

Study on Promotion of Gender Smart Business

Final Report

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Acronyms

ADB	Asian Development Bank
AI	Artificial Intelligence
AICS	Italian Agency for Development Cooperation
AUDA-NEPAD	African Union Development Agency - New Partnership for Africa's Development
AWIF	Asia Women Impact Fund
BDS	Business Development Services
BIP	Business Incubation Project
BN	Banco National
BoB	Basic of Business
BPO	Business Process Outsourcing
CBO	Community Based Organization
CDC	Commonwealth Development Corporation
CEO	Chief Executive Officer
CGAP	Consultative Group to Assist the Poor
DAC	Development Assistance Committee
DBE	Development Bank of Ethiopia:
DCED	Donor Committee for Enterprise Development
DFC	U.S. International Development Finance Corporation
DFI	Development financial institution
DFID	Department for International Development
DIB	Development Impact Bond
DIV	Development Innovation Ventures
DPIIT	Department for Industrial Policy and Promotion
EBRD	European Bank for Reconstruction and Development
EDI	Entrepreneurship Development Institute
ESG	Environment, Social, Governance
EU	European Union
EW@W	Empowering Women at Work Capacity Development Platform
FAO	Food and Agriculture Organization
FCDO	Foreign, Commonwealth and Development Office
GAD	Gender and Development
GBVH	Gender-Based Violence and Harassment
GC	Grand Challenges for Development
GDP	Gross Domestic Product
GGI	Gender Gap Index
GIIN	Global Impact Investing Network
GIL	Gender Innovation Lab
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GLI	Gender Lens Investing

GmBS	Gender Makes Business Sense
GTPII	Growth and Transformation Plan II
GSB	Gender Smart Business
HLP	UN Secretary-General's High-Level Panel
ICRW	International Center for Research on Women
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IIT Delhi	Indian Institute of Technology Delhi
IIITD	Indraprastha Institute of Information Technology Delhi
ILO	International Labour Organization
JICA	Japan International Cooperation Agency
KCB	Kenya Commercial Bank
LFPR	Labor Force Participation Rate
MDGs	Millennium Development Goals
MFI	Microfinance Institution
MSD	Market Systems Development
MSInS	Maharashtra State Innovation Society
MSME	Micro, Small and Medium-Sized Enterprises
NABWT	National Association of Business Women in Tajikistan
NAP-GE	National Action Plan for Gender Equality
NBE	National Bank of Ethiopia
NCT Delhi	National Capital Territory of Delhi
NGO	Non-Governmental Organization
NWEEF	National Women's Economic Empowerment Forum
NWP	National Women's Policy
OECD	Organization for Economic Cooperation and Development
OSS	One Stop Shop
PFS	Pay for Success
PI	Personal Initiative
RBI	Results-Based Initiatives
RBM	Result-based Monitoring
ROE	Return on Equity
SCISPM	State Committee on Investment and State Property Management:
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SIB	Social Impact Bond
SIBI	State Institution Business Incubator
SIDA	Swedish International Development Cooperation Agency
SIINC	Social Impact Incentive
SME	Small- and Medium-Sized Enterprises
SPVs	Special Purpose Vehicles

TFoW4GE	Transforming the Future of Work for Gender Equality
UNDP	United Nations Development Program
UNIFEM	United Nations Development Fund for Women
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Assistance for International Development
WALN	Women in Agribusiness Leaders Network
WBENC	Women's Business Enterprise National Council
WEC	Women Entrepreneurship Cell
WEDP	Women Entrepreneurship Development Project
WEE	Women's Economic Empowerment
We-Fi	Women Entrepreneurs Finance Initiative
WEP	Women Entrepreneurship Platform
W-GDP	Women's Global Development and Prosperity
WID	Women in Development
WISE	Women Innovation Startup Entrepreneurship
WOW	Work and Opportunities for Women

Exchange Rate (June 2023)

USD 1 = JPY 140.03

TJS 1 = JPY 12.95

INR 1 = JPY 1.69

THB 1 = JPY 2.57

Introduction

1 Background and objective of the research

JICA has set “Gender Smart Business Development” (GSB) as one of the clusters under its strategy for the Global Agenda “Gender Equality and Women’s Economic Empowerment”. The objective of JICA’s “Gender Smart Business” initiative is to increase the number of enterprises conducting gender-responsive business. This GSB Development aims to achieve gender equality and sustainable economic development by transforming the market structure to be inclusive of all.

This Study aims to collect and analyze information relevant to GSB development, including frameworks and approaches, to enable JICA to determine GSB scenarios. With gender-responsiveness mandated across all JICA programming, programs in sectors that work closely with markets and enterprises, such as private sector development and public-private partnership, remain insufficiently gender-mainstreamed. The output of the Study and the resulting scenario elaborated herein will enable JICA to achieve gender-responsiveness across all programming.

2 Research team members

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Team Leader / Private Sector Development / Gender	MORI Shinichi
Private Sector Development	KANEKO Mariko
Gender	YOSHIDOMI Kumiko / ABE Naomi
Monitoring and Evaluation	AKAHORI Junki

3 Locations for case study

Dushanbe, Asht, Kulyab and Vahdat (Tajikistan)

Delhi NCT and Mumbai (India)

Addis Ababa and Hawassa (Ethiopia)

4 Research methodology

The Study’s components are divided into two parts: concept development and case study.

(1) Concept elaboration (October 2022 through January 2023)

In order for JICA to clarify its rationale and framework to develop GSB, the Research Team specified the GSB development concept through the collection and analysis of information relevant to the concepts and programs for achieving gender equality through market development.

(2) Case study (February 2023 through April 2023)

In order to accumulate best practices and identify the approaches and methodologies to be introduced/improved, the Research Team collected and analyzed women entrepreneurship support cases in both the public and private sectors through field research in selected countries: Tajikistan, India and Ethiopia. During the field research, the Research Team conducted interviews in each country with government agencies and other organizations (NGOs, associations and the private sector) that provide support to women entrepreneurs, financial institutions and the women entrepreneurs supported by them. In Tajikistan, Personal Initiative Training (a psychology-based entrepreneurship training)¹ was also conducted for women entrepreneurs on a trial basis in order to assess the effectiveness of the training as well as its applicability to future JICA projects.

¹ The detail of the Personal Initiative Training is explained in 2-1-3 Impact of PI Training on women entrepreneurs.

Chapter 1 Concepts Relevant to Gender Smart Business

1-1 Women's Economic Empowerment

1-1-1 History of Women's Economic Empowerment

The theoretical framework for defining women's empowerment in the context of international development has been discussed since the 1970s. After a Washington-based network of female development professionals coined the term "Women in Development" (WID) in the early 1970s based on their own experiences in overseas missions, they began to network with other stakeholders in the United Nations agencies and academia.² The first "World Conference on Women" held in Mexico City in 1975 as well as the "United Nations Decade for Women" began in the following year and helped institutionalize WID both within the United Nations system and at the national level.³ The WID approach called for greater attention to the importance of women's roles and status in development policy and practice.⁴ This framework evolved into "Gender and Development" (GAD) in the 1980s, which emphasized the need to challenge traditional gender roles and relations by identifying the issues caused by the socially constructed basis for differences between men and women.⁵ While WID aims to empower women so that they can overcome problems caused by inabilities, the concept of GAD aims to achieve women's empowerment by transforming the system and structures that foster inequality.

The GAD approach was integrated into "gender mainstreaming" first discussed in the Fourth World Conference on Women held in Beijing in 1995. In that Conference, a key global policy document on gender equality, the "Beijing Declaration and Platform for Action", was adopted with countries agreeing that the shifting of the focus from women to the concept of gender is crucial and that only through a fundamental restructuring of society and its institutions could women be fully empowered to take their rightful place as equal partners with men in all aspects of life; with that gender equality became an issue of universal concern.⁶ The "Beijing Platform for Action" set out in that document was the first global policy framework that held gender mainstreaming as a policy instrument to achieve gender equality in every process of policy-making at all policy and system levels across all sectors.⁷

Based on this common understanding across international society, many countries began to integrate gender perspectives in every policy and plan. At the same time, donors have mainstreamed gender within their cooperation programs and projects across all sectors.

The issues involved in gender equality and women's empowerment are multidimensional. The Beijing

² S. Razavi and C. Miller (1995), "From WID to GAD: Conceptual Shifts in the Women and Development"

³ *ibid*

⁴ www.mofa.go.jp/policy/oda/category/wid/what.html Retrieved 30 April 2023

⁵ <https://eige.europa.eu/thesaurus/terms/1144> Retrieved 30 April 2023

⁶ <https://www.un.org/en/conferences/women/beijing1995> Retrieved 30 April 2023

⁷ <https://www.unwomen.org/en/news/stories/2020/3/compilation-five-wins-ushered-in-by-beijing-platform-for-action> Retrieved 30 April 2023

Declaration and Platform for Action set twelve strategic objectives and actions for women's economic and social advancement as well as the achievement of gender equality based on areas of concern.⁸ Women's Economic Empowerment (WEE) was identified as one of these areas. WEE is also mentioned in the Millennium Development Goals (MDGs) adopted in September 2000. Two months prior, the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) was established as the focal point to direct UN activities on gender equality issues. Positioning WEE as one of its priority activity areas, UN Women developed the Women's Empowerment Principles (WEPs) in collaboration with UN Global Compact in March 2010, which offers guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and community.⁹ Companies signing the WEPs are expected to measure, evaluate and report their management policy and business activity outcomes from the perspective of gender equality promotion.¹⁰

1-1-2 Definition of Women's Economic Empowerment

With the importance of gender mainstreaming across all aspects of society being emphasized in a number of international conferences, it was increasingly recognized that economically empowering women is essential both to realize women's rights and to achieve broader development goals such as economic growth, poverty reduction, health improvement, educational achievement and better welfare. However, there is no consensus on the definition of WEE; each organization and/or program tends to define WEE on its own terms. A report by the Work and Opportunities for Women (WOW) program¹¹ describes the definitional differences commonly found among donor agencies' programs as follows:

- the extent to which economic empowerment is seen as an end in itself or a means to other development goals;
- whether empowerment is defined in economic terms or can include spill-over effects into other domains of women's lives; and
- whether market forces can mitigate or perpetuate gender inequality.

As a case in point, the World Bank defined WEE in 2006 as "making markets work for women (at the policy level) and empowering women to compete in markets (at the agency level)".¹² In contrast and maintaining that its definition goes beyond the market, the Swedish International Development Cooperation Agency (SIDA) defined WEE in 2009 as a process of change that enables women to have

⁸ Twelve areas of concern are Poverty, Education and Training, Health, Violence, Armed Conflict, Economy, Power and Decision-making, Institutional Mechanism, Human Rights, Media, Environment and Girl-child.

⁹ <https://www.weeps.org/about> Retrieved 30 April 2023

¹⁰ https://www.gender.go.jp/international/int_un_kaigi/int_weeps/index.html

¹¹ R. Calder, S. Rickard and K. Kalsi (2020), "Measurement of Women's Economic Empowerment: WOW Helpdesk Guidance Note No.2"

¹² World Bank (2016), "Gender Equality as Smart Economics: A World Bank Group Gender Action Plan (Fiscal years 2007–10)"

access to and control over critical economic resources and opportunities.¹³ The International Center for Research on Women (ICRW) underscored in 2011 that two inter-related components compose WEE: “economic advancement” and “power and agency”. Within this framework, women’s economic advancement promotes women’s power and agency as they are able to advance economically by having power and agency over economic resources.¹⁴ In the same year, declaring women’s economic empowerment as a prerequisite for sustainable development and pro-poor growth as well as the achievement of all the MDGs,¹⁵ OECD underlined that economic empowerment is “the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. As such, economic empowerment increases women’s access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information.”

NGOs and foundations have also defined WEE within their support programs. Oxfam, seeing WEE as an “end” in itself, emphasized that women should have the agency and power for decision making to achieve WEE.¹⁶ The Bill and Melinda Gates Foundation defines WEE as the “transformative process” for achieving three key outcomes: access to income and assets, control of and benefit from economic gains; and the power to make decisions.¹⁷ Based on literature reviews, systematic reviews and other evidence, the Foundation believes that the connections between WEE and improvements in other sectors such as health and education and reductions in gender-based violence are well established.

Although there are differences between the definitions of WEE among donor agencies, some common elements are also found in the definitions, specifically that women should acquire “ability”, “capacity”, “control”, “power” and/or “agency” to “access” “resources” for their economic empowerment. Having searched through existing research on WEE, the Donor Committee for Enterprise Development (DCED) found that access and agency are the elements present in most recent research. “Access” refers to the capacity to obtain economic resources such as goods, services, networks and opportunities to improve women’s economic position.¹⁸ “Agency” relates to the ability to control resources and make decisions over their use.¹⁹

¹³ SIDA (2009), “Women’s Economic Empowerment: Scope for Sida’s Engagement”

¹⁴ ICRW (2011), “Understanding and Measuring Women’s Economic Empowerment Definition, Framework and Indicators”

¹⁵ OECD (2011), “Women’s Economic Empowerment Issues paper”

¹⁶ Oxfam (2017), “Oxfam’s Conceptual Framework on Women’s Economic Empowerment”

¹⁷ [https://www.gatesfoundation.org/equal-is-](https://www.gatesfoundation.org/equal-is-greater/#:~:text=We%20define%20women's%20economic%20empowerment,to%20control%20and%20benefit%20)

[greater/#:~:text=We%20define%20women's%20economic%20empowerment,to%20control%20and%20benefit%20](https://www.gatesfoundation.org/equal-is-greater/#:~:text=We%20define%20women's%20economic%20empowerment,to%20control%20and%20benefit%20)

Retrieved 30 April 2023

¹⁸ USAID and Leveraging Economic Opportunity (2014), “Women’s Economic Empowerment: Pushing the frontiers of inclusive market development”

¹⁹ ICRW (2011), “Understanding and Measuring Women’s Economic Empowerment Definition, Framework and Indicators”

1-1-3 Women's economic empowerment as an ultimate objective

Although the gender policies issued by donor agencies vary widely, some trends have been observed. First, the promotion of women's economic empowerment is often listed as one of the main goals to be pursued. The World Bank explicitly sets out its gender and business-related policies in its "Gender Strategy".²⁰ Its Gender Strategy (FY16-23) uses the term "gender equality and women's empowerment" to describe the ultimate goal of the Strategy document. Two of the Strategy's four objectives are: (1) removing constraints for more and better jobs for women; and (2) removing barriers to women's ownership of and control over assets. While gender equality within Bank's framework consists of three domains (economic empowerment, agency and endowments), these two objectives aim to transform economic opportunities that are currently not equally enjoyed by men and women into more equitable ones.²¹ As described in one of the "eight areas of future focus" of the Strategy, the Bank is determined to support women entrepreneurs through more resources allocated to fulfill the conditions for them to run businesses.²² The World Bank's Gender Strategy reviews international trends in gender equality and women's empowerment over several decades and is often referred to in the policy papers of other donors.

USAID's gender policy, the "2022 USAID Policy on Gender Equality and Women's Employment", emphasizes the importance of women's economic empowerment, taking the position that USAID should integrate gender equality and women's empowerment into all of its policies and programs. The strategic objectives of this gender policy are derived from the Women's Entrepreneurship and Economic Empowerment Act of 2018 (WEEE Act) with four out of its five objectives being relevant to women's economic empowerment: (1) reduce gender disparities in access to, control over, and benefit from economic resources, wealth, opportunities and services; (2) increase women's and girls' capability to exercise their rights, determine their life outcomes, assume leadership roles, and influence decision-making in households; (3) secure private property rights and land tenure for women; and (4) improve women's and girls' access to workforce development opportunities.²³ In the section detailing the 15 priority sectors where gender equality should be strengthened, the Policy states that women's economic activities will be supported in three sectors: (1) agriculture and food security; (2) digital access and technology; and (3) economic growth (private sector development).²⁴

The European Bank for Reconstruction and Development's (EBRD) "Strategy for the Promotion of Gender Equality 2021-2025" specifies its goal as "women's economic empowerment and increased

²⁰ The World Bank Group launched a one-year #AccelerateEquality Initiative to identify the progress made and lessons learned from gender equality and women's empowerment efforts over the past decade, and will launch an updated gender strategy in 2024. Source:

<https://www.worldbank.org/en/topic/gender/overview#:~:text=The%20WBG's%20work%20on%20gender,promoting%20girls'%20and%20women's%20empowerment>. Retrieved 10 Nov 2022

²¹ World Bank (2015), "Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth"

²² *ibid*

²³ USAID (2022), "The 2022 USAID Policy on Gender Equality and Women's Employment," p4-5

²⁴ USAID (2022), "The 2022 USAID Policy on Gender Equality and Women's Employment," p17-18, 23-25

equality of opportunity”. Three key focus areas are identified with the actions to achieve this goal: (1) build inclusive and gender-responsive financial systems and business environments; (2) broaden access to skills, employment and sustainable livelihoods; and (3) create inclusive and gender-responsive services and public goods. In addition, four thematic lenses are included as cross-cutting priorities in the roadmap diagram for achieving the goal. Among them, “(1) the green economy” and “(2) the digital economy” are presented as “mega trends” reflecting new opportunities that could have a significant positive impact, while “(3) the care economy” and “(4) voice, agency and addressing GBVH” are identified as “persistent challenges” with the aim of explicitly amplifying efforts to address existing persistent constraints.²⁵

1-1-4 Women’s economic empowerment as a means for private sector development: different degrees of emphasis on “smart economics”

In contrast to being the ultimate objective, women’s economic empowerment is also often viewed as an “approach” or “means” to achieve private sector development through economic benefits of gender equality, often referred to as “smart economics”. The degree of emphasis on the economic benefits of gender equality varies among institutions: USAID and development finance institutions (DFIs) particularly emphasize it. USAID advocates “prosperity through gender equality” in its Gender Policy, where women’s economic activity leads to efficient operations and better corporate performance, having positive economic effects for society as a whole. For example, in the section on agriculture and food security, the Policy cites research that demonstrates female farmers’ ability to attain 20 to 30 percent higher yield using the same production resources as male farmers.²⁶ The economic growth section also states that women’s economic empowerment and greater gender equality in the economy would contribute to improvements in company performance and GDP, and that investments by gender-balanced investor teams earn higher returns.²⁷

USAID also emphasizes in its “USAID Economic Growth Policy” (2021) the importance of women’s inclusion in the strengthening of investment for private-sector-led economic growth. While underscoring the necessity of identifying the interdependent variables comprising the constraints on economic growth, the Policy specifies the lack of women’s inclusion as one of the four categories of constraints, and discusses how this hinders the economic growth of countries and communities.²⁸ USAID also sets out women’s empowerment and inclusion in the economy as one of foreign assistance’s evidence-based interventions that has achieved the most impact among its programs.²⁹

²⁵ EBRD (2021) “[Strategy for the Promotion of Gender Equality 2021-2025](#)”

²⁶ FAO (2011), “The State of Food and Agriculture, 2010-2011, cited in USAID (2022) The 2022 USAID Policy on Gender Equality and Women’s Employment,” p18

²⁷ USAID (2022), “The 2022 USAID Policy on Gender Equality and Women’s Employment,” p25

²⁸ USAID (2021), “Economic Growth Policy,” p22,48

²⁹ *ibid*

DFIs all refer to the economic benefits of gender equality from a macroeconomic perspective. ADB, for example, emphasizes that the lack of investment in women is a lost opportunity for national economies and sets this as a rationale for efforts to achieve women's economic empowerment.³⁰ ADB also maintains that increasing women's labor force participation rate (LFPR) boosts national GDP in countries such as India, Indonesia and Malaysia.³¹ The World Bank Group adds that aside from the macroeconomic benefits, women's economic empowerment also brings private sector actors benefits such as better talent, increased productivity, more diverse leaders and more customers.³²

1-1-5 Complexity matters; importance of tailor-made projects

The complexity of issues surrounding women's economic empowerment leading to the need for assistance tailored to local circumstances is set out in the gender policies of all the organizations reviewed by this Study. GIZ states that individual women's issues are always multi-layered and that support should be planned through systematic views and approaches.³³ The World Bank underscores that support programs should vary not only between countries but also between regions within the same country; key indicators should be a function of individual countries, regions or projects.³⁴

In contrast, USAID emphasizes that the most appropriate set of interventions differs between target populations.³⁵ For households classified as "very poor", a savings account tends to be the most important financial service due to irregular income, and thus assistance in this area is desired. On the other hand, "access to credit" is likely to be the most beneficial form of support for growth-oriented MSMEs.³⁶

1-1-6 Importance of policy formulation support

Most donor agencies underline the importance of supporting developing countries' policy formulation for the creation of an enabling environment for women's economic empowerment. SIDA considers women's economic empowerment to be a human rights and social justice issue, placing one of its organizational focuses on supporting governments' policy formulation for creating a fair playing field.³⁷

GIZ adopts a "three-pronged approach" in its Development Policy Action Plan on Gender Equality 2016-2020: gender mainstreaming, empowerment and policy dialogue.³⁸ One example of applying this approach is its project for establishing and supporting the management of a gender unit within the Afghanistan Chamber of Commerce and Industry; the long-term promotion of women's economic

³⁰ ADB (2013), "Gender Equality and Women's Empowerment Operational Plan, 2013-2020: Moving the Agenda Forward in Asia and the Pacific." p1

³¹ *ibid*

³² World Bank (2015), "Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth." p10

³³ GIZ (2016), "WEE in technical assistance programs," p8

³⁴ World Bank (2015), "Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth"

³⁵ USAID (2018), "Microenterprise and pathway out of poverty." p1

³⁶ *ibid*

³⁷ SIDA (2015), "Supporting WEE: Scope for Sida's engagement." p5

³⁸ No policy paper of 2021 or later are found online.

empowerment is cited as a good practice although its short-term and direct results were limited.³⁹

1-1-7 Degree of WEE integration into private sector development

The degree of WEE integration into private sector development programming varies between programs. This can be mapped across the gender equity continuum which ranges from harmful gender inequity practices to programs that actively promote gender equity.⁴⁰

- Gender exploitative: programs that intentionally or unintentionally reinforce or exploit gender inequality to reach intended outcomes. They ignore gender norms, existing discrimination and inequalities.
- Gender sensitive: programs that are aware of different gender roles, responsibilities and inequalities in society, but have limited ambition to address existing structural imbalances or to change power structures.
- Gender positive: programs that consider different genders' roles and responsibilities from the program design phase to ensure that men and women participate in and benefit from the programs. Gender-positive programs may also undertake actions to include women from more traditionally excluded groups, such as women belonging to certain income levels or women with disabilities.
- Gender transformative: programs that challenge the existing gender roles, responsibilities and unequal power relations by addressing the root causes of inequality.

Table 1 shows the differences between program objectives and approaches depending on the degree of WEE integration.

Table 1: Degree of WEE

Degree of WEE integration	Level of intervention	Program objective relating to WEE	Program approach to WEE
Gender exploitative	Zero	<ul style="list-style-type: none"> • Program does not have any relevant WEE objectives. 	<ul style="list-style-type: none"> • No consideration of WEE
Gender sensitive	Basic	<ul style="list-style-type: none"> • Poverty reduction remains the core objective. • Program still looks to positively impact poor women, but the focus is limited to increasing their access (as opposed to agency, or the broader enabling environment for WEE). 	<ul style="list-style-type: none"> • Majority of interventions are 'Do No Harm' or 'gender-aware'. • Some interventions may be gender-mainstreamed or women targeted.
Gender positive	Intermediate	<ul style="list-style-type: none"> • Poverty reduction remains the core objective, but WEE is also a program priority. • Program seeks to increase women's access and, in many cases, enhance their agency. 	<ul style="list-style-type: none"> • Majority of interventions are gender-mainstreamed with some women-targeted interventions.

³⁹ GIZ (2016), "Development Policy Action Plan 2016-2020"

⁴⁰ DCED, <https://www.enterprise-development.org/weegateway/working-towards-gender-transformative-programming/>
Retrieved 30 April 2023

Gender transformative	Advanced	<ul style="list-style-type: none"> • WEE is a core program objective of equal or greater importance to poverty reduction. • Program consistently seeks to increase women's access, enhance their agency, and facilitate a more enabling environment for women's empowerment. 	<ul style="list-style-type: none"> • All interventions are either gender-mainstreamed or women-targeted.
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Resource: constructed by the Research Team based on DCED (2017) "Synthesis Document: How to Integrate Gender and Women's Economic Empowerment into Private Sector Development Programmes"

1-1-8 Measuring Women's Economic Empowerment

(1) Initiatives for WEE measurement

For any organization committing to WEE, identifying elements which bring impact to achieve WEE is essential for making their intervention effective. However, the contested term of WEE makes it difficult to measure the impacts through appropriate indicators.

In 2009, UN Development Fund for Women (UNIFEM),⁴¹ in collaboration with ICRW and the World Bank, took the lead in advancing and measuring WEE's impacts by implementing Results-Based Initiatives (RBIs). These organizations endeavored to promote WEE within a reasonable time frame and at relatively low cost by leveling the playing field for women in markets (policy-level interventions) or increasing women's ability to access and compete in markets (agency-level interventions).⁴² In the same year, SIDA, one of the oldest donor agencies for gender equality promotion, emphasized in its report that results-based management is one of the five aid effectiveness principles in its gender equality work.⁴³ In 2011, stating that all projects should measure both process outputs and outcomes, ICRW provided sample indicators for different project stages.⁴⁴ Since agency/power and economic advancement bring different outputs, outcomes and impacts at each stage, ICRW recommends that agency/power and economic advancement be measured separately.

(2) Measuring multi-layered and multi-dimensional changes at household and individual levels

Economic outcomes such as business growth, generated income, access to finance and financial decision-making have primarily been used to measure WEE.⁴⁵ However, an argument was raised that though these economic quantitative indicators may be able to describe changes at higher levels of economic development, WEE at household and individual levels cannot be measured with these alone. WEE relies on structural circumstances which are multi-layered and multi-dimensional; economic

⁴¹ UNIFEM was integrated into UN Women in 2011.

⁴² World Bank (2006), "Gender Equality as Smart Economics: A World Bank Group Gender Action Plan (Fiscal years 2007–10)"

⁴³ SIDA (2009), "Supporting WEE: Scope for Sida's engagement,"

⁴⁴ ICRW (2011), "Understanding and Measuring Women's Economic Empowerment Definition, Framework and Indicators"

⁴⁵ Ipsos Public Affairs (2018), "Measuring Women's Economic Empowerment"

development at higher levels does not automatically bring positive impacts at the household and individual levels. Taking into consideration the fact that the change process for WEE is complex, non-linear, unpredictable and long-term; more subjective empowerment dimensions, such as self-confidence, have been sought by relevant players as a means for measurement.⁴⁶ To this end, the DCED published the Guidelines for Practitioners in 2014 to measure WEE in private sector development, underlining the importance of measuring household-level results. The report published by WOW program⁴⁷ remarked that measuring individual level is also important to understand the effect of programs on women's interdependent economic and family roles, as well as on household relations.

(3) Mixing qualitative and quantitative methods to measure WEE impacts

A measurement method can be either quantitative or qualitative depending on the necessity and feasibility of information collection. Pointing out that quantitative measurements are prone to bias and/or insufficient to track the progress of changes, INCLUDOVATE (a research and consultancy firm) underlines the importance of subjective and qualitative information to understand the state of empowerment.⁴⁸ The DCED Guidelines also maintain that qualitative methods help practitioners understand complex issues such as decision-making at the household-level. However, based on the fact that women living in poverty with low levels of education have difficulties understanding abstract questions such as freedom, freedom of choice and decision making; research on quantitative and qualitative instruments in some South American countries revealed the need for adapting instruments to measure subject change according to the culture, education level, poverty conditions and intersectionalities of the women being surveyed.⁴⁹

⁴⁶ R. Calder, S. Rickard and K. Kalsi (2020), "Measurement of Women's Economic Empowerment: WOW Helpdesk Guidance Note No.2"

⁴⁷ *ibid*

⁴⁸ <https://www.includovate.com/value-of-qualitatively-measuring-women-empowerment/> Retrieved 30 April 2023

⁴⁹ S. Martines-Restrepo, J.Yancari, L.R.Jaimes (2016), "Measuring Subjective Dimensions of Empowerment Among Extremely and Moderately Poor Women in Colombia and Peru Lessons from the Field"

1-2 Gender Lens Investing

1-2-1 Definition of Gender Lens Investing

The term “Gender Lens Investing” (GLI) was first introduced in 2009 by the Criterion Institute⁵⁰ in the context of impact investing.⁵¹ Since then, the field of GLI has developed and now widely spans global financial markets. Although multiple organizations engaged in GLI define the term according to their own understanding, the principal definition relies on that of the Global Impact Investing Network (GIIN); one of the two major global platforms for increasing the scale and effectiveness of impact investment around the world. GIIN defines GLI as “a strategy or approach to investing that takes into consideration gender-based factors across the investment process to advance gender equality and better inform investment decisions”.⁵² As a gender lens can be recognized as a viewfinder that reveals opportunities for the world of investing,⁵³ it can be applied to any type of investment, whether venture capital, commercial loans or government bonds.⁵⁴

GIIN illustrates two key characteristics of GLI.⁵⁵ First, aiming to address gender issues or promote gender equity, GLI invests in three target groups: (1) women-owned or women-led enterprises; (2) enterprises that promote workplace equity (in staffing, management, boardroom representation, and along their supply chains); and (3) enterprises that offer products or services that substantially improve the lives of women and girls. The rationale for GLI to target these three groups is the following:

- women-owned or women-led enterprises: a European Investment Bank report mentioned that only 2 percent of investments in startups in the US went to women-led ventures in 2017 despite the fact that 38 percent of startup founders were women.⁵⁶ EBRD explained with data from 141 countries that women have less access and/or usage of bank accounts, and obtain less loans compared with men in 79 percent and 78 percent of the countries, respectively.⁵⁷ Women’s access to capital can be increased through direct investments in women-led enterprises or credit programs targeting women.⁵⁸
- enterprises that promote workplace equity: these enterprises may have women in leadership positions, have equitable wage and leave policies, or manage their supply chain in a gender equitable manner.⁵⁹

⁵⁰ DCED (2019), “Gender Lens Investing: An Introduction”

⁵¹ <https://criterioninstitute.org/about> Retrieved 30 April 2023

⁵² <https://thegiin.org/gender-lens-investing-initiative/> Retrieved 30 April 2023

⁵³ <https://criterioninstitute.org/explore/a-gender-lens> Retrieved 30 April 2023

⁵⁴ DCED (2019), “Gender Lens Investing: An Introduction”

⁵⁵ <https://thegiin.org/gender-lens-investing-initiative/> Retrieved 30 April 2023

⁵⁶ European Investment Bank (2020), “Funding women entrepreneurs: How to empower growth”

⁵⁷ European Bank for Reconstruction and Development (2017), “Access to finance – mind the gender gap”

⁵⁸ DCED (2019), “Gender Lens Investing: An Introduction”

⁵⁹ *ibid*

- enterprises that offer products or services with positive impacts on women: these enterprises intend to bring positive impacts on women and girls through their services and products. They offer, for example, products and services that directly benefit women, such as female hygiene products and maternal healthcare, as well as items like clean cooking stoves in the developing world that can both reduce the amount of time women spend gathering wood and improve their health.⁶⁰

Second, to inform investment decisions, GLI invests via two main approaches: process and strategy. Gender equality should be sought throughout the whole process, from pre-investment activities (e.g., sourcing and due diligence) to post-deal monitoring (e.g., strategic advisory and exiting). Having a clear strategy is also important when making investment decisions in GLI, which examines different aspects of investee enterprises such as the vision or missions, organizational structure, gender-equitable management of performance by using data and metrics, and the state of commitment to gender equality signified with financial and human resources.

1-2-2 Motivation of GLI

As GLI is rooted in impact investment, its primary objective is to achieve social impacts by pursuing gender equality through investments. However, as with all impact investment, GLI expects to generate a financial return at the same time. In fact, as shown in Table 2, there is growing evidence that investing in the previously mentioned three target groups will bring not only socially beneficial outcomes but also positive economic and financial outcomes to investors.

Table 2: Evidencing Positive Relationship between Financial Returns and Gender Equality

Year of publish	Author	Title	Summary
2012	Credit Suisse Research Institute	Gender Diversity and Corporate Performance	Between 2005-2012, companies with at least some female board representation outperformed those with no women on the board in terms of share price performance, ROE, price/book value (P/BV), net debt to equity and net income growth.
2014	Gallup	The Business Benefits of Gender Diversity ⁶¹	Gallup conducted a study on more than 800 business units under two companies representing two different industries: retail and hospitality. The result shows: gender-diverse business units in the retail company have 14% higher average comparable revenue than less-diverse business units (5.24% vs. 4.58%); and gender-diverse business units in the hospitality company show 19% higher average quarterly net profit (USD 16,296 vs. USD 13,702) than less-diverse business units.

