

Inclusive Financing for Women Entrepreneurs: Promoting a Gender-Responsive Approach to Financial Inclusion¹

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Abstract: Access to finance remains a persistent obstacle to the inclusive development and growth of micro, small, and medium-sized enterprises (MSMEs) in the APEC region. This challenge particularly impacts women entrepreneurs in the informal sector, and it restricts the capacity and potential of their businesses to scale up and grow. This paper asserts that a key component for access to finance is to make financing options appear tangible, attainable, and applicable for informal women entrepreneurs and their businesses. Efforts to promote financial inclusion must incorporate a gender-responsive approach, that not only acknowledges the distinct needs of women entrepreneurs in APEC economies but seeks to meet them at their level of knowledge, awareness, and capacity to encourage the adoption of various forms of financing.

Reflecting on the implementation experience of two APEC-related projects executed by the Asia Pacific Foundation of Canada (APF Canada), this paper focuses on three key components of access to finance for informal women entrepreneurs: (i) knowledge of financing options, (ii) perceptions of personal ability in accessing finance, and (iii) the importance of networks and mentorship opportunities in enabling women to learn about financing options for their business. Using the APEC-Canada Growing Business Partnership, an international development project funded by the Government of Canada and implemented by APF Canada as a case study, this paper will explore these areas as they apply to informal women entrepreneurs in the APEC region. In addition, case studies of programs from the APEC Digital Best Practices for Formalizing Economies research initiative, funded by the APEC Business Advisory Council (ABAC) and APF Canada as the ABAC Canada Secretariat, will also be explored, to examine how digital programs and best practices could be used to enhance access to finance for informal women entrepreneurs.

Recommendations will be provided on the gender-responsive implementation of financial inclusion programs for informal women entrepreneurs in APEC economies, for the consideration of APEC bodies including the APEC SME Working Group and APEC Business Advisory Council, and for Peru's overall hosting effort, to provide a roadmap of the transition from the informal to formal economy.

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Introduction

Financing is a key foundation for the inclusive growth and development of micro, small, and medium-sized enterprises (MSMEs). Yet, across the Asia-Pacific Region, access to finance persists as a significant obstacle for MSMEs and often restricts the ability of enterprises, particularly those that are micro and small, from pursuing opportunities to formalize, scale up, export, and participate in supply chains.

Given the importance of supporting MSMEs to foster inclusive economic growth, access to finance and the financial inclusion of SMEs and microenterprises have consistently been policy priorities for the Asia Pacific Economic Cooperation (APEC). Since 1994, APEC ministers for SMEs have met annually to exchange perspectives on the state of SMEs throughout the APEC region. The most recent APEC SME strategic workplan of 2021-2024 identifies five priority areas, which, among others include access to finance and alternative financial solutions; SME access to international markets and global value chains; and inclusive capacity development towards digitalization. These priorities have been developed with the consideration of past documents, statements and overarching APEC goals in aims of championing the “inclusive development of sustainable, resilient and innovative SMEs” (APEC, 2024).

APEC’s work to ensure inclusive economic growth also necessitates the recognition of distinct experiences, opportunities and challenges faced by men and women participating in MSME entrepreneurship. According to the World Bank, the total MSME finance gap for women is estimated to be US\$1.7 trillion (International Finance Corporation, 2017). This gap is significant considering estimates that women entrepreneurs own over a fifth of micro-enterprises and a third of small and medium enterprises globally (World Economic Forum, 2023). Globally, women disproportionately face lower financial inclusion in comparison to men – a challenge that is further compounded for women operating in the informal economy. Such obstacles demand a holistic and inclusive approach for program implementation in APEC.

To effectively deliver access to finance programs for women entrepreneurs, especially those in the informal economy, a gender-responsive approach is necessary to make financing options appear tangible, attainable, and applicable to their businesses. Furthermore, given the distinct needs and circumstances of women entrepreneurs, programming must also consider the recipient's level of knowledge, awareness, and capacity to adopt various forms of financing, for longstanding and effective impacts on women-led and owned MSMEs in the region. Financing programs must therefore address the

‘demand-side’ barriers of women entrepreneurs related to their knowledge and perceptions of their abilities to access finance, through gender-focused market research, program design, planning, implementation, and monitoring and evaluation.

