADB to support businesses to overcome this difficult period.



Since the effectiveness of the grant project, TPBank has actively coordinated with ADB to develop the most appropriate and convenient ways to better serve our WSME customers. We have implemented the project at all of our business units and published the project information on our Bank's website as well as on the mass media so that WSME customers can quickly access the project information.

ADB: Could you please explain how TPB has used the grant proceeds to support affected clients?

Mr. Hoa: Right upon receipt of the first \$100,000 advance in May 2021, TPBank quickly screened all customer profiles to identify the ones that meet the requirements. We have actively contacted customers to check their interests in this support program and clarified to them the procedures as well as the of benefits that they would receive. As of September 2021, TPBank has received \$1 million from the Covid-19 grant project and has been utilizing the funds to provide direct support to our eligible customers. Thanks to this project, our customers have received additional funds for their business operations and are gradually overcoming their difficulties and preparing themselves for business growth when the pandemic is controlled.

We believe that with the support from the Covid-19 grant project, more WSMEs will quickly recover from the pandemic, and they will have opportunities to know about ADB's and TPBank's operations. TPBank is committed to work with ADB to further contribute to the sustainable and long-term development of Vietnamese enterprises, especially WSMEs.

We-Fi reach in Papua New Guinea



Moale Vagikapi is one of the participants of a We-Fi funded financial training on digital financial literacy in July 2021.

After leaving her work as a career development consultant, she ventured into operating her own business, something that she has been passionate about: flowers and plants.

With a team of 6, Moale would buy fresh flowers from women networks and from

village farmers of Papua New Guinea's highlands. She says she feels the sense of satisfaction that money is going into the pockets of the village. "The women are receiving 50 kina, 100 kina (\$28), just to buy their basics in the village."

"Part of my role is not only being a florist, but it's also building that capacity; that awareness on post-harvest management; on good packaging," said Moala whose orders are coming in from the Philippines, Australia, and the US.

"Going through these trainings is a good refresher for me."

ADB's Women's Finance Exchange, has partnered with We-Fi and CEFI to strengthen the capacity of women SMEs in the Pacific to help them grow their business through business planning and debt management trainings.



ANNEX IV. WSME DEFINITIONS

Enabling an Empowering Business Environment for Women Entrepreneurs and WAVES to date have used the IFC definition of women-owned businesses and SMEs. ADB is also supporting the Central Bank of Sri Lanka to adopt its national definition of women-owned business.

ANNEX V. PROJECT-LEVEL SUMMARIES

PROJECT NAME: COVID-19 RELIEF FOR WOMEN-LED SMALL AND MEDIUM-SIZED ENTERPRISES PROJECT

Project Type: Grant

Project Start Date: 13 April 2021

Geographical Focus: Viet Nam

Project End Date: 30 June 2023

We-Fi Funding Committed: \$5,000,000

Total project size: \$5,020,000 of which \$5 million is to be financed by the ADB administered We-Fi grant plus \$20 thousand contributed by participating banks' for audit cost.

<https://www.adb.org/projects/54233-001/main>

CONTEXT: Brief overview of the main challenges and gaps the project will tackle

- What challenge the project aims to tackle?

The coronavirus disease (COVID-19) is expected to force many women-led enterprises to restructure or default on their loans because they typically have less resources to cope with an economic shock. To ensure business survival, many of these loans will need to be restructured. Without timely assistance, many will fail. Indeed, an unpublished survey of 54 women-led small and medium-sized enterprises (SMEs) conducted by the Vietnam Women Entrepreneurs Council in April 2020 found that 78% expected to face bankruptcy within the next 1 to 12 months without external support. 2. Additionally, women-led enterprises that survive are expected to face higher barriers to accessing new loans. Although Viet Nam has escaped the worst of COVID-19's economic fallout, domestic growth is still projected to slow as the pandemic disrupts businesses dependent on exports, imports, tourist arrivals, and foreign direct investment. In such an environment, banks' risk appetite reduces.

- Who are the project beneficiaries?

500 WSMEs affected by COVID-19 pandemic

CLIENT/PARTNER DESCRIPTION

- Executing agency: State Bank of Vietnam which oversees the grant implementation and monitor project schedule.
- Participating banks: Asia Commercial Joint Stock Bank, Joint Stock Commercial Bank for Investment and Development of Viet Nam, Sai Gon-Ha Noi Commercial Joint stock Bank, Tien Phong Commercial Joint Stock Bank, Viet Nam Prosperity Joint Stock Commercial Bank.

PROJECT DESCRIPTION

- What are the key objectives and focus areas?

Given banks' conscious and subconscious biases to female borrowers, women-led enterprises are expected to face greater barriers to financial inclusion in the aftermath of COVID19. The proposed grant project would address these constraints by incentivizing partnering banks in Viet Nam to restructure existing loans or extend new loans to at least 500 eligible enterprises through two mechanisms. Participating banks would: i. defer principal for at least 6 months, and the grant will pay the interest on

behalf of the eligible enterprise for the lesser of \$10,000 or 6-months interest; and ii. extend a loan to a women-led enterprise that is a new client of the bank, and the grant would pay a commitment fee¹ on behalf of the client, equal to the lesser of \$10,000 or up to-8% of approved loan amount. This combination of interventions would prevent economically inefficient defaults and layoffs and incentivize banks to lend to new clients to stimulate new economic activity.