⁶⁰ Global Fund for Women, Root Capital, Croatan Institute, Thirty Percent Coalition and Trillium Asset Management (2015), “[Investing for Positive Impact on Women: Integrating Gender into Total Portfolio Activation](#)”

⁶¹ <https://www.gallup.com/workplace/236543/business-benefits-gender-diversity.aspx> Retrieved 3 May 2023

2015	McKinsey Global Institute	The Power of Parity: How Advancing Women's Equality Can Add USD 12 Trillion to Global Growth ⁶²	With 15 gender equality indicators in 95 both developing and developed countries, the study concluded that from USD 12 trillion to a maximum USD 28 trillion could be added to annual global GDP by 2025 based on progress towards gender parity.
2018	Boston Consulting Group	How Diverse Leadership Teams Boost Innovation ⁶³	The study found that companies in both developed and developing economies that reported above-average diversity on their management teams showed innovation revenue that was 19 percentage points higher than that of companies with below-average leadership diversity (45% of total revenue versus just 26%).
2018	Boston Consulting Group	Why Women-Owned Startups Are a Better Bet ⁶⁴	A review of five years of investment and revenue data revealed that despite disparities, startups founded or cofounded by women performed better over time, generating 10% more in cumulative revenue over a five-year period: USD 730,000 compared with USD 662,000. This shows that those startups generated 78 cents for every dollar of funding; more than double the 31 cents by male-founded startups.
2018	IFC	Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case ⁶⁵	The author found 70 peer-reviewed papers, including analysis on an emerging economy, that supported the connection between higher proportions of women in leadership in companies that had higher ESG standards.
2021	Harvard Business Review	How to Be a "Glass-Shattering" Organization ⁶⁶	Reviewing recent comprehensive research on the benefits of workplace and leadership gender diversity, the article shows that the benefits of stronger diversity metrics include better decision-making, a greater focus on innovation, improved talent retention, lower rates of sexual harassment, and a foundation for long-term gender equity.
2021	Morgan Stanley Capital International Inc.	Women on Boards: The Hidden Environmental Connection? ⁶⁷	The study found across all sectors that companies with sustained board diversity (companies that currently have at least three women directors who have served for at least three years) had stronger three-year reductions in carbon-emissions intensity than their sector peers.

Source: Research Team

GLI has evolved and expanded since its introduction as a concept in the impact investment space. GLI is no longer limited to impact investing but encompasses a broader continuum of global funding from philanthropic investment to traditional investing. There are cases of financially motivated investors finding gender-related impacts to be an essential driver for creating more value or decreasing the risks

⁶² <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth> Retrieved 3 May 2023

⁶³ <https://www.bcg.com/publications/2018/how-diverse-leadership-teams-boost-innovation> Retrieved 3 May 2023

⁶⁴ <https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet> Retrieved 3 May 2023

⁶⁵

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance Retrieved 3 May 2023

⁶⁶ <https://hbr.org/2021/01/how-to-be-a-glass-shattering-organization> Retrieved 3 May 2023

⁶⁷ <https://www.msci.com/www/blog-posts/women-on-boards-the-hidden/02361079223> Retrieved 3 May 2023

to corporate value.⁶⁸

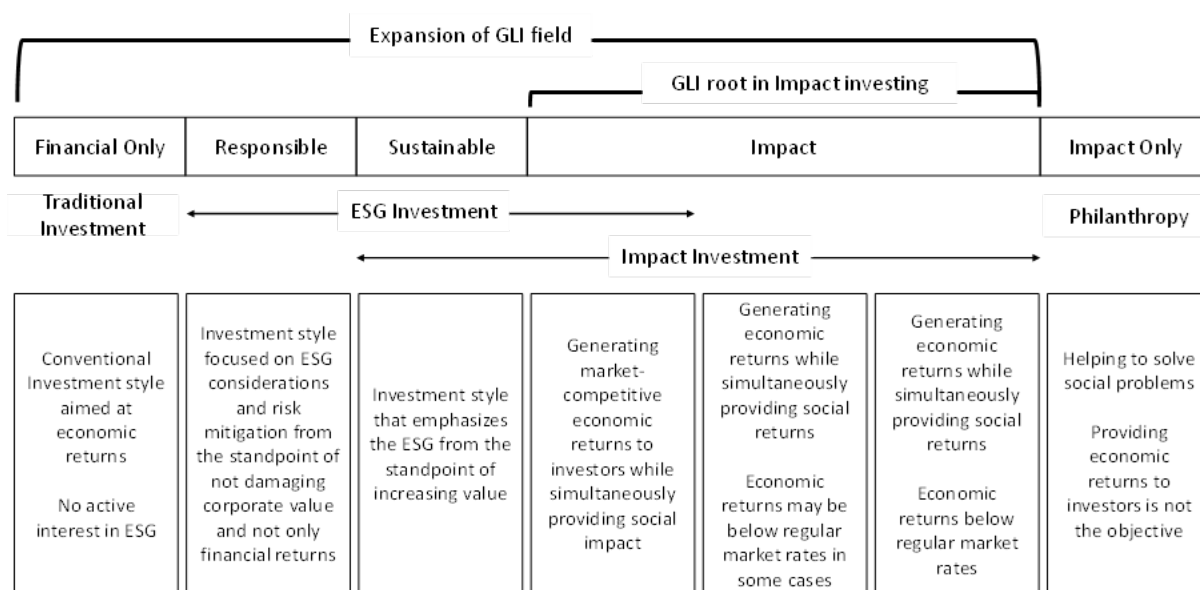


Figure 1: Spectrum of Impact Investing and Expansion of the GLI Field

Source: constructed by the Research Team based on the Japan National Advisory Board, the Global Steering Group for Impact Investment (2021), “The Current State and Challenges of Impact Investing in Japan: FY 2020 Survey”

Taking into consideration the above-mentioned understandings, the Sasakawa Peace Foundation (SPF) in its report described the motivations of investors engaged in GLI as being composed of three elements: market-driven, value-driven and impact-driven.⁶⁹

Market-driven: Investors pursue gender-related investment opportunities to increase the market value of a company and/or reduce risks to corporate value. SPF explained that the funds that invest with both commercial motivation and a gender lens need proven success stories (i.e., clear evidence that the strategy would be profitable) or access to concessional capital to minimize their investment risk. They leverage gender metrics across their investment process to increase market value, to reduce risk or both.

Value-driven: Investors aim to be a pioneer of GLI believing in the value of the GLI strategy. One example that SPF showcased was Japan’s Government Pension Investment Fund (GPIF), which is the world’s largest pension fund. Although links between gender equality in the workforce and stock performance were not yet discussed at the time, in 2017 GPIF invested in Morgan Stanley Capital International Inc.’s (MSCI) Japan Empowerment Women Index (WIN) in order to achieve stable long-term returns. WIN is now one of the best performing indices that GPIF adopted.

Impact-driven: Investors prioritize gender-equality as a social impact, recognizing GLI as a strategy to pursue commercial value. Investments by DFIs or international cooperation organizations are

⁶⁸ <https://idronline.org/the-rise-of-gender-lens-investing-in-asia-fundraising/> Retrieved 3 May 2023

⁶⁹ Sasakawa Peace Foundation (2020), “Gender Lens Investing Landscape, East & Southeast Asia”

categorized as impact-driven investments. This approach involves concessional capital to leverage commercial capital and create success stories.

1-2-3 GLI's recent trends and JICA's commitment

At the G7 Summit in 2018, G7 countries' DFIs launched global initiative "2X Challenge" aiming to deploy and mobilize USD 30 billion by the end of 2020 for the purpose of increasing access to finance for women-led and women-supporting enterprises in developing and emerging countries. The 2X Challenge mobilized USD 11.4 billion, three times the original target, with DFIs investing USD 6.9 billion and the private sector investing USD 4.5 billion.⁷⁰ At the G7 Summit 2021, 20 global DFIs further committed to a new target of USD 15 billion for the period 2021-2022.

As a member of 2X Challenge, JICA has committed to making investments in women's empowerment on the premise that the promotion of women's businesses and entrepreneurship is key to sustaining and maximizing social and economic development.⁷¹ In February 2020, JICA invested in the "Women's World Banking Capital Partners II" fund, which is intended to improve women's access to finance in developing countries in Sub-Saharan and South Asia. In November of the same year, JICA co-invested with the Commonwealth Development Corporation (CDC) in the UK and the United States International Development Finance Corporation (DFC) in the funds that are managed by Blue Orchard Finance Ltd., an impact investment fund that actively supports the financial inclusion of women in developing countries. Especially women entrepreneurs in developing countries have been severely affected by COVID-19 pandemic due to less access to finance and lower income compared to their male counterparts. Since microfinance institutions (MFIs) play a critical role to provide financial services to women entrepreneurs in developing countries, this investment project has supported MSMEs with special focus on women entrepreneurs in developing countries which have the urgent demand for financial support, by providing loans to them through MFIs.⁷²

1-2-4 Challenges of GLI

(1) Lack of evidence in emerging markets for attracting GLI investors

Although many investors adopting a gender lens have emerged across the globe over the last five years, most activity still remains confined to North America.⁷³ In global market terms, gender lens investing in emerging markets is modest in size estimated at USD 15 billion to USD 20 billion.⁷⁴ Development

⁷⁰ 2Xchallenge (2022), "[Shared Insights Report](#)"

⁷¹ <https://ceo-mag.com/worlds-development-finance-institutions-dfis-commit-mobilize-3-billion-dollars-invest-worlds-women/> Retrieved 3 May 2023

⁷² https://www.jica.go.jp/press/2020/20201109_10.html Retrieved 3 May 2023

⁷³ Intelicap (2019), "[The Global Landscape of Gender Lens Investing](#)"

⁷⁴ C.Robino, E.T.Jackson (2022), "[Editorial: growing gender lens investing in emerging markets](#)"

Alternatives Incorporated (DAI), a company for project implementation, emphasizes the necessity of stronger evidence to make a compelling argument for investors in emerging markets.⁷⁵

IFC stated in its 2018 study⁷⁶ the need to accumulate evidence that proves a linkage between gender diversity and improved company performance. The study identified 184 papers about gender diversity issues in the corporate world, of which 70 papers were published between 2008 and 2017. Among the papers, only 7 percent were about emerging economies. Moreover, only 5 percent analyzed unlisted firms which represent the majority of businesses in emerging markets. The importance of DFIs' role is emphasized in the conclusion due to their emerging market portfolios with many unlisted companies, their requirements for gender diversity in their investee companies, and their direct access to companies for information collection.

GLI initiatives that promote investment in these countries, such as 2X Challenge, are particularly important for increasing GLI best practices in emerging and developing countries and attracting more investment to them. DFIs, whose mission is investment in these countries, have a significant role to play. A survey of 14 DFIs (12 of which are members of 2X Challenge) found that these DFIs had already increased their commitment to gender equality in their investment strategies.⁷⁷ The survey also stated that organizational characteristics such as size, geographic focus and number of years after establishment (whether it is bilateral or multilateral) have no correlation with the status of GLI efforts or outcomes; i.e., even small and new DFIs have the potential to generate significant GLI impacts.

(2) Lack of investor awareness

The number of women-led ventures has increased dramatically over the last few years. In 2021, 49 percent of newly created ventures were women-led, up from 28 percent in 2019.⁷⁸ Despite this fact, the funding gap over that period expanded; women-led startups garnered about 2 percent of all venture capital funding in 2021 down from 3.4 percent in 2019.⁷⁹

Venture capitals' inadvertent treatment of startups led by women and men differently is pointed out as one of the reasons why investors miss out on investment opportunities;⁸⁰ actions need to be taken to remove gender biases. (Further evidence is presented in Table 3: Summary of Gender and Business Activity Types)

⁷⁵ <https://dai-global-developments.com/articles/invest-on-the-frontier-of-gender-lens-investing/> Retrieved 3 May 2023

⁷⁶ IFC (2018), "Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case"

⁷⁷ Center for Global Development (2020), "Gender Equality in Development Finance Survey: How do development finance institutions integrate gender equity into their development finance?"

⁷⁸ <https://gusto.com/company-news/new-business-owner-survey-2022> Retrieved 3 May 2023

⁷⁹ <https://www.dmagazine.com/publications/d-ceo/2022/june-july/closing-the-funding-gap-for-women-entrepreneurs/> Retrieved 3 May 2023

⁸⁰ <https://www.forbes.com/sites/corinnepost/2022/10/17/investors-are-missing-out-on-women-led-startups-heres-how-they-can-fix-that/?sh=24b14e401f05> Retrieved 3 May 2023

With a limited understanding of GLI characteristics, many investors regard investment in women-owned or women-led enterprises as the only form of GLI investment opportunities.⁸¹ However, as mentioned previously, other types of enterprises, such as companies that promote workplace equity or offer products or services with a positive impact on women, are part of a GLI approach. Despite this fact, few funds have a GLI strategy to invest in businesses that provide products and services for women and girls.⁸²

(3) Need for standardized metrics

More effort should be made to obtain data about women entrepreneurs in order to capture all dimensions of GLI.⁸³ According to a survey by Value for Women based on interviews with forty-eight impact investors in Latin America, only 47 percent of impact investors interviewed were monitoring or using sex-disaggregated social impact indicators and beneficiary data. The majority of investors interviewed stated that they were using ad hoc metrics due to the limited capacity of each investee to respond to questions and added that they would like to have standardized social impact metrics for use across their investee portfolio.

In response to this challenge, DCED put forward the GIIN IRIS + Gender Impact Metrics as a useful tool providing global benchmarks for investing with a gender lens.⁸⁴ These metrics allow investors to better track their contributions to WEE and gender impact by providing key indicators, evidence and best in-class resources and guidance across a wide number of impact themes including gender. The 2X Criteria, which was developed by the 2X Challenge Group DFIs for assessing a gender smart investment, is also linked to the GIIN IRIS +. The latest updated 2X Criteria is shown in Figure 2.

⁸¹ <https://avpn.asia/blog/gender-lens-investing-series-seaf-busting-misconceptions-proven-investment-strategy/> Retrieved 3 May 2023

⁸² Intelicap (2019), “[The Global Landscape of Gender Lens Investing](#)”

⁸³ CGAP (2021), “[What does gender lens investing mean for financial inclusion? A landscaping exercise](#)”

⁸⁴ DCED (2022), “[Donor Agency Engagement in Gender Lens Investing: Approaches and Opportunities](#)”

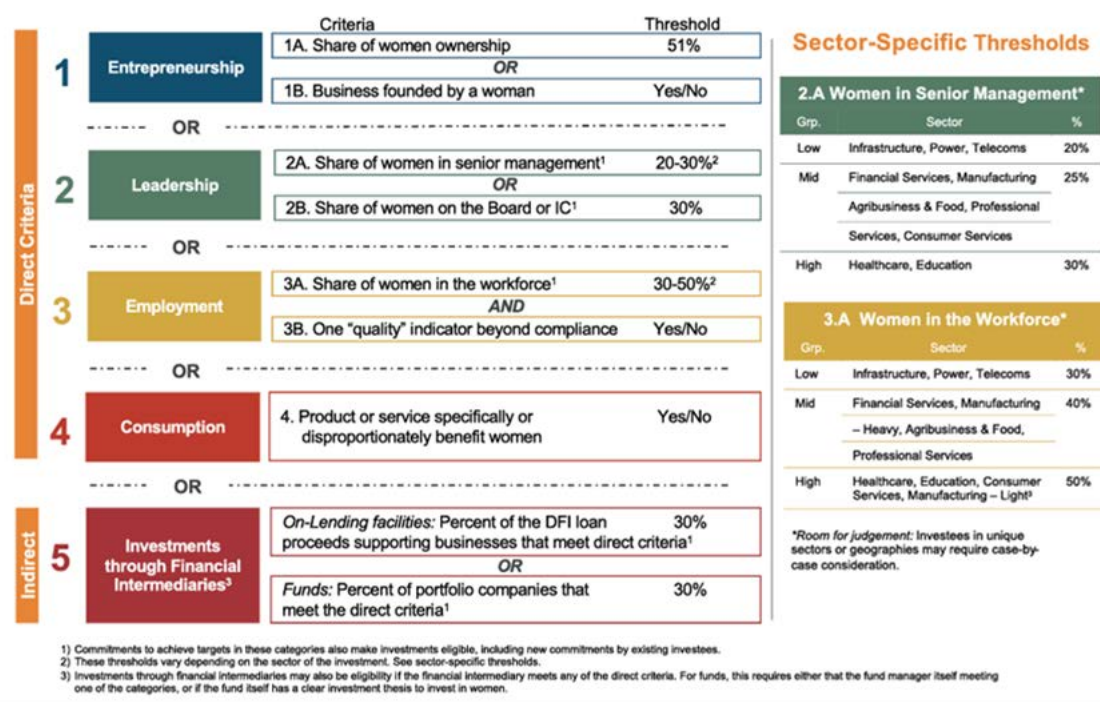


Figure 2: 2X Criteria

Source: CDC Group, 2X Challenge (2021), "2X Challenge: Criteria"

1-2-5 Impact Investing that focuses on women’s empowerment

In social impact investing, multiple financing methods have been developed apart from GLI, one of these methods being Pay for Success (PFS). PFS is a financing mechanism to incentivize a contracted service provider to achieve higher outcomes. In a PFS contract, payers make payments to a contracted service provider when that service provider has achieved an outcome as set forth in the contract.⁸⁵

Social Impact Bonds (SIB) are one of the PFS models. One of the characteristics that distinguishes SIB from other PFS models is that the contracted service provider and intermediary⁸⁶ secure funding for implementing the project activities from the investor. Before starting a project, the outcome payer (such as a governmental agency or development agency) and the service provider or intermediary agree on the desired outcomes to be achieved. At a predetermined timing, evaluators assess the extent to which the desired outcomes have been achieved by the service provider. The outcome payer pays to the contracted service provider or intermediary according to the outcome that the service provider achieved. Based on

⁸⁵ <https://www8.cao.go.jp/pfs/index.html>

⁸⁶ In SIB and Development Impact Bond (DIB) models, the involvement of intermediary is not mandatory. However, since it is difficult for the service provider to manage alone all necessary duties for SIB or DIB projects, such as a wide range of coordination which is caused by the involvement of multiple stakeholders and outcome metrics setting, which requires the need for advanced expertise, in many cases an intermediary is included in the SIB and DIB projects.

the payment from the outcome payer, the contracted service provider or intermediary redeems or pays interest to the investors. The main actors in this model are described in Figure 3.






	Actor	Role	Example
	Outcome Payer	<ul style="list-style-type: none"> Identify the unmet needs in a society Define payable outcomes and payment terms Pay for achieved outcome 	<ul style="list-style-type: none"> Government International Organization Philanthropic Actor
	Investor	<ul style="list-style-type: none"> Provide upfront funding for the service provider 	<ul style="list-style-type: none"> Investment fund Philanthropic Actor Individual
	Service Provider	<ul style="list-style-type: none"> Deliver necessary services to the target population to achieve outcomes 	<ul style="list-style-type: none"> Non-profit Organization Social Entrepreneur
	Intermediary	<ul style="list-style-type: none"> Coordinate all stakeholders involved in the mechanism Achieve consensus on the terms of fee payment Raise capital and structure the deal. 	<ul style="list-style-type: none"> Financial Institution Think tank
	Evaluator	<ul style="list-style-type: none"> Assesse the outcomes and impact, and report it to the outcome payer 	<ul style="list-style-type: none"> Enterprise Think tank

Figure 3: Main Actors in PFS

Source: Created by the Research Team referring to OECD (2016), “Understanding Social Impact Bonds” (<http://www.oecd.org/cfe/leed/UnderstandingSIBsLux-WorkingPaper.pdf>)

The first SIB was implemented in the UK in 2010 for the purpose of preventing recidivism and promoting prisoner reintegration into society.⁸⁷ In 2014, the world’s first Development Impact Bond (DIB) was implemented in India based on the SIB concept applied in the Official Development Assistance field and with the aim of improving the education sector in India. The structure of SIB / DIB is described in Figure 4.

⁸⁷ <http://socialimpactbond.jp/sib/history.html>

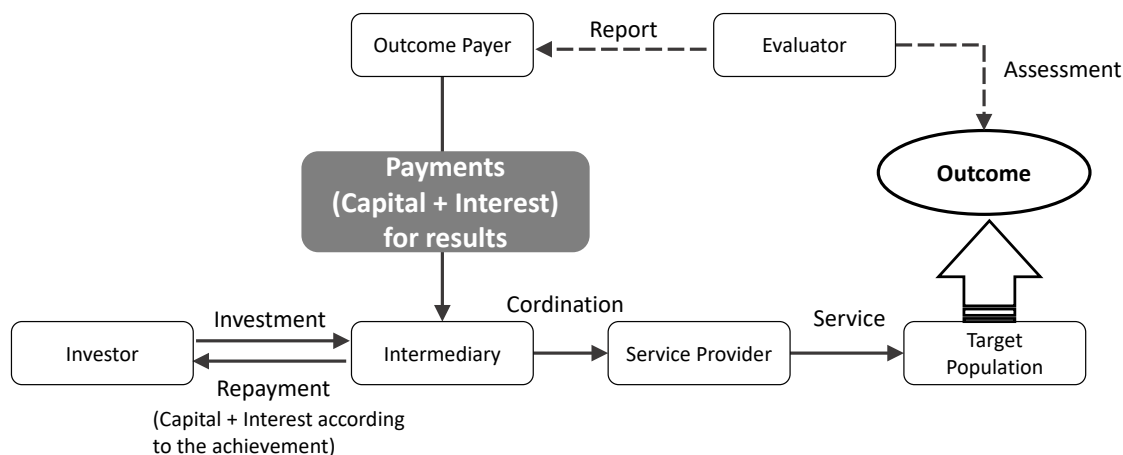


Figure 4: Structure of SIB / DIB

Source : Elaborated by IMG based on OECD (2016), “Understanding Social Impact Bonds” (<http://www.oecd.org/cfe/leed/UnderstandingSIBsLux-WorkingPaper.pdf>)

The Children’s Investment Fund Foundation, a philanthropic foundation in India, participated in the above-mentioned DIB project as an outcome payer. The UBS Optimus Foundation joined as an investor while Educate Girls, a local NGO, served as the service provider. Instiglio, a non-profit organization based in Colombia with substantial experience in outcome-based financing support, participated as an intermediary. IDInsight, a consulting firm based in the United States, acted as the evaluator. With the participation of these stakeholders, the project was implemented over two years in Rajasthan State, India targeting 15,000 girls between the ages of 6 and 14. Its objective was to improve the enrollment rate and quality of education by conducting awareness campaigns and implementing education programs to which flexible teaching methods were applied with due consideration given to local cultural practices.

The results published at the end of the project’s final year (2018) showed outcomes that exceeded the predetermined criteria in terms of enrollment rate and the level of educational quality. The UBS Optimus Foundation recovered its investment of USD 270,000 and received a 15% return on investment as an outcome payment.⁸⁸

Another PFS model called the Social Impact Incentive (SIINC) was developed by the Swiss Agency for Development and Cooperation (SDC) and the German advisory firm Roots of Impact.⁸⁹ In the SIINC model, the outcome payer pays not only predetermined rewards but also a time-bound premium to the contracted service providers once the service providers have achieved the predetermined outcomes.

SIINC was first implemented in Mexico in 2016 in collaboration with CLÍNICAS DEL AZÚCAR, a company that runs diabetes treatment clinics nationwide, providing diagnosis and treatment at affordable

⁸⁸ <https://golab.bsg.ox.ac.uk/knowledge-bank/case-studies/educate-girls/>

⁸⁹ <https://www.roots-of-impact.org/siinc/>

prices for low-income populations.⁹⁰ According to a report issued by Roots of Impact,⁹¹ the penetration rate for the targeted low-income population increased while average HbA1c levels, which affects diabetes, showed significant decreases over a six-month period. These social impacts are directly linked with CLÍNICAS DEL AZÚCAR's profitability, making the company attractive to investors.⁹² In fact, CLÍNICAS DEL AZÚCAR was able to secure an investment of USD 1.5 million from impact investors in 2017 through the SIINC project. In the following year, the company obtained a USD 6 million loan for business expansion from the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB). As of April 2022, sixteen projects that have applied SIINC are either ongoing or have been completed with an additional twelve projects in the preparation stage and two projects in the pipeline.⁹³

Approaches, like SIINC, that link market-based organizations' financial rewards to the achievement of positive social outcomes are defined as Impact-Linked Finance, which align positive social impacts with economic viability. The approach lies at the intersection between blended finance, impact investing and results-based finance.⁹⁴

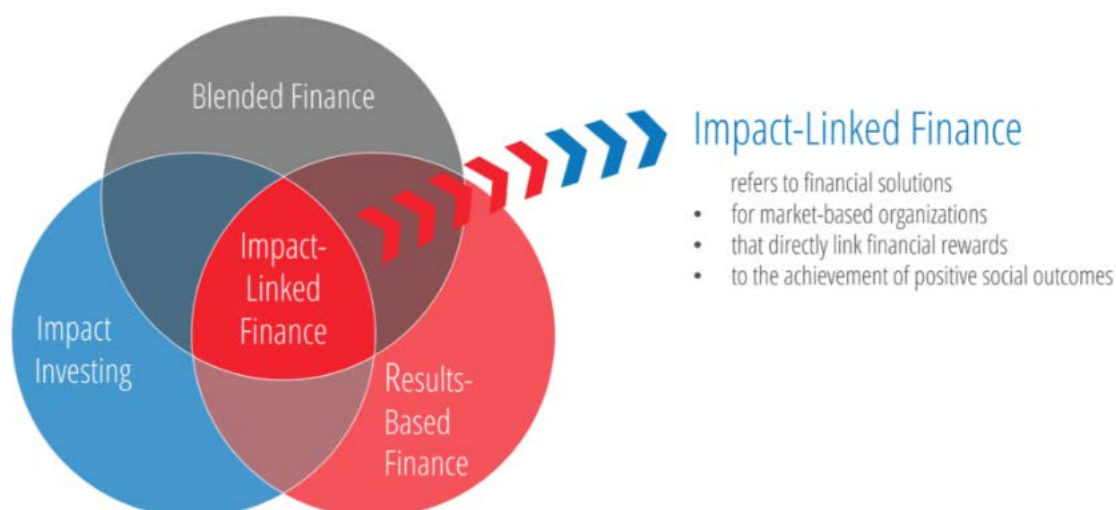


Figure 5: Positioning of Impact-Linked Finance

Source: Roots of Impact (<https://www.roots-of-impact.org/impact-linked-finance/>)

Roots of Impact, in collaboration with the impact investing advisory firm iGRAVITY, established an Impact-Linked Finance Fund (ILF Fund) in order to provide financing to high-impact enterprises. The

⁹⁰ SDC (2022), "[Social Impact Incentives \(SIINC\): Rewarding for Social Outcomes and Mobilising Capital for Impact Case Study](#)"

⁹¹ Roots of Impact(2021), "[Empowering CLÍNICAS DEL AZÚCAR to Attract Investment and Create Impact as Scale: Case Study after Final Results 2020](#)"

⁹² SDC, Roots of Impact (2016), "[Social Impact Incentives, Enabling High-Impact Social Enterprises to Improve Profitability and Reach Scale: White Paper](#)"

⁹³ <https://www.roots-of-impact.org/siinc/>

⁹⁴ <https://www.roots-of-impact.org/impact-linked-finance/>

ILF Fund also provides rewards directly to the enterprises when they generate positive outcomes through their business activities.⁹⁵

The Impact Linked Fund for Gender Inclusive Fintech (ILF for GIF) was also established under the ILF Fund providing Impact-Linked Finance and technical assistance to fintech companies that put a strong focus on gender-transformative outcomes for financial inclusion.⁹⁶ The ILF for GIF secured USD 13.4 million from the SDC and the Austrian Development Agency in its first closing in March 2022, while the full target fund size is USD 21 million.⁹⁷ The ILF for GIF plans to implement various Impact-Linked Financing, such as loans, convertible loans, revenue sharing and matching funds, while providing technical assistance to each target company.⁹⁸

⁹⁵ <https://ilf-fund.org/#1598435148055-b32bba10-63bc>

⁹⁶ <https://ilf-fund.org/programs-and-facilities/impact-linked-fund-gender-inclusive-fintech/>

⁹⁷ *ibid*

⁹⁸ Impact-Linked Finance Fund (2021), “[Catalyzing Gender Impact with Impact-Linked Finance: Introducing the Impact-Linked Fund for Gender Inclusive Fintech](#)”

1-3 Overview of donors' major initiatives and projects

“Gender Smart Business” is a concept that addresses a wide range of constraints on women, and therefore involves a variety of different activities. The relevant activity types implemented by major donors is summarized in Table 3.

Table 3: Summary of Gender and Business Activity Types

Major constraints	Activity type
Social norms Lack of confidence Unpaid care work	<ul style="list-style-type: none"> • Campaign, lobbying • Policy formulation support • Training of families, community members • Psychological training for self-confidence • Mentoring • Networking • Business management training • Agribusiness training • Empowering women in value chains • Provision of free/affordable child care, including facilities • Hands-on accelerator and incubator program
Lack of networks and mobility	<ul style="list-style-type: none"> • Provision of networking opportunity • Development and installation of digital tools to enable online networking • More desirable mentoring support (e.g., training female mentors) • Support for more desirable policy formulations that ensure women's mobility • Provision of free/affordable transportation • Engaging men and communities that limit women's mobility
Limited access to capital	<ul style="list-style-type: none"> • Provision of capital (financial services such as loan, credit guarantees, land ownership, etc.) • Support in enabling access to capital • Support for policy formulation on land ownership and use rights • Training of financial institution staff (psychological, inter-personal skills) • Development of tools to enable access to information
Women's engagement in the sectors with low opportunities for growth	<ul style="list-style-type: none"> • Finding role models, support for them • Provision of access to information on sectors with fewer women • Elimination of discrimination, sexual harassment and gender-based violence • Recruitment support for company management • Support of company management in the development of a comfortable working environment for women • Networking support
Non-cognitive gender gap in acceleration programs	<ul style="list-style-type: none"> • Acceleration programs exclusively for women • Setting the percentage of women beneficiaries • Consideration and provision of mechanisms to prevent unconscious bias

Source: IMG

1-3-1 Integrated approach

Different donors are exploring ways to improve women entrepreneurs' access to finance in combination with complementary measures such as business development services (BDS), networking and mentoring, incubation and acceleration, and skills training. This results from the recognition that access to finance alone is insufficient for addressing the complex challenges to women's economic

empowerment and is therefore limited in its effectiveness.⁹⁹ However, due to the wide range of activity types and funding constraints, only a limited number of donors can independently provide comprehensive support.

The World Bank Group and USAID are the two major donors leading comprehensive and multi-dimensional large initiatives. The World Bank's Women Entrepreneurship Finance Initiative (We-Fi) aims to expand access to finance for women entrepreneurs through its complementary programs including BDS, networking and mentoring, provision of market linkage opportunities, and policy formulation involving local governments (see Box 1). Another example is the Women Entrepreneurship Development Project (WEDP) in Ethiopia, which provided microfinancing to increase the earnings of and employment by women entrepreneurs, in tandem with activities strengthening the capacity of ecosystem players around women entrepreneurs, such as local microfinance institutions and sectors with promising technologies. In order to maximize project impacts, these projects strongly encouraged the mobilization of resources from other donors as well as counterpart, civil society and private sector organizations in the recipient countries.

