

Women Entrepreneurs Finance Initiative (We-Fi)

**THEMATIC FUNDING REQUEST
ON A PROPOSED FINANCING
IN THE AMOUNT OF THREE MILLION USD
TO THE**

ASIAN DEVELOPMENT BANK

FOR

**WOMEN ENTREPRENEURS: DATA ADVANCING TRANSFORMATIVE ACCESS TO FINANCE
(WE DATA)**

FIJI, INDONESIA, AND SRI LANKA

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I. WE-FI THEMATIC REQUEST – DATA SHEET

BASIC INFORMATION

IP Name	<i>Asian Development Bank (ADB)</i>
Program	<i>Women Entrepreneurs: Data Advancing Transformative Access to finance (WE DATA)</i>
Country(s)	<i>Fiji, Indonesia, Sri Lanka</i>
# of partners engaged through the Pilot	<i>28 (Fiji: 8; Indonesia: 10; Sri Lanka: 10)</i>
Private Sector, Public Sector or Both	<i>Both</i>
Implementation Start Date	<i>1 October 2023</i>
Commitment End Date	<i>30 June 2025</i>
Supervision End Date	<i>30 June 2028</i>
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WE-FI FUNDING REQUEST (PROGRAM) *Please refer to Annex 5 for requests per country*

USD	Year 1	Year 2	Total ^a
Investment Activities	80,000	120,000	200,000
Advisory / Technical Assistance	583,280	874,920	1,458,200
Grants to WSMES	211,666	317,500	529,166
Research & M&E	267,911	401,866	669,777
Administrative Fee	57,143	85,714	142,857
Total We-Fi Financing Requested	1,200,000	1,800,000	3,000,000

^a ADB requests flexibility to transfer funds between countries to the amount of 10% of the overall budget per country

TOTAL PROGRAM COST & CO-FUNDING:^{1,2}

Sources of Financing		Amount
We-Fi financing requested	(A)	3,000,000
IP Contribution [1]	(B)	298,716,380
Public-sector co-funding [2]	(C)	
Private sector co-funding [3]	(D)	
Additional co-funding [<i>specify</i>] ³	(E)	500,000
Total Non-We-Fi Funding	(F)= (B+C+D+E)	299,216,380
Total Activity Size	(G)= (F+A)	302,216,380
Of which % IDA and % FCS	(IDA+FCS / G)	
Co-Funding ratio	(F/A)	99.74

Note: Please see Attachment 5 for breakdown per country

¹ This document utilizes the term 'co-funding' in lieu of the term "leverage" as used in We-Fi's Governance Framework.

² See Annex 1 for definitions and guidance on this table

³ *Inter alia*, parallel funding arrangements should be captured here.

Women Entrepreneurs: Data Advancing Transformative Access to Finance Women Entrepreneurs Finance Initiative FUNDING PROPOSAL

II. PROGRAM DESCRIPTION

A. Objective Statement

The Women Entrepreneurs: Data Advancing Transformative Access to Finance (WE DATA) program aims to catalyze systemic and sustainable change, and drive new and increased investments in women entrepreneurs across three diverse entrepreneurship eco-systems, representing different regions of Asia and the Pacific. The Asian Development Bank (ADB) will adapt and pilot the WE Finance Code to Fiji, Indonesia and Sri Lanka, focusing on the catalytic influence of gender-responsive regulatory and policy frameworks within each country to drive behaviour change among a national network of actors spanning the public sector, financial institutions and other investors, development partners and business associations. The overall objective is to leverage data and evidence that will change mindsets and investment behaviour and practices, and unleash a new women-focused dynamism within the micro small and medium-sized enterprise (MSME) sector, which could be potentially scaled across the Asia and Pacific region.

Each pilot country in the WE DATA program will have tailored responses, depending on the status quo of women's entrepreneurship policies and programs, but will follow the same roadmap. Regulation and policies will be a key focus and starting point for engagement across the eco-system, which will also anchor commitments on the medium to long-term. To go beyond regulatory compliance, the WE DATA methodology will seek to reinforce the business case to new investors and the financial eco-system through digital solutions, communications, evidence and capacity-building and peer learning. The selection of these countries were based on the same criteria: specific government request to ADB for technical support to enhance their women-owned small and medium-sized enterprises (WSME) policies and programs; geographic and cultural diversity, representing three (out of five) of ADB's subregions; and policy entry points at the country level to advance the WSME agenda.

The program will have short, medium and long-term milestones:

After **12 months**, in each country, the WE DATA program will have resulted in a national definition of women-owned business and the first draft of the framework for the national Code with commonly agreed action plan for the next twelve months.

After **24 months**, the WE DATA program will have resulted in either countries issuing new regulation or policy or public announcement on signing up to the Code.

After four years, the Code will be an entrenched pillar of the national entrepreneurship eco-system, with increased number of signatories from across the finance and investment sector demonstrating commitment going beyond regulatory compliance. An annual event or roundtable would benchmark results and celebrate progress. Overall numbers of WSMEs able to start or grow their businesses will have increased due to facilitated access to different forms of short to long-term financing due to a widely accepted business case for investment in WSMEs, resulting in the overall percentage of women-led SMEs in the share of SMEs to have significantly increased.

B. Program Design and Key Activities

ADB will pilot a multi-component approach to foster ownership and proactive engagement among national entrepreneurship ecosystem actors, motivated by a joint vision for strengthening women-owned MSME sector. Each component interlocks and complements each other, recognizing that top-down or siloed approaches will not be effective in producing sustainable change or generating ownership. The approach focuses on building a robust regulatory framework which is complemented and strengthened by private sector innovation, and instigates new synergies with digital technologies to find solutions to both build the business case for investment and improve women's access to finance. A national coalition will foster strong collaborations, recognizing that the public and private sectors must be equal partners and champions to go above and beyond regulatory compliance. ADB's program will thus complement regulations and policies with a comprehensive campaign built on awareness-raising, capacity-building, evidence, data and incentives in order to foster strong engagement and leadership from financial institutions, investors, business associations, and other ecosystem players to drive the vision forward.

Component 1: Establishing a new national women entrepreneur-focused regulatory framework

The foundation of the program will be to anchor strong commitments and actions through a robust gender-responsive regulatory framework. The aim will be for the framework to set an inclusive national vision and pathway for engaging a wide range of public and private sector actors across the ecosystem. This approach sees policies and regulations as key building blocks for positive systemic change, but with the aim of avoiding the pitfalls of top-down approaches, which can curtail proactive involvement and innovation from financial institutions and other eco-system actors.

Across the three countries, ADB has policy-based instruments which provide additional incentives and opportunities for relevant government institutions to develop a strong national Code for women entrepreneurs. ADB will mobilize these resources to support the implementation of this Component; these frameworks also have facilitated the identification of key partners and stakeholders in each country, and knowledge of existing and upcoming gender or MSME initiatives. In Indonesia, ADB will build on the policy actions on women's financial inclusion activities within the Promoting Innovative Financial Inclusion Program (PIFIP);⁴ in Sri Lanka, ADB will integrate the pilot's activities in a forthcoming financial sector stability and reform policy program's policy actions; and in Fiji, the WE DATA activities will be linked with a forthcoming public management loan and proposed for inclusion in the forthcoming Country Partnership Strategy (CPS) with ADB.

The key activities under this component will occur sequentially. A lead government counterpart will be designated at the early stages of the pilot. Their responsibility will be to steer the process at the national level, and to chair a steering committee representing relevant government ministries, development partners, bankers' associations, business associations and civil society organizations. A kick-off meeting, bringing together all eco-system actors will launch the entire WE DATA program in each country, in Q4 2023. This will help to gauge interest of potential financial institutions partners and to raise awareness nationally of the initiative, and to receive feedback on a roadmap and timeline of activities under this Component.

⁴ [52218-002: Promoting Innovative Financial Inclusion Program \(Subprogram 2\) | Asian Development Bank \(adb.org\)](#)

In order to ensure wide engagement and interest, focus group discussions and individual outreach will be organized with financial institutions, fintech providers as well as other financial actors (e.g. private equity funds, investors) in the early months of the program. Interested financial institutions will be asked to identify an internal senior-level champion who can commit to contributing to the national-level discussions and providing technical inputs on processes and mechanisms of the national Code.

A key implementing partner in Indonesia for this component will be the Islamic Development Bank (IsDB). IsDB will lead the pilot's focus on sharia banking in Indonesia. ADB and IsDB will coordinate on all technical components of the national Code's development, in order to ensure that the national Code will cover sharia banking. A separate proposal by IsDB is being prepared for Indonesia, and all opportunities for building synergies will be pursued throughout the pilot and beyond. This will consist of joint launch and annual reporting events, regular knowledge-sharing, as well as joint focus group discussions with program partners to ensure coherence and complementarity.

Activity 1: Adoption of a national definition of women-owned business. (Month 2- Month 9)

The definition of a woman-owned/led business is the first stepping-stone to establishing a national framework to capture and track data on women-owned MSMEs. At present, across the three pilot countries, there is no standard definition of women-owned/led businesses being employed by governments and financial institutions.