- What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?

\$5,000,000 funded by We-Fi will be used to incentivize participating banks to restructure existing loans or extend new loans to at least 500 WSMEs through two mechanisms: (i) defer principal and the grant will pay the interest on behalf of the eligible enterprises for the lesser of \$10,000 or 6 month interest, and (ii) extend a loan to a women-led enterprise that is a new client of the bank, and the grant would pay a commitment fee on behalf of the client, equal to the lesser of \$10,000 or up to 8% of the approved loan amount. This combination of interventions would prevent economically inefficient defaults and layoffs and stimulate new economic activities.

- **IMPACT:**

- Businesses of 500 eligible WSMEs affected by COVID-19 revived and sustained.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicators	Target
Total number of women owned/ led SMEs supported by We-Fi.	500

Project Type: Technical Assistance

Project Start Date: 2021

Geographical Focus: Viet Nam

Project End Date: 2024

We-Fi Funding Committed: \$500,000

Total project size: \$500,000 funded by We-Fi plus VIB's in-kind contributions, such as: staff costs, office costs, related taxes, and duties.

<https://www.adb.org/sites/default/files/project-documents/53427/53427-002-tar-en.pdf>

CONTEXT:

- What challenge the project aims to tackle?

Gender disparities in lending to SMEs impede the success of thousands of WSMEs in Viet Nam. WSMEs experience an estimated financing gap of \$1.2 billion, and only 37% of WSMEs in Viet Nam access bank loans, compared to 47% of men-led SMEs. There is generally a lack of differentiated marketing approaches in Viet Nam for WSMEs as well as preconceptions that they are less profitable, riskier, and less financially savvy. This negatively impacts women's ability to access financing. Social expectations about women's roles can lead to additional biases.

Vietnam International Commercial Joint Stock Bank (VIB), like many banks in Viet Nam, does not currently prioritize WSMEs. They are collecting limited information on their WSME clients and cannot generate sex-disaggregated management information system (MIS) reports. Marketing materials are not oriented to WSMEs, loan officers lack training on the specific needs of women clients, and there are opportunities for VIB to educate existing and potential WSME clients on how best to present their businesses when applying for a loan and what lending products are available. This transaction TA would help VIB address these deficiencies and complements an ADB transaction which sets onlending target to WSMEs.

- Who are the project beneficiaries?
 - Vietnam International Commercial Joint Stock Bank (VIB), a commercial bank; WSMEs
- Who are the clients/partners?
 - Vietnam International Commercial Joint Stock Bank (VIB).

CLIENT/PARTNER DESCRIPTION

- Vietnam International Commercial Joint Stock Bank (VIB): providing trainings to loan officers and WSMEs, conducting marketing campaign to attract more WSMEs under the TA.

PROJECT DESCRIPTION

- What are the key objectives and focus areas?

The technical assistance (TA) will be used to strengthen VIB's capacity and expertise to develop and expand their portfolio to WSMEs, producing data, providing training and strengthening institutional capacity of VIB as well as of WSMEs to help bridge the WSME finance gap.

What are the key project activities and milestones?

There are three main outputs:

1) Output 1 will focus on sex-disaggregated data collection. VIB plans to target \$50 million of an ADB loan for SMEs, including WSMEs. This technical assistance will collect data on the impact of this lending on a sample of VIB's WSME clients. This data collection is intended to have a demonstration effect that will encourage VIB to develop more comprehensive sex-disaggregated data and to show that WSMEs are bankable clients.

2) Output 2 will focus on strengthening VIB's capacity for lending to WSMEs. The TA will help VIB reach women clients through developing promotional materials designed to specifically connect with WSMEs. Additionally, the TA will work with VIB to develop an online gender-sensitivity training program for its loan officers, whose explicit and implicit biases can drive gender disparities in bank lending. The training will be designed so that at the end of the TA, VIB will have the capacity to continue the training without the support of external consultants. Additionally, VIB will upgrade its MIS to analyze its portfolio by gender. This is a precondition for helping VIB to engage women clients more meaningfully in the future.

3) Output 3: Providing training to WSMEs. VIB is planning at least 10 training seminars around the country that will (i) train WSMEs on the various available financial products, (ii) train WSMEs on how to prepare loan applications, and (iii) connect WSMEs to local VIB loan officers.

- What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?

\$500,000 funded by We-Fi will be used to recruit a consulting firm that will collaborate with VIB to implement, manage, and oversee/supervise the Project.

IMPACT:

- WSMEs have more opportunities for growth through a more fair and friendly entrepreneurial ecosystem, and VIB will be a market leader in lending to WSMEs, having a demonstration effect for the market.