This paper takes a practitioners’ point of view on implementing a gender-responsive approach by assessing the implementation experience of MSME capacity building and financing programs implemented by the Asia Pacific Foundation of Canada (APF Canada), which is Canada’s designated APEC Study Center and Secretariat for the Canadian members of the APEC Business Advisory Council (ABAC).² These include the APEC-Canada Growing Business Partnership, an initiative funded by the Government of Canada that provides capacity building activities assistance to MSMEs in the APEC region, and the APEC Digital Best Practices for Formalizing Economies research initiative, co-funded by ABAC and APF Canada, which highlights best practices of digital programs and tools aimed at encouraging formalization in APEC economies. From the prospective of APF Canada as an implementing organization, this paper will examine how various APEC projects implemented by APF Canada aim to address three areas of capacity building for women entrepreneurs: (i) knowledge of financing options, (ii) perceptions of personal ability in accessing finance, and (iii) the importance of networks and mentorship opportunities in enabling women to learn about financing options for their business. Drawing on case studies from the APEC Digital Best Practices for Formalizing Economies research project, it is also argued that, together with a gender-responsive approach to programming, applications of best practices for digital financing programs can create more inclusive and accessible financing for women entrepreneurs.

This paper begins by providing an overview of the key challenges that informal women entrepreneurs face related to their access to finance, with a particular focus on challenges related to women’s knowledge and perception of their ability to successfully obtain financing. The following section will define what a ‘gender-responsive approach’ entails in the context of financial inclusion programs targeted toward informal women entrepreneurs. Subsequently case studies of programs that employ a gender-responsive approach, including the APEC-Canada Growing Business Partnership and regional examples highlighted in the APEC Digital Best Practices for Formalizing Economies research project will be examined. These case studies will be used to evaluate how a gender-responsive approach can be effectively integrated into financial inclusion programs for women entrepreneurs. The analysis will then

² APF Canada serves as the secretariat for Canada's APEC Business Advisory Council (ABAC) members, providing research, analysis, and administrative support for this forum.

identify best practices derived from these case studies. Finally, policy recommendations for how to use a gender-responsive approach to enhance financial access for women entrepreneurs will be offered.

Backgrounder: Challenges for Women Entrepreneurs with Access to Finance

MSMEs are recognized as a key engine of growth in the APEC region, accounting for 97% of businesses and employing more than 50% of the total workforce, contributing to an estimated 40-60% of national GDP in most APEC economies (APEC, 2024). Against this backdrop, a key component of fostering inclusive growth of MSMEs is the issue of financial inclusion, especially to enhance the economic participation and empowerment of women and other underrepresented groups.

Across the APEC region, women's access to finance is significantly shaped by social and gender norms regarding their participation in the labour market, ownership of assets, and management of household finances (Morsy & Youssef, 2018; Kopernik & IDEO.org, 2021). In some economies, these issues are further augmented by laws that discriminate against women, such as restricting their ability to sign a contract or register a business in their own name, and requiring the consent of male family members to apply for loans. Women entrepreneurs also consistently report difficulties in securing loans from formal financial institutions due to a higher evaluation of risk in comparison to men. Other key structural challenges that women entrepreneurs face include a lack of documentation of their business operations, high transaction costs in the process of looking for willing financing providers, inadequate collateral for loans, tedious requirements for applying to financing, and limited networks to gather information on financing options (Women's World Banking, 2015).

However, it is also important to note that many women may choose to not access formal financing options. In a study by Women's World Banking (2015), it was found that many women entrepreneurs prefer informal financing, such as loans from family and friends, due to their perception of its flexibility as compared to bank loans or reluctance to explore alternative options. Many also see informal financing options as sufficient for gradual business growth with low capital requirements.

Yet, this is often due to insufficient information or awareness of other financing options and of the opportunities and risks of each option. In a study of women entrepreneurs in Africa, it was found that major constraints for women entrepreneurs accessing financing were their low financial literacy, risk aversion, and fear of failure (Morsy, 2020). Still for others, a low perceived creditworthiness prevents many women from seeking financing that could enable their business to grow. Overall, financially literate entrepreneurs were found to make more informed financial decisions and objectively assess their creditworthiness.

Further compounding the financing challenge of women entrepreneurs is the issue of informality. Studies conducted by the World Bank (n.d.) found that women-owned businesses tend to be informal and home-based, as this arrangement offers the flexibility to fulfil their multiple roles including those of mother, homemaker, and business owner. Moreover, women frequently enter the informal sector due to limited opportunities in the formal labour market and restrictive social norms and discriminatory laws regarding ownership of assets. The International Labour Organization has identified the situation of women in the informal economy as a 'double penalty,' where on average, women earn just two thirds of the informal wage of men, and barely half of men's formal wages (Pozzan, Bonnet & Cattaneo, 2020).