Box 1: Women Entrepreneurship Finance Initiative (We-Fi) by the World Bank¹⁰⁰

Outline	<ul style="list-style-type: none"> • Countries: over 60 developing countries • Year: 2017 ~ • Total cost: USD 359 million • Donors: World Bank with 6 Implementing Partners (multilateral development banks) and more than 140 private and public executing partners • Co-funded by: Australia, Canada, China, Denmark, Germany, Japan, Netherland, Norway, Saudi Arabia, Korea, UAE, UK, US. • Project objective: To promote women's entrepreneurship at a global level.
Components ¹⁰¹	<ul style="list-style-type: none"> • (1) Increasing access to finance (47 percent of total cost): supported 35,262 women SMEs so far in accessing financing including debt, equity, and risk mitigation. • (2) Increasing access to markets (20 percent of total cost): (i) helped women SMEs participate in supply chains; (ii) provided advisory program to help women SMEs engage in public procurements; and (iii) provided advice and funding for businesses enabling women SMEs to participate in digital marketplaces. • (3) Increasing access to training mentoring, and networks: trained 13,564 women SMEs so far on fundamental business practices and connected them to mentors and networks. • (4) Improving the enabling environment: (i) worked with governments, agencies and financial institutions on sex-disaggregated data collection; (ii) conducted an advisory program on the reforms related to access to credit, discrimination and mobility; and (iii) undertook research and evaluations such as Global Entrepreneurship Monitor (GEM). • Expected reach: 200,000 women SMEs and entrepreneurs
Characteristics	<ul style="list-style-type: none"> • "The only multilateral fund at scale addressing financing, markets, policy and skill gaps."¹⁰² • Expected to mobilize USD 3.5 billion by private sector, USD 1.1 billion by multilateral development banks and USD 193 million by public sector, and USD 80 million by bilateral agencies. • 63 percent of total funds are allocated to low-income (International Development Association (IDA))

⁹⁹ UKAID (2016) "Enhancing the productivity of women-owned enterprises," and ADB (2019), "Strategy 2030, Operational plan for priority 2, accelerating progress in gender equality," 2019-2024, p8, 21

¹⁰⁰ www.we-fi.org. Retrieved 3 May 2023

¹⁰¹ We-Fi (2022), "The Case for Investing in Women Entrepreneurs"

¹⁰² OECD (2022), "Gender Equality and the Empowerment of Women and Girls Guidance for Development Partners," Chapter 4, p14

	eligible) and fragile countries. ¹⁰³ <ul style="list-style-type: none"> • Holistic approach: policy work and capacity building through public sector, paired with private sector development and blended finance.¹⁰⁴
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Box 2: Women Entrepreneurship Development Project (WEDP) by the World Bank

Outline	<ul style="list-style-type: none"> • Country: Ethiopia • Year: 2012-2024 • Total cost: USD 283.30 million • Donors: World Bank • Project objective: To increase the earnings and employment of MSEs owned or partly owned by the participating female entrepreneurs in the target cities in Ethiopia.
Components	<ul style="list-style-type: none"> • (1) Access to Microfinance (USD 270.70 million): supported loans of, on average, USD 12,000 to USD 21,152 women entrepreneurs for working capital and investment.¹⁰⁵ • (2) Entrepreneurial skills, technology and cluster development (USD 9.10 million): provided technical training to 26,125 (for in-person training) and 3,000 (for digital training) women.¹⁰⁶ • (3) Project management, advocacy and outreach, monitoring evaluation and impact • (4) Evaluation
Characteristics	<ul style="list-style-type: none"> • The project provided comprehensive support for women entrepreneurs with the provision of loans to SMEs as the main pillar, combined with other technical assistance as required. • The project also aimed to improve the capacity of existing MFIs to serve growth-oriented female entrepreneurs with tailored financial products.¹⁰⁷ • Used psychometric tests (persistence, honesty, commitment, truthfulness, and risk, all traits associated with the probability to reply) as an alternative to collateral.¹⁰⁸

USAID is also one of the major donor agencies that proactively mobilize external funding. In particular, USAID frequently mobilizes funds from the private sector as proposed in its gender policy. Launched in 2019, Women’s Global Development and Prosperity (W-GDP) is a White House-led initiative aimed at globally promoting women’s economic empowerment, which is associated with 470 private, non-governmental and local partner organizations in developing countries aiming to reach 50 million women. Among the 17 sub-initiatives announced over its first two years, five have private company names in their initiative titles, such as PepsiCo, Mastercard and UPS, mobilizing USD 154 million from non-US government funding out of a total budget of USD 645 million in fiscal year 2019 (see Box 3).

Box 3: The Women’s Global Development and Prosperity (W-GDP) Initiative by USG¹⁰⁹

Outline	<ul style="list-style-type: none"> • Countries: in more than 60 countries • Year: 2019- • Total cost: USD 645 million • Donors: US government • Co-funded by: private companies such as Mastercard, Microsoft, PepsiCo, UPS, and Walmart. • Project objective: To enhance opportunities for women to participate meaningfully in the economy and advance both prosperity and national security.
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¹⁰³ We-Fi (2022), “The Case for Investing in Women Entrepreneurs”

¹⁰⁴ We-Fi (2020), “2020 Annual Report: We Persist, Rebuild, Empower Finance”

¹⁰⁵ World Bank (2022), “Ethiopia Women Entrepreneurship Development Project, Implementation Status and results Report.” Retrieved 1 Dec 2022

¹⁰⁶ *ibid*

¹⁰⁷ World Bank (2015), “Gender Strategy (FY2016-23).” p51

¹⁰⁸ *ibid*

¹⁰⁹ W-GDP, <https://www.usaid.gov/w-gdp/fact-sheet/aug-2020-womens-global-development-and-prosperity-fund-announces-122m-progress-partnerships> Retrieved 30 Nov 2022

Components	<ul style="list-style-type: none"> • 3 Pillars: <ol style="list-style-type: none"> (1) Women prospering in the workforce; (2) Women succeeding as entrepreneurs; and (3) Women enabled in the economy. • 17 Sub-initiatives: <ol style="list-style-type: none"> (1) USD 34.6 million: W-GDP Incentive Fund (with a focus on Pillar 3, supports 16 awardees in 43 countries) (2) USD 23 million: W-GDP Invest in Women Portfolio: (3) USD 10 million: W-GDP New Partnerships Initiative (4) USD 7.4 million: W-GDP Interagency Fund (5) USD 7 million: W-GSP Women’s Land Rights (6) USD 5 million: WEE Global Development Alliance with USAID and PepsiCo (7) USD 5 million: W-GDP Grand Challenge (8) USD 5 million: W-GDP Microsoft Women’s Digital Inclusion Partnership (9) USD 4 million: W-GDP Women Connect Challenge (WCC) Round 3 (10) USD 3.6 million: WECConnect International (11) USD 3.3 million: W-GDP Mastercard Partnership (12) USD 3 million: Engendering Utilities (13) USD 3 million Aspen Network of Development Entrepreneurs and Visa Foundation – Innovation Grant Making (14) USD 2 million: Women Empowered in Recycling and Waste Management (15) USD 1.5 million: Women Powering Africa (16) USD 1.4 million: W-GDP Partnership to Train Kenya Women Entrepreneurs in Collaboration with UPS (17) USD 1 million: Women Entrepreneurs Amplifying Ventures and Economies • Outcome by 2021: provided skills training to 617,000 women; provided loans to 2,000 women-owned and led businesses; advancement of 2 legal reforms; 40 countries from all regions of the world join a new Call to Action on Women’s Economic Empowerment.¹¹⁰ • Target reach: 50 million women by 2025
Characteristics	<ul style="list-style-type: none"> • Sub-initiatives were composed with a strong focus on maximizing impacts through the mobilizing of funds from the private sector.

1-3-2 Engaging specific components in ecosystem based on respective organizations’ strength

Some donors concentrate their resources on specific types of activities or specific players within the women entrepreneurship ecosystem. For example, SIDA specifically engages in providing credit guarantees to women entrepreneurs: in 2020, its guarantee funds stood at about USD 2 billion, of which 1.4 billion were classified as gender “Principle” or “Significant”.¹¹¹ SIDA’s guarantees are often provided as part of a comprehensive effort: it may serve solely as a guarantee for a global finance consortium or it may be offered in combination with SIDA’s technical assistance to women entrepreneurs.¹¹² SIDA has concluded in several reports that the provision of guarantees can mobilize external funding (for loans to beneficiaries) which is several times larger than the original funds and that guarantees are particularly relevant and efficient in helping vulnerable groups, including women, in markets subject to information asymmetry and bias.¹¹³ According to OECD, guarantees have

¹¹⁰ US (2021), “W-GDP Annual Report 2020-2021”

¹¹¹ OECD (2022) “Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners”

¹¹² OECD (2022) “Gender Equality and the Empowerment of Women and Girls: Guidance for Development Partners”, Chapter 4 and SIDA (2013), “Innovative Financing: Collaboration with the private and public sector”

¹¹³ SIDA (2013), “What works for market development, a review of the evidence,” p95-97 and SIDA (2017), “Guarantee Portfolio 2017”

traditionally accounted for a large share of private financing raised for development.¹¹⁴ With direct investment in companies and special purpose vehicles (SPVs) having increased rapidly in recent years, guarantees represent the second largest share (approximately 38 percent of total mobilized amount) in the latest 2020 data.¹¹⁵ Nevertheless, guarantees are rarely used in blended finance aimed at contributing to gender equality with gender “Significant” and “Principle” being 3 percent and 2 percent respectively of the total assets under management (AUM)), implying potential for future scaling up.¹¹⁶

While developing various practical tools and providing training to women entrepreneurs, ILO has also offered many programs to private sector players including women entrepreneurs, BDS providers and finance institutions. For example, the ILO-supported Empowering Women at Work Capacity Development Platform (EW@W) helps promote gender equality with three priorities: (1) equal pay for work of equal value; (2) work-life balance and care; and (3) eradicating violence and harassment. WE-Test, a company self-assessment tool developed by the Platform, encourages private enterprises to try using a simple diagnostic on the website first; based on the results, free consulting and support for improvement is provided.¹¹⁷

The Gender Innovation Lab (GIL) led by the World Bank is an initiative for conducting impact evaluations on different policy interventions, gathering rigorous evidence and disseminating lessons learned. GIL began as an initiative specific to the Africa region and was later expanded to other regions: East Asia and Pacific, Latin America and the Caribbean, Middle East and North Africa, and South Asia. While noting that effective methods vary depending on the local context, the GIL Top Policy Lessons on Empowering Women Entrepreneurs, published in 2020, provides examples of three major types of interventions that can be effective in empowering women entrepreneurs: (1) facilitating women’s access to capital; (2) supporting women entrepreneurs in building the right skill sets; and (3) encouraging women to enter more profitable, male-dominated sectors. Deriving from the results of a range of impact evaluations, GIL has so far provided advice to over 100 projects in more than 35 countries, and even influenced the content of some countries’ national policies.¹¹⁸

USAID emphasizes that each aid agency should, by analyzing its organizational strengths, identify evidence-based and highly effective initiatives on which it will concentrate its resources.¹¹⁹ USAID itself puts more resources on the promotion of SMEs, rather than microenterprises, based on its evaluation of the economic impact of such projects.¹²⁰ Furthermore, while providing comprehensive aid modalities, it clearly aims to scale up its programs by collaborating with private companies. DFIs, on

¹¹⁴ OECD (2021), “[The Role of Guarantees in Blended Finance](#)”

¹¹⁵ OECD data, available at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/mobilisation.htm> Retrieved 12 Dec 2022

¹¹⁶ OECD (2022), “[Blended Finance for Gender Equality and Women’s Empowerment](#)”

¹¹⁷ ILO EW@W: <https://ewaw.itcilo.org/en/we-mentor/> Retrieved 5 Dec 2022

¹¹⁸ For example, the content of Uganda’s National Five Year Plan (2016-22) has been influenced by the Initiative’s advice.

¹¹⁹ USAID (2018), “[Microenterprise and pathway out of poverty](#)”

¹²⁰ *ibid.*

the other hand, are actively providing gender training to financial institutions in developing economies, capitalizing on their competitive edge.

1-3-3 Absence of gender perspectives in large scale startup support initiatives

Many large startup support initiatives do not specifically incorporate gender perspectives in their operating procedures. For example, the reference to gender issues and support for women entrepreneurs is not explicitly articulated in USAID's two flagship initiatives in the innovation sector; namely, the Development Innovation Ventures (DIV) and the Grand Challenges for Development (GC). DIV is an open innovation grant fund that has provided USD 197 million over the past 12 years, but has no mention of gender or women in the selection criteria for its business competition.¹²¹ In the report reviewing DIV's 10 years of activities, there is no mention of either the target proportion of women entrepreneurs or goals related to gender although several examples of support for women entrepreneurs appear.¹²² The evaluation report of GC that provides grants for solutions to nine development challenges points out that although four of the nine challenge-specific sub-initiatives had some gender considerations, the impact was very limited with many areas for improvement from a gender inclusion perspective.¹²³ The critiques and recommendations for improvement include:¹²⁴

- Gender analysis and guideline development took place only in a few sub-initiatives which were led by SIDA with partial participation and not by USAID (the organizer of the initiative); the GC should prepare a robust Theory of Change to integrate the gender perspective; and
- Grant recipients need support to develop and apply a gender lens in their grant programs.

While other major startup initiatives have varying degrees of gender consideration, gender consideration was not emphasized unless women appear in the initiative titles. IFC's flagship startup support programs "Startup Catalyst" and "TechEmerge" do not mention gender or women entrepreneurs either on their web pages or in their program materials.¹²⁵ For the "ADB Ventures" initiative, even though inclusive growth is one of its three main themes, words such as "gender" or "women" do not appear in the 26 "target sectors".¹²⁶ On the other hand, the FAQ webpage explains that a gender lens will be applied when investment decisions are made, and that entrepreneurs who wish to apply for the program will be able to receive free advice on gender considerations.¹²⁷

¹²¹ USAID (2022), "FY 2023 Development Innovation Ventures Annual Program Statement"

¹²² USAID (2021), "Development Innovation Ventures: A decade of turning bright ideas into global solutions"

¹²³ USAID (2021) USAID Grand Challenges for Development Meta-Evaluation: Final Evaluation Report, p177-187

¹²⁴ *ibid*

¹²⁵ IFC Startup Catalyst:

https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Venture+Capital/Special+initiatives/Startup+Catalyst/ Retrieved 2 Dec 2022, TechEmerge: <https://www.techemerge.org/> Retrieved 2 Dec 2022

¹²⁶ ADB Ventures: <https://ventures.adb.org/portfolio/> Retrieved 6 Dec 2022

¹²⁷ *ibid*.

No material has been found that discusses or analyzes the reasons for this. However, the Gender Innovation Project Group of Sasakawa Peace Foundation (SPF), which runs the Asian Women’s Impact Fund (AWIF) and supports Asian entrepreneurs with an emphasis on gender perspectives, has pointed out that some investors and external partners pull back as soon as the word “gender” is mentioned because they suppose that the term “gender” will somehow constrain their portfolio. In order to avoid such responses, the foundation does not always explicitly include gender-related issues in its objectives or funding targets.¹²⁸

1-3-4 Country- or region-specific support for women startups

In contrast to large-scale startup initiatives that do not feature gender equality, there are many country- or region-specific programs that explicitly put “support for women’s startups” on their labels. IFC also has a startup support initiative dedicated to closing the gender gap. UNDP’s Women Innovator Program by 4FYN restricts its support to women startup entrepreneurs. USAID has accelerator programs for women startups at the country level, such as in Serbia, Egypt and India.

This country- and region-specific format of women’s startup support is consistent with the previously mentioned assertion that the issues and challenges surrounding women are complex and multi-layered; support activities need to be tailored according to the local circumstances and prevailing social norms. GIZ’s most recent toolkit provides conditions on when participants in an acceleration program need to be limited to women and when not (see Box 4).¹²⁹ While the toolkit presents a view that a mixed-gender acceleration program has more impact in equipping women entrepreneurs with necessary skills to operate in a real business environment, it also states that the program organizers should consider a variety of factors, not just gender (e.g. race, culture, religion, age, ability), when deciding on the program structure.

Box 4: Decision Guidance on Running a (1) Women Only, (2) Mixed Gender or (3) Combined Acceleration Program

<p>(1) Women-only acceleration program may be suitable, when:</p> <ul style="list-style-type: none"> • Women in the local context are particularly restricted by strict gender norms; • Target women entrepreneurs require additional skills or knowledge to meet the selection criteria of current accelerator programs; • Women would benefit from a safe space to learn and share strategies for overcoming the barriers they face; • There is a sufficient number of target women-led ventures that meet the program criteria; • The program aims to build women’s networks; • The program has access to experienced women mentors and facilitators; and • The program is focused on a traditionally male-dominated sector, like energy or technology, where women need additional support to break into the industry and there is interest/capacity to build the sufficient number of target women-led ventures.
<p>(2) Mixed-gender acceleration program with a gender lens applied may be suitable, when:</p> <ul style="list-style-type: none"> • The program is being run in a young ecosystem where there is a small number of women-led ventures; • The program is focused on a traditionally male-dominated sector like energy or technology and there is little interest/capacity to build the sufficient number of target women-led ventures;

¹²⁸ Statement was made during the online interview on 24 Oct 2022.

¹²⁹ GIZ (2022), “[Accelerating Women Entrepreneurs: A Handbook for Practitioners](#)”

<ul style="list-style-type: none"> • The program is focused on a very niche kind of entrepreneur (e.g. rural-based healthcare ventures) and there is little interest/capacity to build the sufficient number of target women-led ventures; • The program aims to tackle gender inequality by educating and encouraging men to play a role in the solution, by facilitating learning opportunities between men and women, or by integrating women into male-dominated networks; • Women-led ventures in the local context feel comfortable to speak about the unique barriers they face in a mixed gender settings; • The program wants to stimulate innovation and would benefit from engaging a diverse range of perspectives and ideas; and • There is an existing mixed gender program and limited capacity to run an additional women-only program.
<p>(3) Combined (a mixed-gender program with a gender lens applied, partly including women-only program components to address specific needs of women entrepreneur) acceleration program may be suitable, when:</p> <ul style="list-style-type: none"> • A women-only program is not possible but women require additional capacity building and/or would benefit from a safe space to discuss and share strategies for overcoming the barriers they face.

Source: compiled by IMG based on GIZ (2022) Accelerating Women Entrepreneurs: A Handbook for Practitioners

Although not a startup program, UNDP initiated a unique “Transforming the Future of Work for Gender Equality (TFoW4GE)” program in which a country-specific model is created from solution prototypes on the basis of in-depth research and analysis on gender issues conducted by respective UNDP Country Offices (Box 5). For example, in India, the program realized the provision of childcare services as the main country-specific solution, as a way to remove the barriers to employment opportunities for women with young children.¹³⁰ This intervention seeks to change the behavior of women and men in the community over the long run so that childcare is taken as a shared responsibility with husbands while encouraging women’s participation in economic activities. In Fiji, an existing digital finance tool was adapted to the needs of women market vendors and micro-entrepreneurs in rural areas. These interventions were consistent with the context of their target countries, adopting a long-term approach to create systemic changes in social norms as a means of enabling women’s economic participation.¹³¹

Box 5: Transforming the Future of Work for Gender Equality (TFoW4GE) by UNDP¹³²

Outline	<ul style="list-style-type: none"> • Countries: 5 countries (Phase 1) • Year: 2019- • Total cost: unknown • Donors: UNDP • Project objective: To frame a complex challenge such as gender equality in the future of work, understand system dynamics, identify leverage points for change, to then articulate/visualize a desired future system, and identify solutions and pathways forward.
Components	<ul style="list-style-type: none"> • Phase 1: Developing country-level solution prototypes <ul style="list-style-type: none"> ➤ India: UNDP’s intervention was made to change social norms around the responsibility of unpaid care through childcare centers, which served in providing a service such as support systems for children to enable women with young children to pursue economic opportunities. In the program, the childcare centers also served as business incubators to connect women with employment and entrepreneurship opportunities. The intervention has resulted in a change in behavior of women and men in the communities to view childcare as a shared responsibility; thus, husbands are supporting women to participate in economic and entrepreneurship opportunities. ➤ Malaysia: Low levels of education and skills alongside unpaid care work and socio-cultural norms restricted women’s access to economic opportunities. The program conducted research on policy gaps in recognizing, reducing, redistributing women’s unpaid care work; and piloted technology

¹³⁰ <https://www.undp.org/asia-pacific/transforming-future-work-gender-equality-initiative> Retrieved 3 May 2023

¹³¹ *ibid*

¹³² *ibid*

	<p>and community-based interventions that can support the testing of new alternatives towards reducing the burden of unpaid work. The prototype is currently in the research stage and the pilot phase will be conducted later this year. Through a partnership with a private company, Malaysia is also exploring the use of an app-based task-fulfillment demand/supply matching model to decrease women’s unpaid care burden as part of its pilot phase.</p> <ul style="list-style-type: none"> ➤ Fiji: The program leveraged digital finance tools to reach women in rural areas. The prototype has revamped the PAC FARMER application through a Human-Centered Design process as well as redesigned an existing digital finance tool in order to increase its relevance and usage among rural women market vendors and rural women micro-entrepreneurs in Fiji. ➤ Thailand: The program tried to improve the employability of women living with disability to achieve economic self-sufficiency. To achieve this, structural barriers needed to be tackled by providing digital skills training to women living with disability as well as promoting employer-oriented practices in mid-sized private companies through disability inclusion and hiring practices. Towards this end, the program leveraged strong private sector engagement in the country to organize a business network meeting to create an informal network of companies that champion disability-inclusive policies. Simultaneously, the program created a curriculum for digital literacy training for women living with disabilities, which was piloted with 15 participants. <ul style="list-style-type: none"> • This initiative resulted in changed behaviors, breaking of stereotypes, digital and financial skilling of more than 200 women in the region, and increased access to digital and financial tools for rural women. • Phase 2: A Regional Lab was organized to discuss the insights from Phase 1, possible opportunities and service designs. Common design principles to guide gender-responsive programs and the mapping of persistent drivers of gender equality were identified.¹³³ Each of the UNDP country offices was trying to accelerate implementation and scaling the activities.
Characteristics	<ul style="list-style-type: none"> • Based on detailed country-specific research and analysis, tailor-made support was designed and implemented to support women’s entrepreneurship and employment. • The program provided the UNDP’s country offices with the space to experiment on a small scale, take risks and learn from failures. • The program aimed to address “disruptive, systematic, and deep-rooted” challenges to gender equality.

Source: compiled by IMG based on UNDP webpages

1-3-5 Tools

While a lack of budget and human resources is often cited as a challenge for women’s economic empowerment, diverse tools and guidelines have been developed to help address these issues and increase the effectiveness of the programs. Given its limited budget, GIZ has developed diverse toolkits to increase its program effectiveness. “Accelerating Women Entrepreneurs: A Handbook for Practitioners” (GIZ, 2022) describes its recommendations for support to women entrepreneurs, including startup support, which features the following (Box 6):

- Easy for practitioners to use: for example, sequential Yes/No selections suggest actions to take;
- Provides specific conditions when a program should be limited to women and when it is not;
- Covers specific know-how on all processes involved in supporting women entrepreneurs; and
- Allows practitioners access to efficient learning, summarizing theoretical background information and providing links to further reference materials.

¹³³ The referred documents cannot be found on the internet.

Box 6: Accelerating Women Entrepreneurs: A Handbook for Practitioners by GIZ

Accelerating Women Entrepreneurs. A Handbook for Practitioners. > Appendix > Self Diagnosis Tool for Mixed-Gender Accelerators

Self Diagnosis Tool for Mixed-Gender Accelerators

Whether you already run an Accelerator program or are in the process of designing a new programme, this self-diagnosis tool will help you identify where you have already considered gender within the programme design and implementation. It will then help you determine the key areas where additional thinking and gender lens strategies are needed and direct you to sections of the handbook that will be most useful in addressing these gaps. Please note, your ability to answer these questions may depend on your level of involvement in the design and implementation of your programmes therefore you may need to complete this with your project partner(s).

	Is this true for you?		If you answered NO, how would you best describe your current situation		
	YES This is true for us	NO We're not there yet	Not started	In progress	Already in practice
PROGRAMME DESIGN					
The curriculum has been designed to create equal value for and be inclusive of all genders, including delivering sessions that educate entrepreneurs on gender issues and how gender relates to entrepreneurship (for example Gender 101 or Gender in Products & Services) or address key gaps in knowledge or barriers to growth for any gendered group (for example, Impostor Syndrome or Negotiation Skills for women founders).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The programme has been designed to ensure that the timing, cost, location and format is inclusive of all genders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECRUITMENT					
Marketing and communications are accessible to, and inclusive of, all genders. For example through the use of gender inclusive or targeted channels, the use of gender inclusive imagery, gender neutral language, and/or an explicit invitation to applicants of all genders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The application process has been designed to be accessible to and inclusive of all genders for example through the format offered, the language used or the inclusion of specific targets for applicants from women-led ventures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Accelerating Women Entrepreneurs. A Handbook for Practitioners. > Appendix > Gender Action Plan Template

Gender Action Plan Template

A Gender Action Plan is a tool to help Accelerator teams prioritise gender lens strategies and devise an approach for implementing and measuring the impact of those strategies. Working from left to right in the table below:

1. identify the gender-related problem/challenge you are aiming to address.
2. Record the objective you want to achieve.
3. Next, using the handbook, identify 1-2 strategies you would like to implement to achieve your objective.
4. In the following two columns, identify who will be leading on implementing these strategies and when you hope they will be completed.
5. Finally, use the handbook to identify both quantitative and qualitative indicators you will use to measure the success of your strategies and how you will collect the data.

Refer to the example plan for support and complete your own on the next page:

EXAMPLE GENDER ACTION PLAN:

Problem	Objective	Strategies	Responsibility	Deadline	Quantitative Indicators	Collection	Qualitative Indicators	Collection
Lack of diversity in our programme participants.	Ensure our programme design and delivery supports all founders, regardless of gender.	Increase diversity of our facilitators and mentors.	Programme Manager	July 2022	Gender split of speakers, mentors, facilitators or other leadership roles	Post-recruitment Analysis	To what extent did you find you were supported by your mentors/facilitators?	Post-programme survey and interview
		Review and amend content and format to ensure it meets the needs of both genders.	Learning Designer	May 2022	NPS rating of programme by gender	Post-programme Analysis	To what extent was the delivery of the programme suitable to you? (eg. location, time, mode, format) What made it suitable/not suitable?	Post-programme survey and interview

Other examples of guidebooks and toolkits developed by GIZ include:

- Women’s Financial Inclusion Toolkit: Paving the way for women’s economic empowerment¹³⁴

¹³⁴ GIZ (2014), “Women’s Financial Inclusion Toolkit: Paving the way for women’s economic empowerment”

- Promoting equal participation in sustainable economic development: Toolbox¹³⁵
- Guidelines on designing a gender-sensitive results-based monitoring (RBM) system
- Gender-Sensitive Event Management – Checklist for Practitioners¹³⁶

Another example is a tool examining business models from a gender perspective, developed through Gender Makes Business Sense (GmBS) Project implemented by AUDA-NEPAD and GIZ.¹³⁷ It is a toolkit for reviewing and improving agribusiness models in developing countries from both business and gender perspectives, which also contains a Gender Puzzle covering 16 gender empowerment aspects, including management and leadership, control over the use of income as well as attitudes towards abuse (Box 7).¹³⁸ So far, 960 entrepreneurs (70 percent women) as well as 13 master trainers, 200 facilitators (54 per cent women) and 140 mentors have been trained with E-learning materials also developed during the Covid-19 crisis. The program has recently received external funding to scale up with the training of an additional 3,000 entrepreneurs having been implemented in four African countries.

Box 7: Gender Makes Business Sense (GmBS) by AUDA-NEPAD and GIZ¹³⁹

Outline	<ul style="list-style-type: none"> • Countries: 7 countries in Africa (Benin, Burkina Faso, Ghana, Kenya, Malawi, South Africa and Togo) • Year: 2017 ~ present • Total cost: initial budget is unknown and an additional EUR2.7 million in Malawi is funded by Norway • Donors: AUDA-NEPAD and GIZ • Co-funded by: Norway • Project objective: To achieve gender transformative change in business. • Long-term expected impacts of GmBS: increased self-agency in women, more equal gender relations in households and agribusinesses, change in social norms that empower women that eventually results in system change in regard to gender equality and empowerment of women and girls in the agribusiness sphere and beyond.¹⁴⁰
Components	<ul style="list-style-type: none"> • (1) Developed Toolkit: The Power of Three (P3) experiential learning tool facilitating “gender transformative change” in business among agriculture entrepreneurs through the following tools: <ul style="list-style-type: none"> ➢ A game board with cashflow, profit and loss worksheets, game money, interest rate cards ➢ A Gender Puzzle ➢ A Business Canvas puzzle ➢ Mindshift cards • (2) Provided trainings in: <ul style="list-style-type: none"> ➢ Practical business management skills and financial know-how ➢ Socio-economic impact of gender dynamics in business • 240 facilitators and 17 master trainers trained. The trained facilitators and trainers have trained 960 entrepreneurs (70 percent women) from Oct 2021 to Mar 2022.¹⁴¹ An additional 3,000 entrepreneurs will be trained in 2023 and the e-learning materials currently under development are

¹³⁵ GIZ (2015), “Promoting equal participation in sustainable economic development: Toolbox “

¹³⁶ not disclosed (internal documents).

¹³⁷ Co-financed by EU, ILO and ETF.

¹³⁸ GIZ (2022), “Set it up for gender justice around the world,” p10

¹³⁹ <https://aspjee.org/gmbs#about> Retrieved 6 Dec 2022

¹⁴⁰ GIZ (2022) Entry for GIZ Gender Competition 2022, The practical capacity development journey for agripreneurs “Gender makes Business Sense”

¹⁴¹ GIZ (2022), “Set it up for gender justice around the world,”

	expected to be available to “all entrepreneurs on the African continent”. ¹⁴²
Characteristics	<ul style="list-style-type: none"> • A unique tool was developed to examine and transform business models from a gender perspective while encouraging the mindset with entrepreneurs in Africa. • The project is committed to developing high usability e-learning materials during the Covid-19 crisis with the aim of scale-up across Africa.



1-3-6 Quantitative measures of donor engagement

Several reviews have attempted to quantify the level of donor engagement in women’s economic empowerment, using the “Gender Equality Policy Marker” created by the Development Assistance Committee (DAC). The marker is a quantitative statistical tool for documenting development activities intending to contribute to gender equality. It classifies activities into three categories based on the development partner’s intention at the program design stage (see Table 4).

Table 4: Three Scores of the Gender Equality Policy Marker by DAC

Marker	Definition
Not targeted (Marked 0)	The project/program has been screened against the gender marker but has not been found to target gender equality.
Significant (Marked 1)	Gender equality is an important and deliberate objective, but not the principal reason for undertaking the project/program, often explained as gender equality being mainstreamed in the project/program.
Principle (Marked 2)	Gender equality is the main objective of the project/program and is fundamental in its design and expected results. The project/program would not have been undertaken without this objective.

Source: OECD-DAC Network on Gender Equality

In several recent policy briefs, OECD has reviewed the amounts and percentages of bilateral aid budgets of DAC member countries in 11 relevant economic and productive sectors that are classified as

¹⁴² GIZ (2022) Entry for GIZ Gender Competition 2022, The practical capacity development journey for agripreneurs “Gender makes Business Sense”

“Significant” or “Principle”.¹⁴³ According to the latest 2021 report, total aid budget integrating a gender perspective in the economic and productive sectors classified as “Significant” or “Principle” has increased from USD 5 billion (annual average) in 2010-2011 to USD 17.5 billion in 2018-2019.¹⁴⁴ Similarly, the share of project budget for women’s economic empowerment as a percentage of “Significant” or “Principle” program total budget has increased over the years from 20 percent (annual average) in 2010-2011 to 47 percent in 2018-2019.¹⁴⁵ These figures indicate that program budgets for bilateral aid related to women’s economic empowerment have increased both in value and percentage terms. Nevertheless, the report points out a major challenge with the percentage of “Principle” programs having remained at around two percent through the last decade with little increase. In contrast to the importance of the issue, the amount of direct support to women’s economic empowerment has remained disproportionately small.¹⁴⁶

The above quantitative measure of donor engagement, nevertheless, is subject to some critiques and limitations: (1) it is based on announced budget amounts, not actual disbursement or impacts; (2) it is influenced by the number of infrastructure projects with large budget amounts; (3) the proportion of “Significant” or “Principle” programs for all projects is not published; and (4) there is inconsistency in this gender classification among DAC countries.¹⁴⁷ It should also be noted that the budgets of multilateral agencies and banks that contribute large amounts to SME financing are not included in this figure, let alone the technology and innovation sector in which women’s startup support has been active in recent years. Given the great variety of initiatives related to gender and business, this method may not capture the entire picture of recent quantitative trends in the sector.