PROJECT NAME: INNOVATION AND TECHNOLOGY

Project Type: Advisory

Geographical Focus: Pacific region

We-Fi Funding Committed: \$400,000

Total project size: \$400,000

Project Start Date: December 2020

Project End Date (when results are expected): April 2024

<https://www.adb.org/projects/54436-001/main>

CONTEXT:

Many financial institutions (FIs) in ADB's developing member countries (DMCs) have not targeted women borrowers and do not recognize the untapped commercial potential. During this period and post-COVID-19 under the "new normal" environment, a dedicated online platform can help support FIs and their existing and potential women borrowers. The Women's Finance Exchange (WFX) is an innovative approach using a digital platform to interact with and engage through social media channels to build a subscriber base and follower list that will be used to facilitate an online community through linkages and resources on content relevant for the FIs and their WSME borrowers. WFX will: (i) aggregate and disseminate products on gender financing in the financial sector within ADB and to the broader external audience; (ii) support the identification of cutting-edge technologies for FIs to achieve operational efficiencies, develop and scale new products to digitize business models, such as the use of alternative credit scoring models, mobile technology, cloud technology, and online delivery channels; (iii) build capacity for FIs and WSMEs; (iv) establish linkages to other programs and initiatives on enabling access to finance for women, internal and external to ADB; and (v) create a community platform to attract other co-financiers, including potential TA funding providers. The identification of innovative technologies for service delivery models will be supported through this particular TA, in partnership with WeFi. Subproject :2: Innovation and Technologies

Under WFX, specific activities with focus on the Pacific are financed by We-Fi. These include the following activities, (i) innovative technologies designed to support digital gender-friendly ecosystems, (ii) capacity building to financial institutions and women businesses conducted, (iii) supporting the structuring of an innovative blended finance product and (iv) strengthening the capacity of partner financial institutions (these are part of the WAVES approved proposal).

The main challenges that the project will tackle revolve around the ongoing impacts from COVID-19 and the changing strategies of partner financial institutions (PFIs) which may lead to lack of interest in gender-responsive financing and reallocation of budget to immediate other needs of PFIs also in response to COVID-19. For capacity building in the Pacific, in addition to COVID-19 impact, the lower Internet bandwidth as well as geographic isolation in rural areas may hamper online and on-site training delivery, capacity building and effectiveness.

CLIENT/PARTNER DESCRIPTION

The partners will be financial institutions. The first partner is MiBank, PNG.

PROJECT DESCRIPTION

- What are the key objectives and focus areas?

Key objective: Sustainable financial inclusion for women businesses increased

Focus area: Finalize the design and commercial piloting of digital financial service delivery solutions.

- What are the key project activities and milestones?
Started scoping for technology constraints in PNG in preparation for the agreement with MiBank. The said agreement will result to the bank offering a financial product suitable for WSMEs. To do this, preliminary data collection and research will be conducted.

Started conceptualization for the hackathon to find a solution that will support the collection and analysis of business data WSMEs in the Pacific which will ultimately help banks and financial institutions to make informed lending decisions that are gender considerate.

- What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?
We-Fi contribution will be used to fund the above-mentioned key project activities in the Pacific.

IMPACT:

The WFX TA cluster’s overall outcome is increased sustainable financial inclusion for WSMEs. Subproject 2 will specifically contribute by supporting the identification and design of innovative technologies and suitable and sustainable digital service delivery models to support gender-responsive ecosystems.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicators	Target
Number of financial service providers that have updated or implemented a) new screening procedures, or b) financial products and services for women-owned/led SMEs	2

PROJECT NAME: CAPACITY BUILDING

Project Type: Capacity Building

Project Start Date: December 2020

Geographical Focus: Pacific region

Project End Date (when results are expected):
April 2024

We-Fi Funding Committed: \$100,000

Total project size: \$100,000

<https://www.adb.org/projects/54436-001/main>

CONTEXT:

Many financial institutions (FIs) in ADB's developing member countries (DMCs) have not targeted women borrowers and do not recognize the untapped commercial potential. During this period and post-COVID-19 under the "new normal" environment, a dedicated online platform can help support FIs and their existing and potential women borrowers. The Women's Finance Exchange (WFX) is an innovative approach using a digital platform to interact with and engage through social media channels to build a subscriber base and follower list that will be used to facilitate an online community through linkages and resources on content relevant for the FIs and their WSME borrowers. WFX will: (i) aggregate and disseminate products on gender financing in the financial sector within ADB and to the broader external audience; (ii) support the identification of cutting-edge technologies for FIs to achieve operational efficiencies, develop and scale new products to digitize business models, such as the use of alternative credit scoring models, mobile technology, cloud technology, and online delivery channels; (iii) build capacity for FIs and WSMEs; (iv) establish linkages to other programs and initiatives on enabling access to finance for women, internal and external to ADB; and (v) create a community platform to attract other co-financiers, including potential TA funding providers. The identification of innovative technologies for service delivery models will be supported through this particular TA, in partnership with WeFi. Subproject :2: Innovation and Technologies

Under WFX, specific activities with focus on the Pacific are financed by We-Fi. These include the following activities, (i) innovative technologies designed to support digital gender-friendly ecosystems, (ii) capacity building to financial institutions and women businesses conducted, (iii) supporting the structuring of an innovative blended finance product and (iv) strengthening the capacity of partner financial institutions (these are part of the WAVES approved proposal).