Simultaneously, it is important to recognize that informality is a fluid status, with women making calculated decisions based on the benefits and drawbacks of registering their business. While a lack of finance is often cited as a major constraint to formalization, access to finance is also perceived as a significant advantage of registering a business (Islam & Amin, 2022). This situation underscores the need to emphasize the benefits of accessing financing for informal women entrepreneurs. Therefore, it is crucial to identify and address the specific challenges that hinder the financial inclusion of informal women entrepreneurs. Within APEC, the forum has been working to enhance women's economic integration in the region for over two decades, which is exemplified by the creation of the APEC Policy Partnership on Women and the Economy in 2011 as a central point to coordinate APEC activities related to gender equality (APEC, 2024). The focus on women's financial inclusion has become especially pertinent since the host year of Chile in 2019, where, under the theme of "connecting people, building the future," momentum was developed under the priority of "Women, SMEs, and Inclusive Growth" (APEC, 2019). A key deliverable during this year was the La Serena Roadmap for Women and Inclusive growth, a key guiding document which provides direction on the integration of gender equality across all APEC workstreams and includes an explicit focus on empowerment of women through access to capital and markets (APEC, 2019).

The Roadmap has catalyzed further policy actions within APEC to emphasize the importance of gender equality across APEC initiatives, particularly in trade and SME development. For example, in 2023, APEC hosted the first High Level Policy Dialogue on Women and the Economy and Small & Medium Enterprises Ministerial Meeting Joint Session, which for the first time brought together Ministers responsible for gender equality and MSMEs to emphasize the intersection between these two policy priorities (APEC, 2023). This was followed in 2024 by the first-ever Joint Statement from Ministers responsible for Women and Trade during Peru's host year (APEC, 2024). In conjunction with Peru's priority

of “Innovation and digitalization to promote transition to the formal and global economy,” understanding the nexus between informal women entrepreneurs and access to finance is pertinent to fostering inclusive economic growth while taking advantage of the digital revolution (APEC, 2016). Overall, these policy efforts help advance initiatives within the region to promote and support women entrepreneurs.

Defining a Gender-Responsive Approach

Access to finance programs are crucial in offering opportunities for informal entrepreneurs to seek external sources of financing, and providing them with the support to do so. However, for these programs to be effective, women entrepreneurs must see their relevance for their business and understand how to seek and evaluate various forms of financing. Given the intersections of gender equality and informality with access to finance, a gender-responsive approach is imperative for designing programs that address the specific needs of informal women entrepreneurs.

A gender-responsive approach is one that not only recognizes gender norms, roles, and relations but takes specific actions toward reducing gender inequalities for a program's target beneficiaries (GPE and UNGEI, 2017, p.4). In the context of programs promoting access to finance for informal women entrepreneurs, the goal of this approach is to address the distinct experiences, needs, and challenges of women in seeking, obtaining, and managing their business finances. It should inform all stages of a program, including planning and design, implementation, monitoring and evaluation, and closing. By doing so, this approach helps organizations identify and define the intended impact of their programs for women entrepreneurs within their available resources and capacity.

This paper draws on best practices from the Government of Canada's Gender-based Plus Analysis (GBA Plus),³ an analytical tool used to support the development of inclusive programs and policies (Women and Gender Equality Canada, 2022). The GBA Plus is intended to help users assess the potential impacts of initiatives on "diverse groups of women, men, and gender-diverse people" based on various identity factors, including gender, race, ethnicity, religion, age, and mental or physical disability. It recommends the following process:

1. **Identify the key issue for an initiative**, including the relevant context and gender and diversity factors for target beneficiaries.
2. **Challenge one's assumptions** about how an initiative could impact target beneficiaries.
3. **Conduct research and consultations** to gather facts about the key issue and the potential impacts on target beneficiaries. Notably, this includes the collection and evaluation of gender disaggregated data.

³ Canada has played an active role in disseminating knowledge regarding its GBA Plus tool and analysis. One example is a series of workshops hosted by Canada aimed at sharing with Chile its GBA Plus tool and experience. This workshop resulted in the sharing of knowledge on the collection and analysis of gender disaggregated data, which was reflected in the La Serena Roadmap for Women and Inclusive Growth led by Chile, where one of the five focus areas highlights "advancement of women's economic empowerment through data collection and analysis."