For this reason, the first milestone of the pilot will be to adopt a definition of women-owned business. In Fiji and Sri Lanka, there is currently no national definition. In Fiji, ADB will work closely with the Reserve Bank of Fiji to develop a definition, and pursue possible integration into a proposed new MSME law. The adoption of a national definition has been set as a short-term target to be achieved by 2024 under the current National Financial Inclusion Strategy 2022–2030.⁵ In Sri Lanka, upon the request of the Central Bank of Sri Lanka, ADB produced a draft paper with recommendations on possible definitions in 2021, as part of its ongoing We-Fi program. The Central Bank of Sri Lanka (CBSL) has recently renewed the request to ADB for support on the national definition.

In Indonesia, there are currently two definitions of women-owned/led businesses. The Presidential Decree No 2/2022 on National Entrepreneurship Development, defines a woman entrepreneur as characterized by: a) having and managing a business that has registered in the electronically integrated business licensing system, and b) owning at least 51% ownership of its working capital. In 2020, the National Women's Financial Inclusion Strategy, which was supported by ADB, proposed the International Finance Corporation (IFC)'s definition of women-owned business.⁶ As part of WE DATA, ADB will work with the relevant government agencies to select a definition that can be nationally applied.

Activity 2: Institutionalizing sex-disaggregated data into regulatory frameworks (Month 6-Month 18)

Following the adoption of the national definition of women-owned business, the WE DATA program will support the national steering committee to identify ways to institutionalize sex-disaggregated data requirements into binding policy commitments and processes at the national level.

⁵ [FIJI National Financial Inclusion Strategy 2022-2030 – RFILC](#)

⁶ DNKI, *Strategi Nasional Keuangan Inklusif Perempuan*, 2020, p. 22.

There will be multiple steps under this activity. First, the WE DATA program will facilitate **national-level consultations** between bankers' associations, the regulator and other technical government agencies on the scope and process of data collection. This will also include focus group discussions and individual stakeholder interviews. Across the three countries, the core indicators will include those listed in the WE Finance Code Concept note.⁷ A **data mapping exercise** of existing data collected by individual financial institutions, government agencies, corporations, and other development partners will inform national consultations to identify existing sex-disaggregated indicators, scope for further disaggregation by other socio-economic variables, and identifying any customized national indicators.

All three countries have initiated efforts to collect sex-disaggregated data on the finance sector. In **Fiji**, since 2019, the Reserve Bank of Fiji has issued a Policy Statement on minimum requirements for disaggregated data, which includes disaggregation by age and gender.⁸ These requirements are not part of the customer due diligence requirements and do not include the MSME sector; data is only available for individual accounts and loans. The latest online data report from 2021 provides highlights on gender gaps across individual account ownership and superannuation. The Reserve Bank of Fiji (RBF) is also updating its 2019 Disaggregation Data Policy in 2023–2024, so the WE DATA program would also use this opportunity to integrate a focus on sex-disaggregated data, expanding the scope of existing data collection. Through coordination and collaboration with the Alliance for Financial Inclusion (AFI), the Program will also organize regional-level consultations with other Pacific countries.

In **Indonesia**, this process will build on ongoing ADB engagement on sex-disaggregated financial data. In 2022, ADB undertook a year-long consultation with financial institutions, and a cross-section of government agencies, including the National Financial Inclusion Council as well as the regulators, Otoritas Jasa Keuangan (OJK) and Bank Indonesia. The sex-disaggregated Financial Data Guidelines, which were inspired by the United Kingdom's Investing in Women Code, and reviewed by the We-Fi Secretariat, were endorsed at the end of the year. The WE DATA program will build on these Guidelines, refining them further through further focus group discussions and testing with financial institutions, as well as other finance sector actors. In this regard, the WE DATA program will also proactively reach out to fintech, microfinance institutions, and other actors (insurance, angel investors, private equity funds) in Indonesia, to encourage these key financial actors to also report on sex-disaggregated data.⁹

In **Sri Lanka**, the CBSL issued a new regulation in March 2023 for financial institutions to collect and report sex-disaggregated data for MSMEs by 31 March 2023. The report collects information on the number and value of loans disbursed to MSMEs by the various economic sectors and borrower size. It also includes non-performing loan data segregated by the same criteria. This regulation will be included under a proposed ADB policy loan. The CBSL has requested support to ADB to support on the national definition of women-led business. Through the WE DATA program, ADB will provide advisory services, integrating the national adoption of the definition of women-led business within the implementation of this regulation, including integrating the definition in the banks' reporting template. Advisory support to the CBSL will be provided to strengthen their data analytics mechanisms and reporting.

⁷ Number of Customers, Number of Outstanding loans, Value of Outstanding Loans, Non-Performing Loans, Non-Performing Loans (%); and Loan Approval Rates.

⁸ [FSDPS-1-Minimum-Requirements-for-the-Provision-of-Disaggregated-Data.pdf \(rbf.gov.fj\)](#)

⁹ ADB has already consulted with Investing in Women (IW), an initiative of the Australian Government, which works to catalyse inclusive economic growth through women's economic empowerment in South East Asia. ADB and IW Indonesia will seek synergies during the pilot phase, in particular in looking at bringing in IW impact investor partners into the WE DATA initiative.

The WE DATA program will identify the appropriate national mechanisms to both **collect and report data**. This will be achieved through focus group discussions, gender gap assessments and data mapping exercises, which will inform the decisions of the national steering committee. Key issues for discussion will be harmonization with international standards on regulatory frameworks on issues related to data privacy, data protection, to ensure alignment with best international practices. **Capacity-building on data analytics** will be provided to support the process of national reporting and providing suggestions on how to integrate data into policymaking.

In conjunction with the IsDB, in Indonesia, an annual event will be held to take stock of progress at the end of month 12. The IsDB will be responsible for the 12-month event, where peer-learning from other countries who have pioneered a code, such as the United Kingdom, will be invited to share the mechanisms of implementation and reporting with the national coalition.

Communication and advocacy for the Code will be undertaken regularly at the country level, and at global and/or regional fora organized by the ADB to promote awareness, peer-learning and knowledge. This will include a high-level launch event at the beginning of the program in each country, and a final event at the end of the program to celebrate signatories to the Code. The WE DATA program will also work with national signatories on communication strategies to publish their data online in order to build greater awareness of the initiatives and the business case for investing in women. This can include videos of Chief Executive Officers (CEOs) of champion financial institutions or government champions.

Component 2: Building the business case for female-focused investments (Month 1-Month 18)

Under this Component, ADB will work closely with financial institutions to demonstrate the business case for lending to the women market segment. Data is key for this. As such, ADB will build on and facilitate the Financial Institutions transition to sex-disaggregated data collection, support data analysis and reporting, strengthen their capacity to use the data for their own product development, and help them build a pipeline of investment products and services targeting the female market. Under this component, there will be two main activities:

Activity 1: Performance-based incentives for champion Financial Institutions

In Indonesia, ADB has identified several potential financial institution partners who would be early champions of the Code, including Regional Development Banks (BPDs) which are currently participating in the ongoing Eastern Indonesia Financial Innovation Lab (EIFIL) which focuses on increasing financial inclusion of women and youth-owned businesses in the Eastern part of the country, through facilitating new product development and partnerships between fintechs and BPDs. Using performance-based incentives (PBIs) and advisory services, ADB will incentivize financial institutions to expand their lending to women-led SMEs, and work with them to improve their sex-disaggregated data collection and reporting to support data analysis and recognition of the business case to lend to this market segment, undertake a gender gap assessment of their existing lending practices and portfolio, and provide technical development support for new financial products targeting women-led SMEs. ADB follows the Enhanced Blended Finance Principles for all its blended finance investment transactions, and any investment transaction will be subject to ADB's Blended Finance Committee approval.

Activity 2: Dedicated gender-responsive finance training through the WFX

The [Women's Finance Exchange \(WFX\)](#) is an innovative ADB initiative launched in 2021, working with financial institutions to deliver innovative solutions to women borrowers, including for green

purposes. The WFX is already supporting We-Fi activities in the Pacific, as part of ADB's Women Accelerating Vibrant Enterprises in Asia and the Pacific (WAVES).

The WFX is well-positioned to support Financial Institutions through tailored solutions which support their efforts in reaching WSMEs. The WFX will provide a specialised training program for Financial Institutions interested in the Code in Fiji, Indonesia and Sri Lanka. In coordination with the respective national bankers' association and the Central Bank, awareness will be raised and potential interested Financial Institutions identified. In Sri Lanka, ADB already works closely with 13 partner Financial Institutions through the ongoing We-Fi program, and will prioritize these Financial Institutions given their strong track record on investing in WSMEs, including adopting recommendations of gender gap assessments into their existing business processes.