The main challenges that the project will tackle revolve around the ongoing impacts from COVID-19 and the changing strategies of partner financial institutions (PFIs) which may lead to lack of interest in gender-responsive financing and reallocation of budget to immediate other needs of PFIs also in response to COVID-19. For capacity building in the Pacific, in addition to COVID-19 impact, the lower Internet bandwidth as well as geographic isolation in rural areas may hamper online and on-site training delivery, capacity building and effectiveness.

CLIENT/PARTNER DESCRIPTION

The partners will be training providers. The first partner is Centre for Excellence in Financial Inclusion (CEFI), a training provider in PNG.

PROJECT DESCRIPTION

- What are the key objectives and focus areas?
 - Key objective: Capacity building to WSMEs achieved.

- Focus area: Developing the capacity of WSMEs.
- What are the key project activities and milestones?
 - CEFI has started to build the training modules for digital financial literacy, business skills and debt management and e-commerce for piloting and further rolling out to WSMEs in PNG before the end of 2021.
- What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?
 - We-Fi contribution will be used to fund the above-mentioned key project activity in the Pacific.

IMPACT:

The WFX TA cluster’s overall outcome is increased sustainable financial inclusion for WSMEs. Subproject 3 will specifically contribute to the TA cluster’s output 3: capacity building to FIs to promote gender responsive financial service delivery and WSMEs to improve viability through a range of digital toolkits, webinars, and online support.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicators	Target
Number of WSMEs in entrepreneurship support programs in We-Fi supported	100

CEFI [Link](#) for the first training

Project Type: Investment, Advisory, Capacity Building

Geographical Focus: Pacific region

We-Fi Funding Committed: \$1,250,000

Total project size: \$1,250,000

Project Start Date: December 2020

Project End Date (when results are expected): April 2024

<https://www.adb.org/projects/54391-001/main>

CONTEXT: Asia and the Pacific has made progress in some areas of gender equality, yet important gaps remain in education completion, health outcomes, employment, and participation and leadership in decision-making. As a key driver of growth and an engine for 90% of jobs in developing countries, the private sector represents a source of opportunities to drive greater gender equality. Gender equality is critical to business performance and sustainable economic growth. Diversity in businesses has been estimated to result in about 21% higher profitability than companies with low gender diversity on their executive teams (McKinseys, 2017). Financial institutions and other private sector actors still lack the capacities and knowledge to expand their investments in gender equality, leading to gender-blind products and services. There is a huge potential to support WSMEs through a holistic approach that works on building capacities and knowledge of private sector clients on innovative and meaningful approaches to supporting WSMEs.

CLIENT/PARTNER DESCRIPTION

The partners will be financial institutions in the Pacific. The first partner is MiBank, PNG.

PROJECT DESCRIPTION

- What are the key objectives and focus areas?
 - Key objective: Sustainable financial inclusion for women businesses increased
 - Focus areas:
 - Supporting the structuring of an innovative blended finance product;
 - Strengthening the capacity of partner financial institutions;
 - Supporting the development of gender-responsive digital finance solutions in partnership with local financial institutions; and
 - Developing the capacity of WSMEs.

- What are the key project activities and milestones?

Capacity building to enhance partner financial institution's capacity to provide innovative gender-inclusive services and products to WSMEs, market scoping for innovative financial technologies catered to WSME, capacity building to develop gender-responsive digital finance solutions, training activities to WSME clients in the Pacific.

Started market research in PNG in preparation for the agreement with MiBank. As mentioned in the first project, the agreement will result to the bank offering a financial product suitable for WSMEs. To do this, preliminary data collection and research on the business potential of WSMEs will be conducted.

- What is the specific use and the role of the We-Fi contribution (if there are multiple funding sources)?

We-Fi contribution will be used to fund the above-mentioned key project activity in the Pacific. These are primarily funds for consultant services which support the structuring of the blended finance component, the institutional assessments and related support to identification and adaptation of new technologies/financial products which are gender considerate. This includes the running of hackathons. In addition, as necessary, this will be complemented by research. Consulting services will be engaged to further build the capacities of FI staff as well as WSMEs.

- For blended finance projects – explain the investment structure and instruments used, and how the IP applies the blended finance principles.
 - **Patient capital/blended finance product.**¹³ This product could be run out of the Private Sector Financial Institutions Division of ADB and will be modelled based on the market research and feedback from the FI on the main constraints to lend to WSMEs. It would support the FI’s lending activities, i.e., by being tagged to the loan product, by supplementing capital in a WSME through a grant injection, if required for the loan. The first FI to work with is MiBank, PNG. It will apply ADB’s blended finance principles and will consider scalability in the design. The details of the product and its operations are still to be determined.