4. **Develop options and make recommendations** based on one's research.
5. **Monitor and evaluate the implementation of the initiative** and its actual impact on target beneficiaries. This includes defining the desired end-results and outcomes and developing appropriate indicators and monitoring strategies.
6. **Communicate one's initiative** and its intended results and outcomes. This includes identifying the target audiences and tailoring messaging appropriately (such as avoiding stereotypes and using appropriate examples, languages, and symbols).
7. **Document the analysis and findings** throughout the life cycle of the initiative.

By following this process, the goal is to enable users to tailor initiatives to better meet the needs of its target beneficiaries, and to anticipate and mitigate potential barriers to their ability to participate.

Using the GBA Plus tool as a point of reference, this paper recommends the following steps to implement a gender-responsive approach:

1. Identify the specific group(s) of women that the program will target (e.g., informal women entrepreneurs in a specific sector, demographic, income bracket, and/or locale).
2. Identify one's assumptions about the target group, such as the composition of the group, their needs and wants in relation to financing, the challenges they experience in accessing financing, and the types of opportunities they are able to access.
3. Conduct research to gather evidence about the actual needs and desires of the target group in relation to the program, using desk research, data collection, needs assessments, and consultations with experts and organizations that represent or are knowledgeable of the experiences of the target group.
 - a) Compare this research to the previously identified assumptions.
 - b) Using this research, identify the barriers experienced by the target groups in relation to access to finance, and the root causes for these challenges.
4. Develop options for how the program could address these barriers, based on the available resources and capacity of the implementing organisation.
 - a) Select an option and design program activities, with reference to the research previously conducted.
5. Identify the intended end-result of the program, and develop appropriate indicators and strategies for monitoring the progress of participants and evaluating the impact and effectiveness of the program (e.g., participant surveys and interviews).

6. Develop communication strategies to disseminate information about the program, recruit participants, and demonstrate the benefits of participation.
7. Throughout the initiative, document the actions taken, successful strategies, and lessons learned that can be implemented by the organization to improve the program or future initiatives.

Additionally, organizations should consider specific questions related to women's access to finance to aid the planning and implementation of their programs. These questions include⁴:

- How do women participate in the management of finances in their household? What type and/or degree of decision-making power do they have in relation to household finances?
- How do women view the management of money, both for personal and business purposes?
- How do women perceive various forms of financing? What are the opportunities and risks they see with each option?
- How do women access their money, and why? What are the pros and cons of various banking and money platforms?
- What are the business goals of the target beneficiaries? How could financing help them to achieve these goals?
- What are tangible incentives for women in the informal economy to participate in the program? (e.g., access to credit, certifications)

With the rise of women-centred programming by organisations throughout the APEC region and within APEC fora, utilizing a gender-responsive approach can better facilitate the design and implementation of programs to meet the distinct needs of women entrepreneurs. Given the diversity among women entrepreneurs and the complexity of socio-economic and structural factors affecting them, this approach can assist organizations in evaluating the assumptions they have made about informal women entrepreneurs, including their motivations and circumstances for operating in the informal sector. While programming aimed at supporting women entrepreneurs is a positive step forward towards economic growth, organizations can further enhance their programs by addressing demand-side barriers experienced by women, such as their level of knowledge, perception of the viability and applicability of financing options for their business, and views on their ability to access financing. These factors must be considered to achieve true inclusivity in access to finance programs.

⁴ These questions are informed by a 2021 study conducted by Kopernik and IDEO.Org on financial pathways of women entrepreneurs in Indonesia, titled "The Financial Agency of Indonesian Women."

Case Studies and Best Practices

To address the demand-side barriers faced by informal women entrepreneurs, such as their level of knowledge and perceptions of their ability to successfully access finance, a gender-responsive approach is required to assess these areas prior to program implementation. Collection and evaluation of this data enables implementing organizations to tailor activities to the specific needs of target beneficiaries. This information also aids organizations in developing strategies to measure the project impact, leading toward insights that can strengthen existing project activities or inform the design of future initiatives.