1-3-7 Women’s Economic Empowerment in Japan

According to the “2022 Global Gender Gap Report” published by the World Economic Forum in July 2022, Japan’s overall “Gender Gap Index” (GGI) score was 0.650, ranking 116th among 146 countries. Japan’s score and rank in 2022 were not only at the lowest level among developed countries but even lower than South Korea, China and other ASEAN countries in Asia.¹⁴⁸ In 2006, when the GGI was first published, Japan’s score and rank were 0.645 and 80th among 115 countries, respectively; and since then, the country’s score has remained consistent while its rank has declined.¹⁴⁹ The GGI is calculated from data across four categories: economy, education, health and politics. For the GGI 2022, Japan’s scores

¹⁴³ 11 sectors, based on a number of purpose codes in the OECD Creditor Recording System, are agriculture and rural development; banking and business; communication; employment policy; energy; industry; mining, construction and tourism; public finance management; trade; transportation and storage; and urban development. Source: OECD (2021) Financing women’s economic empowerment

¹⁴⁴ OECD (2021), “Financing women’s economic empowerment,” p1-2

¹⁴⁵ *ibid*

¹⁴⁶ World Bank (2015), “Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth”

¹⁴⁷ OECD (2022), “Gender Equality and the Empowerment of Women and Girls Guidance for Development Partners,” Chapter 4

¹⁴⁸ Gender Equality Bureau, Cabinet Office, the Government of Japan (2022), “Equal Participation: August”

¹⁴⁹ Gender Equality Bureau, Cabinet Office, the Government of Japan (2022), “The White Paper on Gender Equality2022”

in education and health were among the highest in the world while its scores in economy and politics were among the lowest; Japan ranked 121st in economy and 139th in politics.

Various initiatives have been implemented by the Government of Japan to realize a gender-equal society since the “Basic Act for a Gender Equal Society” (Basic Act) was enacted in 1999 and the “Basic Plan for Gender Equality” was formulated in the following year based on Article 13 of the Basic Act. In 2005, the Gender Equality Bureau in the Cabinet Office set out a target for a gender-equal society: specifically, raising women’s presence to at least 30 percent of leadership positions across all fields of society by 2020. In order to achieve the target, multiple “Positive Actions”¹⁵⁰ were determined in the “Third Basic Plan for Gender Equality” (Third Basic Plan) formulated in 2010. Based on the “Third Basic Plan,” the Government has accelerated its support for gender equality, such as support for women’s continuous employment and reemployment, and support for companies that have promoted gender equality.¹⁵¹ In 2015, the “Act on the Promotion of Women’s Participation and Advancement in the Workplace” (Act on Promotion) was enacted to enhance the effectiveness of Positive Actions and achieve substantial equal opportunity between men and women. The “Basic Policy on the Promotion of Women’s Participation and Advancement in the Workplace,” formulated based on Article 5 of the Act on Promotion, requires not only that the private sector implement necessary measures to promote women’s participation and advancement in the workplace, but also that the Government itself provide support to the private sector to implement the measures. The Government, as a public service provider, is also required to provide support to women as well as create an environment in which women can balance their professional and personal lives.

The Government has carried out two certification programs for companies that promote women’s participation in the workplace: “Eruboshi” and “Kurumin” certification. Business owners who have submitted an “Business Owner Action Plan” under the Act on Promotion are eligible to apply for “Eruboshi” certification. They will receive the certification from the Minister of Health, Labour and Welfare when they have fulfilled the conditions set forth in the said Action Plan. “Kurumin” certification is also given from the Minister of Health, Labour and Welfare to companies that have developed an “Business Owner Action Plan” in accordance with the “Act on the Advancement of Measures to Support Raising Next-Generation Children”¹⁵² and achieved the goals set in the Action Plan.¹⁵³

With the expectation of attracting and retaining talented human resources with an enhanced corporate

¹⁵⁰ The Gender Equality Bureau states about Positive Actions: “Although it is difficult to provide a universal definition, in general, Positive Actions are temporary measures taken within a certain scope for a socially and structurally disadvantaged group with the aim of achieving substantive equality of opportunity”. (Source: https://www.gender.go.jp/policy/positive_act/index.html)

¹⁵¹ Cabinet Decision on 25 September 2015, “Basic Policy on the Promotion of Women’s Participation and Advancement in the Workplace”

¹⁵² “Act on the Advancement of Measures to Support Raising Next-Generation Children”, enacted in 2005, determined the necessary support which should be taken by the Government for families raising children and the measures that companies are required to take to improve the working environment.

¹⁵³ Website of the Ministry of Health, Labour and Welfare

(https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kodomo/shokuba_kosodate/kurumin/index.html)

image, companies that received these certifications can advertise themselves as a company supportive of women’s empowerment and child-rearing using the official certification logo on their products, websites and other branding. Government agencies give additional points to companies with these certifications in procurement processes in order to further encourage companies to take Positive Actions. The “Fifth Basic Plan for Gender Equality” formulated in 2020 also required the Government to continuously undertake Positive Actions for increasing women’s proportion of leadership positions.

In order to accelerate efforts toward women’s empowerment and gender equality, every year the Government of Japan determines the “Priority Policies for Women’s Empowerment and Gender Equality” (“Priority Policies”) that each ministry should take into account when preparing its budgetary requests. Acknowledging that the current state of women’s empowerment and gender equality in Japan is far behind other countries, the “2022 Priority Policies” recognized that enhancing “women’s economic independence” was the key to improving the situation. The Priority Policies determine the measures for improving the state, including not only direct support to women, such as wage increases and recurrent education opportunities, but also legislative revisions and the removal of unconscious biases that create negative gender norms. Table 5 sets out the measures that the Government has undertaken.

Table 5: Measures Taken by the Government of Japan to Promote Women’s Economic Empowerment

Challenge	Description of challenge	Measure
(1) Gender Pay Gap	Women tend to be paid less than men, even when they work in the same workplace, due to the difference in job duties and responsibilities. This situation is defined as “Vertical Segregation.” Women also tend to work in the service industry, and caregiving and childcare sectors in which wages are relatively low. This is defined as “Horizontal Segregation.”	<ul style="list-style-type: none"> • Disclose information on the gender pay gap. • Increase wages of non-permanent workers ensuring equal pay for equal work. • Develop female digital talent. • Increase the income of women who work in sectors such as nursing, caregiving and childcare. • Promote recurrent education.
(2) Gender Pay Gap in Non-urban Areas	The perception of fixed gender roles hinders women's economic empowerment, which leads to young women’s migration from rural areas to urban areas. This situation is regarded as one of the factors that accelerated the declining birth rate and population decrease.	<ul style="list-style-type: none"> • Establish and strengthen a national center for gender equality, which coordinates regional gender equality centers. • Enhance and improve the functioning of gender equality centers in their respective regions. • Support gender equality initiatives taken by local governments. • Support women’s active participation in the private sector across regions • Support the development of gender equality plans in cities and towns. • Visualize the status of gender equality in each prefecture.
(3) Fixed Gender Roles and Unconscious Biases	The perception of fixed gender roles and unconscious biases hinder women's economic empowerment.	<ul style="list-style-type: none"> • Continuously implement surveys and research for gender equality. • Implement awareness-raising activities, such as workshops aimed at eliminating unconscious bias, targeting local governments and industry organizations that disseminate information. • Support the removal of unconscious biases in

		education.
(4) Necessity of Social Security and Tax Systems Which Contribute to Dissolving Gender Disparities	The current system incentivizes dependents to maintain a low income level in order to qualify for tax deductions, which leads to a reduction in his/her earnings and employment opportunities (in many cases, women account for most dependents in Japan).	<ul style="list-style-type: none"> The Cabinet Office and relevant ministries should examine the social security and tax systems and other related aspects from three main perspectives. First, there is a concern that the current system may increase the number of women who decrease their working days and hours in order to avoid diminishing household income. Second, the current system, which increases women's dependence on their spouses' economic power, may increase the risk of poverty for women, combined with gender wage gaps. Third, there is a need to assess whether the current system is fair and equitable from a distributional perspective.
(5) Support for Single Parents	There is a need for long-term financial support for single parents. Agreements on child support settlement are often not respected by ex-spouses.	<ul style="list-style-type: none"> Vocational training. Help single parents receive child support from their ex-spouses. Review the civil law measures for securing child support.
(6) Accurate Collection of Gender-Disaggregated Data to Enhance Gender Statistics	There is a need to enhance gender statistics in order to objectively review the environment in which men and women work.	<ul style="list-style-type: none"> The "Working Group for Reviewing Gender Components in Gender Statistics" will assess the current status of gender components in various statistics from the perspective of gender diversity. Based on that assessment, the Working Group will submit recommendations for improvement.

Source: "Priority Policies for Women's Empowerment and Gender Equality 2022" (June 2022)

1-4 Gender Smart Business

1-4-1 Definition of Gender Smart Business

As stated in Chapter 1, with the growing evidence of a positive correlation between WEE and enterprise performance, an increasing number of enterprises have acknowledged the importance of engaging in WEE in order not only to fulfill their social responsibilities but also to increase their economic value in a sustainable manner. With a growing number of investors appreciating the relevance of a GLI that pursues both “gender equality / WEE” and “financial returns”, enterprises must demonstrate their efforts for achieving gender equality when mobilizing funds. With reference to the GLI categories to be presented in Chapter 2 (i.e., (1) women-owned or women-led enterprises, (2) enterprises that promote workplace equity, and (3) enterprises that offer products or services with positive impact on women and girls) as well as the 2X standards adopted by 2X Challenge, this report defines “Gender Smart Business” (GSB) as businesses aiming at gender equality and WEE across their entire (or part of) value chain and “Gender Smart Business enterprises” as the enterprises that practice GSB. GSB enterprises can be categorized into the following 5 groups (with enterprises being able to be categorized in multiple groups):

- Ownership / Entrepreneurship: women-owned or women-led enterprises;
- Leadership: enterprises that have assigned women to its board or management;
- Employment: enterprises that recruit women for its workforce and promote workplace equity;
- Consumption: enterprises that supply women-friendly products or services; and
- Financing: financial institutions with a gender lens that provide financing to the four groups of enterprises above.

1-4-2 GSB and Market Systems Development Approach

Development agencies have acknowledged that despite the fact that the poor receive livelihoods and goods from the market system, they rather limitedly benefit from the market system. The Market Systems Development (MSD) approach, which aims at transforming market systems into those that provide the poor with opportunities for sustainable incomes, employment and access to products and services, has been promoted under the leadership of USAID, former DFID and SDC since the 2000s.¹⁵⁴ At the same time, with WEE’s importance having been clearly stated in the Beijing Declaration and Platform for Action of the Fourth World Conference on Women, WEE has been acknowledged as an indispensable perspective for MSD in realizing inclusive economic growth and poverty reduction. MSD also constitutes a basic framework for CGAP (Consultative Group to Assist the Poor), an international

¹⁵⁴ <https://dai-global-developments.com/articles/market-systems-development-a-primer-on-pro-poor-programming/> Retrieved 3 May 2023

thinktank and donors' platform for achieving financial inclusion of the vulnerable people including the poor, women, small-scale farmers and refugees.¹⁵⁵

Among the leading donors promoting the MSD approach, USAID has placed WEE as one of the core areas in its MSD project "Leveraging Economic Opportunities" (2013-2016), which promotes inclusive growth through market mechanisms.¹⁵⁶ SDC issued a guidance paper for its employees to have a gender lens when implementing MSD programs.¹⁵⁷ The second edition (2015) of the Operational Guide for the Making Markets Work for the Poor (M4P) Approach prepared by SDC and former DFID regarded gender inequality as the largest obstacle to poverty reduction. It emphasized the importance of a gender lens in the MSD approach, stating that when a market mechanism is found to exclude women, the circumstances must be analyzed and reasons identified.

The MSD approach considers the market mechanism to be constituted from three areas as shown in "Figure 6 Composition of the Market Systems": the "core market area" where the transaction is determined via supply and demand, the "market support area" and the "rules and norms" that influence the relationships of the actors in the core market area.¹⁵⁸ With reference to the "BEAM Exchange" knowledge platform overseen by DCED's MSD Working Group,¹⁵⁹ these respective areas can be explained as follows:

- Core market area: collections of transactions between the users (demand side) of opportunities and goods / services, and the suppliers (supply side), which constitute the central function of the market system. In the GSB framework, there are relationships between the demand side represented by women's startup opportunities (entrepreneurship and ownership), promotion and management (leadership) and employment (job placement) as well as their consumption of quality products and services that are women-friendly or provide solutions to their problems; and the supply side represented by the enterprises that provide such opportunities and products/services;
- Market support area: the area that encourages the growth and development of the core market by influencing the capacity and relations of the demand side (women) and the supply side (enterprises); and
- Rules and norms: these include both formal institutions (such as laws, regulations and standards) and informal institutions (such as social norms and values), which control or orient the actions of the demand side (women) and the supply side (enterprises). Special attention should be paid to informal social norms, especially gender norms, since these surreptitiously control the values and behaviors of people, enterprises and governments across all aspects of the market.

¹⁵⁵ CGAP determines MSD approach as the Market Systems Approach.

¹⁵⁶ USAID (2016), "Leveraging Economic Opportunities: Final Performance Report"

¹⁵⁷ SDC (2016), "Mainstreaming women's economic empowerment (WEE) in market systems development"

¹⁵⁸ Mercy Corps (2015), "Gender and Market Development: A framework for strengthening gender integration in market systems development"

¹⁵⁹ <https://beamexchange.org/market-systems/glossary/> Retrieved 3 May 2023

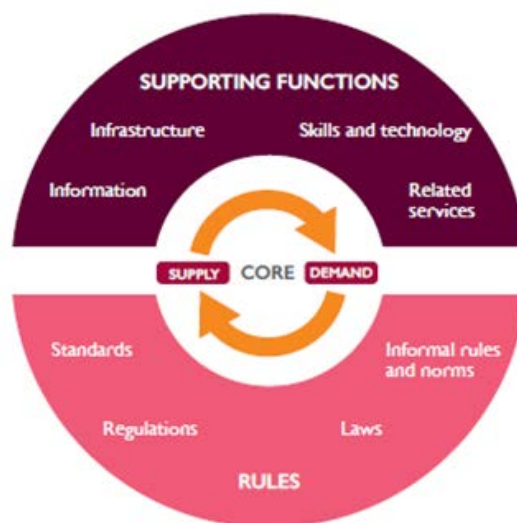


Figure 6: Composition of Market System

Source: SDC and DFID (2015), “Operational Guide for the Making Markets Work for the Poor (M4P) Approach”

While the achievement of gender equality and WEE requires a boost to the number and quality of GSB enterprises, the transformation of current market systems that are not fair from the gender perspective is insufficient for the growth of GSB enterprises; structural transformation of the “market support area” and “rules and norms” that influence the behaviors of women and enterprises as well as of the relationships between them is needed.

1-4-3 Players in a Market System

There are various actors across the above three market system areas. Technoserve, an international non-profit organization engaging in private sector development aimed at poverty reduction, labels actors in the core market area as “direct market players”, those in the market support area as “suppliers of supporting products and services” and those forming rules and norms as “entities that influence the business environment”.¹⁶⁰ When a market system concept is applied to GSB promotion with the intent to achieve gender equality and WEE,¹⁶¹ the “direct market players” in the core market are comprised of women’s opportunities for startups (entrepreneurship and ownership), promotion and management (leadership), employment (job placement) as well as consumers of women-friendly products/services and suppliers.

In turn, “market support area” actors are comprised of financial institutions, including MFIs and GLI that provide women with access to finance, business development service (BDS) providers, technical training institutes, incubators / accelerators and research institutes; all of whom are indispensable to

¹⁶⁰ <https://www.technoserve.org/our-work/what-is-a-market-system/> Retrieved 3 May 2023

¹⁶¹ According to SDC’s “Mainstreaming women’s economic empowerment (WEE) in market systems development” (2016), a specific market system (value chains) must be selected at the beginning of the implementation of MSD, implying that MSD is an approach that principally focuses on a market system having a core market area catering to specific products or services.

MSME's growth.¹⁶² MFIs and BDS providers, which are indispensable partners to donors and governments in supporting direct market players, can also be gender transformative enterprises that can increase their clients or enhance performance through an effective development of their own products and services tailored to women. Private enterprises and governments can put in place infrastructure, such as nurseries or women-friendly transport, which enable women to play an active role in the core market area. Moreover, associations and government agencies related to businesses can set up quality standards for products and services in the market, and establish and run supportive accreditation systems.

Rules and regulations are determined by governments and state agencies, of which their addition, modification and abolishment are often influenced by development agencies and NGOs. Different institutions, such as SME agencies, consumer protection agencies, central banks and financial institutions, respond to GSB's various needs in such fields as enterprise development, work environment improvements, products and service transactions, and consumer protection. In each country and region, social norms have been formed reflecting the cultures, traditions and religions of their local communities and institutions.

Governments, private enterprises, foundations, NGOs and development agencies not only play a role in their respective areas but also influence the entire market system; there are often cases where government agencies, NGOs and development agencies play roles as both regulators and actors. In innovative areas such as digitalization and impact funds / ESG investments, where proper regulations have yet to be established, governments need input from relevant actors so that appropriate regulations and controls can be put in place without hindering the growth. Figure 7 sets out the players in a market system for GSB promotion.

¹⁶² Acknowledging the importance of BDS for micro and small enterprises, DCED issued in 2001 "BDS Guiding Principles" through organizing a BDS Working Group, and held multiple meetings from 1998 to 2000 aimed at improving donor support toward BDS market (<https://www.enterprise-development.org/dced-guidance/business-development-services-dced-guiding-principles/>) Retrieved 3 May 2023

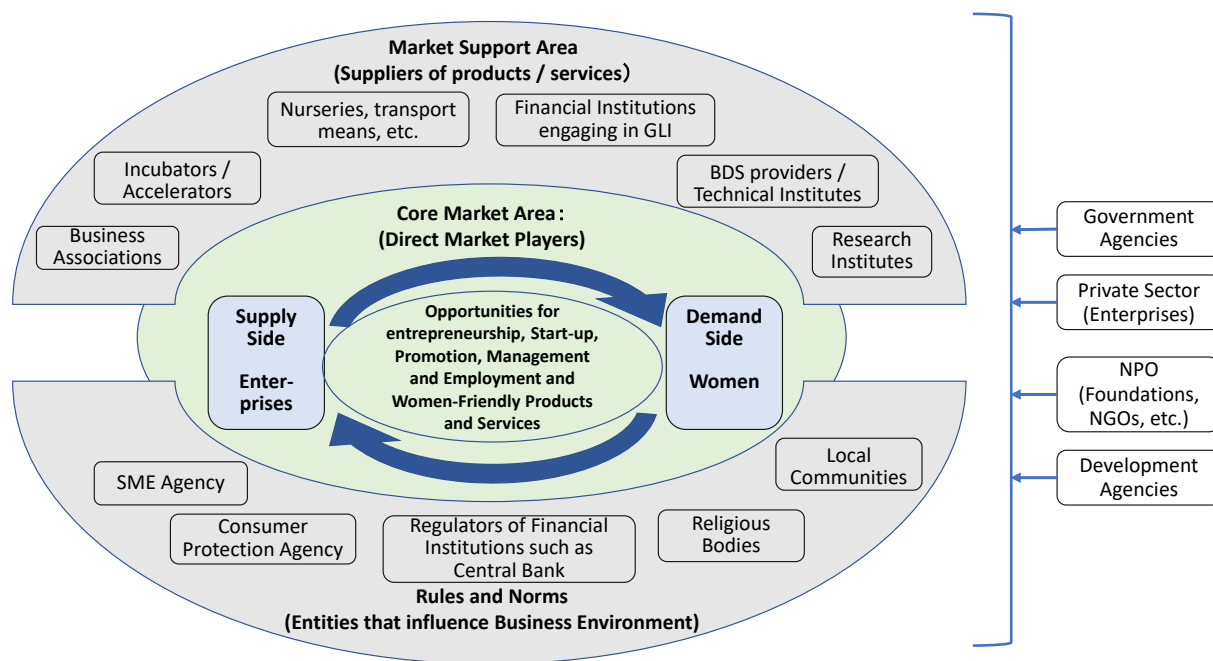


Figure 7: Players in a Market System for GSB Promotion

Source: Research Team

1-4-4 Obstacles to women’s participation in a Market System

When women are involved in business activities as entrepreneurs, enterprise owners/managers, employees or as consumers having access to women-friendly products/services of affordable prices, they are in fact participating in the market system and benefiting from it. It also means that an enabling environment (“market support area” and “rules and norms”) is in place. However, women who wish to participate in a market system in such ways often encounter obstacles originating from different factors such as: social norms that force women into unpaid domestic work and care; lack of human networks; lack of opportunities (free from gender bias) for obtaining knowledge and skills; presence of sexual harassment in the workplace or in training institutes; and psychological barriers that prevent women’s social and economic participation. These obstacles restrict women from running businesses by depriving them of access to necessary resources, lower women’s share in management positions, create a gender gap in wages, constrain women into domestic work and care, and oblige them to accept part-time jobs or unstable / informal employment. Moreover, enterprises that may offer different opportunities or products/services to women are in fact incapable of doing so due to limited understanding of the constraints that women are facing in the market system and in the work environment.

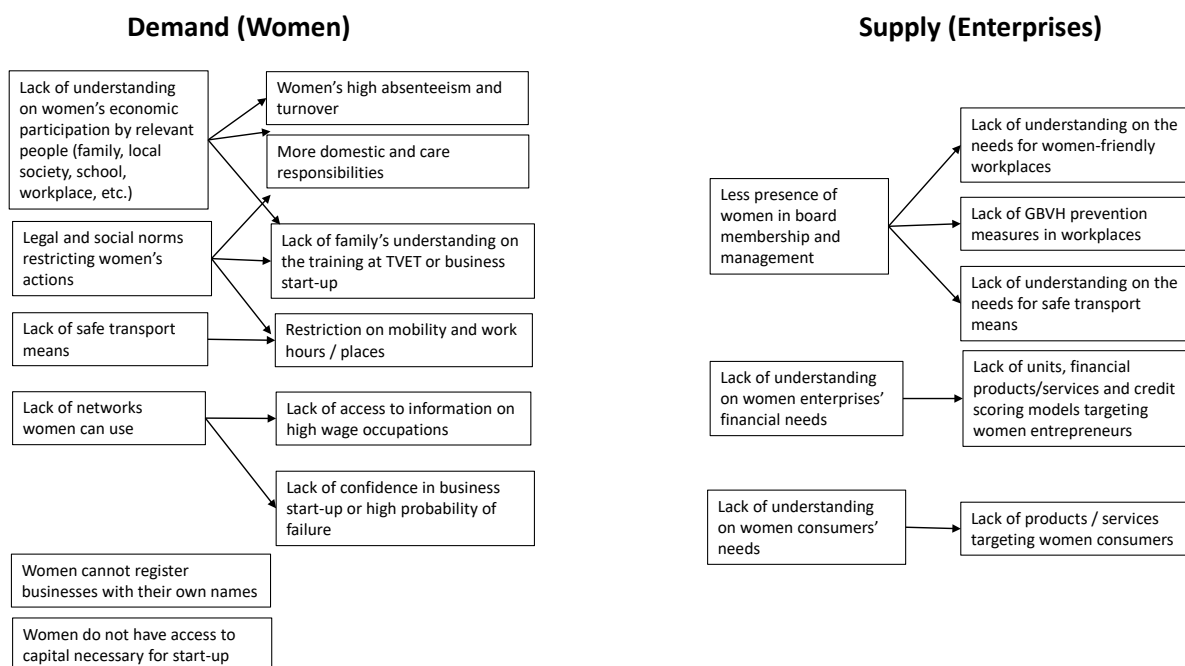


Figure 8: Challenges in the Core Market Area

Source: Research Team

These obstacles are present throughout the market system; in the “core market area” (where women are direct market players) as well as the “market support area” and “rules and norms”. The report “Leave No One Behind: A Call to Action for Gender Equality and Women’s Economic Empowerment” submitted in September 2016 by the “UN Secretary-General’s High-Level Panel on Women’s Economic Empowerment” (established in January 2016) enumerates four overarching systemic constraints on the economic empowerment of women: a lack of access to financial, digital and property assets; adverse social norms; discriminatory laws and a lack of legal protections; and the failure to recognize, reduce and redistribute unpaid domestic work and care. When applying MSD constituents to these constraints, “a lack of access to financial, digital and property assets” corresponds to the “market support area” and the remaining three fall under “rules and norms”. These constraints are generated when the players in the market support area lack knowledge, budget and the implementing system to formulate the required support from a women’s perspective. Likewise, the players in “rules and norms” prevent women from participating in the market system when they lack knowledge and understanding of gender equality or have unconscious gender bias.

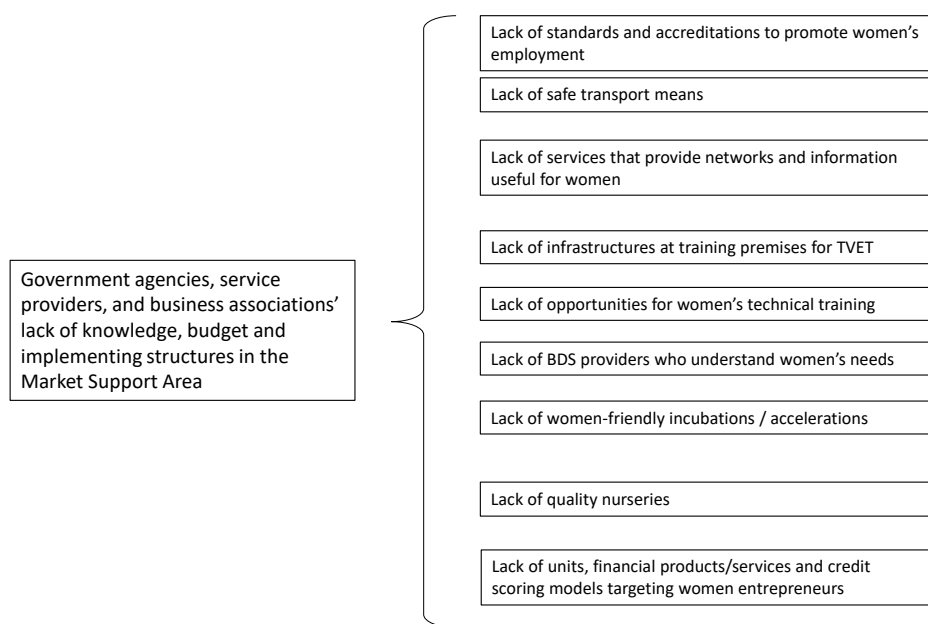


Figure 9: Challenges in the Market System

Source: Research Team

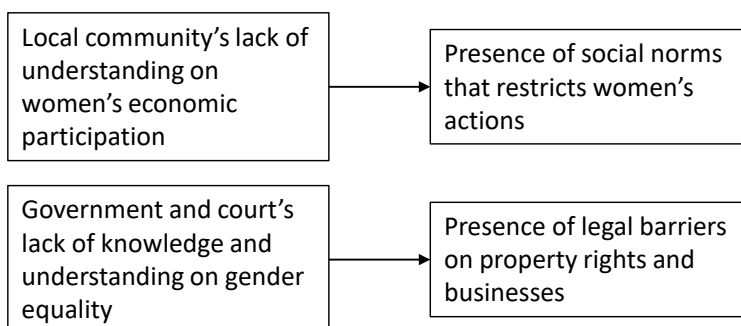


Figure 10: Challenge in Rules and Norms

Source: Research Team

1-4-5 Scenario for promoting GSB

In developing countries where the level of economic development remains low, the majority of women cannot enjoy the benefits of economic growth since they are excluded from the market system due to the above-mentioned obstacles. In order to achieve gender equality and WEE, which are key to sustainable growth for the entire market, GSB must be promoted through the market support function being improved from gender perspective as well as the formal and informal social institutions causing gender gaps being eliminated or corrected. Given that an enabling environment for the inclusion of minority groups in a market system is indispensable for the achievement of WEE, the ultimate goal for GSB promotion can be defined as “to create an inclusive market system in which nobody is left out regardless of sexual identity or sexual orientation, with gender equality and WEE having been realized”.

The MSD approach seeks a systematic change of the market system; the “Theory of Change” (a strategic framework that financiers and donor agencies use when analyzing a support program and which clarifies the support structures and monitoring and evaluation) must be employed so that consistency in the process for structural change can be ensured.¹⁶³ The Theory of Change provides a scenario of how the changes to be brought on by external support will result in the resolution of problems, generating changes in behaviors / states of the target groups. In this report, a scenario for GSB promotion will be demonstrated utilizing a Theory of Change framework (see Figure 11 “Theory of Change for GSB promotion”).

As will be explained below, inter-related challenges across the three areas prevent the market system from advancing gender equality and WEE, limiting women’s participation in, or benefit from, the system. The goal of GSB promotion is to “create an inclusive and sustainable society” by “transforming the market system, through achieving gender equality and WEE, into an inclusive one that does not leave out anybody”, which is made possible by overcoming the challenges in their respective areas.

GSB enterprises are a constituent of the “core market” area; the number of enterprises that provide women with opportunities for entrepreneurship, startups, promotion to management positions, employment or offer products/services beneficial to women are still limited with few enterprises understanding women’s challenges and needs in the market system or workplace. Women are another constituent of the “core market”; many of them do not have either access to human or economic resources that provide opportunities for entrepreneurship, startups, promotion to management positions and employment; or the confidence to drive themselves into economic and social participation even when having access to such resources. International society has come to understand the importance of gender equality and now requires enterprises to be more committed to GSB. More and more enterprises have become aware of potential of gender-equitable workplaces as well as the development of new markets for women-friendly products / services for achieving sustainable growth and value. Should women have access to human and economic resources as well as the capacity to use them (“agency”), more and more women would become capable of participating in the core market area as entrepreneurs, enterprise owners and managers, employees and/or consumers. The interactions between these actors will push GSB forward to be a standard in the market system.

In the “market support” area, financial institutions and BDS providers that are expected to support the growth of businesses are in fact not capable of resolving gender-related issues due to a lack of gender perspectives. Many of them lack sufficient knowledge, budget and structure to form and implement the required support. An increase in awareness or the introduction of subsidies to financial institutions and BDS providers could enable the development and supply of financing and BDS that lead to the resolution of gender-related issues. For example, infrastructures such as nurseries, care facilities and transport can be put in place for women who are solely responsible for care work or have limited mobility due to

¹⁶³ SDC and DFID (2015), “Operational Guide for the Making Markets Work for the Poor (M4P) Approach”

social norms, which will increase their access to finance and BDS required for entrepreneurship, startups or the growth of the businesses.

“Rules and norms” become obstacles when official rules restrict women’s rights or regulators lack an accurate knowledge and understanding of gender equality. Apart from official rules, there are culture, custom and religious norms as well as unconscious gender bias within local communities that restrict women’s actions. The norms that force women to solely engage in care work restricts them from going out and thus deprives them of access to economic opportunities. Through awareness raising campaigns and involving men in programs supporting women, government agencies and local communities that set out and govern rules and social norms should be made aware of the importance of gender equality. Local communities should acknowledge that gender equality and WEE are women’s natural rights and that the advancement of gender equality and WEE benefits local communities socially and economically; this will lead to the revision or abolishment of discriminatory rules and norms and the introduction of new rules that protect women’s rights.

The problems in each of the three areas as well as the outcomes resulting from the resolution of these problems interact across these boundary areas. For example, improvements in infrastructures like nurseries and transport in the “market support” area will lead to a reduction in care work that is solely borne by women; however, it cannot be realized without changes in gender mindset that is forcing care work to women.

In the “core market” area, when an enterprise wishes to engage in gender equality with an enhanced perspective, BDS providers with a gender lens can help the enterprise effectively achieve this objective by, for example, increasing women’s employment or offering women-friendly goods or services. GSB will become a business standard in a market system as more enterprises become committed to engaging in GSB in a sustainable manner.