IMPACT:

Increasing WSME’s access to finance in the Pacific through the WAVES Program and developing knowledge and tools to promote gender-lens financing by financial institutions.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY

We-Fi Indicators	Target
Number of WSMEs in entrepreneurship support programs in We-Fi supported	100
Number of financial service providers that have updated or implemented a) new screening procedures, or b) financial products and services for women-owned/led SMEs	N/A*

*Target of Innovation and Technology (Project No.54436-003 TA6646, Subproject 2) will be shared by WAVES TA (Project No. 54391-003 TA 6717)

¹³ Final structure or product still to be developed.

ADB Committed Project List

Information to be included in the We-Fi public annual report														CONFIDENTIAL Data								
IP	FY	Round	Client /Partner/Program Name	Project Short Description (for public disclosure)	Country	Region	Type (based on the use of We-Fi funds) - Investment (Debt) - Investment (Guarantee/RSF) - Investment (Equity) - Investment (Incentive) - Advisory/TA - Capacity Building - Grants - Research	We-Fi Funding Committed (A)	Other Funds (Expected Mobilization) (B)	Total Project Cost (C) = (A+B)	Status - Implementation - Completed - Cancelled - Other (specify)	Start Date	End Date	Comments	WSME Targets (previously reported in project summaries)	WSMEs Results	Focus Area (% of committed We-Fi funding) - Access to Finance (A2F) - Access to Markets (A2M) - Access to Skills (A2S) - Entrepreneurial Ecosystems (EE)				We-Fi Funding Disbursed	Actual Mobilized Funds
																	A2F	A2M	A2S	EE		
ADB	FY 20	Round I	We-Fi ADB Sri Lanka - We-Fi financing component to WSMEs	We-Fi grant provided alongside an ADB credit line to 10 local banks with the goal to increase lending to WSMEs throughout Sri Lanka. The 10 participating banks are: (1) Bank of Ceylon, (2) Commercial Bank, (3) DFCC Bank, (4) Hutton National Bank, (5) Nation's Trust Bank, (6) NDB Bank, (7) People's Bank, (8) Regional Development Bank, (9) Sampath bank, (10) Seylan Bank	Sri Lanka	S. Asia	Investment	\$ 7,585,000.00	\$ 31,596,144.00	\$ 39,181,144.00	Implementation	Aug-18	Dec-22		616	666	100%				\$6,589,449	\$24496551
ADB	FY 20	Round I	We-Fi ADB Sri Lanka - Improving Gender Inclusive Financial Services, Gender-inclusive policy, and regulatory framework, and network strengthening	Technical assistance to strengthen capacity of participating banks to provide gender-inclusive financial services.	Sri Lanka	S. Asia	Advisory/TA	\$ 439,309.00	\$ -	\$ 439,309.00	Implementation	Jan-19	Dec-22		N/A	N/A			100%		\$147256	\$ -
ADB	FY 20	Round I	We-Fi ADB Sri Lanka - Improving Gender Inclusive Financial Services, Gender-inclusive policy, and regulatory framework, and network strengthening	Assessment of existing policy and regulatory challenges to WSMEs and capacity development for government agencies and CSOs to promote a gender-inclusive policy environment.	Sri Lanka	S. Asia	Advisory/TA	\$ 495,391.00	\$ -	\$ 495,391.00	Implementation	Jan-19	Dec-22		N/A	N/A			100%		\$130585	\$ -
ADB	FY 20	Round I	We-Fi ADB Sri Lanka - Improving Gender Inclusive Financial Services, Gender-inclusive policy, and regulatory framework, and network strengthening	Research on access to finance for WSMEs in Sri Lanka and impact evaluation will measure the impact of business development trainings in three areas: business practices, access to finance, and business outcomes (employees, sales, and profits).	Sri Lanka	S. Asia	Research	\$ 658,698.00	\$ -	\$ 658,698.00	Implementation	Jan-19	Dec-22		N/A	N/A			100%		\$165,240	\$ -
ADB	FY 20	Round I	We-Fi ADB Sri Lanka - Building business capacity of women's enterprises	Tailored training to strengthen women entrepreneurs' business skills. Developing an online platform to provide women entrepreneurs ongoing training and monitoring, legal and regulatory resources, and information on financial products available to WSMEs.	Sri Lanka	S. Asia	Capacity Building	\$ 375,914.00	\$ -	\$ 375,914.00	Implementation	Jan-19	Dec-22		700	331			100%		\$ 220,879.00	\$ -
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Pacific - TA 6717-REG: Technical Assistance for Gender Mainstreaming and Gender Initiatives in Nonsovereign Operations	Project that aims to increase sustainable financial inclusion for women businesses.	PNG	Pacific	Investment	\$ 500,000.00	\$ -	\$ 500,000.00	Other: Consultants contracted	Jul-21	Aug-23		40	Not yet completed	100%				\$ -	Pending disbursements
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Pacific - TA 6717-REG: Technical Assistance for Gender Mainstreaming and Gender Initiatives in Nonsovereign Operations	Project that aims to increase sustainable financial inclusion for women businesses.	PNG	Pacific	Advisory/TA	\$ 600,000.00	\$ -	\$ 600,000.00	Other: Consultants contracted	Jul-21	Aug-23		40	Not yet completed	100%				\$ -	\$ -
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Pacific - TA 6717-REG: Technical Assistance for Gender Mainstreaming and Gender Initiatives in Nonsovereign Operations	Project that aims to increase sustainable financial inclusion for women businesses.	PNG	Pacific	Capacity Building	\$ 150,000.00	\$ -	\$ 150,000.00	Other: Consultants contracted	Jul-21	Aug-23		40	Not yet completed			100%		\$ -	Pending disbursements
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Pacific - TA6705-REG: Capacity Building, Subproject 3 of Cluster TA0050-REG: Technical Assistance for the Women's Financing Marketplace (CEFI)	Project to support capacity building for WSMEs in digital financial literacy, e-commerce, business skills and debt management	PNG	Pacific	Capacity Building	\$ 100,000.00	\$ -	\$ 100,000.00	Other: Training Design Started	May-21	Apr-22		170	Not yet completed			100%		\$ -	Pending disbursements
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Pacific - TA6646-REG: Innovation and Technology, Subproject 2 of Cluster TA0050-REG: Technical Assistance for the Women's Financing Marketplace: Hackathon for WSMEs in the	Technical assistance to identify a solution(s) to support collection and analysis of alternative data for WSMEs in the Pacific which ultimately will help banks and financial institutions to make informed lending decisions that are gender-responsive.	Regional	Pacific	Advisory/TA	\$ 400,000.00	\$ -	\$ 400,000.00	Other: Conceptualization	Aug-21	Dec-22		TBD	Not yet completed	100%				\$ -	0

ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Viet Nam - TA 6723 - Technical Assistance for Women-Led Small and Medium-Sized Enterprises	Technical assistance to finance specific initiatives intended to develop and expand a commercial bank's portfolio of women-led SMEs.	Viet Nam	Southeast Asia	Advisory/TA	\$ 500,000.00	\$ 500,000.00	Other: Pending for TA letter signing	TBD	Jun-24	10 trainings for WSME in different provinces	Not yet completed	80%	20%	\$ -	0		
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Viet Nam - Grant 0781: COVID-19 Relief for Women-Led Small and Medium-Sized Enterprises Project	Grant project to incentivize the participating banks to reschedule the principal payments of existing loans or to grant new loans to eligible enterprises.	Vietnam	Southeast Asia	Incentive and Capacity building	\$ 5,000,000.00	\$ 7,000,000.00	\$ 12,000,000.00	Implementation	Apr-21	Dec-23	at least 500 WSMEs	So far 284 WSMEs	100%	\$ -	\$7,000,000.00		
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Viet Nam and Pacific - TA 9660: Promoting Transformative Gender Equality Agenda	Technical assistance to foster a gender-responsive entrepreneurial environment in Vietnam, build women entrepreneurs' capacity, and improve access to finance for WSMEs. Focus on capacity development and technical support to government agencies on developing policy, improving the enabling environment for WSMEs, and collecting sex-disaggregated data from financial institutions.	Viet Nam; Pacific	Southeast Asia	Advisory/TA	\$ 2,669,000.00	\$ 2,669,000.00	Implementation	Sep-21	Dec-25	Not yet completed	50%	10%	20%	20%	\$ 158,492.00	\$ -	
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Viet Nam and Pacific - TA 9660: Promoting Transformative Gender Equality Agenda	Technical assistance to foster a gender-responsive entrepreneurial environment in Vietnam, build women entrepreneurs' capacity, and improve access to finance for WSMEs. Focus on capacity development and technical support to government agencies on developing policy, improving the enabling environment for WSMEs, and collecting sex-disaggregated data from financial institutions.	Viet Nam	Southeast Asia	Capacity Building	\$ 1,168,000.00	\$ 1,168,000.00	Implementation	Sep-21	Dec-25	1030	Not yet completed	50%	10%	20%	20%	\$ 121,417.00	\$ -
ADB	FY21	Round II	Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) Viet Nam and Pacific - TA 9660: Promoting Transformative Gender Equality Agenda	Technical assistance to foster a gender-responsive entrepreneurial environment in Vietnam, build women entrepreneurs' capacity, and improve access to finance for WSMEs. Focus on capacity development and technical support to government agencies on developing policy, improving the enabling environment for WSMEs, and collecting sex-disaggregated data from financial institutions.	Viet Nam; Pacific	Southeast Asia	Research	\$ 900,000.00	\$ 900,000.00	Implementation	Sep-21	Dec-25	Not yet completed	50%	10%	20%	20%	\$ -	\$ -	
								21,541,312	38,596,144	60,137,456										
								2,636	997											