While this may seem intuitive, effective implementation of a gender-responsive approach often requires an iterative process to identify best practices and lessons learned. This section will examine the implementation experience of programs that have adopted gender-responsive methods, toward offering insights into the practical challenges and opportunities for implementing this approach. Notably, it will focus on two initiatives implemented by APF Canada, namely the APEC-Canada Growing Business Partnership, an MSME capacity building initiative led by the Asia Pacific Foundation of Canada, as well as regional case studies of digital financing programs highlighted in the APEC Digital Best Practices for Formalising Economies initiative, implemented by APF Canada as the Canadian secretariat for ABAC. Together, these case studies will illustrate best practices for the gender-responsive design and implementation of MSME capacity building and financing programs.

APEC-Canada Growing Business Partnership

Since 2016, APF Canada has implemented the APEC-Canada Growing Business Partnership, a capacity building initiative that offers tailored research, tools, training, and mentorship for MSMEs in emerging APEC economies, with a focus on women entrepreneurs. Funded by the Government of Canada, the Partnership leverages Canadian expertise and best practices toward building the potential of MSMEs fostering inclusive, sustainable growth in its target markets.

Phase One of the Partnership, which operated from 2016 to 2021, provided capacity building activities for MSMEs in four APEC economies, namely Viet Nam, the Philippines, Indonesia, and Peru. Key deliverables in this first phase included: national survey reports that examined the landscape of MSME entrepreneurs in each economy; research studies on key opportunities and challenges faced by MSME entrepreneurs; thematic toolkits that offered practical business advice to entrepreneurs; workshops for MSMEs that provided training opportunities with Canadian and locally based business trainers; and an online mentorship program that connected women entrepreneurs to Canadian business mentors. Since

completing Phase One, APF Canada has now launched Phase Two of the Partnership, which will expand its capacity building activities to new APEC economies and add a policy leadership component that seeks to strengthen the operating environment for MSMEs and women entrepreneurs.

Guided by the Government of Canada's GBA Plus tool and Feminist International Assistance Policy, APF Canada works to incorporate a gender-responsive approach throughout all stages of its programming to capture and respond to the distinct needs of women entrepreneurs. Additionally, APF Canada aligns its initiatives with regional APEC frameworks, including the La Serena Roadmap for Women's Economic Empowerment, and national priorities related to advancing gender equality, to strengthen the relevancy and local buy-in of its programming. This strategic alignment allows APF Canada to tailor its gender-responsive approach to the specific economic contexts of its target markets, further increasing the applicability of project activities for beneficiaries.

A notable example of the Partnership's gender-responsive approach is its mentorship program for women entrepreneurs. This program aims to strengthen the capacity of women entrepreneurs who own or work in an MSME to apply best practices for sustainable business management. In the first phase of the Partnership, this program was conducted in collaboration with the Cherie Blair Foundation for Women (CBFW), an organization that supports women entrepreneurs from low and middle-income economies to learn, start, sustain and grow their businesses. APF Canada worked together with CBFW to deliver an online mentorship program for women entrepreneurs in Indonesia, the Philippines, Viet Nam, and Peru, who were paired with Canadian business mentors that offered their expertise in managing sustainable business growth. Both mentees and mentors participated in online training courses, followed by a one-on-one mentoring relationship for a period of 12 months, wherein mentors worked with their mentees on a personalized business action plan with goals to achieve by the end of the period. Overall, the program was designed to address several areas for its participants, including their knowledge of business management practices that could be applied to their business to scale-up or make operations more efficient, personal self-esteem and confidence in their ability to manage their business, and access to networks, including their mentor.

Best Practices

A fundamental aspect of APF Canada's gender-responsive approach is the collection of gender disaggregated data to assess the needs and goals of target beneficiaries. During the planning stages of the mentorship program, APF Canada and CBFW gathered information about applicants' goals for the

program and key business and professional development needs. Common needs mentioned by applicants included access to capital and financial management, including the usage of financial systems and managing cash flow. This information was critical in defining the key issues for each applicant and allowed APF Canada and CBFW to select relevant training topics for the program and profiles for prospective mentors.

Another important aspect is tailored communication of the program to target audiences. APF Canada worked with CBFW on effective communication of the program, not only to attract applicants but to retain the participation of women entrepreneurs throughout the program duration. Applicants were asked about their motivations for their entrepreneurship, which allowed APF Canada to understand their perceptions of their capacities as entrepreneurs and holistically design the program to incentivize their participation. For example, some applicants mentioned their desire to bring their business to the next level but needing someone to help them in their journey. Others discussed their goal to build their confidence and business skills to address important issues such as climate change. These insights were invaluable in tailoring the program to respond to these stated goals.