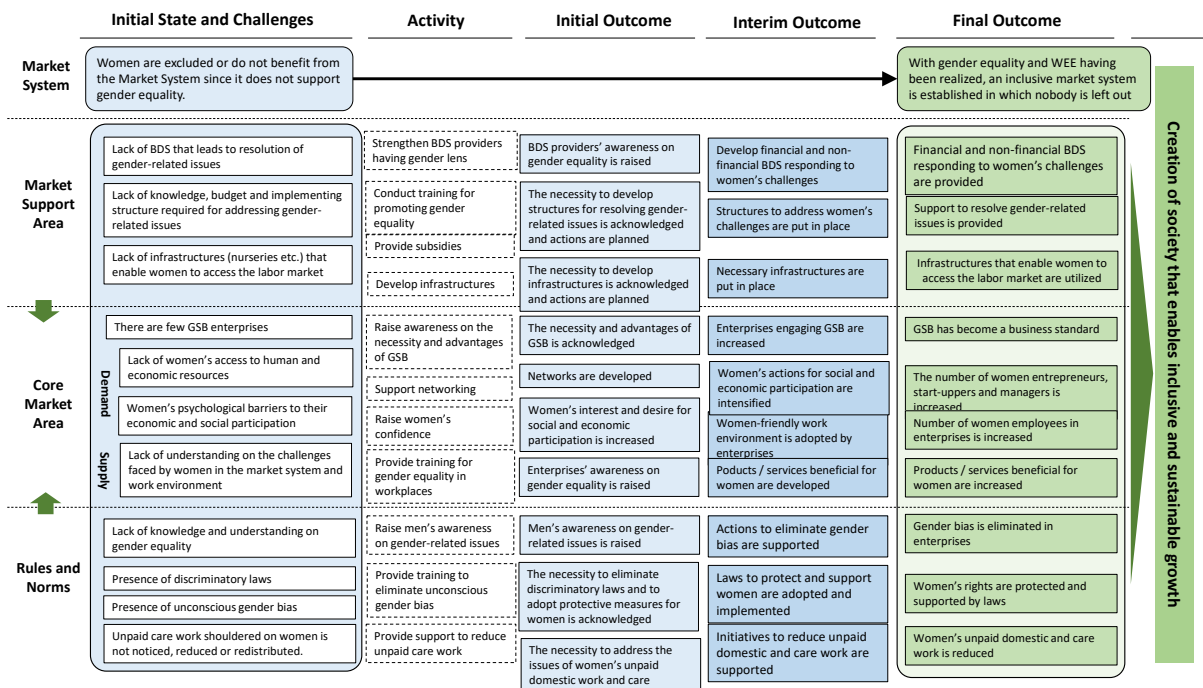


Figure 11: "Theory of Change" for GSB Promotion

Source: Research Team

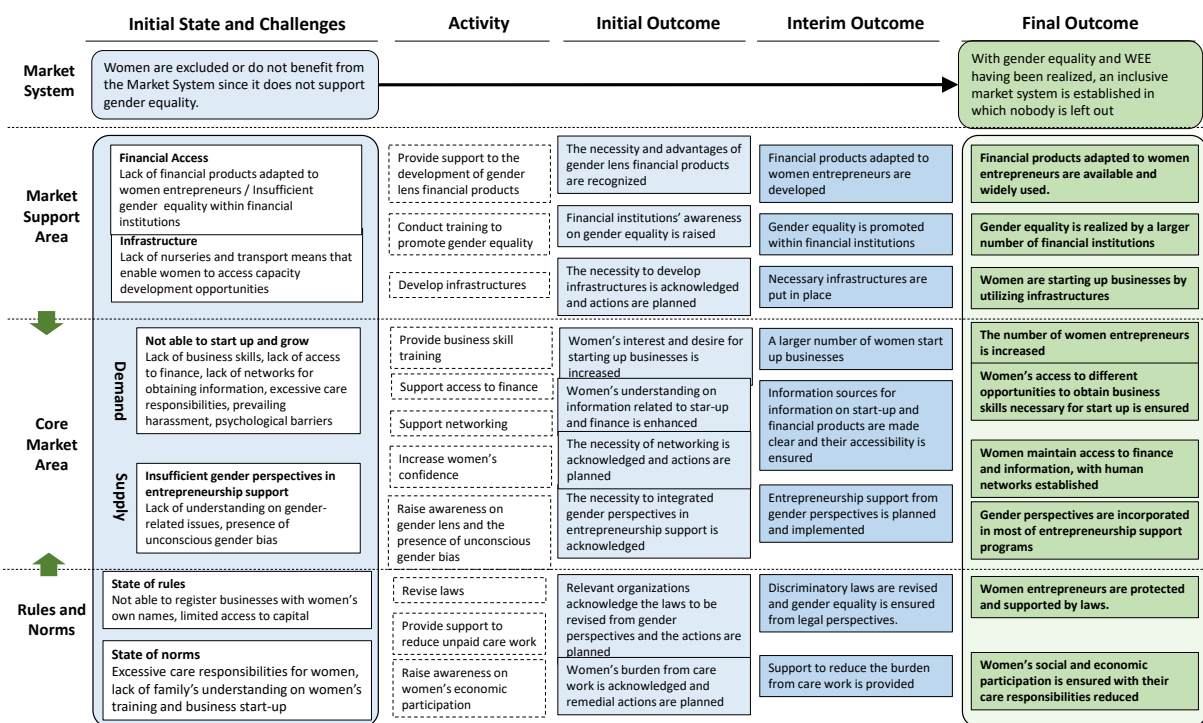


Figure 12: "Theory of Change" for Promoting Women's Ownership / Entrepreneurship

Source: Research Team

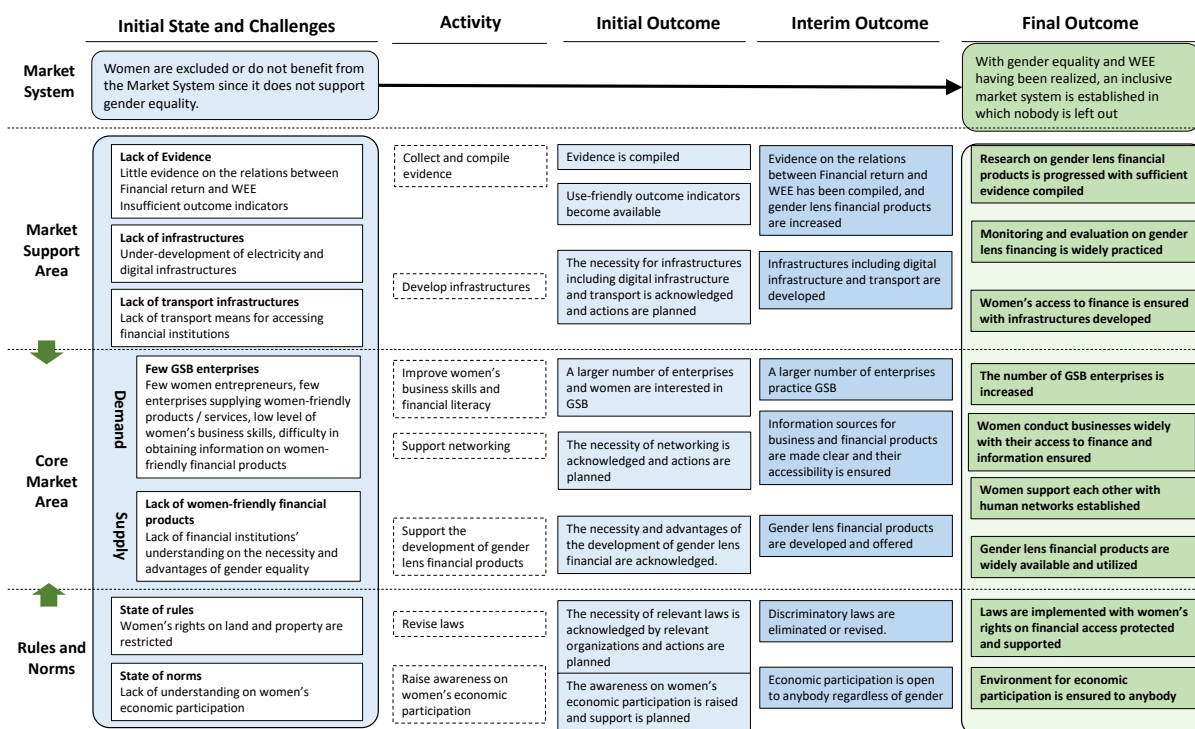


Figure 13: “Theory of Change” for Promoting the Mobilization of Finance

Source: Research Team

Chapter 2 Field Research

2-1 Tajikistan

2-1-1 Overview of the business environment for women entrepreneurs in Tajikistan

(1) Overview of gender issues in Tajikistan

In Tajikistan, the National Development Strategy 2030 (NDS 2030) formulated in 2016 and the Mid-term Development Program 2016-2020 and 2021-2025 (MtDP 2016-2020, 2021-2025) call for the revision of policies to achieve equal opportunities for women, eliminate extensive and existing inequalities, and prevent domestic violence (DV) against women and girls. In these documents, three specific goals are listed: (1) the elimination of violence; (2) the improvement of opportunities and resources for women; and (3) the promotion of women's participation at decision-making levels in society. They also declared that the country should achieve "at least a 30% reduction in physical, economic, psychological and sexual violence against women and girls."

As these specific goals indicate, a high priority is placed on "ensuring women's human rights and safety" in Tajikistan, where social norms and traditions based on "false" Islamic concepts¹⁶⁴ have limited women's educational opportunities and social activities. Women's unpaid domestic workload is particularly high in rural areas where infrastructure is underdeveloped. The incidence of domestic violence also remains significantly high.¹⁶⁵ Due to social norms that require men to earn money outside the home and women to take care of domestic work (regardless of a woman's skills and opportunities to earn money), the fact that the wife is working outside the home is often negatively perceived, particularly in rural areas, attracting attention within the local community. This situation brings about unfortunate consequences not only for women themselves but also for the entire family, including men. For example, because of the pressure to earn income as the solo breadwinner in the family, many husbands are forced to go to Russia as laborers where they work in poor conditions due to their low education (including language) and skill levels. Husbands are also afraid that if their wives run a business, which is regarded by the society as shameful behavior, their children may have difficulties getting married. The President of the National Association of Business Women in Tajikistan (NABWT) also stated that in societies governed by patriarchal norms like Tajikistan, men want to stay dominant since allowing women financial independence implies the loss of control of husbands over their wives, which harms men's reputation.¹⁶⁶

There are many cases of male laborers unilaterally divorcing their wives in Tajikistan after migrating; according to a 2009 survey by the Ministry of Social Security, Employment and Migration, 40.5% of

¹⁶⁴ Prophet Muhammad's wife is said to own a business and thus by no means does Islam have norms that restrict women's economic activities (according to the interview with Ms. Marhabo Olimi, Advisor to the Chairman of the Committee on Women and Family Affairs on March 30, 2023).

¹⁶⁵ Domestic violence is still not considered a criminal act in Tajikistan.

¹⁶⁶ <https://vecherka.tj/archives/55134> Retrieved March 24, 2023

migrants were divorced after the migration, leaving the household headed by women.¹⁶⁷ The abandoned wives are forced to engage in “Needs-based” entrepreneurship for survival, even though they understand the negative social reaction. Therefore, in Tajikistan priority should be placed on eliminating gender stereotypes while at the same time creating social norms that allow women who aspire to be entrepreneurs to safely start and continue their own businesses without any barriers. In order to solve these issues, the Government of Tajikistan has developed the “National Strategy on Activation of the Role of Women 2021-2030” which covers the entire range of gender issues and has formulated an action plan to achieve that goal. The government has also taken actions to support entrepreneurial activities. A grant program for women entrepreneurs, launched by the Presidential Decree in 2006, was scaled up in 2014 to award 80 grants per year. In addition, the “National Program on Women Entrepreneurship Development” drafted mainly by the State Committee on Investment and State Property Management (SCISPM) is expected to be approved in the spring of 2023.

(2) Policy trends related to entrepreneurship support in Tajikistan

In Tajikistan, the aforementioned “NDS 2030” Policy underlies all national development and identifies “expansion of productive employment” as one of the four strategic development goals. One of the nine activities to achieve this goal is to support SMEs as an effective means for job creation in both urban and rural areas. In this context, the “Entrepreneur Support Fund (ESF)” and the “Women's Entrepreneurship Support Grant Program” were expanded by the Presidential Decree, and in 2018, the “State Institution “Business Incubator” (SIBI) was established under SCISPM, which has so far opened four branch offices in addition to its headquarters in the capital city of Dushanbe. Also, the “300-Day Reform Declaration to Support Entrepreneurs and Improve the Investment Environment” aimed at improving the business environment was announced. In the same year, the government issued a tax exemption for enterprises in the tourism and handicraft industries, which are priority industries with the majority of their businesses being small and medium-sized. In 2022, the tax system was reformed to ease effective rates for micro, small and medium-sized businesses, simplify procedures and lower the corporate income tax. Specifically, the corporate income tax was reduced from 23% to 18% (13% for manufacturers and 20% for financial institutions and cell phone operators), while the social security premium was reduced from 25% to 20%. In addition, the road tax was abolished and the value-added tax rate was reduced from 18% to 15% (expected to be 13% in 2027). In total, the rates of seven out of ten tax types were reduced.¹⁶⁸

The National Strategy for Financial Inclusion 2022-2026 was also developed in 2022 with support from IFC with the aim of digitalizing financial services, diversifying financial products, protecting the rights of clients and improving financial literacy. Other measures to support MSMEs and Dekhkan farmers affected by COVID-19 included subsidies and tax exemptions as well as liquidity support to financial institutions to facilitate loans to affected individuals and businesses. Furthermore, in response to

¹⁶⁷ <https://iwpr.net/global-voices/tajikistans-abandoned-wives> Retrieved 23 March 2023

¹⁶⁸ ADB “Asia Small and Medium-Sized enterprise Monitor 2022”

Russia's invasion of Ukraine in 2022, the Government adopted an intergovernmental "Crisis Management Program" to render some support to affected MSMEs.

(3) Women entrepreneurship support program in Tajikistan

Prior to the enactment of NDS 2030, a grant program for women entrepreneurs was launched by the Presidential Decree in 2011, which was subsequently scaled up to provide 80 grants (totaling TJS 2 million) starting in 2014. In addition, the first comprehensive program in Tajikistan dedicated to supporting women entrepreneurs, the "National Program on Women Entrepreneurship Development", is in the process of approval.¹⁶⁹ With the program citing the presence of "gender stereotypes" as one of the challenges facing women entrepreneurs, "the state of the modern family including the division of household tasks" is a leverage to be pursued with the "promotion of successful women entrepreneurs as role models" being a means for improving the situation. The advocated methodology for promoting women entrepreneurs is "to support business startups in the fields where few women have entered" and "to support the expansion of existing businesses run by women". The latter is advocated for since women-owned businesses tend to employ more women, while the former is also promoted with the view that women's businesses have been heavily concentrated in agriculture, sewing, baking and petty trades. Relevant laws are also expected to be amended to allow women to be involved in "industries that women have been traditionally prohibited from engaging in due to their dangerous nature".

Among the activities of international organizations, the Women and Girls Empowered (WAGE) Consortium has created the "Tajikistan Organizations Net on Women Economic Empowerment and Reducing Gender Based Violence", which brings together 21 women's business organizations and civil society groups in Tajikistan and promotes the "National Women Business Agenda (Agenda)". The Agenda has three pillars: "Combat gender-based violence and social stereotypes including gender inequality"; "Access to finance"; and "Enabling business environment for women". The European Bank for Reconstruction and Development (EBRD) launched the "Women in Business" program in Tajikistan in 2017 providing access to credit lines (including first time risk cover) through two financial institutions (Bank Eskhata and IMON International), advice for financial institutions, and mentorship and advisory services to women entrepreneurs. By 2022, 340 women SMEs had received loans through the program.¹⁷⁰ With regard to access to finance, it has been pointed out that land has traditionally been owned by men, which makes it difficult for women to obtain loans due to collateral issues. That said, an increasing number of financial institutions, especially MFIs, are developing financial products targeting women for which collateral is not required. For example, IMON International offers up to TJS 20,000 (about USD 2,000) without collateral for its "Goods on Credit" line, and FINCA provides collateral-free loans to new customers up to TJS 2,000 (about USD 200).

¹⁶⁹ The draft has been submitted and is expected to be approved in August in 2023 (according to an interview with SCISPM).

¹⁷⁰ The EBRD in Tajikistan Results Snapshot 2022

2-1-2 Impact of JICA's Mini-Finance scheme on women entrepreneurs

(1) Overview of BIP's Min-Finance program

Against this backdrop, from 2020 to 2023 JICA implemented the Business Incubation Project (BIP); a technical cooperation project aimed at entrepreneurship development in Tajikistan through business incubation. Over the course of the project, different modalities of training and consulting services were developed for SIBI to provide effective services to entrepreneurs and people who wished to start a new business, including women. Under BIP, IMG Inc. introduced a Mini-Finance Scheme aiming at supporting entrepreneurs with the provision of equipment and materials. The scheme has proven to be an effective means for encouraging beneficiaries to start a new business; 90% of the beneficiaries started their own business. In order to draw lessons from the project, the Research Team assessed how the Mini-Finance program had changed the female beneficiaries' behavior and their business environment from a gender perspective.

The Mini-Finance Scheme is a program aimed at supporting those who wish to start a new business, providing them with the equipment and materials, worth up to JPY 50,000, necessary for improving / implementing the production and delivery of their goods/services. The equipment and materials are provided in combination with a three-day Basics of Business (BoB) training, in which participants learn the minimum business skills and knowledge required for starting and running a business. In order to be eligible for the Mini-Finance Scheme, applicants must submit a preliminary business plan at the end of the BoB training. The BIP Project Team assesses these business plans and selects beneficiaries whose business plans are deemed feasible. Almost all of the female beneficiaries under this project chose home-based businesses such as sewing or baking. The program has been provided in three districts in Tajikistan: Asht (north), Kulyab (south) and Vahdat (central part of the country near Dushanbe). The southern part of Tajikistan is known to be more conservative with people expected to strictly observe Islamic traditions as compared to other regions. In Kulyab, the BIP Project Team found that many women beneficiaries were managing a sewing business and household chores simultaneously at home and were not allowed by their husbands to work outside the home. Among approximately 350 female entrepreneurs supported by the Mini-Finance Scheme, 90% successfully started a new business and continued it for at least six months following the receipt of items and equipment. Moreover, 80% of the female beneficiaries reported an increase in their income.

(2) Overview of the GSB Research

In order to assess the impact of the Mini-Finance Scheme, the Research Team conducted individual interviews with two categories of BIP's female beneficiaries: (i) those who received mini-financing; and (ii) those who participated in the BoB training without receiving mini-financing. This allowed for the impact of the mini-financing to be captured through a comparison of the impact on those who received

and those who did not. A total of 40 female beneficiaries were interviewed. The number of interviewees by district is shown in the table below.¹⁷¹

Table 6: Number of Interviewees by District

District	(i) Supported with Mini-Finance	(ii) Supported with only BoB training (Without Mini-Finance)
Asht	20 interviewees	-
Kulyab	16 interviewees	-
Vahdat	-	5 interviewees

(3) Questions asked to entrepreneurs

Below are the set of questions raised in the interviews. These questions aimed to assess two main points: (i) the impact of BIP's support on beneficiaries and their businesses; and (ii) the impact of BIP's support on female entrepreneurs' behavior and their business environment. Questions for (ii) were prepared with reference to the USAID's gender analysis framework¹⁷² as well as the World bank's toolkit.¹⁷³

Category		Questions
(i) Impact of BIP's Support on beneficiaries and their businesses	BoB training	<ol style="list-style-type: none"> 1. Was the BoB training useful to you? What was/is most useful to you and how useful was/is it? 2. Among what you learned and acquired from the training, what was/is the most useful to you and how useful was/is it? 3. Apart from the subjects you learned, did you obtain anything useful from the training, such as human networks? 4. What did you feel was hard or difficult when you were undertaking the training?
	Mini-Finance Scheme	<ol style="list-style-type: none"> 5. Are you currently running a business? 6. How is your business going? 7. How much money are you making per week (or per month)?
(ii) Impact of BIP's Support on female entrepreneurs' behaviors and their business environment	Cultural norms/beliefs	<ol style="list-style-type: none"> 8. Were your family members supportive when you decided to participate in the BoB training and apply for the Mini-Finance Scheme? 9. Were your family members supportive when you started the business? What support (or opposition) did you encounter? If their reaction was negative, how did you overcome it? 10. After you started the business, were there any changes in the attitudes of your family members? How supportive or oppositional are they now, and why?
	Gender roles, responsibilities and time use	<ol style="list-style-type: none"> 11. What were your household responsibilities and family duties before you started the business? Did your responsibilities prevent you from starting a business? 12. How have your household responsibilities and family duties changed after you started the business?
	Patterns of power and decision-making	<ol style="list-style-type: none"> 13. Before starting your business, to what extent were you allowed to decide how to spend money (e.g., buying household necessities) without asking family members? 14. How are you using the money (profits) you earned? Can you decide by yourself how you use the money you earned? If not, how does decision-making in your family work? 15. How do family members interfere with your business decisions on topics such as inputs, labor and pricing?
	Access to human networks	<ol style="list-style-type: none"> 16. Did you personally interact with other women business owners in your community before starting the new business? Did the interaction with them affect you in starting or running the business? (If so, how?) 17. Do you feel you can connect with other business owners or reach other business opportunities to enhance your business after starting a business?

¹⁷¹ Due to the smaller number of beneficiaries supported in Vahdat under BIP in comparison with other two districts, the Research Team were able to interview only 5 participants from Vahdat within this Study's limited time frame.

¹⁷² USAID (2021), "Integrating Gender Equality and Female Empowerment in USAID's Program Cycle"

¹⁷³ Using Digital Solutions to Address Barriers to Female Entrepreneurship

(4) Demographics of the interviewees

The demographics of the interviewees are shown in the figures below. In terms of age segment, interviewees from Asht and Kulyab were more or less distributed across all age groups (except for those over 50). All of the interviewees from Vahdat were in their 10s or 20s with four out of five still in education.

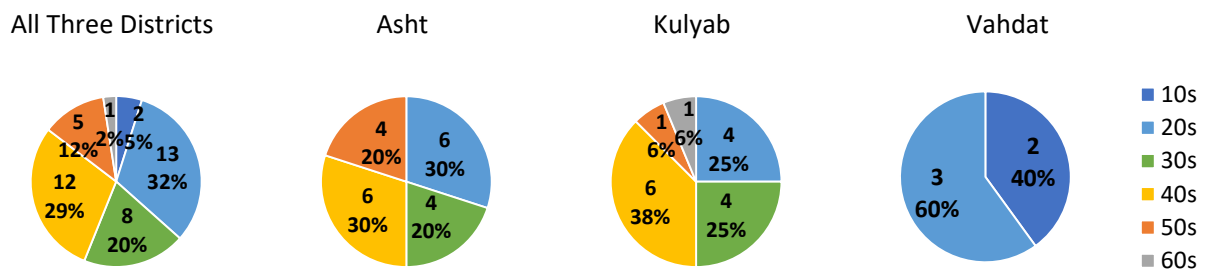


Figure 14: Age Group of Interviewees by District

In total, nearly 60% of the interviewees had completed secondary education with the remaining 40% having completed tertiary education. This trend is seen both in Asht and Kulyab whereas all of the five interviewees from Vahdat had completed or were currently in tertiary education.

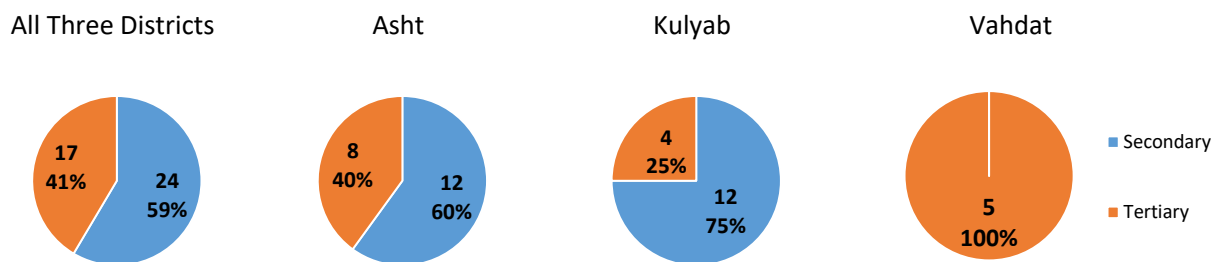


Figure 15: Education Level

Regarding the interviewees’ marital status, 63% of the interviewees were “married” which is the largest group followed by “divorced” and “never married”. Four out of five interviewees from Vahdat were not married since they were still in education.

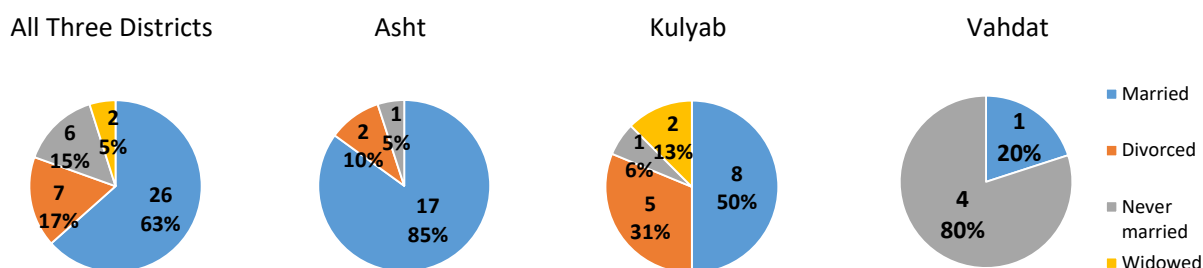


Figure 16: Marital Status

All of the interviewees, except for those who are “never married”, had at least one child. Nearly two-thirds of interviewees had more than two children.

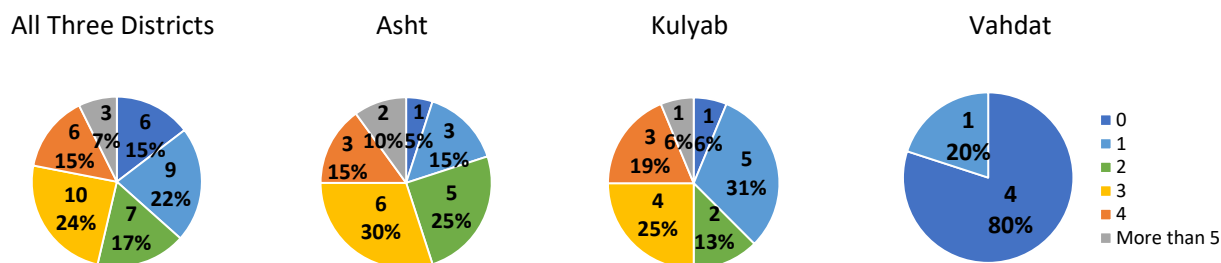


Figure 17: Number of Children

(5) Impact of BIP’s support on its beneficiaries and their businesses

i. Impact of BoB training

The following figure shows the results and impacts of the BoB training. With regards to the usefulness of the BoB training, all of the interviewees responded that the training was useful. According to the interviewees, before participating in the BoB training, most of them had never imagined running their own business since they had very limited business knowledge. The BoB training imparted to the beneficiaries basic business knowledge necessary for starting and running their own businesses. Figure 18 below shows the useful subjects and topics for the interviewees among ones learned during the training. “Book-keeping” was the most useful subject, followed by “Pricing” and “SWOT Analysis”. However, in fact, the share of interviewees who recorded their sales and expenses after the training was only 25%. This is because their business scale was so small that they hardly saw the necessity of doing so.

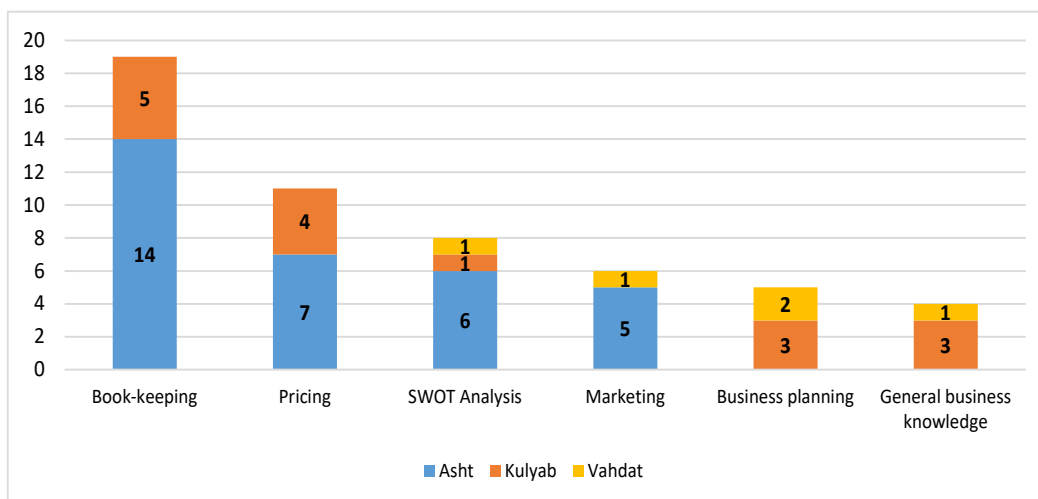


Figure 18: The Most Useful Subjects in the BoB Training

Apart from the subjects learned during the training, half of the interviewees said that “networks with other female participants” were useful. According to the interviewees, networking with other female participants encouraged them to start a new business; they said that they felt confident about running a business by the sharing of difficulties and challenges they face with other participants.

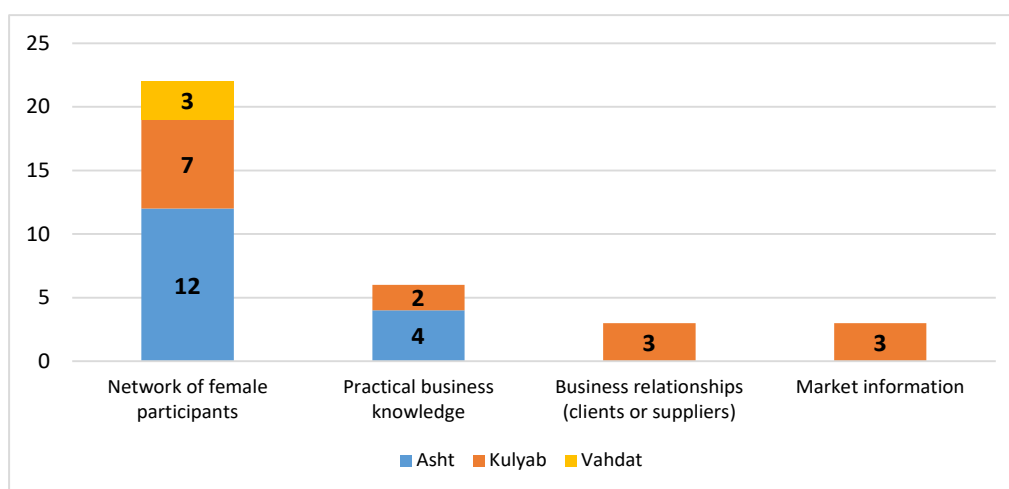


Figure 19: Other Useful Elements Apart from the Subjects Learned in the BoB Training

It should be noted that eight participants (three from Kulyab and five from Asht) found it difficult to stay away from household duties for a whole day.

ii. Impact of Mini-Finance Scheme

The results and impacts of the Mini-Finance Scheme are provided below.¹⁷⁴ 97% of the interviewees started a new business triggered by the Mini-Finance Scheme and continued it for at least six months (as of September 2022). Figure 20 shows the status of beneficiaries’ business continuity as of March

¹⁷⁴ The Research Team excluded interviewees from Vahdat since none of them started a business without being supported with mini-finance.

2023. On average, 86% of the interviewees were continuing their businesses as of March 2023. 14 % (5 interviewees) of interviewees had suspended their businesses due to external factors such as power failures and taxation issues. Three of them said that they decided to suspend their businesses as they were unable to use sewing machines during the day time due to power failures in their residential areas. The remaining two interviewees chose to stop their businesses due to taxation issues. Tax officers requested them to officially register their business; however, their incomes were still so small that paying a monthly tax did not make sense to them.

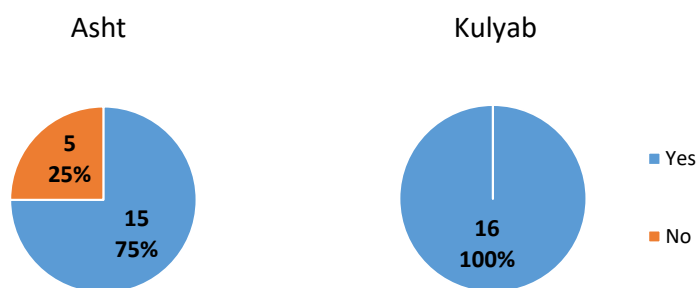


Figure 20: Business Continuity After BIP's Support (as of March 2023)

In terms of impacts on interviewees' income, 97% of the 31 interviewees reported increased income after receiving mini-financing. The figure below depicts the change in income of interviewees who had an income increase. In both districts, the number of interviewees whose monthly income increased between TJS 500 and TJS 999 (USD 45 and USD 90) was the largest segment. Those who were unable to provide the amount of change in monthly income were classified as "N/A".