Annex 2 Implementing Partner Risk Reporting Template

Level 1 Risk Description	Level 2 Risk Description	Risk Description	Rating			Justification	Response	Measures/Metrics
			Probability	Impact	Overall			
Project/Portfolio Risk	Program/Project Design and Implementation Arrangements	<p>Related to the design and implementation of Programs/Projects financed by We-Fi, for example:</p> <ul style="list-style-type: none"> Is program/project design informed by lessons of previous programs/projects in this sector/country? Is the choice of the executing agency appropriate? Does the design of the project take into account the risks of the operating context and propose appropriate mitigation measures? Do the program/project team members have the right "skill mix" to administer, implement, or supervise this project <ul style="list-style-type: none"> Will the program/project require major procurement not common for this sector/country (countries)? Will the program/project require transfer of funds between multiple government levels? The risk that the program/project is supply rather than demand driven. Has the program/project been discussed with potential counterparts? <ul style="list-style-type: none"> The risk that program/project outputs and outcomes are not communicated specifically and precisely, so that concerned stakeholders do not get what they need, when and how they need it. 	Possible	Low	Low	<p>Program design draws on ADB experience of the sector and countries covered under WAVES. ADB has engaged extensively with respective program counterparts in government and the private sector in the design of investment, technical assistance and advisory activities. Workplans and targets are mutually agreed with these partners in order to ensure ownership and ongoing support for program objectives.</p> <p>Due to COVID-19, some technical assistance and advisory services have been adapted to respond to the uncertain business climate and to give immediate support to WSMEs in the respective countries. Government counterparts have continued to strongly support We-Fi in Viet Nam, but there is a risk that if the current crisis worsens, there may be less prioritization of the WSME agenda or more delays will accrue due to administrative or other COVID-19 related challenges. Project team members have also been allocated based on their specific skills, and project coordinators in each country focus on ensuring timely completion and strong communication with project partners.</p>	<p>The program continues to build on ADB's existing implementation mechanisms but with increased policy dialogue with Executing Agencies to communicate the objective and mandate of We-Fi. ADB is adapting its workplan to adapt to the unprecedented delays and identifying means to accelerate progress in year 2. ADB is also adapting its original proposal for training and financing for women SMEs to directly address the COVID-19 risks to business survival.</p> <p>The ADB project team coordinates actively with project focal at the implementing agencies to timely identify and address the issues.</p>	<p>Project performance will be monitored through ADB's project performance management system tools. Consultant reports for the training component and policy component have been aligned with We-Fi metrics in order to track progress on certain indicators, and will be used to flag any issues in design or implementation.</p>
		<p>In PNG, there are investment constraints such as the geographically remote population, lack of physical infrastructure, limited participation in the formal economy by most Papuan New Guineans and high levels of financial illiteracy. COVID-19 is also negatively impacting on the economy, reducing the risk appetite of financial institutions in developing new products for WSMEs</p>				<p>The WAVES PNG component will aim to address some of the financial sector limitations caused by infrastructure constraints by bringing new digital finance technology and leapfrogging traditional banking distribution channels. ADB has also been working with the government of PNG to support transportation infrastructure and business development support. ADB will leverage the We-Fi TA component to provide additional incentives for the FT's engagement, and will structure the product to reduce risk exposure of the FI.</p>	<p>ADB will use local consultants and its own in-house experience to design the project in PNG. The design will be tailored to overcome the challenges related to lack of physical infrastructure and financial literacy, etc. Any unforeseen challenges will be dealt through regular stakeholder engagement.</p>	
					Likely	Medium	Medium	<p>The We-Fi program in Sri Lanka is on track despite the multiple challenges confronted during program implementation since 2018 (e.g. Easter Sunday terrorist attacks), and is closely monitored closely by the project team which consists of headquarters finance specialists, and resident mission finance, gender and project management specialists. Several lock-downs and social distancing measures due to COVID-19 pandemic have delayed the progress of the overall program due to unavailability of consultants and partner organizations. The disbursement of the grant facility has been slowed down because women entrepreneurs tend to put their new investment plans on hold until the pandemic fades off. Despite those challenges, the program outcome and outputs are expected to be completed by December 2022.</p>
		<p>Includes risks relating to the political and social environment where the program/project(s) will be implemented. This may include political developments that could impact the project including structural and legal barriers to female entrepreneurship. The assessment of governance risks should take into account vested interest and the extent to which the three key principles of good governance ("TAP" principles of Transparency, Accountability and Participation) have been adopted and implemented in the context of the project or operational engagement.</p>	Possible	Low	Low	<p>ADB carries out risk assessments in its country partnership strategies; no material governance risks have been identified in implementation countries. No significant change since COVID-19 yet reported.</p>	<p>ADB's Governance Risk Assessments and Risk Management Plans (RAMPs) as an input to country partnership strategies</p>	