The WFX gender-lens investing training will be a combination of in-person workshops, and virtual training and mentoring sessions, including webinars on selected topics. The tentative scope of the curriculum is listed below and will be validated through an initial survey/ needs assessment based on a combination of (a) previously collected information from selected Financial Institutions and (b) supplemented with in-depth interviews with the Financial Institutions . Indicative topics will include:

- a. Using sex-disaggregated data for analysis to inform strategy, business decisions, and product design and innovations
- b. Case studies of banks successfully using sex-disaggregated data analysis to improve business profitability and customer value
- c. Gender finance 101
- d. Green finance 101
- e. Bringing the two together: gender-responsive green finance for SMEs
- f. The role of digital financial services/ financial technology in advancing WSMEs' access to green finance
- g. Case studies of Financial Institutions providing gender-responsive green finance to SMEs

Component 3: Fostering new synergies and solutions for women entrepreneurs

Under this Component, ADB will focus on stimulating new synergies across the financial sector, aiming to support the development of new market-driven solutions to increase financing for women entrepreneurs. This Component will consist of two key activities:

Activity 1: Investing in women-focused digital solutions (Month 9-Month 18)

ADB will replicate the Fintech for Inclusive Transformation (FIT) Program, to Fiji, Indonesia and Sri Lanka. It already been successfully piloted in the Philippines. FIT aims to strengthen participating financial institutions by encouraging them to invest in technology solutions that support their ability to achieve operational efficiency, diversify and scale their products and services, and expand their reach therefore boosting competitiveness in the marketplace. The purpose of this program is to support financial institutions in their digital transition, develop a business case and innovative digital products fit for women SMEs, offer tech-related services, and/or increase usage of new delivery channels through innovative technology. The FIT program, a matching grant fund, will provide capacity support to financial institutions for proposal development, access to technology providers (fintechs) through a marketplace event, and business case development for women SME products. The WFX platform will be potentially used to host the marketplace. Benefactors of the grant will be decided by a panel comprising ADB, the regulator, representative from the national banking association, and an independent technical expert.

Activity 2: Peer learning and knowledge exchanges (Month 12-Month 15)

Knowledge-sharing of the challenges and lessons learned from initiatives aimed at supporting women entrepreneurs' access to finance will be a key part of the learning trajectory for all country pilots. Despite the socio-economic and cultural differences between each country pilot, there are also common challenges such as the high rate of informal businesses, gendered social norms (e.g., on women operating a business, the type of sector they operate in, and other forms of implicit and explicit bias). Learning from each other, as well as from other country exchanges will help strengthen national champions' knowledge of new trends and initiatives and introduce alternative solutions to common problems. In-person exchanges between regulators will be supported and regular webinars of WE DATA champions will be organized.

ADB will also liaise with other MDBs and/or Implementing Partners to coordinate regional South-South learning exchanges for financial institutions to learn from peer institutions with a strong track record of gender-responsive financing, which will help to reinforce the business case through the demonstration of results and experiences.

C. Country Readiness:

The three countries were selected based on their existing policy initiatives on women's entrepreneurship and financial inclusion, the commitment of relevant government ministries to the WE Finance Code pilot and the multiple entry points for strengthening the enabling environment in favour of women's entrepreneurship and access to finance. Each country shared the same score of 75/100 under the World Bank's Women, Business and the Law 2023 Report since the legislation does not prohibit discrimination in access to credit based on gender. While all three countries are distinctively different in terms of population demographics, geography, available infrastructure and maturity of the financial sector, there are distinct baselines for women entrepreneurs, the common gendered challenges (e.g. high rates of informality, concentration of women in microenterprises) and opportunities (e.g. introduction of digital technologies, and enhanced digital financial literacy to fast track financial inclusion) which means that there will be important potential for crossover learning and collaboration during the pilot.

FIJI

Fiji has set strategic national prioritization targets for both women's financial inclusion as well as the MSME sector. There is a recognition that women remain underserved, with a gender gap in access to financial services at 13% in 2020.¹⁰ The WE DATA Program will work closely with country partners to leverage national priorities, initiatives and ambitions set under national frameworks.

MSMEs are considered the backbone of the Fijian economy, contributing to around 18% to Fiji's Gross Domestic Product (GDP) and employ almost 60% of the labor force.¹¹ Only 19% of registered businesses in Fiji list women as the owner; in the informal sector, this percentage increases to almost half. Growth and survival of these businesses are fragile, with some estimates indicating that many women-led/owned businesses shrink after the third year in business. Women's formal business registration remains low due to perceived cumbersome administrative processes and requirements, as well as limited access to information on registration processes.

¹⁰ FIJI National Financial Inclusion Strategy 2022-2030, p. 7.

¹¹ Government of Fiji. 2020. [Micro, Small, and Medium Enterprise Fiji – Policy Framework](#). Suva.

Fiji has a 20-Year Development Plan (2017–2036) and a comprehensive five-year Development Plan (2017–2021).¹² These plans work together, as the five-year Development Plan provides a detailed action agenda with specific targets and policies aligned to the long-term transformational 20-year Development Plan. The five-year National Development Plan includes building a deep, competitive, and stable financial system and promoting entrepreneurial culture through sustainable MSME development as key areas in its strategic thrusts.

In parallel, the RBF also developed a National Financial Sector Development Plan, 2016–2025.¹³ The plan aims to develop a deep and robust financial sector that stimulates economic growth. The plan has ten pillars, including financial inclusion, MSME financing, and capital markets development. The RBF has launched its third National Financial Inclusion Strategy, 2022–2030, with four priority pillars (i) inclusive finance, (ii) DFS, (iii) MSME finance, and (iv) consumer protection and financial capability. The strategy proposes to use digital financial infrastructure, legal and regulatory framework, and partnerships and collaboration as enablers to target the unserved and underserved segments of the market.

The Ministry of Industry, Trade and Tourism is responsible for the establishment of a central coordinating agency, referred to as MSME Fiji, to support MSME development.¹⁴ The vision of MSME Fiji is to attain “A Brighter Economic Future for All Entrepreneurs”. The national definition for MSMEs was renewed after the Small and Micro Enterprises Development (Repeal) Act of 2019 came into effect in December 2019.

In 2019, the RBF introduced the Financial Sector Development Policy Statement No. 1 on the Minimum Requirements for the Provision of Disaggregated Data which requires licensed and/or supervised Financial Service Providers’ operations in Fiji to report on an annual basis: gender as well as other factors are listed for disaggregation.¹⁵ The policy aims to foster evidence-based policy development, decision making and product design in the efforts to develop an inclusive financial sector for Fiji.

Financial institutions in Fiji are addressing some of the challenges of WMSMEs. The Fiji Development Bank is the only financial institution offering a tailored loan product.¹⁶ Fintech Pacific, as part of a consortium, is piloting a digital wallet and payment acceptance platform for women-led micro and small businesses. South Pacific Business Development and Australia and New Zealand Bank offer business and financial upskilling through their programs Fiji Bloom and MoneyMinded, respectively. Finally, Westpac Banking Corporation sponsored the Women in Business ‘[Aspiring Entrepreneur of the Year](#)’ award for 2022 to encourage women’s entrepreneurship in the country.

One of the Councils under the Fiji Commerce and Employers Federation, the Women Entrepreneurs Business Council (WEBC) has a vision of ‘Women Entrepreneurs Invigorating the Nation’. Its mission is ‘Advocating Sustainable Practices for Women Entrepreneurs’. WEBC members comprise women entrepreneurs and women in the corporate world striving together to be inclusive and focused on the needs of women.

¹² Government of Fiji. 2017. [Fiji Government - National Development Plan](#). Suva

¹³ Reserve Bank of Fiji. 2017. [Fiji Financial Sector Development Plan 2016-2025](#). Suva.

¹⁴ Government of Fiji. 2017. [Fiji Government - National Development Plan](#). Suva

¹⁵ The [Financial Sector Development Policy Statement No. 1 on the Minimum Requirements for the Provision of Disaggregated Data](#) is compiled and reported on RBF’s [website](#)

¹⁶ Fiji Development Bank. www.fdb.org. [FDB Loan for Women Entrepreneurs – Fiji Development Bank](#)

The Fiji Government has allocated funds for the establishment of a MSME Credit Guarantee Scheme to encourage private sector lending to MSMEs. The MSME scheme, which was set up in 2012 and was expanded in November 2020 to include micro enterprises has a total allocation of FJ\$9 million and is administered by Reserve Bank of Fiji. Under the Scheme, Government will guarantee 60% of the principal outstanding on defaulted MSME loans up to a limit of FJ\$60,000 per business. To encourage women, government will guarantee 75 % of the principal outstanding on defaulted loans up to a limit of \$75,000 per business on all MSME loans to women entrepreneurs.

The National Financial Inclusion Strategy (NFIS) has identified MSME sector as a priority area, and limited data on MSMEs as a key challenge. Importantly, the action plan for Priority Pillar 3 includes a specific target on adoption of national definition of women-owned/led business by 2024.¹⁷ The Reserve Bank of Fiji has initiated a number of gender-related activities as part of the NFIS to advance the agenda, including a supply-side gender diagnostic exercise; the final report is expected in December 2023.