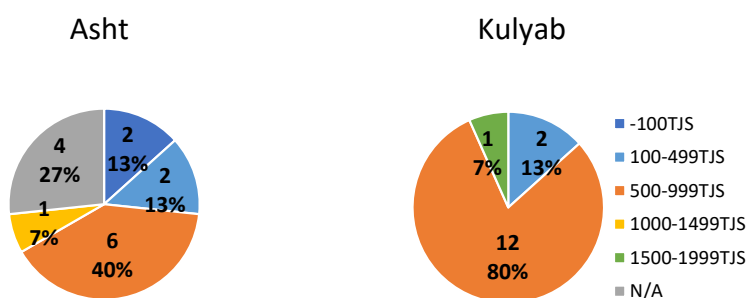


Figure 21: Amount of Change in Monthly Income

(6) Gender Analysis

i. Cultural norms/beliefs

In total, nearly 80% of interviewees reported that their family members were supportive of their decision to join the BoB training (and apply for mini-financing). According to interviewees, the provision of items and equipment under the Mini-Finance Scheme acted as a strong incentive for their family members to be supportive.

On the other hand, the remaining 20% of interviewees encountered negative reactions from their family members, mainly their husbands and mothers-in-law. The major reasons for these negative reactions were: (a) interviewees’ inability to carry out household duties when participating in the training; and (b) concerns about interviewees’ possible interactions with males in the training. These interviewees overcame the negative reactions by asking their neighbors (who were also invited to the BoB training) to persuade their family members.

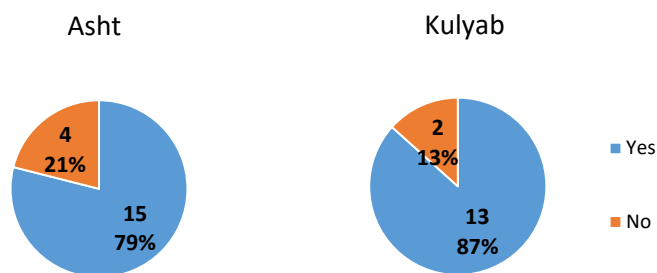


Figure 22: “Were Your Family Members Supportive When You Decided to Participate in the BoB Training and Apply for the Mini-Finance Scheme?”

The share of interviewees who had supportive reactions from their family members increased to 100% when they started the new business. All of interviewees responded that their family members were supportive when they started their businesses through the Mini-Finance Scheme. This showed that mini-financing greatly helped female entrepreneurs obtain support from their family members.

In Kulyab, the most frequently cited support that the interviewees received from their family members was “financial assistance”. nine interviewees (56%) from the district said that their family members supported them with the money or materials necessary for their business activities. In Asht, the most provided support was “support in business activities”; half of interviewees received support in market information collection (e.g., price of competitors’ products) and/or product delivery. “Moral support” was also provided; 12 interviewees felt that their family members’ emotional support motivated them to start the new business. In Asht, four interviewees (20%) reported “support in household duties” from their family members whereas only one interviewee did so in Kulyab.

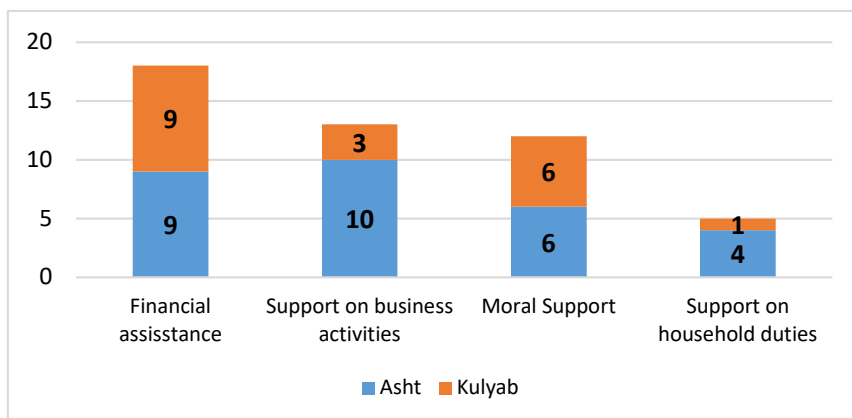


Figure 23: Type of Support from Family Members When Starting the New Business

ii. Gender roles, responsibilities and time use

All of the interviewees confirmed that before stating their own businesses they were solely responsible for household responsibilities with no support from other family members. It should, however, be noted that as Figure 24 shows more than 90% of interviewees from Kulyab said that their household duties did not prevent them from starting a business. This is partially attributed to the fact that half of the interviewees did not have husbands; they made decisions on their own. Another reason is that interviewees from Kulyab intended to run a business over limited hours. In contrast, 70% of interviewees from Asht felt that their household duties to some extent prevented them from starting a business. According to them, they managed to start their businesses by ensuring time for their business activities through: (a) requesting their family members to support household responsibilities; and (b) properly planning and managing their schedule and time. Some interviewees even worked till midnight to deal with orders from clients.

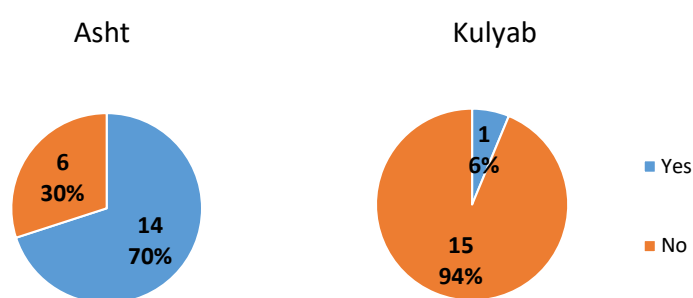


Figure 24: “Did Your Responsibilities Prevent You from Starting a Business?”

Around 60% of interviewees perceived changes in their household responsibilities after starting the business. Those interviewees who perceived changes found it easier than before to ask for help from other family members on household duties. This trend was seen in both districts, except that no one from Kulyab reported support from their husbands while 30% of interviewees from Asht reported support from their husbands.

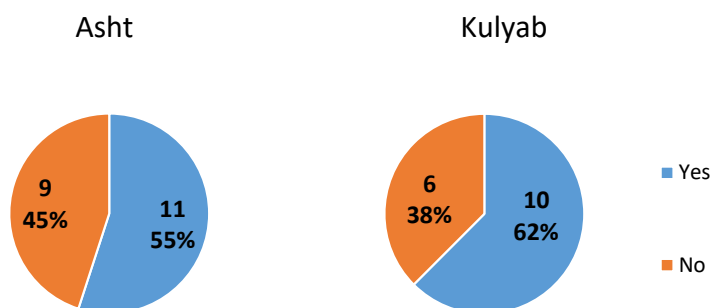


Figure 25: “Have Your Household Responsibilities Changed after Starting the Business?”

iii. Patterns of power and decision making

Before starting a business, 75% of interviewees from Asht were not allowed to spend money without permission from their family members. The same category of interviewees accounted for 31% in Kulyab. The difference is apparently attributable to the fact that Kulyab had a larger number of interviewees who were financially independent, being either “divorced” or “widowed”.

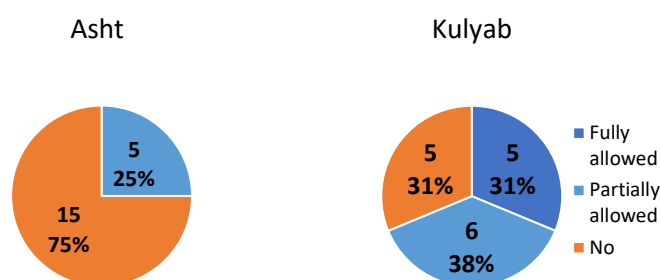


Figure 26: “Before Starting Your Business, were You Allowed to Decide How to Spend Money (e.g., Buying Household Necessities) without Asking Family Members?”¹⁷⁵

After starting the business, an increase was observed in the number of training participants who were allowed to decide how to spend money by themselves. This trend was significant especially in Kulyab, with more than 80% of interviewees being fully able to decide how to spend money by themselves. With a relatively a small amount of money earned through their businesses, most of them used the money only for buying daily necessities for their family. This can be part of the reason why they had no interference from their family members in how they used the money.

¹⁷⁵ Interviewees are asked to choose one from three choices; “Fully allowed”, “Partially allowed” and “No” based on their own perception. The same was applied to the question shown in Figure 27.

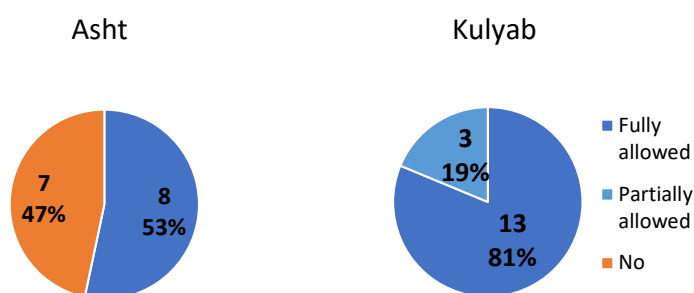


Figure 27: “Can you Decide by Yourself How You Use the Money You Earned?”

iv. Access to human networks

No interviewees from Asht responded that they interacted with other women business owners whereas nearly 70% of interviewees from Kulyab responded that they did. In Asht, the majority of the interviewees said that they rarely had chances to interact with people who were engaged in business activities due to their small communities. Thus, they had very limited access to useful information or opportunities for gaining business knowledge. On the other hand, the interviewees from Kulyab responded that they had acquaintances who ran small businesses such as a bakery or sewing. Interviewees from Kulyab said that interactions with experienced business people had made them realize that they also had the capacity to run a business.

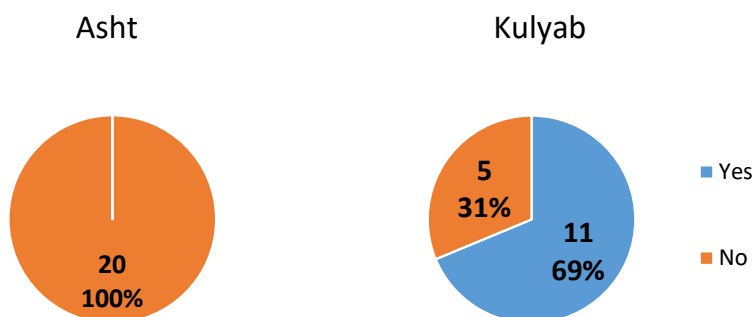


Figure 28: “Did you Personally Interact with Other Women Business Owners in Your Community before Starting a New Business?”

Among those who are currently running a business, 97% of interviewees responded that they can seek advice from other women business owners after starting a business. The interviewees both from Asht and Kulyab said that the BoB training provided them with opportunities to build networks with other participants, which had positive impact on their businesses. Some of the interviewees who engaged in a sewing business also reported that they were able to learn new product designs and patterns from other participants. One interviewee from Kulyab was able to improve her sewing skills with help from an experienced tailor whom she met in the BoB training sessions. A number of interviewees who were running bakeries reported that they were collecting market information from customers and suppliers whom they had encountered. That said, all of the interviewees confirmed that it was still challenging for

them to have access to networks of business owners as compared to men. This is due to men having more chances to go out of the houses and build wider and more diverse networks.

2-1-3 Impact of PI Training on women entrepreneurs

(1) Purpose of conducting PI Training

The Research Team conducted Personal Initiative (PI) trainings for female entrepreneurs on a trial basis in order to assess the effectiveness of the training as well as its applicability to future JICA projects. Tajikistan was selected for this purpose since the Research Team could utilize the wide network of female small businesses supported by BIP for recruiting participants for the PI training; a total of 50 female entrepreneurs were recruited.

(2) Overview of PI Training

PI Training is a psychology-based entrepreneurship training developed by a group of researchers at Leuphana University in Lüneburg, Germany. The training has been implemented by a number of donors, such as the World Bank, UNESCO and GIZ, for small businesses and entrepreneurs in more than 10 countries in Africa and Asia. The training aims to trigger entrepreneur behavior change by encouraging them to have self-starting attitudes, future-oriented mindsets and persistence in overcoming barriers, all of which have been identified by entrepreneurship and psychological research as key characteristics of successful entrepreneurs. The most outstanding characteristic of the training is its interactive manner for conducting training sessions with a number of exercises, discussions and feedback aimed at teaching participants how to overcome challenges when starting and running a business by sharing experiences with each other as opposed to teaching business knowledge. The training also applies an action-oriented method to allow participants to learn by doing, namely, to immediately apply the lessons to their own businesses between each session. PI training has been proven to have larger long-lasting effects on entrepreneurs than traditional business training. In the World Bank' project conducted in Togo in which PI training was provided to local female entrepreneurs, PI training participants reported a 40% increase in their profit on average, compared to a 5% increase for those who received traditional business training.¹⁷⁶

(3) Content of PI Training

i. Training schedule

The training's standard duration is 10 weeks with one session conducted each week. The training duration can be adjusted according to the availability of training participants or other circumstances such as project time limitations. In this Study, the training length was adjusted to 5 weeks based on the amount of time and budget available.

¹⁷⁶ World Bank Group (2019), "Profiting from Parity: Unlocking the Potential of Women's Business in Africa"

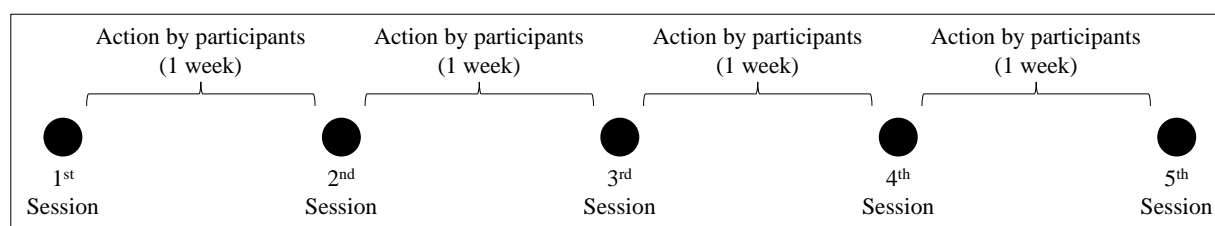


Figure 29: Schedule of PI Training Conducted by the Research Team

ii. Training structure

The training covered 12 topics. Each session lasted 1.5 hours to 3 hours, depending on the number of discussions and presentations to be held during each session.

Topic		Content	
Introduction to Personal Initiative Training		<ul style="list-style-type: none"> The purpose of PI training Ground rules for participating in PI Training Basic structure of each section (a short explanation of concepts and a strong emphasis on exercises, presentations and feedback) 	
Core Concepts of Personal Initiative	Being self-starting	Introduction to PI's three core concepts by learning action principles (desired actions under each concept) of the entrepreneurial activities' context <Examples of exercises and discussions> <ul style="list-style-type: none"> How can we make Aline's daily routine (a retail shop owner) more self-starting? Let's identify future-oriented Mariam's behavior and its consequences. 	
	Being future-oriented		
	Overcoming barriers		
Entrepreneurial Process	Identifying, evaluating, and pursuing business opportunities	You & PI	Introduction to identifying business opportunities and evaluating them for being a successful business <Examples of exercises and discussions> <ul style="list-style-type: none"> Let's identify personal interests and strengths to come up with business ideas. Let's list various types of resources (e.g., human resources) and identify what is available to you. Let's think about solvable problems around you or people in your community. How can we evaluate our business ideas with small experiments?
		Resources	
		The market	
		Identifying Opportunities	
	Evaluation		
	Goal Setting	Introduction to setting goals and developing a plan with time frames as well as setting milestones to achieve the goal.	
Planning	Introduction to getting feedback by conducting small experiments and learning from mistakes to test a business idea.		
Feedback			

(4) Overview of the conducted PI Training and interview survey

The Research Team invited two groups of BIP's beneficiaries to the PI training:¹⁷⁷ (a) those who were supported with mini-financing (Asht and Kulyab); and (b) those who received only the BoB training without mini-financing (Vahdat). The summary of training participation is shown below. A total of 51 women participated in the PI training with 24 (47%) completing all five sessions. The remaining participants (27 people) missed at least one session during the five-week period. Both (i) pre/post training survey and (ii) group interviews were conducted with those who had completed all five sessions.

¹⁷⁷ 83% of the PI training's participants also attended individual interviews (Table 6) aimed at assessing the impacts of the Mini-Finance Scheme.

Table 7: Summary of Training Participation by District

District	Initial participants	The number of participants who completed all the sessions
All Three Districts	51	24 (47%)
Asht	19	8 (42%)
Kulyab	20	12 (60%)
Vahdat	12	4 (33%)

(5) Results of the study – Pre-Post Training Survey**i. Questions for Pre/Post Training Survey**

The following question sets were used for the pre/post training survey.

Indicator	Question	Rating scales
(a) Understanding core concepts of Personal Initiative	Which of the following statements is true? 1. a) When starting a business, it is important to only focus on things that you know will work; or b) When starting a business, it is important to try out new and creative ideas and differentiate yourself from other businesses. 2. a) Making mistakes is inevitable in entrepreneurship and I should view each mistake as a chance to learn; or b) Mistakes are hurtful to my businesses and making a mistake needs to be avoided at all costs. 3. a) When I face an obstacle, I need to change my goals so I don't get held up by the problem; or b) When I face an obstacle, I need to persist in finding a solution and overcome the obstacle to reach my goal. 4. a) When starting a business, the most important thing is to find starting capital to realize my idea; or b) When starting a business, the most important thing is to look for resources that are already available. 5. a) When coming up with a business idea, I need to actively seek for feedback from different sources, especially from my future customers. or b) When coming up with a business idea, I should mostly focus on myself because I know best what is important for my product/service. 6. a) I should focus on now instead of wondering about what will happen in the future. or b) I need to think about what will change in the future and how I can start preparing now for these changes.	a / b
(b) Change in Personal Initiative demonstrated by entrepreneurs	To what extent do you think the following sentences describe you correctly? 7. I use opportunities quickly in order to attain my goals. 8. I take initiative immediately even when others do not. 9. I actively tackle problems. 10. Whenever something goes wrong, I search for a solution immediately. 11. I am particularly good at realizing ideas. 12. I do more than I am asked to do. 13. Whenever there is a chance to get actively involved, I take it.	Scale of 1 to 4 • Strongly disagree: 1 • Somewhat disagree: 2 • Somewhat agree: 3 • Strongly agree: 4
(c) Change in entrepreneur's behaviors	How much effort do you put into doing the following things? 14. Check whether there is a demand or need for your product/service in the market. 15. Discuss your business ideas with family, friends, advisors, or other business men. 16. Gather information about suppliers, customers, competitors, or your industry. 17. Save money for your business. 18. Seek a partner or employees. 19. Get additional capital for your business. 20. Get additional equipment, raw materials, or other facilities for your business. 21. Register the business. 22. Market (e.g., promotion, advertising) your business.	Scale of 1 to 5 • Not at all: 1 • Little: 2 • Medium: 3 • Much: 4 • Very much: 5
(d) Change in entrepreneur's confidence in running a business	How confident are you that you can do the following things? 23. Perceive business opportunities well. 24. Do the marketing of a business well (e.g., promotion, advertising). 25. Manage a business well. 26. Keep an overview of your financial affairs well. 27. Negotiate with other businessmen/businesswomen well. 28. Overcome the problems of your business well.	Scale of 1 to 5 • Not at all: 1 • Little: 2 • Medium: 3 • Much: 4 • Very much: 5

ii. Overall results of the Pre/Post Survey

A summary of the pre-post survey is shown in the table below. The participants' scores in Asht and Kulyab increased across almost all the indicators (Vahdat was removed from the summary due to an

inconsistency in the survey results brought about by the small number of trainees (respondents)). The largest increase was observed in “(d) Change in entrepreneur’s confidence in running a business”, which can be considered as the PI training’s short-term impact.

Table 8: Summary of the Pre-Post Training Survey

Indicator		Asht (8 participants completed)		Kulyab (12 participants completed)	
		Total Score of 8 participants	Average score per participant	Total Score of 12 participants	Average score per participant
(a) Change in understanding core concepts of Personal Initiative (6 questions)	Pre	36 (/48)	0.8 (/1.0)	45 (/72)	0.6 (/1.0)
	Post	37 (/48)	0.8 (/1.0)	65 (/72)	0.9 (/1.0)
	Post-Pre	+1	0.0	+20	+0.3
(b) Change in Personal Initiative demonstrated by entrepreneurs (7 questions)	Pre	190 (/224)	3.4 (/4.0)	295 (/336)	3.4 (/4.0)
	Post	199 (/224)	3.6 (/4.0)	318 (/336)	3.6 (/4.0)
	Post-Pre	+9	+0.2	+23	+0.2
(c) Change in entrepreneur’s behaviors (9 questions)	Pre	242 (/360)	3.4 (/5.0)	393 (/540)	3.6 (/5.0)
	Post	267 (/360)	3.7 (/5.0)	441 (/540)	4.1 (/5.0)
	Post-Pre	+25	+0.3	+48	+0.5
(d) Change in entrepreneur’s confidence in running a business (6 questions)	Pre	177 (/240)	3.7 (/5.0)	262 (/360)	3.6 (/5.0)
	Post	201 (/240)	4.2 (/5.0)	317 (/360)	4.4 (/5.0)
	Post-Pre	+24	+0.5	+55	+0.8

Among the questions under (c) “Change in entrepreneur’s behaviors”, a significant increase was observed in “Q22. Market (e.g., promotion, advertising) your business”. A number of participants from both Asht and Kulyab reported that they were encouraged by PI training to take bold steps to promote their business and reach out to a wider range of people inside/outside their communities. These participants responded that, before participating in PI training, their passive attitudes towards expanding their businesses had been partly affected by cultural and gender norms; some participants (women entrepreneurs) had been hesitant to reach out to strangers (mainly men) and people outside their communities. PI training encouraged them to overcome these psychological barriers and act beyond the cultural norms.

In addition to Q22, participants from Kulyab also showed a significant increase in “Q17 Save money for your business” as well as in “Q19 Get additional capital for your business”. Although access to finance has been a long-standing challenge for entrepreneurs from both districts, participants from Kulyab turned out to be more encouraged by PI training to take actions to overcome the challenge. A majority of participants from Kulyab reported that they looked for alternatives to conventional bank loans for financing their businesses. This is partly attributed to the fact that Kulyab had a larger number of participants who were financially independent; 75% of participants from Kulyab responded that they were fully allowed to use the money they earned through their businesses whereas the share of the same category of trainees stood at merely 20% in Asht. It is likely that Asht residents’ lack of control over money brought about their passive attitudes towards securing money for expanding their businesses.

Among the questions under “(d) Change in entrepreneur’s confidence in running a business”, trainees commonly showed a large increase in “Q23 Perceive business opportunities well” and “Q24 Do the marketing of a business well (e.g., promotion, advertising)”; these were the two major issues in which

participants had little confidence before participating in PI training. Most of the training participants chose home-based businesses such as sewing or baking without exploring other business opportunities, simply because they had some skills in these activities. As a result, before participating in the PI training, they had no idea how to differentiate their products and services from others’ in their small communities.

(6) Results of the study – group interviews

i. Group interview questions

The following are the question sets that were asked in the group interviews with the PI training’s participants. These questions aimed to assess PI training’s impact on: (a) entrepreneurs’ businesses; and (b) entrepreneurs’ capacity to overcome challenges.

Category	Questions
(a) Impact of PI training on entrepreneur’s business	<ol style="list-style-type: none"> 1. Was PI training useful to you? 2. What was the most useful thing you learned in the training? 3. How did PI training affect your business activities? 4. What was your monthly profit before participating in the PI training and what is your current monthly profit?
(b) Impact of PI training on entrepreneurs’ capacity to overcome challenges	<ol style="list-style-type: none"> 5. Before the start of the PI training, did you have difficulties in reaching out to either new customers, customers, suppliers, or business opportunities? What did you find difficult in particular? 6. Before the start of the PI training, did you have difficulties obtaining necessary resources such as financial or human resources? What did you find difficult in particular? 7. After the start of PI training, did you resolve (or try to resolve) any of the difficulties that you mentioned in Question 5 and 6? What difficulties did you resolve (or try to resolve) and how? 8. Did PI training encourage you to try to resolve the difficulties? How did PI training encourage you to do so?

ii. Group interview results – Impact of PI training on entrepreneur’s business¹⁷⁸

All the participants responded that they learned useful skills in the PI training. Figure 30 shows the subjects that they found most useful among the ones they learned during the training. According to the participants, the most useful subjects were the PI training’s core concepts such as “Being self-starting” and “Being future-oriented”. They said that learning these concepts especially through a series of case studies helped them understand how to become a successful business owner by improving their daily behaviors. Apart from the PI training’s core concepts, “pursuing opportunities” and “trying new things” were the two major subjects cited by the participants as useful; they felt encouraged to conduct experiments and seek new business opportunities.

¹⁷⁸ Vahdat is not included in the results of group interviews since no valid data was obtained due to the limited number of participants having completed all the training sessions.

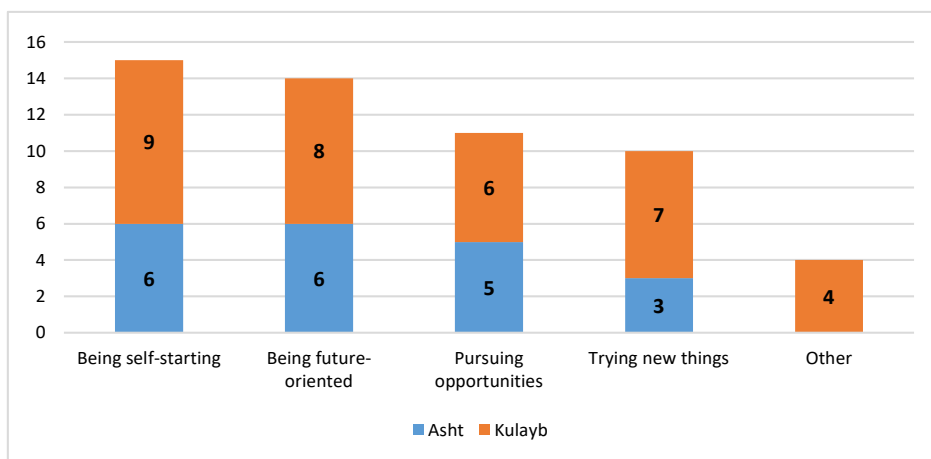


Figure 30: The Most Useful Subjects in PI Training

In Kulyab, 7 participants (nearly 60%) responded that their businesses were influenced “very much” or “much” by the PI training; the PI training encouraged them to take actions in pursuing new opportunities. The woman who cited her sewing business as influenced “very much” by the PI training was the one who started to offer, during the course of the PI training, pillow sewing services on a trial basis (in addition to her conventional dress sewing) in order to attract new customers. Another participant who was engaged in baking responded that she searched for new recipes and changed a part of her menu to fulfill various needs of her clients. In Asht, two of the eight participants who were engaged in sewing businesses reported that they were encouraged by the PI training to analyze their competitors and as a result, they introduced new designs and prices for their products. The remaining six participants were also inspired by the PI training but did not have a chance to bring about any changes.

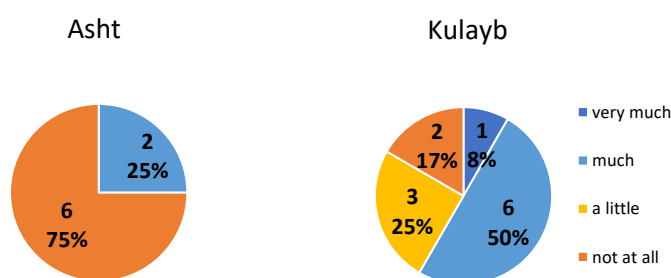


Figure 31: “How did PI training Affect Your Business Activities?”¹⁷⁹

In terms of the impacts on participants’ monthly income, no significant changes were reported for most participants. This is simply because these group interviews were conducted right after the last training session; the training’s effects on their business performance were yet to come out.¹⁸⁰ Across the two

¹⁷⁹ Interviewees are asked to choose one from three choices; “very much”, “quite a lot”, “a little” and “not at all” based on their own perception.

¹⁸⁰ In the World Bank’s study on entrepreneurs in Togo who completed the PI training, the training’s impact on their income was measured 12 months after the last training session.

districts, only three participants had a slight increase in their monthly income. The amount of increase was between TJS 100 and TJS 150 (approximately USD 9 and USD 14).

iii. Group interview results – Impact of PI training on entrepreneurs’ behaviors and businesses questions

Four participants from Asht claimed to have difficulties in seizing business opportunities for external reasons: two of them suffered from frequent power failure and the other two claimed that they were afraid of being fined by tax officers (they did not register their businesses due to their small scale). Apart from the above four participants, two participants reported difficulties in attracting new customers, claiming that they had limited chances to find new customers in their small communities. Five participants (42%) from Kulyab reported that they had had difficulties in reaching out to new customers due to their limited knowledge on how to market their products.

After participating in the PI training, all of the participants from Asht and Kulyab who had reported difficulties in attracting new customers said that the PI training encouraged them to overcome the challenge. For example, one of the participants from Asht started to market her products to people outside of her community through her friends and customers, while one of the participants from Kulyab who was running a bakery responded that she started offering a discount to taxi drivers who brought new clients to her bakery.

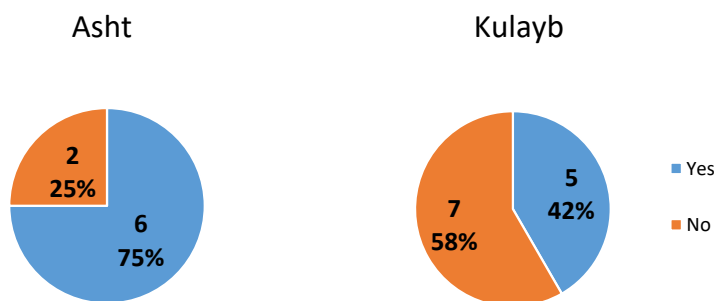


Figure 32: Difficulties in Reaching out to New Customers, Customers, Suppliers or Business Opportunities

Figure 33 shows the number of participants who had difficulties obtaining necessary resources such as financial or human resources. In Kulyab, five participants responded that they had difficulties obtaining financial resources; they encountered challenges such as high interest rates and high levels of collateral requirements for financial institutions’ loans. Three of them claimed that the PI training encouraged them to resolve the difficulties. For instance, one participant said that after learning the importance of “overcoming barriers” by searching for alternatives she started looking for other ways for securing capital for her future business. In consideration of the amount of money required for the future business, she decided to save the profits generated from her current business activities instead of getting a loan from a bank.

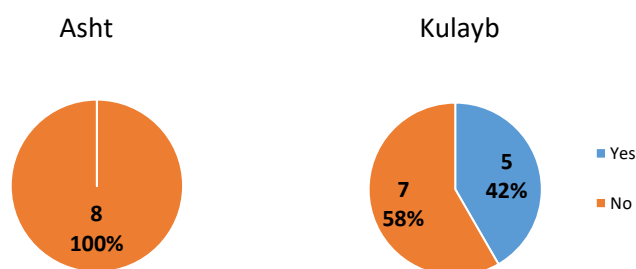


Figure 33: Difficulties in Obtaining Necessary Resources such as Financial or Human Resources

(7) Summary

Below is a summary of the impacts brought about by the PI training implemented during this field research.

i. Impact on the participant confidence

The PI training brought about changes in participant confidence though few changes were observed in their behaviors mainly due to the PI training’s limited time frame. Changing behaviors requires a longer time span. As such it is recommended that follow up be done with participants through mentoring and monitoring with a view to encouraging them to take action.

ii. Impact on the participants’ mindset on overcoming psychological barriers

The PI training is a useful tool for helping female participants overcome psychological barriers arising from cultural and gender norms. Participants who had conducted business activities only within their communities before the training started to look at opportunities outside their communities, utilizing different human networks.

iii. Impact of PI Training on the participants’ behavior in finance

The PI training was found to be effective to a certain extent in helping participants overcome financial challenges. A number of participants reported that after participating in the PI training, they looked for alternative financing for their future business activities (see Figure 33 for details).

2-2 India

2-2-1 Objective of the field research in India

India is known for its highly advanced startup ecosystem. Three cities in India, Bengaluru, Delhi and Mumbai, are ranked as the 22nd, 26th and 36th respectively in the Global Startup Ecosystem Ranking 2022.¹⁸¹ According to CB Insights, India had 70 unicorn startups as of 7 April 2023, placing it third in the world only behind the United States (653) and China (169).¹⁸² While the Government of India (GoI) has provided much support to entrepreneurs with a particular emphasis placed on women entrepreneurs, a large gender gap persists in entrepreneurship and employment. The proportion of women among all entrepreneurs stands at 25.5%, which is lower than that of the countries where JICA's Project Ninja has been implemented.¹⁸³ The female labor force participation rate is only 20.3%, lower than that of neighboring countries such as Bangladesh (30.5%) and Sri Lanka (33.7%) and significantly lower than the male rate of 57.5%.¹⁸⁴ It is important to note that in India there is also a large gender disparity in education and poverty, which is more pronounced in rural areas than in urban areas.