These components were important for laying the foundations for success for the mentorship program. Success was measured through metrics designed by APF Canada and CBFW, including increases in sales and business revenue growth. According to these metrics, the mentorship program was very impactful for mentees: 86% reported an increase in business to consumer sales during their time in the program, and 67% directly attributed their business revenue growth to the program. In addition to metrics, APF Canada and CBFW evaluated success through reflections from mentees on the impact of mentorship for their business, one year on from their time in the program. These qualitative insights were important in understanding the long-term impacts of the program for mentees.

One example is Hayati, a woman entrepreneur from Indonesia who specialized in making traditional batik clothing. In her reflection, Hayati described her desire to expand her business and diversify her products, which included building her leadership skills and financial management skills. She was paired with a mentor who offered their expertise in product development, client acquisition and sales, and helped her set goals for product diversification and attracting investment into her business. For example, Hayati discussed her experience in presenting her business to investors for the first time, and the guidance from her mentor in helping her prepare a business projection and financial report. Overall, she described her increased confidence as an entrepreneur, resulting from her experience with her mentor.

With these successes came valuable lessons learned for APF Canada, which highlighted potential areas for improvement in the program implementation and strengthening its gender-responsive approach. In post-program evaluation, challenges noted by APF Canada and CBFW in implementation included limitations with an online program, such as difficulty in aligning time zones between mentees and mentors, and the need to contextualize the advice from Canadian mentors to the specific economic and cultural contexts of the women entrepreneurs. This feedback allowed APF Canada to evaluate, modify, and explore ways to enhance the mentorship program in preparation for the second phase of the Partnership. Consistent evaluation and follow-up mechanisms including identifying lessons learned, monitoring results during and after program implementation, and post-program evaluation are crucial steps for refining an organization's gender-responsive approach.

APEC Digital Best Practices for Formalising Economies initiative

The Digital Best Practices for Formalising Economies initiative is a research project funded by the APEC Business Advisory Council (ABAC) and implemented by APF Canada through its designation as the Canadian secretariat for ABAC. As the private sector arm of APEC, ABAC plays an integral role in providing a private sector perspective to APEC policymaking by filling the existing gaps in knowledge from the lived experiences of business needs throughout the APEC region. Given the private sector's integral role as trailblazers of innovation and digitalisation, ABAC is in a unique place to provide expertise and share best practices on digital tools.

Recognizing the importance of digitalization, since 2018, ABAC has convened a digital and innovation working group or task force with a Canadian chairmanship from 2021. In alignment with Peru's host year priorities, ABAC Canada proposed the Digital Best Practices for Formalising Economies initiative in November 2023 with the aim of examining how digitalization can facilitate the transition of informal actors to the formal economy. Its key findings illustrate the complexity of informal workers whose needs vary greatly by economy and sector. For many of these informal workers, barriers to entering the formal market include the cost of regulatory compliance, complex bureaucratic processes, and a lack of institutional trust. These barriers are heightened for women in the informal economy who face additional challenges such as discriminatory laws and childcare, among others.

Although there is no one-size-fits all solution to formalise economies, the initial findings of the research project have highlighted digital tools, platforms, and services as important enablers that support formalization throughout the APEC region, including access to finance for informal actors. This section

reviews two regional case studies of programs that have aided access to finance for informal women entrepreneurs through digital capacity building and bridging access for rural-based entrepreneurs. While the initiatives address different challenges faced by women, it illustrates how digital tools may be used as enablers that support the formalization and financial inclusion of women.

Chile: Emprendedoras Conectadas by Fundacion Kodea

Fundacion Kodea is a Chilean non-profit foundation dedicated to promoting the digital inclusion of women and children. One prominent initiative is Emprendedoras Conectadas (Connected Women Entrepreneurs), which promotes the digital literacy and economic inclusion of women entrepreneurs throughout Chile. The goal of this program is to digitally empower women with subsistence enterprises so they can identify digital opportunities that complement their traditional business activity (Fundacion Kodea, 2021). With the support of Google, the program provides online and in-person training and mentorship on the use of digital tools such as e-payments and social media platforms to empower participants to scale up their businesses and effectively market their products and services.