INDONESIA

With almost a decade of high-level political commitment to financial inclusion, Indonesia has pursued an inclusive roadmap to ensure that women, as well as other vulnerable populations, are at the centre of the financial inclusion agenda. The WE DATA program in Indonesia would leverage and further accelerate these commitments and initiatives to strengthen the enabling environment in favor of women's entrepreneurship.

Indonesia's prioritization recognizes the significant yet unmet potential of women entrepreneurs, and the gendered challenges they face to graduate and grow their businesses. Nearly 99% of businesses are categorized as MSMEs, and the vast majority of these (98.7% of 64 million) are micro and small businesses^{18,19} Women-led MSMEs are mostly placed at the micro and small levels (representing 53% and 51%, respectively) but have lower participation levels in medium sized businesses of 34%.²⁰ Close to half of women entrepreneurs (49%) are necessity driven, while about 37% are stable entrepreneurs, defined as entrepreneurs who mostly began their businesses to supplement household income and want to scale up. 15.4% can be classified as entrepreneurs who entered business by identifying an opportunity, or by taking advantage of a unique skill or background and show consistent signs of business growth. The IFC estimated that the gender financing gap to be US\$6 billion.²¹ A 2023 World Bank study found gender gaps between male and female entrepreneurs across a range of areas, including revenue and profits, sources of lending, hours of productivity and employees.²²

Despite Indonesia being one of the few countries with a reverse gender gap in bank account ownership, persistent gender gaps remain in access to and use of many financial services. Hence, there has been an increasing momentum at the policy level to focus on women's financial inclusion and women's entrepreneurship. Women were a priority group under the first National

¹⁷ [FIJI National Financial Inclusion Strategy 2022-2030 – RFILC Target 3.1.6](#)

¹⁸ Indonesian Ministry of Cooperatives and Small and Medium Enterprises.

¹⁹ MSME classification: Microenterprise: 1-4 employees or IDR 50 million in total assets or IDR300 million in total yearly turnover; small enterprise 5-19 employees or IDR50 to 500 million in total assets or IDR 300 million to 2.5 billion in total yearly turnover; medium enterprise: 20-99 employees or IDR500 million to 10 billion in total assets or IDR 2.5 to 50 billion in total annual turnover.

²⁰ PRAKARSA Policy Brief. 2020. The Impact of COVID-19 on Women-Led MSMEs.

²¹ International Finance Corporation (IFC). 2016. *Women-owned SMEs in Indonesia - A Golden Opportunity for Local Financial Institutions*.

²² World Bank. 2023, *Opening Opportunities, The Economic Cost of Gender Gaps in Entrepreneurship in Indonesia*.

Financial Inclusion Strategy 2016–2020 (SNKI). SNKI consists of six pillars: financial literacy, societal property rights, intermediary facilities and financial distribution channels, governmental services for financial services, and consumer protection. The Strategy included sex-disaggregated targets as well as a sex-disaggregated financial inclusion survey. SNKI is coordinated by the National Council for Financial Inclusion (DNKI) and supported by seven working groups. Women’s financial inclusion is a cross-cutting theme across these seven working groups.²³ The updated SNKI for the period of 2020–2024 has also maintained a strong focus on women’s financial inclusion, and recognized the need for enhanced sex-disaggregated data of to support MSMEs sector. Complementing the SNKI, in 2020, Indonesia launched the National Women’s Financial Inclusion Strategy (NWFIS), developed under the guidance of DNKI in coordination with the Ministry of Women’s Empowerment and Child Protection, and supported by ADB. Indonesia is the first country to develop and adopt a dedicated national financial inclusion strategy for women. The NWFIS set a framework for financial inclusion that encompassed women’s entrepreneurship, which was accompanied by an action plan and time-bound targets. This was followed by the development of sex-disaggregated data guidelines for the finance sector, a National Women’s Entrepreneurship Development Action Plan and gender-responsive procurement guidelines, both endorsed in 2022. In 2022, a presidential regulation provided a definition of women’s entrepreneurship, adding to the definition included in the NWFIS.²⁴ These initiatives were supported under ADB’s Promoting Innovative Financial Inclusion Program, a policy-based loan. ADB’s ongoing engagement with various government entities in the development of these policy initiatives will be incorporated into the WE DATA program. Notably, the update of the NWFIS, which ADB is supporting in 2023–2024 as part of the above-mentioned policy-based loan, will include a priority theme about the We-Finance Code.

Indonesia’s path towards creating a more conducive policy environment which supports women entrepreneurs has been showcased in their recent global leadership roles. This includes Indonesia’s role as President of the G20 in 2022; the G20 Ministerial Conference (supported by ADB with the participation of Indonesia’s Finance Minister, Sri Mulyani) on Women included a high-level session on women’s entrepreneurship (supported by ADB) and the Global Platform for Financial Inclusion (GPFI) also included a presentation on the WE Finance.²⁵ This high-level engagement on women’s entrepreneurship has continued during the country’s chairing of ASEAN in 2023.

SRI LANKA

Sri Lanka has a long-standing commitment to women’s financial inclusion and entrepreneurship support, which has persisted despite the economic crisis. The prioritization of women’s financial inclusion and entrepreneurship reflect the government and CBSL’s acknowledgment of the importance of women entrepreneurs for GDP growth and recovery, which has emerged as acutely significant in the current economic context. Sri Lanka was selected on the basis of its long-standing achievements on women entrepreneurship initiatives, including the overachievement of We-Fi program targets, and the opportunity to position women’s entrepreneurship strategically as an important vector for growth and economic resilience in the current context. ADB will mobilize its existing senior-level partnerships with the government, as well as development partner, the International Monetary Fund (IMF), to integrate WSMEs as a focus area in national reform efforts.

²³ Financial education, public property rights, financial distribution channels, financial services and the government sector, consumer protection, policies and regulations, and financial information technology infrastructure

²⁴ Presidential regulation no 2/2022 on the National Entrepreneurship Development.

²⁵ [W20 \(w20indonesia.org\)](https://www.w20indonesia.org)

In Sri Lanka, only 14% of formal SMEs are owned by women. In the formal SME category, women-led accounts only around 7% given many businesses led by women are informal. The effective financing gap is not only \$0.4 billion for formal SMEs led by women but needs to factor in significant informal potential demand of \$14.2 billion.

There are several policy frameworks that highlight Sri Lanka's commitment to women's financial inclusion and WSMEs. In Vision 2025, the Sri Lankan Government outlined its plans to i) enhance of the role of SMEs in economic development, (ii) support financial inclusion for SMEs, (iii) encourage evolution in the lending habits of financial institutions from collateral-based to cash flow-based, (iv) improve revenue for SMEs, (v) increase potential for gains from export-oriented business-making, and (vi) promote overall economic improvement that will lead Sri Lanka towards upper middle-income status. The National Financial Inclusion Strategy for Sri Lanka 2021–2024 similarly prioritizes women's financial inclusion and sex-disaggregated data collection.

In 2017, Sri Lanka announced the first National Policy Framework for SME Development that recognizes the importance of SMEs for national growth and identifies women as a key target group to receive targeted and preferential support.²⁶ Women's entrepreneurship is also covered by the Ministry of Women and Child Affairs, which offers microcredit support programs.

The CBSL promotes financial inclusion through policy guidance and regulatory measures, such as (i) directions to banks to open new branches and Automated teller machines in rural areas to enhance physical access to banks and (ii) the expansion of banks' targeted lending to priority sectors. The CBSL has imposed a mandatory lending target on licensed banks for the agriculture sector, at 10% of the bank's total loan portfolio. In 2017, it urged licensed banks to increase their credit provisions to the following targeted segments—10% each to SMEs, exports, and tourism activities; 10% for agriculture; and 5% each for youth and women credit needs.

The government has also committed to increasing female labor force participation, including women's entrepreneurship as a response to the crisis. This has also been identified as a priority area for supporting gender equality by the IMF.

Through the gender gap assessments and knowledge work carried out as part of the existing We-Fi program, CBSL recognized the need for a national women-owned business definition. In 2021 they requested an ADB policy analysis on existing international definitions with recommendations. Due to coronavirus disease (COVID-19) pandemic and the adverse macro-economic situation, CBSL could not carry out any consultative process to finalize Sri Lanka's women-led business definition. CBSL has recently renewed its interest: in March 2023, it has issued guidelines to all commercial and development banks to report on the sex disaggregated data including the data on non-performing loans. The banks to report the data started from 31 March 2023. CBSL has also renewed its request to ADB for direct support on integrating a definition of women-owned business in reporting templates and frameworks, and for data analytics. This reflects the ongoing prioritization of the WSME sector by the CBSL, and a key factor in their selection for the program rests on both their readiness, prior performance and commitment.