Placing a focus on women entrepreneurs primarily in the "High-growth" segment of the startup ecosystem in India, the field research aimed to collect relevant information on the business environment for women entrepreneurs, the design and target setting of support programs provided by a range of stakeholders, and the best practices for and challenges of support programs. Since entrepreneurs in the "High-growth and Opportunity-based" segment cannot be clearly differentiated, women entrepreneurs in the "Opportunity-based" segment were also included in this research. Even though women entrepreneurs in the "Opportunity-based" segment seek steady expansion of their businesses rather than rapid growth, their presence is indispensable to India's socio-economic development because they also have the potential to create employment opportunities for women and offer products and services beneficial to women.

India's federal system provides state governments with certain powers over policy. With the industrial structure varying between states and cities, the Research Team selected two cities to conduct the field research: Delhi, the national capital of India, and Mumbai, a financial and commercial hub having a population size equal to Delhi.

¹⁸¹ Startup Genome (2022), "Global Startup Ecosystem Report 2022." The ranking is calculated as a weighted average of six factors: performance (30%), funding (25%), market reach (15%), connectedness (5%), experience & talent (20%), and knowledge (5%). It does not include social perspectives such as gender.

¹⁸² Data retrieved from the website of CB Insights (<https://www.cbinsights.com/research-unicorn-companies>) on 24th April 2023.

¹⁸³ The percentage of women among all entrepreneurs is 27.0% in Cambodia, 39.0% in Mongolia, 23.7% in Laos, and 33.7% in Nigeria. There is no data about Uganda and Kenya. Source: World Bank Entrepreneurship Database (Retrieved in August 2022).

¹⁸⁴ ILO Stat (2022). The world average for women's employment is 47%.

2-2-2 Schedule and organizations of Research Team interviews

The Research Team conducted field research in Delhi from 6 to 14 March 2023, and in Mumbai from 15 to 21 March. The Research Team visited government agencies and organizations (NGOs, associations and private sector enterprises) that provided support to women entrepreneurs as well as women entrepreneurs who received such support. The list of the organizations visited are set out below.

Table 9: List of Organizations and Initiatives Visited in the Field Research

City	Type of organization		Name of organization / initiative	Activities	Link
Delhi	Central government		Startup India	Startup India is the flagship initiative of the Government of India, intended to catalyze startup culture, and build a strong and inclusive ecosystem for innovation and entrepreneurship in India.	https://www.startupindia.gov.in/
	Incubator / Accelerator	University	IIITD Innovation & Incubation center	IIITD Innovation & Incubation Center is actively involved in developing the paradigm of entrepreneurial mindset & environment for ideating, creating and commercializing ventures aligned with the core theme of the incubation center.	https://iiitdic.in/
			JSS STEP	JSS ATE STEP, NOIDA is India's first Technology Business Incubator, started in 2000 and recognized by NSTEDB in 2004. JSS STEP nurtures post-ideation stage ventures in TRL 6 and above.	https://www.jssstepnoida.org/
	American Embassy		NEXUS	Nexus is a collaboration between the American Embassy, New Delhi and ACIR to showcase the best of American and Indian Entrepreneurship, Innovation and Technology Commercialization.	https://www.startupnexus.in/
		NPO	WEE foundation	Women Entrepreneurship and Empowerment (WEE) is a first of its kind national social initiative by IIT Delhi to strengthen the female entrepreneur ecosystem. WEE was founded under the vision of IIT Delhi Director: Prof V. Ramgopal Rao and is supported by Department of Science and Technology, Government of India. WEE intends to focus and ignite a fire amongst women from college going students to middle-aged housewives for embracing entrepreneurship as a viable, fulfilling career option.	https://weefoundation.org/about
	Net-working, Advocacy	NPO	Association of Women in Business (AWiB)	AWiB is a global network unleashing women's potential by inspiring, educating, empowering, and endorsing emerging women leaders and innovators across all fields; thus, nurturing and sustaining positive change.	https://www.wibglobal.org/
			Gvriksh/Womennovator	Gvriksh is working for women entrepreneurs (startups, small, micro & small enterprises) to help them achieve their ultimate goals. Womennovator, the flagship program of Gvriksh, is a Global incubator for women supporting women across the globe and celebrating the triumph stories and records of passionate women who dared to innovate across the world and honor them with awards and recognition.	https://www.womennovator.co.in/women-incubation/

		Winpe	NPO, Winpe is committed to catalyzing action towards increasing the participation of women as investors, capital allocators and as recipients of investment capital, through a well-rounded and holistic approach that engages key stakeholders of the investing industry.	https://winpeforum.com/home#vision	
	Entrepreneur	Yotuh	(WEE foundation cohort) Yotuh Energy is a clean tech company electrifying the refrigeration system for cold chain logistic vehicles.	https://yotuh.com/team	
		Nextgen greens private limited	(WEE foundation cohort) Nextgen Greens Pvt Ltd. is a Start Up company that aids transforming poorly developed cities and towns into smart ones using science and technology.		
		Aarneema Naturals Pvt. Ltd.	Social entrepreneur. Selling milk and milk processing products. Working with women in a village.		
		Entrepreneurs in AWiB			
Mumbai	State government	Maharashtra State Innovation Society	A department of the Maharashtra State. It set up a Women Entrepreneurship Cell (WEC) in January 2021 to work in collaboration with the public as well as private sector organizations and bring them into a single platform by listing their existing women-focused entrepreneurship schemes, initiatives, and programs.	https://msins.in/women-entrepreneurship-cell	
	Incubator / Accelerator	University	WISE SNTD Women's University Incubation Centre	Incubation center focusing only on female entrepreneurs. Established under the initiative of MSIS.	http://www.wisesn dtwu.org/
		University	Research Innovation Incubation Design Laboratories	TBI helps early stage startups to develop their product from the idea stage to funding stage. TBI provides the best resources available to startups in fields such as training, mentoring, investing opportunities.	https://riidl.org/
		NPO	Zone Startups	Zone Startups India has been one of the leading incubators and accelerators in India since 2013. Its support to startups is provided across all lifecycle stages in a startup's journey.	https://india.zonestartups.com/
	Entrepreneurs	Aspire for her	Networking with women and providing necessary support for women; B2B.	https://aspireforher.com/	
		Mindful Gurukul	Providing psychological mental support to students.	https://mindfulgurukul.com/	

2-2-3 Overview of support to women-led startups in India

(1) Support for women entrepreneurs at the central level

Although GoI has not set out a specific policy for women entrepreneurs, its intent is evident from the fact that GoI has prepared a wide range of support for women entrepreneurs. First, GoI adopted “Gender Budgeting” in the 2005 Union Budget as a strategy to incorporate a gender perspective in all stages of

policy making.¹⁸⁵ The “Gender Budget Statement”, resulting from a review of the disbursement of the Union Budget with a gender lens, has been published every year up to the present.

Box 8. Gender Budgeting

Gender budgeting is an important public governance tool that governments use to assess how budget decisions impact gender equality.¹⁸⁶ In India, gender budgeting was first introduced in the 2005/2006 Budget.¹⁸⁷ The gender budget in India comprises two parts:¹⁸⁸ Part A encompasses schemes that allot 100 percent of funds to women (such as maternity benefits); and Part B consists of schemes that allocate at least 30 percent of funds to women (such as the Mid-Day Meal scheme). Since its initiation, the gender budget has increasingly been dominated by Part B. The 2023 Gender budget statement indicates a total of five percent of expenditure to be spent on women.¹⁸⁹ In Part A, the largest allocation in the gender budget is for the Rural Housing initiative called “Pradhan Mantri Awas Yojana” which has an allocation of INR 544,87 billion.¹⁹⁰

In 2016, Prime Minister Modi launched the “Startup India Initiative” as GoI’s flagship initiative to nurture the startup culture and build an ecosystem for entrepreneurs in the country.¹⁹¹ The Startup India Team under the Department for Industrial Policy and Promotion (DPIIT) in the Ministry of Commerce and Industry is in charge of implementing the initiative. Startup India’s Action Plan in 2016 provides the following three key components under which support schemes are defined:¹⁹²

- **Simplification and Handholding:** in order for startups to receive timely and appropriate support to ease regulatory compliance burdens, the government prepared: a self-certification process for compliance with nine labor and environment laws; a single point of contact for the entire Startup ecosystem, the “Startup India Hub”, which enables knowledge exchange and access to funding; legal support for intellectual property rights and a fast-track patent examination service at low cost; relaxed norms of public procurement for startups; and a swift and simple process to wind-up operations in case of a business failure;
- **Funding Support and Incentives:** startups are eligible for various funding support and incentives such as Fund of Funds, credit guarantee schemes and tax exemptions; and
- **Industry-Academia Partnership and Incubation:** various types of incubators and centers have been established across the country to promote innovation, pairing private sector experts with startups,

¹⁸⁵ Ministry of Women and Child Development (2015), “[Gender Budgeting Handbook for Government of India Ministries/Departments/State Governments/District Officials/Researchers/Practitioners](#)”

¹⁸⁶ <https://www.oecd.org/gov/budgeting/gender-budgeting/> Retrieved 15 May 2023

¹⁸⁷ <https://www.ndtv.com/business/indias-gender-budget-up-by-over-30-this-year-3746553> Retrieved 15 May 2023

¹⁸⁸ <https://accountabilityindia.in/blog/gender-budgeting-in-india/> Retrieved 15 May 2023

¹⁸⁹ <https://www.cppr.in/articles/what-women-gain-from-the-union-budget-2023-24> Retrieved 15 May 2023

¹⁹⁰ *ibid*

¹⁹¹ <https://www.startupindia.gov.in/content/sih/en/about-startup-india-initiative.html> Retrieved 15 May 2023

¹⁹² Startup India (2016), “[Action Plan](#)”

R&D, biotechnology entrepreneurs, and entrepreneurship among students.

Enterprises acknowledged by DPIIT as startups are eligible to access the above-mentioned support schemes; as of 24 April 2023, a total of 97,992 enterprises were acknowledged by DPIIT as startups.¹⁹³ This eligibility includes an “Innovative and scalable” criterion, which differentiates startups from other small businesses in terms of growth intent. The following are the eligibility criteria for DPIIT’s startup support programs:

Table 10: Eligibility Criteria for DPIIT’s Startup Support Programs

Item	Eligibility
Enterprise age	Period of existence and operation not exceeding 10 years from the date of incorporation.
Enterprise type	Incorporated as a Private Limited Company, a Registered Partnership Firm or a Limited Liability Partnership.
Annual turnover	Annual turnover not exceeding INR 1 billion for any financial year since its incorporation.
Original entity	Not having been formed by splitting up or reconstructing an already existing business.
Innovative and scalable	Working towards development or improvement of a product, process or service, or having a scalable business model with a high potential for wealth creation and employment.

Source: [Startup India Website](#)

Under the Startup India initiative, GoI provides a variety of assistance to women entrepreneurs, depending on the type of assistance needed (financial assistance, skill development, mentorship, information provision, etc.), size of the enterprise and sector.¹⁹⁴ The following are some examples of such assistance:

- **Women Entrepreneurship Platform (WEP):**¹⁹⁵ WEP is a government-led initiative launched in 2018 to promote entrepreneurship among women in India. WEP provides information and services relevant to women entrepreneurs across six focus areas: funding, incubation and acceleration, mentoring and networking, market linkages, business development services, and research and innovation.
- **WING:**¹⁹⁶ WING is Startup India’s flagship capacity development program for women entrepreneurs implemented between February 2019 and August 2020 across the country. More than 1,390 women were directly impacted by a total of 24 workshops held across 10 states. The support provided under WING included mentorship from industry experts, pitching opportunities, incubation offers, and business training workshops covering product development, marketing strategies and technical aspects.

¹⁹³ The current number is regularly updated on time on the website: <https://www.startupindia.gov.in/content/sih/en/startup-scheme.html> Retrieved 15 May 2023

¹⁹⁴ https://www.startupindia.gov.in/content/sih/en/women_entrepreneurs.html Retrieved 15 May 2023

¹⁹⁵ <https://wep.gov.in/about> Retrieved 15 May 2023

¹⁹⁶ <https://www.startupindia.gov.in/content/sih/en/wing-women-rise-together.html#:~:text=WING%20E2%80%93%20Startup%20India's%20flagship%20Capacity,%2C%20directly%20impacting%201%2C390%2B%20women.> Retrieved 15 May 2023

- National Startup Awards:¹⁹⁷ Aiming to recognize and reward outstanding startups and ecosystem enablers that are building innovative products or solutions and contributing to the country's socio-economic growth; the National Startup Awards were launched by DPIIT in 2020.¹⁹⁸ Awards are given to enterprises from 19 categories that are comprised of industry, social issues such as financial inclusion, type of business, geographical area and others. "Women-led innovation" is one of the categories. One startup winner in each category receives a cash prize of INR 1 million (approximately USD 12,250).

It has been 7 years since Startup India's launch in 2016. During the interviews conducted through the field research, multiple voices not only from government officials but also from entrepreneurs and support organizations were heard to say that "support for women entrepreneurs has become more active in India during the past five years." Relevant policies are in fact being implemented at the grassroots level. Startup India also has a sub-team designing and implementing support programs focusing on women entrepreneurs. The team collects gender-disaggregated data upon implementing the programs. During an interview with Startup India, an interviewee immediately provided statistics such as "45% of startup companies that registered to DPIIT have at least one woman in their management team."

(2) Support for women entrepreneurs at the State level

State governments, each of them having a startup policy, are also eager to provide support to startups. Some of them have a support menu specifically for women entrepreneurs. The support to women entrepreneurs provided by the two states that the Research Team visited is summarized as follows:

i. Delhi NCT

Basic information

Population	31,181,377 in 2021 ¹⁹⁹
GDP of Delhi	USD 293.6 billion in 2021 ²⁰⁰
Agency in charge of startup support	Department of Industry, Government of NCT of Delhi
Startup policy	Delhi Startup Policy (2022)
Number of incubation centers in the State	11
Number of startups recognized by DPIIT	More than 6,500
Number of women-led startups/women entrepreneurs	The data about the number is not available.

¹⁹⁷ <https://www.startupindia.gov.in/content/sih/en/nsa2022.html> Retrieved 15 May 2023

¹⁹⁸ Application for the fourth edition of the Awards (2023) is open as of 27th April 2023.

(<https://www.startupindia.gov.in/content/sih/en/nsa2023.html> Retrieved 15 May 2023)

¹⁹⁹ <https://statisticetimes.com/demographics/country/india-cities-population.php> Retrieved 21 May 2023

²⁰⁰ <https://www.jagranjosh.com/general-knowledge/top-10-richest-cities-in-india-1634553081-1> Retrieved 21 May 2023

As mentioned earlier, Delhi was ranked 26th in the Global Startup Ecosystem Ranking 2022, following Bangalore.²⁰¹ Delhi was also graded as an “Aspiring Leader”²⁰² in the States’ Startup Ranking 2021 for the first time since the launch of the ranking in 2018 by DPIIT.²⁰³ The evaluation report on Delhi under the framework of the States’ Startup Ranking in 2021 highlighted four initiatives that the Government of National Capital Territory of Delhi (GoNCTD) had undertaken to boost its startup ecosystem:²⁰⁴ establishing 11 incubators (nearly INR 15 million (approximately USD 183,500) funding provided to the incubators); proactively promoting the startup ecosystem development; and more than 6,500 startups registered.

The GoNCTD Cabinet approved the 2022 Delhi Startup Policy on 5 May 2022, which was the first comprehensive policy of the GoNCTD to create an enabling ecosystem for startups.²⁰⁵ According to the Policy, the GoNCTD aims at turning Delhi into a Global Innovation Hub and the most preferred destination for Startups by 2030 with women entrepreneurs identified as a constituency for special consideration under the policy.²⁰⁶ Under the Policy, the GoNCTD provides diverse support such as collateral-free loans with no interest for a year, matching with chartered accounts, lawyer and expert services, easing of procurement norms to help startups without compromising quality, and supporting college students working on business ideas. Startups and entrepreneurs that are interested in the support can register themselves on the Delhi Startup Portal. It is likely that women entrepreneur support will be provided in the form of financial support though the details are yet to be announced by the GoNCTD.²⁰⁷

ii. Maharashtra State

Basic information

Population of Mumbai	20,667,655 in 2021 ²⁰⁸
GDP of Mumbai	USD 310 billion in 2021 ²⁰⁹
Agency in charge of startups support	Maharashtra State Innovation Society (MSInS)
Startup policy	Maharashtra State Innovation Startup Policy (2018)
Number of incubation center in the State	17 (1 is solely for women entrepreneurs)
Number of startups recognized by DPIIT	17,991
Number of women-led startups/women entrepreneurs	8,787

²⁰¹ Startup Genome (2022) “Global Startup Ecosystem Report 2022”

²⁰² “Aspiring Leader” is one of the five categories for which participating states and union territories are graded.

²⁰³ <https://www.startupindia.gov.in/srf/> Retrieved 21 May 2023

²⁰⁴ DPIIT (2021), “States’ Startup Ranking 2021: Delhi, Aspiring Leader”

²⁰⁵ <https://ddc.delhi.gov.in/our-work/7/delhi-startup-policy> Retrieved 21 May 2023

²⁰⁶ GIZ (2022), “Promoting Women Entrepreneurship in Delhi, An Assessment and Policy Recommendations”

²⁰⁷ *ibid*

²⁰⁸ <https://statisticstimes.com/demographics/country/india-cities-population.php> Retrieved 21 May 2023

²⁰⁹ <https://www.jagranjosh.com/general-knowledge/top-10-richest-cities-in-india-1634553081-1> Retrieved 21 May 2023

As mentioned above, Mumbai, the capital city of Maharashtra State, was ranked 36th in Global Startup Ecosystem Ranking 2022.²¹⁰ The city has moved out of the Emerging Ecosystems ranking and into the global overall rankings thanks to three startups established in the city that achieved exits of over USD 1 billion and six startups that became unicorns.²¹¹ Maharashtra State was ranked “Top Performer” in the States’ Startup Ranking 2021.²¹² The Startup Ranking report²¹³ that placed a special focus on women-led startups appreciated “Women Entrepreneurship Cell (WEC)” that was established in 2021 by the Maharashtra State Innovation Society (MSInS)²¹⁴ as a single platform where women entrepreneurs can find all existing women-focused entrepreneurship schemes, initiatives and programs at a glance.²¹⁵ WEC also provides a range of services and support to women entrepreneurs, including acceleration programs, mentorship and incubation support, financial assistance and compliance support.

Recognizing the critical role that incubation plays for early-stage entrepreneurs in an entrepreneurial ecosystem, MSInS established a network of seventeen incubators across the State by setting up or enhancing existing organizations so that startups could find an incubator close to their place of residence. MSInS has provided the incubators with a grant for their capital and operational expenditure up to a maximum of INR 50 million for a period of five years.²¹⁶ One of the collaborative incubation centers, the Women Innovation Startup Entrepreneurship (WISE) Incubation Centre, which was launched in 2021 by SNDT Women’s University, is operated solely for women entrepreneurs. WISE runs mainly two incubation models: “Pre-incubation” and “Incubation”.²¹⁷ Targeting those who have ideas but do not know how to start, the Pre-incubation model provides business training as well as support in registration and compliance, technique, prototyping and pitching. The Incubation model is for registered startups that sell specific products. In order to participate in the Incubation program (of which the duration is twenty-four months long) startups need to be selected at a pitch event. Since its start in July 2021, the pitch event has been organized three times.²¹⁸ Five startups were selected in the first and second pitch events, respectively. The pitch event for the third cohort was conducted in March 2023 with three startups selected from eighty-six applicants. During the Incubation period, the selected startups are given access to support for business strategy development, capacity building, access to markets and financing, including seed funding, mentoring and intellectual property solutions.

²¹⁰ Startup Genome (2022) Global Startup Ecosystem Report 2022.

²¹¹ <https://startupgenome.com/article/rankings-2022-top-100-emerging-ecosystems> Retrieved 21 May 2023

²¹² <https://www.startupindia.gov.in/srf/> Retrieved 21 May 2023

²¹³ DPIIT (2021), “States’ Startup Ranking 2021: Maharashtra, Top Performer”

²¹⁴ MSInS is an implementation body established in 2017 under the Department of Skill Development and Entrepreneurship of the Government of Maharashtra (GoM) for boosting the entrepreneurial ecosystem.

²¹⁵ <https://msins.in/women-entrepreneurship-cell> Retrieved 21 May 2023

²¹⁶ <https://www.msins.in/IncubationMain> Retrieved 21 May 2023

²¹⁷ <https://wisesndtwu.org/incubation-model.php#pre-incubatee> Retrieved 21 May 2023

²¹⁸ Interview with SNDT Women’s university on 20th March 2023.

iii. Support for women entrepreneurs by other stakeholders

Important actors in the entrepreneurial ecosystem include not only governmental institutions but stakeholders such as universities, NGOs and donor agencies. They provide various types of support at each stage of a company's growth process. Support provided by the organizations that the Research Team interviewed is explained below.

(a) IIITD Innovation and Incubation Center

The facility is based at Indraprastha Institute of Information Technology Delhi (IIIT-Delhi). Its operation is outsourced to a private company.

Category	Question
1. Overview of program/services that specifically target women	1) Name of the program/service: Indraprastha Institute of Information Technology Delhi Incubation Center (IIITDIC) 2) Year program/service launched: 2017 3) Number of program/service participants: Currently 22 (Total 60) 4) Target sector: Any sector but requires utilization of technology or innovation. 5) Type of enterprises supported and eligibility: No criteria for eligibility, a co-founder is required (no single-founder companies) 6) Duration and frequency of the program/service: Ongoing application process, basically for 2 years with a maximum of 3 years. 7) Participation fee: INR 6,000/seat/month for space; service is free. 8) Program/service budget (total amount per program/service, budget per participant) and funding sources: Budget comes from the Delhi government. 9) Gender balance of members who are involved in developing and implementing program/service: Currently, all board members are men.
2. Program/service development	10) How the program/service is advertised to the target group: Mainly through the website and social media. 11) How the program/service increases the participation of target women entrepreneurs: IIITDIC has had a policy towards encouraging women since 2020. 12) The program/services' prominent features: Pitch session once in two months, connecting with industry.
3. Challenges for targeted women entrepreneurs	12) The challenges that women entrepreneurs in the target area are facing in terms of: - access to incubation/acceleration program: N/A - access to finance: N/A - access to other supporting services: N/A

(b) WEE Foundation

IIT Delhi has led the establishment of the WEE Foundation. Some programs are implemented in collaboration with multiple foreign countries such as the US, Israel and Germany.

Category	Question
1. Overview of the program/service that specifically targets women	<p>1) Name of the program/service: WEE Foundation</p> <p>2) Year program/service launched: Launched in 2016 at IIT-Delhi</p> <p>3) Number of program/service participants: Trained 500 women in Urban India, 8,500 women in rural India, and 1,000 men by sensitizing them on women issues and treating women with respect.</p> <p>4) Target sector: WEE has three different programs: the first program focuses on science and technology-related startups (incubation/acceleration); the second program (entry level, incubation) is focused on social entrepreneurship, training rural women micro-entrepreneurs; and the third program (advanced level, mentorship) is called the advanced entrepreneurship program which focuses on women entrepreneurs who have USD 100,000-USD 1 million in revenue and are looking for the opportunity to raise funds and scale their business. In addition to these 3 programs, WEE provides tailor-made mentorship services to Unicorn level companies.</p> <p>5) Type of enterprise and eligibility: Eligibility to apply for the first program is to be a scientist, Ph.D. or patent holder (with focus on innovation). The second and third programs are for women entrepreneurs (a founder or a co-founder of a startup) from any sector/age or background. The first program is to promote science and technology-related innovations to reach the marketplace. The second program is to promote micro-entrepreneurship amongst women in rural areas of India. The third program is to enable all women-led startups to grow their business.</p> <p>6) Duration and frequency of the program/service: The first and second program is for 2 - 3 months (every other Sunday) with 2 days of graduation and a pitch session. The third program (mentorship) is for 3 months.</p> <p>7) Program/service budget and funding sources: Around USD 70,000 to organize a 3-month program. The program is funded primarily by the government of India as well as some institutes of eminence in India (Like IIT's, IISC etc.) and partners from Israel, the US, Canada, Germany and the Netherlands. WEE has partnerships directly with these countries, not through the government of India.</p> <p>8) Gender balance of members who are involved in developing and implementing program/service: Among 20 staff members in the WEE foundation, 18 are female.</p>
2. Program/service development	<p>9) How the program/service is advertised to the target: Through the IIT channel and all program partners, website and SNS.</p> <p>10) How the program/service increases the participation of target women entrepreneurs: Being widely recognized by the government and society, the program has already received a large number of applicants created a long wait list. For every program, which has 30 seats to offer, they receive usually more than 500 applicants. Around 100 applicants among them can be regarded as serious contenders. Priority is given to those who are on the wait list.</p> <p>11) The program/service's prominent features: A long-term (3 months) program is very important to let the participants think deeply and experiment over that time period. High-class mentors are mobilized (Indian and international). Other prominent features of the program are: (1) the participants are either women or have a gender-neutral background; (2) most of the classes are mentored by women entrepreneurs or teachers; and (3) it is the only program in India that offers gender sensitivity programs for men in various companies.</p>

<p>3 Challenges for targeted women entrepreneurs</p>	<p>13) The challenges that women entrepreneurs in the target area are facing in terms of:</p> <ul style="list-style-type: none"> - access to incubation/acceleration program: Women are busy with household responsibilities. The WEE Foundation program encourages women with babies to participate in the program with their babies (some feed their baby, accompany their husbands, etc.) - access to finance: access to finance for women entrepreneurs is an issue. A study suggests that more than 88% of funds are given to male entrepreneur-led startups. - access to other supporting services: same as access to incubation /acceleration programs.
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(c) Zone Startups India

This organization is based in Mumbai and was established by Bombay Stock Exchange. Support programs offered by Zone Startups India vary depending on the growth stage of the company. Information filled in the table below focuses on the acceleration program for women entrepreneurs.

Category	Question
<p>1. Overview of the program/service that specifically targets women</p>	<p>1) Name of the program/service Zone Startup Incubator</p> <p>2) Year program/service launched: 2013</p> <p>3) Number of program/service participants: Currently 40 participants for the program that focuses on women entrepreneurs.</p> <p>4) Target sector Any sector as long as their service/product is technology-based.</p> <p>5) Type of enterprise and eligibility: 51% and more share by Indian women, private limited company.</p> <p>6) Duration and frequency of the program/service: Around 3 months, once/year.</p> <p>7) Participation fee; Free</p> <p>8) Program/service budget (total amount per program/service, budget per participant) and funding sources: USD 150,000 ~ USD 200,000 to organize a program, funded by Bombay Stock Exchange (BSE).</p> <p>9) Gender balance of members who are involved in developing and implementing program/service: N/A</p>
<p>2. Program/service development</p>	<p>10) How the program/service is advertised to the target group; Mainly social media and word of mouth.</p> <p>11) How the program/service increases the participation of target women entrepreneurs: Reaching out to target women entrepreneurs through the network of incubators in regions and of educational institutions, The program received around 800 applicants last year.</p> <p>12) The program/service's prominent features: Targeting the entrepreneurs at growth stage</p>
<p>3. Challenges for targeted women entrepreneurs</p>	<p>13) The challenges that women entrepreneurs in the target area are facing in terms of:</p> <ul style="list-style-type: none"> - access to incubation/acceleration program: N/A - access to finance: N/A - access to other supporting services: N/A

iv. Support for setting up an enabling environment for women entrepreneurs

Time poverty is one of the major challenges that women entrepreneurs are facing in starting and running a business. According to the research conducted by M. Rahul Goel, an assistant professor of transportation research at Delhi's Indian Institute of Technology (IIT), there is a clear dichotomy in gender roles based on the hours spent towards unpaid household activities.²¹⁹ Research shows that women aged 25-44 years spend an average of 8.5 hours per day on domestic or caregiving activities while men in the same age group spend less than an hour on these activities. This hinders women entrepreneurs from running a business.

Since 1975, India has had rural child care centers across the country called Anganwadi, which means "courtyard shelter" in Indian languages. Since it was established as part of the Integrated Child Development Services program to combat child hunger and malnutrition,²²⁰ the service did not meet specific childcare needs.²²¹ In March 2023, the GoNCTD announced the start of the Saheli Samanvay Kendra Scheme in which 500 Anganwadi hubs would be set up to incubate individual startups and to promote self-help groups.²²²

2-2-4 Lessons learnt from interviews conducted through the field research

(1) Efforts to promote women's participation in incubation/acceleration programs

For the field research conducted in India, the Research Team visited four organizations that provide incubation/acceleration programs in Delhi and three similar organizations in Mumbai. Among them, three organizations in Delhi and two in Mumbai had incubation/acceleration programs that exclusively targeted women. All organizations that the Research Team visited provided three types of support: business skills development, mentoring and fundraising support. Apart from a few programs,²²³ no educational or English language proficiency requirements were included in the application criteria. These organizations commonly emphasized that the most important factor when selecting participants in the program was the "level and quality of the business idea." According to the interviews, some of the organizations of which the programs are open to everyone regardless of gender mentioned that the number of female applicants was always quite limited. One of them claimed that the ratio of female participation in its program remained at 20-30%. On the other hand, though the exact number was not disclosed in most cases, the programs which solely targeted women received a sufficient number of applications for selecting qualified participants through competition.²²⁴

²¹⁹ Rahul Goel (2022), "Gender gap in mobility outside home in urban India"

²²⁰ <https://womenchild.maharashtra.gov.in/content/innerpage/anganwadi-functions.php> Retrieved 21 May 2023

²²¹ DCED (2022), "Childcare Solutions for Women Micro and Small Enterprises"

²²² <https://sarkariyojana.com/saheli-samanvay-kendra-scheme-delhi/> Retrieved 21 May 2023

²²³ Some programs have a specific target sector, such as science and technology, that requires applicants to have a higher educational background.

²²⁴ For example, "Virtual Incubation Program", an incubation program organized by Zone Startups India for women entrepreneurs in Mumbai, received 140 applications for 20 seats.

For opportunity-based and high-growth entrepreneurs to come up with innovative business ideas, they need a fundamental knowledge of business issues which they can acquire through various experiences in society. Moreover, since the use of technology is essential for business expansion in the present era, entrepreneurs should have at least a basic knowledge of technology and the ability to use it. Support from family is also critical for women entrepreneurs when participating in an incubation/acceleration program for business growth because the program often requires a participant's full commitment. Participants are sometimes required to travel from their homes to the program's location. Women entrepreneurs who meet all of these requirements for participating in incubation/acceleration programs tend to be urban dwellers, have received higher education, speak English, and are not significantly influenced by negative gender norms that restrict their actions.²²⁵ Even programs targeting women entrepreneurs have not made the methods for conveying information, the application process and the program design conducive to women participants. Therefore, it is important for program organizers to incorporate a gender perspective in all program steps and components.

(2) Measures that are taken by support organizations to make the programs fit the needs of women entrepreneurs

In order to make it easier for women to apply for and participate in the program, the support organizations that the Research Team interviewed have embedded some measures in the program that solely target women entrepreneurs.

- Advertisement and promotion of the program: in order to remove invisible barriers for women entrepreneurs to apply for the support program, one organization has promoted and encouraged application in local languages spoken in different regions when calling for program applications. This was done in collaboration with NGOs that operate at the grassroots level, especially in rural areas.
- Length of a training session: taking into consideration the fact that women in India have a considerable load of household responsibilities, which cause time poverty issues for them, one organization has shortened the length of each business training session to accommodate women who need/want to balance their business and family obligations.²²⁶
- Importance of mentoring and networking: organizations that support women entrepreneurs commonly cite the importance of mentoring and networking for women entrepreneurs. Regardless of gender differences, many of the challenges faced by entrepreneurs are common, such as acquiring knowledge and expertise in management, securing human resources and financing, and marketing their products/services. However, women experience these challenges differently from

²²⁵ For example, among forty-one startups which are showcased on its website as examples of startups which participated in WEE Foundation programs, thirty-four founders of the startups hold at least a Bachelor degree (8 founders hold Doctorates, 14 founders hold a Master, and 12 founders have a Bachelor).

²²⁶ For example, the length of the program organized by WEE Foundation is for three months. One session is a half-day long and organized once every two-weeks. (Source: interview with WEE Foundation on 9th March 2023.)

men due to the negative effects of social and gender norms,²²⁷ which require solutions different from those taken by men. From this perspective, having mentors who can provide advice with an understanding of these differences, as well as peer networks to consult with, is of significant importance to women.