Political, Social and Governance					The PNG government faces a potential inability to limit debt levels coupled with fiscal and external imbalances. Economic growth is vulnerable to falling commodity prices and so is the local currency performance against the US dollar.	The Central Banking Act made significant changes to the relationship between the central bank and government, eliminating political influence and providing greater independence to the central bank to manage its affairs. The Bank of PNG has since been viewed as independent, and the measures undertaken were highlighted by an Australian Treasury publication as being successful in improving the financial sector in the country and a good case of reform.	ADB has long history of working with the PNG government and it will continue to monitor any potential issues through regular engagement. As per the standard operating procedures, ADB would take required approvals from the government before proceeding with the project implementation.
		Unlikely	Medium	Low	The new government administration after the Presidential Election in November 2019 reconfirmed its strong commitment to women's entrepreneurship. The new government administration is also interested in promoting operational efficiency of government organizations with ICT, which is being supported by TA components.	The project team is closely working with the government and engaging with them on all aspects of the program. The project team will continue to consult with key stakeholders and disseminate the project outcome widely.	The project team will closely monitor the government new policies to support women entrepreneurs.
Fiduciary (FM-Financial Management, Procurement, Disbursement, Fraud and Corruption)	The risk that project/program funds will not be used to achieve value for money with integrity in delivering project's intended outcomes; funds are not used for their intended purposes/do not reach intended beneficiaries. Includes the risk that due policies and processes are not followed in procurement of goods and services; employees/ contractors or program participants intentionally commit acts for unlawful gain; embezzlement, time and attendance fraud, procurement fraud, blackmail, bribery, money laundering and other willful acts committed to circumvent the law. The assessment should take into account the implementation capacity to manage budgeting, procurement, accounting, funds flow, existence and robustness of oversight arrangements; the level of transparency in disclosing procurement/contract, financial reporting and audit related information. In addition, the assessment should also look at the degree to which procurement and contract administration arrangements and practices provide reasonable assurance that the project will achieve intended results.	Possible	Low	Medium	The risk of loan fraud or inadequate public financial management is low since private and public sector partners will be expected to comply with ADB procedures, including regular monitoring and due diligence. Disagreement between ADB and government on use of program funds and implementation arrangements poses risk to proper management of resources.	FIPs will undertake integrity and due diligence and financial management assessment to ensure that their internal controls are sufficient to prevent any widespread abuse. ADB assesses public financial management in its country partnership strategies, and no risks have been identified. ADB is increasing its dialogue with government agencies on ADB and We-Fi's project management mechanisms (including procurement, monitoring) to eliminate any risk of program resources being directed to activities not falling under the We-Fi mandate.	ADB's Financial Management Assessment
					In PNG, low income levels and credit risk concentrations pose risks to asset quality. The economy shrank by 3.3% in 2020 as it was battered by the COVID-19 pandemic. Growth is forecast at 2.5% in 2021 and 3.0% in 2022 as the economy slowly recovers. The subdued economic outlook could limit growth and heighten asset quality risks. Currency exchange restrictions for banks limit their ability to hedge against FX volatility.	In PNG, Moody's views the overall banking sector as low risk given favorable systemic indicators (high capitalization levels, sound asset quality and liquidity) and an undeveloped capital market which effectively insulates against market fluctuations. ADB has worked with the selected FIP for several months, providing technical assistance in the areas of mobile banking with positive results. The FIP has set up a dedicated risk management division and established risk management frameworks and related policies across the entire group. The risk management activities comply with relevant regulations, including the Bank of PNG and the Investment Promotion Authority's prudential standards.	ADB will use an internal risk rating system based on quantitative and qualitative factors to assess the risk. This proprietary tool used by ADB for all non-sovereign investments in the past.
		Possible	Low	Low	While partner financial institutions continue to prioritize WSMs and the We-Fi grant, the economic downturn and lock downs due to COVID-19 will decrease the financing demand from SMEs including women-led ones for new investments. ADB carries out intensive due diligence on its partner financial institutions and partners to ensure transparency and alignment with ADB's procurement policy.	The We-Fi project in Sri Lanka monitored closely by the PMU at MOF and project team are working closely with the implementing partners.	Audited financial statements and sub loan data will be duly submitted by participating banks to ADB.

	Environment and Social Safeguards	Risk that safeguards are not properly applied in the project design, and their implementation may not achieve their objectives with due regard to possible impacts on people [including with a gender lens] and the environment.	Unlikely	Low	Low	The WAVES Program will be implemented in full compliance with ADB's Safeguard Policy Statement (SPS) and project management systems which signifies that executing agencies and other partners will have to integrate appropriate measures to be in compliance. ADB's SPS promotes respect for national labor standards, non-discrimination and a culture of zero tolerance for sexual harassments, as well as environment safeguards.	ADB's SPS will be applied to all aspects of the WAVES Program. A comprehensive safeguards assessment is carried out in due diligence to verify institutions' safeguards mechanisms. FIPs will also be encouraged to adopt an ADB compliant environmental and social management system (ESMS) to ensure compliance with ADB's SPS.	An ADB Safeguards Officer will also periodically monitor the project to ensure compliance.
						Pacific governments are involved in other ADB loans, suggesting strong capacity to deliver according to ADB safeguards standards.		
			Unlikely	Low	Low	Participating financial institutions (PFIs) that finance subprojects with minimal or no adverse impacts on the environment (FI-B/C) and have zero impact on resettlement and indigenous people (FI-C) are preferred. 8 out of 10 PFIs established qualified environmental and social safeguard systems.	The We-Fi project in Sri Lanka monitored closely by the project team. The project team's safeguard officer conducts frequent document reviews and site visits.	The project team will undertake onsite supervision every year as the practice once the COVID situation is normalized. Document reviews are continued.
Overall Project Risk Rating		Enter the average risk rating for the entire project in the rating column for this row. The average should be calculated based on the average probability and average impact of all risks.	Possible	Low	Low			