D. Stakeholders & Key Partner Readiness:

Across the three countries, a dedicated program team will be established consisting of dedicated program manager, international and national gender and finance sector specialists, who will be

²⁶ Ministry of Industry and Commerce. Government of Sri Lanka, *National Policy Framework for Small Medium Enterprise Development*.

overseen by country and regional teams across ADB's Gender Equality Division, Finance Sector Office, and Private Sector Department, and the country offices for Fiji, Indonesia, and Sri Lanka. Partnerships with national and regional partners will be pursued to leverage and create further synergies.

Fiji

- *Reserve Bank of Fiji*: The RBF is Fiji's central bank, responsible for monetary policy as well as leading on financial inclusion policy development. Ms. Wati Seeto, Manager of Financial Inclusion and Market Conduct, with her team lead the National Financial Inclusion Strategy for Fiji, and the related gender activities. They have been consulted in the preparation of this proposal. The RBF will be a key champion of the WE DATA program.
- *Ministry of Women, Children and Poverty Alleviation*: The Ministry leads on women's economic empowerment programming in Fiji and is foreseen to be a key champion. The new Permanent Secretary (PS) (as of 3 July 2023) is also the Chairperson for the Women's Entrepreneur Business Council and was previously a Senior Manager on women's markets at Westpac Suva, and a powerful advocate for women entrepreneurs and gender equality in the country. ADB has already briefed the Ministry on this proposal and will approach the new PS to be the national Champion.
- *Ministry of Finance*: The Permanent Secretary for MOF was briefed on the pilot code at the country programming mission wrap-up on 7 July 2023 and is supportive of the initiative. The Ministry is the focal for mission clearances and can support cross-Ministry and stakeholder consultations. The MoF is also responsible for helping develop a robust and inclusive financial sector through policy setting, improving the institutional setting, supporting ease of doing business, and coordinating financing for government-supported grant and credit schemes.
- *Women Entrepreneurs Business Council (WEBC)*: This Council, a part of the Fiji Commerce and Employers Federation, has a vision of 'Women Entrepreneurs Invigorating the Nation'. Its mission is 'Advocating Sustainable Practices for Women Entrepreneurs'. WEBC members comprise women entrepreneurs and women in the corporate world striving together to be inclusive and focused on the needs of women.
- *Ministry of Trade, Cooperatives and MSMEs*: The Ministry is engaged in developing MSME policies and guidance, including a proposed MSME bill (with the support of ADB). ADB has already consulted with the Permanent Secretary and Director for MSMEs, who expressed their commitment to this pilot.

Other national stakeholders (not yet directly consulted);

- *Fiji Chamber of Commerce and Industry (FCCI)*: FCCI provides a forum for businesses and other organizations to examine and better comprehend the nature and significance of the major shifts taking place in the Fijian economy. FCCI aims to promote a positive environment for business and to defend the rights of entrepreneurs. It serves as a bridge between the private sector, government and various stakeholders, active in economic development.
- *Fiji Commerce and Employers Federation*: Fiji's National Private Sector Organization. Promotes good governance and leadership, excellence and innovation; undertakes data surveys; provides training and workshops to businesses.
- *Women in Business*: WIB advocates for women entrepreneurs, provides business skills and management trainings.
- *Fiji Indigenous Business Council*: Represents members of the Fiji indigenous community engaged in business or commerce in Fiji

- *Fiji Business Disaster Resilience Council (FBDR)*: FBDR hosted by the Fiji Commerce and Employers Federation (FCEF), provides a coordination mechanism for the private sector to engage with the Government and partners on resilience building, response and recovery activities. The Council supports businesses, particularly small and medium-sized enterprises (SMEs), to strengthen their resilience by providing training, tools and guidelines.
- *Business Assistance Fiji (BAF)*: BAF was born out of the pandemic. The Fijian government requested four agencies to assess MSME applications for the concessional loan scheme introduced during the pandemic. It included the Fiji Chamber of Commerce & Industries, Fiji Commerce & Employers Federation, Fiji Institute of Accountants, and Women in Business Fiji. The arrangements worked efficiently. Given its success, the arrangement was formed into an entity to provide ongoing assistance to the MSME sector. BAF was registered in November 2021 as a limited by-guarantees company. It will promote and facilitate equitable access to business advisory services, subsidies, and grants for all eligible MSMEs. BAFs efforts will particularly target women, youth, and disabled-led MSMEs, as well as those located in remote areas and underserved growing industry sectors

Development Partners:

- *Pacific Private Sector Development Initiative (PSDI)*: This DFAT-funded ADB initiative is actively working across the Pacific to support private sector development, with one pillar on women's economic empowerment. ADB and the PSDI gender team have already discussed collaboration across Component 1.²⁷
- *Alliance for Financial Inclusion*: AFI is a global leader in financial inclusion policy and regulation, supporting its 87 member countries with in-country technical assistance and other initiatives to formulate and implement sustainable and inclusive policies. ADB and AFI have discussed coordinating efforts in Fiji, which is a member of the Working Group on Women's Financial Inclusion. ADB and AFI will leverage potential knowledge-sharing events across the Pacific region to promote the WE Finance Code, and Fiji's pilot experiences.
- *Pacific Islands Private Sector Organisation*: PIPSO headquarters is Fiji-based and provides business to Business connections in Pacific, training and workshops, and assists businesses with funding and technical assistance.

Indonesia

- *Ministry of Finance (MOF)*: The MOF has publicly declared its interest in working with the ADB and the IsDB on the pilot Code following consultations on the program proposal. ADB has already started consultations with MOF to have the Minister of Finance, Sri Mulyani, as the national Champion for Indonesia.
- *Bank Indonesia*: Bank Indonesia is the central bank which is responsible for monetary policy and supervision of the payment sector and will be a key partner and champion of the Code. BI is actively engaged in financial inclusion, financial consumer protection, and financial literacy initiatives. ADB has already discussed with Bank Indonesia, who have expressed a strong interest in taking part in the Code.
- *The Financial Services Authority (OJK)*: OJK is responsible for regulating and supervising the financial services sector. OJK is actively engaged in financial inclusion program implementation with ADB under the ongoing PIFIP program. ADB has already discussed with the OJK, who have expressed strong interest in taking part in the Code.

²⁷ www.pacificpsdi.org

- *The National Council for Financial Inclusion (DNKI)*: DNKI is coordinating the National Financial Inclusion Strategy implementation under the Coordinating Ministry of Economic Affairs and will be an important champion of the code. ADB will discuss their role in helping to coordinate the sector ministries for consultations, FGDs, and workshops under Component 1.
- *Ministry of MSME and Cooperatives*: ADB has already discussed with the Ministry, and they have expressed strong interest in participating in the Code's consultations and implementation.
- *Ministry of Women and Child Protection (MOWCP)*: The Deputy Ministry of MOWCP, Mrs. Lenny Rosalin, expressed strong support for the initiative, and has been a long-standing advocate for sex-disaggregated data in the finance sector. The MOWCP, as a member of the DNKI, will play an important coordinating role as well as providing technical inputs on Component 1.

Other local partners (not yet consulted):

- *National Bank Association of Indonesia (Perbanas)*: This is one of the most prominent bank associations of Indonesia. Consultation will commence in the early stage of the program to ensure engagement and inputs on the design across all three components of WE DATA program.
- *Association of Regional Development Banks (ASBANDA)*: ASBANDA is participating in the ongoing EIFIL program supported by ADB and OJK.
- *Indonesia Fintech Association (AFTECH)*: AFTECH is a self-regulatory organization which facilitates the development of the fintech sector and has also been collaborating with ADB on financial inclusion programming.

Development partners:

- *Islamic Development Bank*: ISDB and ADB have intensively consulted and discussed the design of the program for Indonesia to ensure a holistic approach. This includes sharing of ADB's sex-disaggregated data guidelines prepared for Indonesia (2022) and all key events (annual and kick-off events) will be coordinated together.
- *Indonesia-Australia Partnership for Economic Development (Prospera)*: ADB and Prospera have been closely working on women's financial inclusion, and will collaborate across Component 1 and 2, with a particular focus on the national-level consultations as well as business case development where Prospera's policy research work on SMEs and economic empowerment will help inform evidence-based discussions on the potential of the Code. Prospera will also be a coordinating research partner on the proposed research agenda.
- *Investing in Women (IW)*: IW is an initiative of the Australian Government and catalyzes inclusive economic growth through women's economic empowerment in Southeast Asia. IW and ADB have already discussed collaboration on knowledge-sharing events with IW investor firms with the potential to crowd in their partners into the Code.

Sri Lanka

- *Ministry of Finance, Department of Development Finance (DDF, MOF)*: Implementing Agency and proposed co-champion for the national WE Finance Code in Sri Lanka. DDF, MOF is the implementing agency of the existing We-Fi program and ADB SME credit line. The main mandate of DDF is mobilizing the financial resources and removal of the market impediments for the development of the MSME sector. DDF works closely with both banks

and non-bank financial institutions. ADB has consulted with DFD, who have confirmed interest in the Code; they will be the main co-ordinator and co-champion.