Evaluation of the program found that building the confidence of informal women entrepreneurs in using digital tools, such as e-wallets and payments, increased their comfort in accessing financing options and encouraged them to consider formalization to access loans and services. Notably, 75% of participants reported that six months after completing the program, they made sales through an online store. One participant described how the program enabled her to gain digital skills that were previously difficult to acquire given generational differences and skills in accessing online platforms. She noted how the program helped her grow her confidence and pushed her to seek formalization in order to access government loans. Overall, this program exemplifies how digital capacity building enhances financial access and sets up women entrepreneurs with the confidence to explore new opportunities for their business.

Papua New Guinea: Mama Bank Access Point by Women's Microbank Limited

The Women's Microbank Limited (WMBL) is a licensed micro bank in Papua New Guinea offering access to finance for entrepreneurs. Through its programs, WMBL observed that only a third of Papua New Guinea's population has access to financial services, due to the lack of infrastructure, limited digital skills, illiteracy, and distrust in financial institutions. Moreover, the difficult geography of the economy makes access to finance physically challenging for the majority of Papua New Guineans who are located in rural areas.

In 2019, with the support of the United Nation's Pacific Financial Inclusion Programme, WMBL launched its first Mama Bank Access Point (MAP), a small banking point located in rural areas equipped with tablets and biometric readers to register customers and complete transactions. At a MAP, customers can access banking services closer to their homes and use their fingerprint to easily deposit or withdraw from their bank account. As a result, WMBL is able to bring financial services directly to customers in rural parts of Papua New Guinea, including women entrepreneurs. While facing some issues in its initial implementation such as internet connectivity problems, these services have gone through improvements to ensure uninterrupted services and providing greater financial access to women in rural areas (UNCDF, 2020). Moreover, this program mitigates the cost for WMBL in creating physical bank branches, which increases the potential for scaling up the service.

Best Practices

While examples of digital best practices can be found throughout the APEC region, the case studies from Chile and Papua New Guinea offer insights into the versatility of digital tools to meet local needs considering the economic diversity of APEC economies. Both case studies demonstrate how digital programs can be used to enhance access to finance, by building the digital literacy and confidence of informal women entrepreneurs to access financing and extending financial services to underserved rural communities. Through targeted and gender-responsive programming, these initiatives are able to provide services or training directly to the women entrepreneurs, by increasing accessibility and trust. Both initiatives are also tailored to the economic and physical context, highlighting the importance of a gender-responsive approach in determining the specific needs of a program's target audiences. Overall, the success of these initiatives underscores the transformative potential of digital tools in bridging gaps to financial inclusion and formalization for informal women entrepreneurs.

Conclusion and Recommendations

The design of effective access to finance programs for informal women entrepreneurs must begin with a gender-responsive approach. It is vital to both recognize and respond to the different experiences of women and men when designing and implementing financing programs, including their distinct financial needs, perceptions, and types of opportunities and challenges. Moreover, it is critical to address the diversity of women entrepreneurs when designing and implementing access to finance programs. This paper has focused on informal women entrepreneurs for this purpose, to demonstrate the needs and challenges that arise as a result of this status.

Though this paper has focused on employing a gender-responsive approach to address demand-side challenges of informal women entrepreneurs in access to finance, it is also critical to recognize the interplay between these barriers and broader structural challenges. For example, the low level of knowledge of informal women entrepreneurs of financing options could be due to their lack of networks, which itself is a result of limited opportunities for women in the labour market. The focus on women's knowledge and perceptions of financing in this paper is intended to demonstrate how policymakers and financial institutions can encourage women's interest and engagement with seeking financing, in the face of structural challenges that significantly shape their knowledge and beliefs.

Moreover, efforts to implement a gender-responsive approach will have long-term benefits. The integration of gender-sensitive needs assessments and market research for financial products will contribute toward the long-term collection of data on informal women entrepreneurs. This information can then empower policymakers and financial institutions to design, implement, and strengthen relevant financial programs targeting informal women entrepreneurs.

This paper poses three key recommendations targeted toward policymakers, financial institutions, and financial service providers across APEC economies:

- 1. Invest in the collection and analysis of gender-disaggregated data for programs targeting informal women entrepreneurs.**

The collection of gender-disaggregated data, particularly focusing on women entrepreneurs in the informal economy is imperative for effective programming. Currently, economy-wide data regarding the informal economy is limited given the difficulty in collecting information on non-registered businesses that are fluid by nature. Given these challenges, data collection must be a priority across all stages of programming. This requires the collection, analysis, and usage of data across all stages of financing

programs, including gender-sensitive research in the design phase of financing programs (e.g., needs assessments, surveys, and focus group discussions) and analysis of data during post-program evaluation.