- *Central Bank of Sri Lanka (CBSL)*: The CBSL who regulates the banks, nonbanking financial institutions and primary dealers, will be a champion of the Code. ADB will be briefing them on the pilot in a forthcoming mission (July 2023). ADB will propose the Governor of the CBSL as the national Champion for Sri Lanka.
- *Existing financial institutions of We-Fi program*: ADB will engage with the existing network of banks in Sri Lanka under the We-Fi Program for all three Components. These banks cover a majority of the entire banking system in Sri Lanka and include: People's Bank, Bank of Ceylon, Regional Development Bank (RDB), Nations Trust Bank, National Development Bank (NDB), DFCC, Seylan Bank, Hatton National Bank, Commercial Bank, Sampath Bank, Union Bank, Pan Asia Bank, Sanasa Development Bank. Four of these banks have undergone gender gap assessments, accepted recommendations, and already started innovating with new WSME products and services. These banks are expected to be early signatories of the Code in Sri Lanka, and strong FI champions.
- *National Enterprise Development Agency (NEDA)*: Existing partner in the We-Fi program The National Enterprise Development Authority (NEDA)²⁸ functioning under the Ministry of Industries, supports, encourages and facilitates enterprise development within Sri Lanka with special emphasis to Micro, Small and Medium Enterprise (MSME) sector. Over the years, NEDA has initiated various programmes, projects and activities from the Divisional Secretariat level for the SME community. NEDA, through a vast network of offices across the country, provides services such as business development, financial facilitation, marketing linkages, research & development and infrastructure development support to entrepreneurs and Business Development Service (BDS) providers. NEDA owns and manage the SME connect platform which was develop from We-Fi assistance. Gender gap assessment for NEDA was also conducted and recommendation was accepted by NEDA. NEDA has the knowledge to contribute for policy discussions and make awareness among women entrepreneurs.

Other local partners (not yet consulted):

- *Sri Lanka Bankers' Association (SLBA)*: SLBA is the umbrella body that brings all Sri Lankan banks together, stands ready to support all stakeholders on this common vision through the sustainable bank initiative. SLBA promotes sustainable finance initiatives in Sri Lanka.
- *Industrial Development Board (IDB)* is a statutory body under the Ministry of Industries, empowered by Industrial Development Act No.36 of 1969. IDB is the state organization entrusted with the responsibility of development of the Industrial Sector in Sri Lanka. IDB encourages and facilitates enterprise development in the country with special emphasis on the Micro, Small and Medium Enterprise (MSME) sector. Providing technical know how, entrepreneur development are main functions of IDB. Gender gap assessment for IDB was also conducted and recommendation was accepted by IDB.
- *Industrial Technology Institute*: ITI is a statutory board and under the per view of Ministry of Science, Technology and Research. ITI provide services in areas of Research & Development and product testing, and technical services for industries, which includes training for MSMEs. ITI provides services to firms involved in businesses for local and export markets.
- *Federation of Chamber of Commerce (FCCSL)* : FCCISL is an apex body of Chambers and associations commerce and industry, registered under the Companies Act.

²⁸ [National Enterprise Development Authority \(neda.gov.lk\)](http://neda.gov.lk)

Representing business community of the country in regional, national, and international forums, its main functions include organizing trade fairs/ exhibitions, exchanges, trade facilitation and promotion of joint venture. FCCISL has a nationwide membership, directly and indirectly to over 25,000 business units: 63 bodies are members of the Federation. As a result of this depth and diversity, the FCCISL is a representative body at the helm of affairs of the private sector in Sri Lanka. It has an expanding membership of enterprises drawn from large, medium, small and tiny segments of manufacturing, distributive trade and services. Eight of the member chambers are either women's chambers or have a women's wing.

- **National Chamber of Commerce (NCCSL):** National Chamber of Commerce of Sri Lanka (NCCSL) is a not-for profit entity and an apex body of Chambers and associations of commerce and industry, registered under the Companies Act. Representing business community of the country in regional, national and international forums, its main functions include organizing trade fairs/ exhibitions, exchanges, trade facilitation and promotion of joint venture. Chamber had emerged as the leading trade and industrial promotion body and acts as the focal point for member companies representing industry, trade and commerce in Sri Lanka. The Vision of NCCSL is to be the leading source of services and assistance to businesses countrywide for promotion of domestic and foreign trade with special emphasis on the development of SMEs.

Development partners:

- *International Monetary Fund (IMF):* The IMF has approved a program with Sri Lanka in March 2023; ADB is providing co-financing of \$350 million, which was approved in June 2023. At present, there are no prior actions focusing on women entrepreneurs within the program, and the IMF and ADB gender equality and country teams have agreed to coordinate and work together to identify means of supporting women entrepreneurs' policy development through this WE DATA initiative.

C. IP Readiness/Track Record

ADB has a strong track record in advancing women's financial inclusion and entrepreneurship across Asia and the Pacific, including in the specific three countries of the proposed WE DATA program. ADB has two successful We-Fi funded programs in Sri Lanka (approved in 2018) and in Viet Nam and the Pacific (approved in 2019); in addition, we have a large portfolio of women entrepreneurship support that covers a) supporting women MSMEs' access to finance through financial institutions in both sovereign and nonsovereign transactions; b) providing advisory services to financial institutions to strengthen their gender-responsiveness, including through their HR and internal policies, as well as development of tailored financial products and services for women; c) supporting the enabling environment for women entrepreneurs through policy reforms covering capital markets, trade fiscal policies as well as MSME development; and d) providing other innovative financing vehicles to directly and indirectly support women entrepreneurs, such as through ADB's Trade Finance and Supply Chain program and ADB Ventures (which sets targets for investments in female start-ups). Targeted financial and digital literacy programs for women and other digital finance tools that benefit women have also been developed in our markets.

Each proposed WE DATA program country was also identified based on ongoing or pipeline programs (approval late 2023) that address entrepreneurship development or finance sector reforms. This will facilitate the early and quick implementation of the WE DATA in each of the programs as the implementing partners and counterparts have already been identified and

consulted as part of these wider processing frameworks, and ADB will also be able to further mobilize and leverage these policy reform levers to support the outcomes of the WE DATA program.

Specific information on how this overall approach to women's entrepreneurship and financial inclusion applies to each of the three selected pilot countries are provided below:

Fiji

In Fiji, ADB is a key development partner to the government on macroeconomic, financial and infrastructure priorities of the country. In the current Country Partnership Strategy (CPS) 2019–2023, there is a strong focus on private-sector led development, which encompasses the SME sector, as well as prioritizes gender equality and women's empowerment, which is one of ADB's operational priorities. To this end, ADB technical assistance for capacity development, policy advice, and research and development has been supporting entrepreneurship-related initiatives targeting women. Regional technical assistance supporting MSME pandemic recovery is continuing work on MSME policy and legislation development, MSMEs access to finance, MSME agency institutional strengthening and targeted capacity development for 19 MSMEs, of which seven are women-owned and managed. National Business Advisors with local knowledge, context and engagement were contracted to provide direct business development services to MSMEs.²⁹ As part of this business development services, selected MSMEs are profiled for their readiness to adopt a gender equality action plan.

ADB's Private Sector Development Initiative (PSDI) has been supporting improvements to the business regulatory environment through secured transactions reform and the design, procurement, and implementation of an accompanying online registry which is now seeing the gradual expansion of online business services. The adoption and implementation from May 2019 of the secured transactions framework and activated Personal Property Securities Registry, allows loans to be secured against movable assets. At the end of 2022, 75,104 cumulative notices of security interests had been registered and notable increase in female registrations from 1,069 in 2020 to 1,500 in 2022. PSDI also assisted in creating an enabling environment for alternative finance and capital-raising opportunities for SMEs.³⁰ PSDI has also engaged in Fiji on a range of women's economic empowerment programs. This includes supporting an assessment for the RBF focusing on increasing the 'usage' of formal financial services by selected target groups—women, youth, persons with disabilities, rural and maritime communities, and MSMEs. Once completed, a gender-inclusive finance roadmap is planned to be developed. In addition, at the regional level, the PSDI gender team was able to support the Pacific Islands Investment Forum's (PIIF) annual Chief Executive Officer Forum, where minimum standards on gender-related data collection among its members were endorsed. Although in an early stage, under the WAVES program interested financial institutions will be supported to improve their digital lending services to women entrepreneurs. Gap assessments for one institution have been completed and a pilot is currently being discussed.

²⁹ ADB. [Regional: Supporting Recovery by Micro, Small, and Medium-Sized Enterprises in the Pacific from the Effects of the COVID-19 Pandemic](#). (TA6686).

³⁰ ADB. [Regional: Pacific Private Sector Development Initiative, Phase IV](#). (TA9848).

Indonesia

ADB has a long history supporting the finance sector development in Indonesia. This includes support for the government efforts to enhance financial inclusion. In 2005, ADB supported expansion of access to credit for MSMEs under the Earthquake and Tsunami Emergency Support Project. ADB's Financial Market Development and Inclusion Program (FMDIP) during 2015–2019 supported the launch of National Financial Inclusion Strategy covering women's access to finance, and the establishment of the National Council for Financial Inclusion (DNKI) chaired by the President to facilitate high level coordination of government's financial inclusion agenda.

Most recently, ADB provided dedicated support for financial inclusion under the Promoting Innovative Financial Inclusion Program (PIFIP) with an enhanced focus to create a gender responsive financial sector as well as policy environment in Indonesia. PIFIP Subprogram 1 approved in 2020 supported the development and launch of National Women's Financial Inclusion Strategy – Indonesia becoming the first country in the world to adopt a dedicated financial inclusion strategy for women. The strategy supported a time-bound action plan with targets, adoption of first national definition of businesses owned and/or led by women, and establishment of Women's Financial Inclusion Network at the DNKI level. PIFIP Subprogram 1 also supported OJK to establish the Eastern Indonesia Financial Innovation Lab (EIFIL). The EIFIL program supports the Regional Development Banks (BPDs) to identify and deploy more innovative technology solutions in partnership with the fintech industry to extend access to credit by MSMEs owned by women and youth in Eastern Indonesia. PIFIP Subprogram 2 approved in 2022 supported the implementation of the National Women's Financial Inclusion Action Plan to support women owned SMEs (WSMEs) in collaboration with the Ministry of Women's Empowerment and Child Protection, OJK, and the National Procurement Planning Agency. This includes the endorsement of new requirements for financial service providers to report sex-disaggregated data to facilitate the adoption of WSME client outreach strategies and training programs, gender responsive procurement guidelines, and establishment of WSME framework as a road map for both government and financial services providers to support the future development and growth of WSMEs. In addition, Subprogram 2 supported OJK to introduce an innovation accelerator program through EIFIL and established pilot partnerships among three BPDs and three fintechs on e-KYC, innovative credit scoring, and agriculture lending to increase flow of credit to MSMEs with priority given to those owned and/or led by women and youth.

In support of all these initiatives to promote WSMEs in Indonesia, sex-disaggregated data continues to play a critical role. In coordination with the Ministry of Finance, Bank Indonesia, OJK, and the DNKI, ADB is currently working on the implementation of the sex-disaggregated data guidelines as part of the support under the PIFIP Subprogram 3 planned for approval in 2024. Hence, the WE DATA program will highly complement ADB's support for the government priorities to promote women's financial inclusion and entrepreneurship in Indonesia.

Sri Lanka

ADB has been supporting the government of Sri Lanka on SME development, including with a focus on women's entrepreneurship, since 2016. With the World Bank and the IMF, ADB is a key development partner supporting the government of Sri Lanka to overcome the ongoing economic crisis through a range of policy based programmatic and budgetary support measures, and investments in supporting social protection and livelihoods along with technical assistance. These programs follow ADB's operational prioritization of gender equality, and have included strong gender targets to reach women and women entrepreneurs.

ADB's investments in women's entrepreneurship include several investment projects in both sovereign and nonsovereign transactions on SME financing which have set targets for WSMEs. The flagship ADB women's entrepreneurship project in the country, supported by We-Fi, is the "Enabling an Empowering Business Environment for Women Entrepreneurs". 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. The program has overachieved on its access to finance targets, with over 600 women SMEs accessing finance. This overachievement in a backdrop of economic instability and political changes, reflects the strong governance structures and program design to mitigate risks and promote business continuity. The program was also able to overachieve in its outreach and advisory support to both partner financial institutions (three additional banks have joined the original 10 partner banks in the program), as well as government agencies (three additional government agencies requesting gender gap assessments through the We-Fi program). The partner banks will be mobilized for all components of this WE DATA Program, and the long-standing relationships with these banks will also ensure a quick and established baseline to start the pilot in Sri Lanka. Some of these banks have also already undertaken a gender gap assessment, and thanks to We-Fi exposure, started to diversify their products and services to tailor to the female market. The WE DATA program will broaden and deepen this engagement with both government agencies and financial institutions.

III. IMPACT AND LEARNING

A. Sustainable Beneficiary Impact

The WE Finance Code pilot responds to the growing acknowledgment that siloed approaches to women's entrepreneurship are not adequately addressing the systemic challenges confronting women-owned businesses in developing economies. Looking at demand-side challenges, such as women's access to finance or skills, often are not accompanied by attention to the enabling environment. For this reason, ADB has been designing its women's entrepreneurship programs to have an eco-system approach, in recognition that holistic approaches that combine incentives, regulations, and capacity-building and knowledge help transform markets in favor of women-owned/led SMEs.

The WE DATA program will capitalize on the pilot program to deep-dive its efforts on policy dialogue, capacity-building, and knowledge-sharing. Across the three markets selected for the program, women entrepreneurs remain locked in microentrepreneurship or in informality, and unable to graduate. Their specific challenges to start or grow their businesses are often overlooked by policymakers, regulators as well as financial institutions and investors due to the lack of data capturing both their market potential, and their specific needs in terms of market development or policy targets and resources.

The focus of the WE DATA program will be for this reason on WSMEs, who are currently less visible across the ecosystem. Policies and financing programs targeting women's microenterprises already exist across the three programs (cf. In Indonesia's KUR program); for the first time, a high-level national program bringing together all the key eco-system players to discuss WSMEs will be a gamechanger in how these women are perceived by markets, governments and the regulator.

There are several major outcomes from the proposed WE DATA program. First, national partners across both private and public sectors will benefit from a focused forum to discuss in detail the various issues in women's entrepreneurship; these discussions are often limited, one-off, or

siloed, without all stakeholders present. Second, national institutions and partners will benefit from direct capacity-building and knowledge-sharing from international experts who will be commissioned to provide global experience and know-how on various topics; Third, financial institution partners will benefit from the development of new data analytic tools to enhance and inform their product/service delivery for WSMEs. This will help to improve their capacity to attract a vital new market, and improve their own business propositions for the WSME market. Finally, the cumulative effect will be an increased recognition of the market value of WSMEs and widely accepted business case that investing in WSMEs is strategic for businesses and economies. The proposed outcome indicators and methodology will capture these intended effects of the WE DATA program.

The working definition of MSMEs will follow national definitions. All three countries have recently established national definitions. In Indonesia, where there are proposed investments, the national definition of SMEs is proposed to be used due to alignment with existing national processes and financial partners' data systems.

B. Results Framework

The WE DATA program will introduce a measurements framework tailored at the programmatic level as well as at each country-level, using national baselines. The proposed measurement indicators are below; some are modelled on the We-Fi results framework, which is also presented as a separate Annex.

A monitoring and evaluation (M & E) focal will be established within each country team, and as these activities will also be aligned with ADB's programmatic policy work in each country, will also be tracked within those systems to ensure progress. There will be one M & E focal within ADB headquarters to oversee progress of the entire WE DATA program.

Data collection will use existing national surveys (e.g. labor force surveys, business surveys, household surveys, business registration data) as well as the World Bank's Enterprise Survey, and ADB's SME Monitor. As part of Component 1, representatives from national statistical agencies will be invited to the national steering group and consultations/workshops in order to identify technical inputs on appropriate national mechanisms for data collection and reporting, building on existing national processes where possible. Under Component 3, digital solutions will be offered to financial institutions through the FIT program, which can cover data collection challenges if this is a problem identified by the financial institution.

Impact: Increase in % of women-led SMEs as a % of all SMEs per country (Source: National reports and surveys (e.g. labor force surveys, household surveys, business surveys; World Bank Enterprise survey)

Outcome: By 2030, XX% increase in new financial products and services for women and girls (annual); By 2030, XX% increase in women-SMEs accessing finance; (Source national reports and surveys (e.g. labor force surveys, household surveys, business surveys; ADB SME Monitor)

Component 1: By 1 July 2025, # of new regulations, laws, or guidance on sex-disaggregated data drafted and developed; # of countries with new definitions of women-led businesses adopted or developed; # of government agencies, civil society organisations and corporations who become Code signatories ;% of participants in WE DATA program consultations who report increased awareness of gender challenges in WSME finance (regular qualitative surveys of participants; bi-annual national reports)

Component 2: By 1 July 2025, # of financial institutions who have undertaken gender gap assessments; # of financial institutions who have committed to new financial products for women; # of financial institutions who have become Code signatories; and # of financial institutions who report annually on WSMEs (FI quarterly reports to ADB; bi-annual reports from program team to ADB)

Component 3: # of new digital finance solutions developed for women; # of peer-learning and knowledge-sharing events (bi-annual national reports)

1. *Indirect Impact Indicators:*

ADB will develop a methodology, applied to all three countries, that will draw on a combination of quantitative and qualitative measurements. The draft methodology will be presented to national steering committees for their feedback and inputs; and a final methodology will be determined by the end of six months. ADB will also seek inputs from the We-Fi Secretariat and other Implementing Partners to ensure that ADB's methodology incorporates best practice from different contexts. This will include the following:

a) prior portfolio performance of ADB clients who have benefited from gender-specific advisory services and/or blended investments and other financial incentives to identify the percentage increase of WSMEs in their portfolio post-investment versus baseline;

b) established baselines of WSME in potential Code partner financial institutions with available data by volume and number;

c) estimated impact of new products and services from financial institutions signing up and fully committing to the Code, as measured by new WSME clients; and

d) existing market data on number of WSMEs at the national level

The methodology will seek to project annually, and over an initial five year projection, how the Code will lead to increased investments in WSMEs. It will also factor in negative exogenous shocks such as climate-related shocks or economic downturns/instability; as well as the potential returns of increased business registration of women-owned businesses due to the Code (and other related business streamlining processes at each country level).