Data collection is key toward designing and strengthening the implementation of access to finance programs, by ensuring the types of services, products, and capacity building programs offered to informal women entrepreneurs are applicable to their circumstances, needs, and business goals. It can also help determine the gender-responsive approach that the implementing organization is able to pursue in each program, based on the available resources, timeline, and goals for the program, as well as the socioeconomic and culture context in the economy. Digital tools will also be crucial in data collection efforts, particularly as organizations invest into programs delivered through digital platforms, such as the case studies highlighted in the APEC Digital Best Practices for Formalizing Economies initiative.

To strengthen access to finance programming for informal women entrepreneurs, key areas of data collection include the following: perceptions of opportunities and risks with financing options, attitudes toward money in the home and business, decision-making power with finances in the home and business, and incentives for uptake of programs. Moreover, it is key to disaggregate this data further depending on the context of the program. Key intersecting factors to consider include ethnicity, class, income level, internet connectivity, rural/urban location, and others. This can serve to complement existing information about informal women entrepreneurs, such as their sectoral concentration.

Importantly, this data collection can contribute toward more robust data in APEC economies regarding the landscape of informality for women entrepreneurs. Though this data may be program-based, as opposed to centralized collection of demographic data, it can cumulatively build a clearer understanding of the circumstances of informality for women and ensure programs are responsive to specific circumstances in a given context. Moreover, this data collection will aid efforts to empirically measure the impact of APEC initiatives targeted toward this group.

Organizations can use available tools such as Canada's GBA Plus and the gender-responsive approach highlighted in this paper as starting points to build and strengthen methodologies for the collection of gender-disaggregated data.

2. Clearly define and market the incentives of access to finance programs for informal women entrepreneurs

To foster buy-in of informal women entrepreneurs for financing programs, it is important to identify the benefits and incentives for their participation. As emphasized in this paper, informality should be

viewed as fluid rather than permanent, and determined by choices made by women regarding the perceived risks and opportunities for their business. When designing a program, it is crucial to consider how an informal woman entrepreneur could take advantage of the knowledge, skills, and/or networks she may gain as a result of the program, and formulate gender-sensitive indicators to measure this progress.

It is key to employ gender-sensitive communication of the benefits of financing programs in order to build the trust and confidence of informal women entrepreneurs to increase participation. One important consideration is identifying trusted champions (e.g., individuals and/or organizations) who can speak to the benefits and risks of seeking financing and make these more tangible for informal women entrepreneurs. For example, policymakers or financial institutions could assess the landscape of existing organizations that represent or advocate for informal women entrepreneurs, and foster partnerships to help design, implement, and/or promote their programs.

A key avenue to explore is public private partnerships with private sector organizations that have experience in providing services for informal women entrepreneurs, such as Fundacion Kodea in Chile. Such partnerships can leverage best practices and lessons learned of experienced organizations with programs for informal women entrepreneurs, which can contribute toward marketing and implementing effective programs for this group.

3. Bundle programs to offer access to finance, capacity building and mentorship, including through digital platforms

Bundling access to finance and capacity building programs offers valuable opportunities for women to apply best practices in financial management for their MSME, and learn how to strategically use funds to benefit and scale up their business. The case studies presented in this paper demonstrate that longer term success for women entrepreneurs is more likely in programs that pair access to finance with capacity building and mentorship in business management. These programs can provide a supportive environment for informal women entrepreneurs to build networks that enhance confidence and share knowledge of financing options.

Mentorship opportunities are particularly critical for informal women entrepreneurs who want to scale up their business and formalize their operations. The opportunity to obtain tailored and individual guidance from an experienced mentor is invaluable for women entrepreneurs and enables them to envision and plan for business growth using the funds they obtain. Mentorship can also enable informal

women entrepreneurs to assess the potential benefits of formalization for their business and how they can pursue it, in consultation with an experienced mentor who has found success in the formal economy.

Digital platforms and tools will be critical in the delivery of these programs. The case studies from Chile and Papua New Guinea illustrate how leveraging digital technologies can significantly enhance the reach and accessibility of programs for informal women entrepreneurs, including those in rural locations. Digital programs provide critical flexibility for women entrepreneurs to be able to participate in programs while juggling their business and multiple responsibilities in the home. Moreover, capacity building training delivered through digital platforms can equip women with essential skills to succeed in the digital economy and expand their businesses into online markets.

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