2. *Custom Indicators:* Additional custom indicators proposed by the IP.

ADB will discuss at the country level with each national steering committee during early-phase consultations on inclusion of additional custom indicators that could be tailored to each country context.

A. *Learning Agenda:* Itemize and describe any data analytics, research and impact evaluations (rigorous or otherwise) to be undertaken, including their implementation timeframe. Explain how they would help to build the evidence base, support the business case, improve the understanding of good practice, or test the WE Finance Code pilot approaches. Indicate how the learnings from the pilots could be applied to other similar economies and/or in the region and indicate how the IP will publicly disseminate lessons learned and the findings from research/evaluations for this purpose.

The WE DATA program will work with Financial Institutions and public sector partners to improve their data analytics through in-country workshops and online webinars conducted on WFX. The

purpose of these sessions will be to ensure that new data generated can be used to inform either new policies or services and products, and better serve as an accountability mechanism.

In addition, the WE DATA program will conduct research in Indonesia and Sri Lanka to evaluate the impacts of transmission channels of the national Code on shifting the behaviours of financial institutions. The preliminary research question being developed currently by ADB and leading researchers from the region proposes to track and compare the national Code indicators over time between branches/regions where the Code is implemented (“treatment”) more proactively (e.g. incentives for loan officers), against control branches/regions where status quo is maintained. The research will identify the channels through which the impacts go through: e.g. through improvement of the quality of information about the returns and risks of investing in women-owned/led SMEs, through improvement in data infrastructure and governance in the FSPs, and/or through externalities enjoyed by WSMEs that are not directly covered by the Code.

IV. KEY RISKS AND MITIGATION MEASURES

A. The Implementing Partner is responsible for ensuring that activities in this proposal are executed in accordance with the IP’s policies and procedures.

The overall risk rating for the program is low.

ADB has a proven experience implementing projects with our developing member countries in the finance sector which informs the program design and implementation arrangements. The program is also continuation of ADB’s successful implementation of We-Fi activities and we will build on strong engagements with the public and private sector partners. Stakeholders from the government, private sector, and other local stakeholders have been consulted to ensure that the program is in line with domestic priorities. ADB will ensure that the program activities will be implemented following ADB procedures and will use its project monitoring and evaluation tools to ensure timely completion of activities and immediately identify and address potential issues.

Political, Social and Governance Risks also remains low for all DMCs. The program is not expected to be influenced by the upcoming 2024 elections in Indonesia given the country’s well-established support to women’s financial inclusion. The Ministry of Finance of Indonesia has stressed the importance of the WE Finance Code in the recent Global Partnership for Financial Inclusion workshop. In Sri Lanka, the ongoing success of the 2018 approved We-Fi program, despite the numerous economic and political challenges that have confronted the country, is testament to the strong governance structure put in place by ADB, and ongoing commitment to women’s entrepreneurship by the government. In Fiji, there are no perceived risks: there are no upcoming elections or risks of change in prioritization of women entrepreneurs, given that the issue is included in the National Financial Inclusion Strategy 2022–2030.

ADB carries out risk assessments of these sectors in its country partnership strategies which will be able to guide planned activities within the program. As ADB has an extensive working relationship and regular engagements with the governments, we will be able to monitor any possible implementation challenges. Following standard operating procedures, ADB will obtain the required approvals from the government prior to implementation of any project.

Fiduciary risks may be possible but project partners are expected to follow ADB policies and procedures and thus will keep the risk level low. Government partners have been involved in other ADB loans, indicating a strong capacity to perform in accordance with ADB financial policies.

Nevertheless, ADB will undertake integrity and financial due diligence to ensure partners' capacity for financial management, transparency and alignment with ADB's policies.

For the ongoing economic issues in Sri Lanka, ADB is a partner with the IMF and the World Bank on the Extended Fund Facility program, which is supporting macroeconomic reforms and strengthening economic resilience. This will be complemented by additional policy-based loan from ADB looking at economic resilience and working closely with the regulator and financial institutions to return to a growth scenario. ADB is involved in country coordination team with the IMF and the World Bank to ensure coordinated approaches to supporting the government overcome the current crisis.

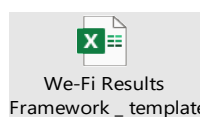
Environment and Social Safeguards/Standards are also foreseen to be unlikely since the program will be implemented in full compliance with ADB's Safeguard Policy Statement which requires partners to comply with national labor standards, non-discrimination and a culture of zero tolerance for sexual harassments and environment safeguards. ADB will carry out a comprehensive safeguards evaluation to validate the partners' safeguards mechanisms. ADB will also regularly conduct safeguards monitoring to ensure compliance.

V. Attachments

The following should be completed and submitted as part of the proposal

Attachment 1: WE Finance Code Concept

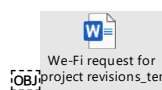
Attachment 2: We-Fi Results Framework



Attachment 3: Risk Framework



Attachment 4: Funding Reallocation Template (if applicable)



Attachment 5

WE-FI FUNDING REQUEST (Indonesia)

USD	Year 1	Year 2	Total
Investment Activities	80,000	120,000	200,000
Advisory / Technical Assistance	272,694	409,043	681,737
Grants to WSMEs	83,200	124,800	208,000
Research & M&E	143,200	214,800	358,000
Administrative Fee	28,955	43,432	72,387
Total We-Fi Financing Requested	608,049	912,075	1,520,124

PROGRAM COST & CO-FUNDING: (Indonesia)

Sources of Financing		Amount
We-Fi financing requested	(A)	1,520,124
IP Contribution [1]	(B)	48,112,600
Public-sector co-funding [2]	(C)	0
Private sector co-funding [3]	(D)	0
Additional co-funding [<i>specify</i>]	(E)	500,000
Total Non-We-Fi Funding	(F)= (B+C+D+E)	48,612,600
Total Activity Size	(G)= (F+A)	50,132,724
Of which % IDA and % FCS	(IDA+FCS / G)	
Co-Funding ratio	(F/A)	31.98

WE-FI FUNDING REQUEST (Fiji)

USD	Year 1	Year 2	Total
Investment Activities	0	0	0
Advisory / Technical Assistance	124,660	186,989	311,649
Grants to WSMEs	44,133	66,200	110,333
Research & M&E	12,377	18,566	30,943
Administrative Fee	9,058	13,588	22,646
Total We-Fi Financing Requested	190,228	285,343	475,571

PROGRAM COST & CO-FUNDING: (Fiji)

Sources of Financing	Amount
We-Fi financing requested (A)	475,571
IP Contribution [1] (B)	50,586,035
Public-sector co-funding [2] (C)	0
Private sector co-funding [3] (D)	0
Additional co-funding [<i>specify</i>] (E)	0
Total Non-We-Fi Funding (F)= (B+C+D+E)	50,586,035
Total Activity Size (G)= (F+A)	51,061,606
Of which % IDA and % FCS (IDA+FCS / G)	
Co-Funding ratio (F/A)	106.37

A funding reallocation from WAVES is being requested to finance activities in Fiji. Please refer to Attachment 4.

WE-FI FUNDING REQUEST (Sri Lanka)

USD	Year 1	Year 2	Total
Investment Activities	0	0	0
Advisory / Technical Assistance	185,926	278,888	464,814
Grants to WSMEs	84,333	126,500	210,833
Research & M&E	112,334	168,500	280,834
Administrative Fee	19,130	28,694	47,824
Total We-Fi Financing Requested	401,723	602,582	1,004,305

PROGRAM COST & CO-FUNDING: (Sri Lanka)

Sources of Financing	Amount
We-Fi financing requested (A)	1,004,305
IP Contribution [1] (B)	200,017,745
Public-sector co-funding [2] (C)	0
Private sector co-funding [3] (D)	0
Additional co-funding [<i>specify</i>] (E)	0
Total Non-We-Fi Funding (F)= (B+C+D+E)	200,017,745
Total Activity Size (G)= (F+A)	201,022,050
Of which % IDA and % FCS (IDA+FCS / G)	
Co-Funding ratio (F/A)	199.16