Several support programs use mentors on a pro bono basis.²²⁸ The motivation and benefits for mentors in such cases include: a) understanding the importance of supporting women entrepreneurs based on their own experience; and b) the potential for raising their own or their organization's social status from the perspective of Corporate Social Responsibility (CSR) by participating in the program, which is highly recognized as well as appreciated by the society.

- Gender awareness training to mentors and pitch judges: one organization has provided gender awareness training to investors who participate as mentors and pitch judges in the program in order to remove their unconscious bias as much as possible by raising their awareness of gender issues.²²⁹

(3) Necessity of attaining gender equality in the financial industry

While funds from financial institutions, such as banks and venture capitalists, can become viable sources of funding for enterprises at the mid to later stages, gender equality remains a major challenge in the financial industry regardless of country or region, making it difficult for women entrepreneurs to raise funds. According to the representative of Women in Private Equity (WinPE), who was interviewed during the field research, the number of women partners (management) who have been promoted in the past 10 years and the number of women candidates for these positions are both extremely limited.

According to the representative of the organization, a large portion of the investment funds flowing into India come from overseas, mainly from the United States. These foreign funds tend to seek “diversity” in their investment targets. On the other hand, the number of women-led companies that could be investment targets is low, which makes it difficult for investment institutions to promote investments or create portfolios focusing only on gender diversity. She emphasized, therefore, the importance of incubation/acceleration programs that can push up women entrepreneurs from the initial stage to the next stage. She also mentioned the importance, from the viewpoint of the financial industry, of mentors and networks for women entrepreneurs in going through the business development process.

²²⁷ For example, although the difficulty of fundraising is the same regardless of gender difference, whether or not a male CFO is on board is added to the evaluation criteria when women entrepreneurs apply for a fundraising opportunity.

²²⁸ Organizations which provide mentoring to women entrepreneurs did not mention if they took into consideration the gender of mentors. In fact, mentors of any gender can be found at both the WEE Foundation in Delhi and Zone Startup India in Mumbai. The research (Germann F, Anderson S.J, Chintagunta, P, and Vilcassim A, (2023) “Breaking the Glass Ceiling: Empowering Female Entrepreneurs through Female Mentors”) conducted in Uganda with 930 Ugandan entrepreneurs with applying randomized controlled trial showed that female entrepreneurs mentored by females saw their firm sales increase by 34% and profits by 29%, on average, compared to the control group. By contrast, female entrepreneurs guided by male mentors did not significantly improve their performance.

²²⁹ *ibid*

2-3 Ethiopia

2-3-1 Outline of the field research in Ethiopia

In Ethiopia, the Women Entrepreneurship Development Project (WEDP) has been implemented with funds from the World Bank and other donors, including JICA, since 2012 (project details are set out in 2-3-3).²³⁰ The targeted women entrepreneurs can be categorized as “opportunity-based entrepreneurs” because they are required to have a minimum of six months of business experience since registration in order to receive WEDP’s support.

JICA conducted the *Data Collection and Analysis on the Women Entrepreneurship Development Project* from 2015 to 2016 to understand the context and challenges of the financial sector, SMEs and women entrepreneurs in Ethiopia with a view towards preparing for WEDP co-financing. Using the results of the above research as a foundation, this field research analyzed the impact brought by WEDP on women entrepreneurs, the financial sector and gender norms, and an updated understanding of the situation and challenges of women entrepreneurs in Ethiopia.

The field research was conducted in Addis Ababa from 1 to 8, and in Hawassa from 8 to 13 April 2023. These two areas were selected based on their WEDP’s activities as well as the security alert level for them issued by the Ministry of Foreign Affairs of Japan.

Organizations that the Research Team visited include women entrepreneurs who registered under WEDP (WEDP members),²³¹ government agencies, organizations that provide training to WEDP, and Micro Finance Institutions (MFIs). The detailed schedule and the list of organizations visited are attached as below.

Table 11: List of Organizations Visited in the Field Research

Addis Ababa		
Government	Ministry of Labor and Skill (MoLS)	Senior Expert at Training and Institutional capacity building desk
		Executive Lead at the training and trainers development desk
		Director at women affairs department
	Entrepreneurship Development Institute (EDI)	WEDP coordinator
		Entrepreneurship Trainer
		BDS Specialist
	OSS: Arada Woreda 2 & 8 and Addis Ketema 7 & 8	WEDP Coordinator
	OSS: Gulele Woreda 03 & 07 and Kirkos Woreda 02 & 03	WEDP Coordinator
	OSS: Akaki Kality Woreda 3 & 7	WEDP Coordinator

²³⁰ It was originally started as a 5-year project from 2017, then extended until December, 2024.

²³¹ Under the condition that more than six months has passed after receiving a business license, women entrepreneurs can register with WEDP and start receiving support. The documents required for registration are: 1) business license issued by Trade bureau; 2) tax identification number issued by customs office; 3) certificate of registration issued by Ministry of Trade; 4) ID card issued by Woreda; and 5) three copies of photo.

	OSS Akaki Kality Woreda 3	WEDP Facilitator
	Development Bank of Ethiopia	External fund & credit management directorate director
Training institution	Technical Vocational Education & Training Collage (TVETC)	Trainer
	Akaki Polytechnique Collage	Trainer
	Reach for Change Training Institution	Entrepreneurship Trainer
	EMERTA	Trainer
Financial Institution	Sinqee Bank	Program & Stakeholders Relations Director Stakeholders Relation Program coordinator
	Enat Bank	Director of women banking solution department
WEDP Beneficiary	Impact Design and Graphic (Printing)	Founder
	Emamaru (Honey production)	Founder
	Frehywot Garment (Garment)	Founder
	Masgana Shoe (Shoe maker)	Founder
	Yadet Detergent (Detergent maker)	Founder
	Group interview	WEDP training participants
Hawassa		
Government	EDI, Sidama Regional Office	EDI regional director
	OSS Woreda	WEDP Facilitator
Training Institution	Technical Vocational Education & Training Collage (TVETC)	Vice Dean of Hawasa Polytechnique Collage & WEDP focal person
Financial Institution	OMO Micro Finance Institution (OMO Bank)	Corporate strategy & business development directorate director
	Metemamen Micro Finance Institution	Regional manager
WEDP Beneficiary	Merchandize Business	Founder
	Laundry Service and Bridal Costume rental	Founder
	Anbessa Hotel	Owner
	Cool Recycle Manufacturing	Founder

2-3-2 Overview of Ethiopia from a gender perspective

The Ethiopian government has been continuously promoting gender equality and WEE through various reforms over the last 30 years. It has implemented a comprehensive set of policies, laws and strategies to address gender inequalities and promote women's inclusion. Gender mainstreaming is a key approach across national development plans and sector-specific plans. Overall, Ethiopia has endeavored to create an enabling environment to advance gender equality and promote women's empowerment.²³² The first national comprehensive policy "National Women's Policy" was adopted in 1993, which aims to ensure that men and women have equal rights in politics, economy and society with a proper system created in governmental offices and institutions.²³³ The Women's Affairs Office was established in 1992 under the social sector of the Prime Minister Office,²³⁴ which has been responsible for overall coordination and monitoring of gender equality initiatives undertaken by the Women's Affairs Departments of 13 line ministries, 10 regional governments and two special administrative regions. Moreover, since the

²³² International Development Research Center (2020) Policy mapping; Women's economic empowerment in Ethiopia [Link](#)

²³³ www.un.org/womenwatch/daw/country/national/ethiopia.htm Retrieved April 3, 2023

²³⁴ Women's Affairs Office was upgraded to the Ministry of Women, Youth and Children's Affairs in 2010. In 2014, the ministry was restructured and became the Ministry of Women and Social Affairs, merged with a part of the Ministry of Labor and Social Affairs.

adoption of the new Constitution in 1995, the gender parity issue has been conveyed in different policies, legal frameworks, rules and regulations of the country. This new Constitution grants women equal citizenship rights to men and rules out gender-based discrimination; it ensures equal participation of men and women in all economic and social activities, entitling them to equal rights in employment, marriage, access to and control over resources, and political participation.

In 2006, the Ethiopian government announced the “National Action Plan for Gender Equality (NAP-GE) 2006-2010”. While the National Women’s Policy was aiming to institutionalize women’s rights, NAP-GE’s goal was to attain equality between men and women in social, political and economic development. NAP-GE had four general objectives: (1) enhanced rapid economic growth; (2) improved human development; (3) democratization and governance; and (4) improved public institutional performance. Each objective had strategic objectives and priorities for action; for example, objective “(1) enhanced rapid economic growth” had two strategic objectives as well as six priorities for action including “Promote women’s participation in developing economic policies and managing the economy”, “Enhance rural women’s equal access to and control over productive resources and services (land, credit, etc.)” and “Reduce women’s workload”.

Furthermore, gender has been mainstreamed within the national development plans such as the “Growth and Transformation Plan” (GTP II) (2014/15-2019/20). The GTP II provided indicators on enhancing the benefit and participation of women in economic development.

The Development and Change Strategy (2017) also has four strategic focus areas in line with NAP-GE, one of which is women’s participation and benefit to be ensured in the political, economic and social spheres. It should be noted that this Strategy also protects the rights of pastoralist and semi-pastoralist women and those who need special protection (homeless women, women with disabilities, women with HIV/AIDS, migrant and returnee women, etc.).²³⁵

According to the *Global Gender Gap Report 2022* Ethiopia is considered as one of the Sub-Saharan African countries showing steady improvement in its overall performance with an increase in both economic participation and gender parity. An overall improvement on the Gender Gap Index was observed in 2022, Ethiopia ranked 74th among 146 countries, up from 127th in 2014. However, women’s participation in economic activity still remains an issue (ranking 112th) whereas women’s political empowerment stood at 26th reflecting the first female head of the state elected in 2018. Despite the achievement of high economic growth Ethiopia fell behind its peers in the area of credit provision to the private sector with access to finance being perceived by MSMEs as the main business constraint.²³⁶ In particular, “access to finance” remains the biggest obstacle for female entrepreneurs for two reasons attributable to long-standing problems specific to Ethiopia. First, according to a survey in

²³⁵ International Development Research Center (2020) *ibid*

²³⁶ World Bank (2018), “Disruptive Finance: Using Psychometrics to Overcome Collateral Constraints in Ethiopia” [Link](#)

2015,²³⁷ the collateral required by financial institutions is excessive at three times the amount of the loan. Second, though the right to own property is granted to women by the Constitution, women do not, in practice, own property under their own names. Women are less likely to own land than men, and even when they do, the size of the land on average is 30 percent smaller.²³⁸ Given that the legal and policy framework has already been established by the government and development partners, efforts for moving forward should focus on realizing more gender parity through promoting women's participation in economic activities on the ground.

There are several donor-funded projects focusing on WEE in Ethiopia. One of the largest programs is the Women Entrepreneurship Development Project (WEDP) funded by the World Bank and other donors including JICA and implemented by the Development Bank of Ethiopia and the Enterprise Development Institute (to be explained more in detail in the next section). The Foreign, Commonwealth and Development Office (FCDO) funded the program "Enterprise Partners" to facilitate market development so as to create jobs in industries such as garments, leather and horticulture. This program also supported financial inclusion and investment.²³⁹ In 2016, USAID and SIDA provided credit guarantees through Enat Bank as a partner whose main clients are female entrepreneurs.

In 2022, the National Women's Economic Empowerment Forum (NWEFF) was established by the Ministry of Women and Social Affairs, the Ministry of Labor and Skills, the Ethiopian Chamber of Commerce, sectoral associations and Action Aid Ethiopia with support from UN Women. NWEFF aims to initiate a national platform to encourage women's economic participation and advancement by creating economic opportunities.²⁴⁰

2-3-3 Overview of the Women Entrepreneurship Development Project (WEDP)

WEDP was launched in October 2012 as a five-year project with the goal to increase income and job creation for women entrepreneurs in urban areas through USD 50 million lending provided by the International Development Association (IDA) and an additional USD 13 million by UK and Canada. The project had three components: 1) access to finance; 2) entrepreneurial skills and technology development; and 3) project management, advocacy, outreach, monitoring and evaluation, and impact evaluation. At the time of project launch, there were six target sites: Tigray, Amhara, SNNPR, and Oromia provincial capitals, plus the cities of Addis Ababa and Dire Dawa.²⁴¹ One of the WEDP's key features is that it targeted women ("Missing Middle") who were not served by financial institutions

²³⁷ <https://knoema.com/WBGFD2015Nov/global-financial-development?tsId=1151360#:~:text=Value%20of%20collateral%20needed%20for%20a%20loan%20%28%25,growing%20at%20an%20average%20annual%20rate%20of%2030.88%25>. Retrieved 10 April 2023

²³⁸ World Bank (2019), "Ethiopia Gender Diagnostic Report: Priorities for Promoting Equity" [Link](#)

²³⁹ International Development Research Center (2020) *ibid*

²⁴⁰ <https://ethiopia.un.org/en/192343-national-women%E2%80%99s-economic-empowerment-forum-established> Retrieved 3 April 2023

²⁴¹ Assela Axum, Dilla and Gondar were added to the project in 2018 and four more new cities (Arba Minch, Dessie, Jimma and Wolaita Sodo) in 2023.

including MFIs. These female entrepreneurs had difficulty accessing finance, as mentioned in the previous section, due to a lack of collateral; most financial institutions did not have loan schemes adapted to their needs. With the objective of the Project being to cater to the needs of the “Missing Middle”, some requirements were set for those who wished to participate in WEDP, such as being in business for more than six months after obtaining a business license. Those who fulfilled these requirements were allowed to register to become a member of WEDP through a One Stop Service (OSS) in the target cities and were issued a WEDP ID Card. WEDP members are entitled to participate in training on entrepreneurship skills along with a technical and vocational program (TVET).²⁴²

The operation has been restructured four times with additional funds provided. The first restructuring took place in January 2016 with minor adjustments applied to the project’s results framework and implementation arrangements. The second took place in July 2017, extending the project’s duration with modified intermediate outcome indicator targets, accommodating a USD 65.8 million co-financing from JICA and the Italian Agency for Development Cooperation (AICS). The third restructuring in December 2019 again modified the duration and intermediate outcome indicator targets to accommodate a USD 34 million co-financing from the European Investment Bank (EIB). By that time WEDP had attained a highly satisfactory rating for its overall Project Development Objective (PDO) with evidence of a high demand for the loans (97% of the funds disbursed). The Project monitoring and evaluation also showed that 66% of WEDP loan borrowers had never borrowed before taking out a WEDP loan, and for those who had previously borrowed, the average amount borrowed was 870% higher than the previous loan. Moreover, the average portfolio at risk rate (PAR at ninety days, PAR90) was only 3.1%; well below a 5% industry benchmark. After the third restructuring in December 2020, an additional financing of USD 100 million by IDA as well as an extension to December 2024 was approved in response to COVID-19. At this time, participating financial institutions (PFIs) also pledged USD 30 million. In addition, EIB provided USD 1.9 million for technical support for PFIs while the Innovation fund from Global Affairs Canada (GAC) pledged USD 12.5 million to pilot and scale up innovative financial products and business development services. AICS also provided USD 1 million for business training and networking support. New directions were defined for these additional funds; for example, the credit lines target only MSEs with high potential, excluding firms of which performance was not significant even before COVID-19. Also, USD 10 million out of the USD 100 million funded by IDA were allocated to the innovative finance facility in which psychometric credit scoring, revenue-based financing, point of sale-based cashflow lending and the use of movable collateral were introduced. Apart from the traditional entrepreneurship training, the digital version of the training as well as mindset-oriented skills training were offered.²⁴³ Table 12 and Table 13 show some of the results of the project as of December 2021 and November 2022.

²⁴² Participation in the training programs is not mandatory but some PFIs require the certificate of completion of entrepreneurship skill training for disbursing a WEDP loan.

²⁴³ World Bank (2020), “[Project Paper on a Proposed Additional Credit to the FDRE for an Additional Financing of the WEDP](#)”

Table 12: Project Development Objective Indicators by Objective/Outcome

PDO	Outcome		End Target
	2020.11	2021.12	
1) Average number of full-time and part-time employees (paid and unpaid) per MSE	2.95	2.95	3.40
2) Number of hours worked for the MSE per week (paid and unpaid)	275.00	275.00	316.00
3) Yearly average business earnings (USD)	4,053.00	4,053.00	5,066.00

Source: World Bank WEDP Implementation Status and Results Report (December 2022)

Table 13: Intermediate Results Indicators

Indicator	Result		End Target
	2020.11	2022.11	
1) Direct project beneficiaries (Microfinance)	16,181.00	22,885.00	24,000.00
2) Portfolio at risk	6.00	3.00	4.30
3) Volume of Bank Support: Lines of Credit-Microfinance (USD)	144,011,000	230,000,000	245,700,000
4) Direct project beneficiaries (Training)	22,158	31,575	32,000

Source: World Bank WEDP Implementation Status and Results Report (December 2022)

2-3-4 Lessons learnt from interviews conducted through field research

(1) Strong gender norms that keep women away from starting/doing business

The women entrepreneurs, financial institutions and government agencies that the Research Team interviewed in Ethiopia commonly cited time poverty as a challenge for women entrepreneurs while cases of gender discrimination in business environments were rarely mentioned. According to the interviewees, it is usually women who are largely responsible for household work in Ethiopia, such as childcare and food preparation for the family. In fact, several data in a paper issued by the International Monetary Fund showed that women in Ethiopia typically face a high burden of family care responsibilities and other unpaid household activities²⁴⁴ with reference to the data of the household survey in Ethiopia in 2013 which also shows that more than half of employed women in urban areas and two-thirds in rural areas are either self-employed or unpaid family workers.²⁴⁵ All the women entrepreneurs who were interviewed in the field research stated that their family members, especially husbands and mothers-in-law, were very supportive. Understanding and actual support from their husbands and families are essential for women entrepreneurs to run their businesses.

In addition to the issue of women's time poverty, strong gender roles seem to inhibit women from starting/running business. Some women who were interviewed expressed that women have often been taught since childhood that business was for men, which makes women feel less confident in starting/running business or reluctant to join business-related networks. To address this issue, both men and women need to change their perspectives about gender roles and norms in society. Although it will

²⁴⁴ IMF (2018), "[The Federal Democratic Republic of Ethiopia: Selected Issues](#)", IMF Country Report No. 18/355

²⁴⁵ Household survey

take a long time to make changes happen, continuous efforts such as awareness-raising by government agencies and showcasing successful female entrepreneurs as role models will lead to norm changes.

A woman entrepreneur who was interviewed during the field research was planning to open a nursery space for employees in a new factory, which was under construction, because she saw that many women employees in her company had to take a leave or even quit their job due to a lack of childcare support.²⁴⁶ Women entrepreneurs are likely to understand the challenges that women are facing in society and thus have a higher interest in supporting women. In this respect, supporting women entrepreneurs' business development will have a spill-over effect on job creation for other women.

(2) Access to finance as a critical challenge for women entrepreneurs

i. Women's lack of access to collateral

WEDP aims at increasing the earnings and employment of SMEs owned/led by women entrepreneurs by addressing the Missing Middle trap²⁴⁷ that is a major obstacle for growth-oriented women entrepreneurs. When WEDP was launched, a project report noted that women entrepreneurs in Ethiopia had more difficulty accessing finance as compared to men entrepreneurs due to several factors: the high collateral requirement (173% of the loan amount); the fact that most assets recognized by financial institutions as collateral were only real estate, such as land, houses and buildings, most of which were owned by men; and cultural barriers for women in using the property as collateral.²⁴⁸ The progress in this situation since then has remained limited. A survey conducted in 2019 by the World Bank showed that men were more likely to own land in Ethiopia; when women owned land, it was on average 30% smaller than that owned by men and in practice only half of female land owners have their names listed on the land ownership documents.²⁴⁹ A project paper published in 2020 by the World Bank also identified a lack of access to finance due to limited access to collateral as a critical challenge for women entrepreneurs.²⁵⁰

ii. Measures to tackle the collateral issue

National Bank of Ethiopia (NBE) issued the "Movable Property Security Right Proclamation No. 1147/2019" based on its Financial Inclusion Strategy with the aim of promoting further economic

²⁴⁶ This woman entrepreneur planned to establish the nursery space not only because it is socially right but also because it will benefit her company from an economic perspective since less women employees will take leave or quit job due to too much home chores.

²⁴⁷ The Missing Middle trap is the situation where the minimum loan amount as well as the collateral requirement applied by commercial banks is too high for women entrepreneurs while the maximum loan amount that MFI lend is too small for them. There are rarely appropriate financial services for growth-oriented women entrepreneurs.

²⁴⁸ World Bank (2012), "[Project Appraisal Document on a Proposed Credit in the amount of SDR 32.2. Million \(USD 50 Million Equivalent\) to the Federal Democratic Republic of Ethiopia for a Women Entrepreneurship Development Project April 26, 2012](#)"

²⁴⁹ World Bank (2019) *ibid*

²⁵⁰ World Bank (2020) *ibid*"

development by improving financial access for agriculture and MSEs.²⁵¹ Following this Proclamation, of February 26 2020, NBE established the Ethiopia Movable Collateral Registry²⁵² (EMCR), issuing a regulation on the details of the procedure (Codification, Valuation and Registration of Movable Properties as Collateral for Credit (Directive No. 186/2020)). The movable properties that can be recognized as collateral include consumer goods, agricultural and livestock products, and intellectual property rights in addition to accounts receivable, machinery and equipment, vehicles and securities.

However, the criteria to appraise a property, even for real estate, have not been established in Ethiopia. It is also difficult to determine the real value of movable property because the price at a certain point in time does not necessarily reflect its value. Therefore, NBE has established a working group to discuss how to fairly appraise movable property.²⁵³

iii. Positive impacts of the first loan for business development

Among the eight women entrepreneurs interviewed in the field research (all of whom were WEDP members),²⁵⁴ seven received WEDP loans.²⁵⁵ Moreover, six of them received WEDP loans multiple times.²⁵⁶

Most women entrepreneurs who received WEDP loans stated in the interview that “Although collateral was always required for loans from WEDP partner MFIs, WEDP loans had lower interest rates with less strict collateral requirements as compared to non-WEDP loans.”²⁵⁷ Four of the interviewees used their family or relatives’ real estate as collateral for their first WEDP loan while one of them appointed a government employee (salaried employee) of her acquaintance as a joint guarantor.

Most women entrepreneurs who received WEDP loans explained in the interview that they used the loan to obtain necessary equipment for a new business or business expansion. In many cases they repaid the loans earlier than the set repayment period. Some of them acquired real estate in their own name as a result of the success of their business, which enabled them to receive a second or more WEDP loans. Their good credit history and good business record also convinced MFIs to recognize women entrepreneurs’ movable property as collateral when women entrepreneurs applied for a subsequent loan. Receiving a WEDP loan brought a significant impact on business expansion, which then led to the contracting of subsequent loans.

²⁵¹Operationalization of Movable Collateral Registry, Directive No. MCR/001/2020

²⁵² <https://nbe.gov.et> Retrieved 10 April 2023

²⁵³ <https://ethiopianbusinessreview.net/collateralizing-movable-property-a-game-changer/> Retrieved 10 April 2023

²⁵⁴ 5 in Addis Ababa, 3 in Hawassa

²⁵⁵ The remaining one woman entrepreneur has not applied for a WEDP loan because she had become a WEDP member only recently.

²⁵⁶ The one who received a WEDP loan only once is running a hotel business. The maximum amount (ETB 300,000) of WEDP loan that she could get from a WEDP partner MFI in the area was too small for her business. Therefore, she did not have an intention to apply for another WEDP loan.

²⁵⁷ Most of WEDP members who were interviewed received their first WEDP loan around 2014. The most recent WEDP loan was extended around 2020 with an 8-10 % interest rate.

iv. Improvement of loan conditions by financial institutions

Judging from the WEDP members' high repayment rate, Sinqee Bank, which is a WEDP partner MFI, recognized WEDP loans as a good financial product. The Bank developed, therefore, a new loan product called "Ogeti" ("Experienced/Skilled" in Amhara) with an interest rate as low as that of WEDP loans and offered it to clients in non-WEDP geographical areas. When applying for an Ogeti loan, clients are required to meet the same conditions as WEDP loans: completing business skills training; having a business registration certificate; and having a certain period of business experience after starting their business.

(3) Importance of training

i. Importance of entrepreneurship skill training

For WEDP, a new approach to business training was adopted for growth-oriented women entrepreneurs instead of the conventional classroom-based business skills training that is not necessarily suit to the needs of growth-oriented women entrepreneurs.²⁵⁸ The entrepreneurship skills training in WEDP was developed based on cognitive psychology and is aimed at developing entrepreneurs' proactive, innovative and self-starting mindset and behavior.²⁵⁹ While three training institutions were selected for training delivery and different cities were allocated to them, the training components of all three institutions emphasized setting goals, developing plans to reach those goals and using innovative approaches.²⁶⁰ According to the data from the Entrepreneurship Development Institute (EDI),²⁶¹ 32,319 WEDP members out of 53,156 members (60%) received entrepreneurship skill training (Table 14).

Table 14: Number of WEDP Members who Received WEDP Training (as of April 2023)

City	Entrepreneurship skills training	Technical training ²⁶²
Adama	2,275	353
Addis Ababa	4,924	648
Bahir Dar	1,667	21
Dire Dawa	1,343	32
Hawassa	2,420	158
Mekelle	2,174	0
Assela	1,578	0
Axum	1,348	0
Dilla	1,039	0
Gondar	1,182	0

²⁵⁸ World Bank (2020), "[Designing a Credit Facility for Women Entrepreneurs. Lessons from the Ethiopia Women Entrepreneurship Development Project \(WEDP\)](#)"

²⁵⁹ *ibid*

²⁶⁰ *ibid*

²⁶¹ EDI is a governmental agency established under the Ministry of Labor and Skills. This agency is in charge of WEDP implementation.

²⁶² WEDP member can receive both entrepreneurship skills training and technical training according to their preference.

Arba Minch	202	0
Wolaita Sodo	621	0
Total Grand	29,150	1,212

Source: Data from EDI

Multiple women entrepreneurs who were interviewed appreciated this entrepreneurship skills training. A woman entrepreneur explained that she was able to realize her new business plan thanks to the knowledge and skills that she had acquired in the training. According to some training institutions, facilitators of the training often struggled to generate interest from participants at the beginning of the training session because women entrepreneurs were skeptical of the value of the training due to negative experiences in past business skills training organized around one-way teaching methods with long session periods that interrupted their daily businesses. However, once they began to understand the content, they recognized its value and became more motivated to obtain new business knowledge and skills, which resulted in few dropouts.

Although WEDP members already had basic business knowledge such as “purchasing, processing, selling, and keeping accounts” through their own experience, they did not have an opportunity to obtain well-organized and more advanced business knowledge. The entrepreneurship skill training in WEDP was more attractive and impactful for women entrepreneurs because of its interactive teaching method and components that included broad business knowledge. For example, several women entrepreneurs commented that knowledge about “customer care” provided in the training was quite new and was very helpful for lifting their business to the next level. Recognizing the importance of entrepreneurship skill training, some WEDP partner MFIs required WEDP members to take the training when they applied for a WEDP loan.

ii. Importance of building a network among women entrepreneurs

The importance of becoming a member of industry associations or entrepreneurs’ associations was barely mentioned in Addis Ababa, a metropolitan area where people have daily opportunities to be exposed to business information and see successful women entrepreneurs as role models. On the other hand, in Hawassa, which is small and located in the middle of rural areas with less business information, the importance of networking was relatively higher for women entrepreneurs. In fact, many women entrepreneurs, training institutions and WEDP partner MFIs in Hawassa emphasized the positive impact of networking among WEDP members. According to them, the network was formed spontaneously in the classroom of entrepreneurship skills training with some women entrepreneurs who participated in the training establishing a Women’s Business Association with the aim of empowering other women entrepreneurs. The Association now has 70 members. A woman entrepreneur in Hawassa who once experienced difficulty getting connected with others and exchanging business information but then had achieved some success in her business took the initiative in launching an association for other women entrepreneurs who are struggling in the same environment.

iii. Technical training needs

The technical training provided as part of WEDP's support package stretched over a few months, which was significantly longer than the entrepreneurship skills training that required ten half days. As a result, the number of women entrepreneurs who took the technical training turned out to be quite low; only 2% of WEDP members received technical training (Table 14). Another reason for this may be that many of WEDP members are engaged in the trade and service sector (more than 85% of WEDP members) that does not require technical skills. The number of WEDP members by sector is shown in Table 15.

Table 15: Number of WEDP Members by Sector (as of April 2023)

Sector	Total	Percent
Manufacturing	4,389	8.27
Construction	952	1.79
Trade	29,562	55.68
Services	16,438	30.96
Agriculture	823	1.55
Other	992	1.54
Total	53,156	99.79

Source: Data from EDI

Chapter 3 Checklists

3-1 Checklists for applying a Gender Lens to JICA's entrepreneurship support programs

3-1-1 Introduction

JICA has supported developing countries in their reform of gender-discriminatory policies and structures, strengthening of women and girl's agency, and increasing of awareness and individual and social behavior change towards achieving gender equality.²⁶³ One of JICA's approaches to achieve gender equality and women's empowerment, which is under discussion, is the promotion of GSB. The promotion of GSB aims to transform the market ecosystem to be more gender-responsive with enterprises, which are a driving force for market development, being oriented to behave more towards the enhancement of gender equality and women's empowerment.

In the area of private sector development, JICA has also strived to increase the competitiveness of entrepreneurs and businesses (micro, small and medium enterprises and startups). "Next Innovation with JAPAN" (NINJA) is a JICA's flagship initiative to support startups in collaboration with overseas enterprises, especially those from Japan, by promoting venture and impact investments and making policy proposals to create a conducive ecosystem for startups.²⁶⁴ Under this initiative, JICA has implemented business contests and acceleration programs in Asian and African countries to help startups grow through business idea brush-up and networking.

Reviewing JICA's support for private sector development from a gender equality perspective, there is still ample room for improvement to achieve gender equality and women's empowerment. Towards this end, it is essential to make support more gender inclusive and responsive. This checklist was hence created with a view to applying a gender lens to JICA's support so that gender-responsive entrepreneurship and ecosystems can be fostered. Those who are engaged in JICA's support for entrepreneurship are expected to be the primary users of this checklist though it is also available to anyone who promotes gender equality and women's empowerment in supporting entrepreneurs.

This checklist was developed with reference mainly to two toolkits for supporting women entrepreneurs: the Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020) "Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders"; and the GIZ (2022) "Accelerating Women Entrepreneurs: A Handbook for Practitioners."

²⁶³ JICA "[JICA Global Agenda No.14 Gender Equality and Women's Empowerment](#)"

²⁶⁴ JICA, "[JICA Global Agenda No.4 Private Sector Development](#)"

3-1-2 Things to keep in mind when using these checklists

The following points should be taken into account when making a support program to bring about more impacts on entrepreneurs in terms of gender equality.

- Context matters: The local context, which includes factors such as geography, socio-economy and political stability, has a strong influence on gender-related issues and challenges. A deep understanding of the local context is a prerequisite to developing successful support approaches that meet the needs of women and all genders.²⁶⁵
- The importance of intersectionality:²⁶⁶ Not only gender differences but other factors as well influence how individuals experience discrimination. One's identity is composed of different factors such as race, ethnicity, gender, religion, age, sexual orientation, health status, disabilities, education, experience and skill sets, personality, and background.²⁶⁷ It is crucial to understand the diversity of perspectives and backgrounds of the target group so that the impact of the support can be maximized for everyone.
- Gender identity is not binary:²⁶⁸ Given the fact that women and men are not the only two gender identities that exist, support programs should take into consideration the needs of all gendered groups when designed and implemented.²⁶⁹
- Growth intent varies depending on the type of motivation for entrepreneurs: There are two types of motivation for entrepreneurs to start a business: opportunity-based and needs-based. Opportunity-based entrepreneurs start a business because of their interest in realizing their own business ideas as well as their personal goals, such as a higher income, a sense of achievement and freedom in decision-making.²⁷⁰ Opportunity-based entrepreneurship can be further classified into two types of enterprises as described in Figure 34: startups and small businesses. While several aspects differentiate these two types of enterprises, the most prominent one is whether the enterprise intends to grow fast with innovation or it prefers to run a business in a stable manner. With needs-based entrepreneurs often starting a business when they do not have other means of generating income, they are in most cases classified as small businesses. The difference in

²⁶⁵ GIZ (2022), "[Accelerating Women Entrepreneurs: A Handbook for Practitioners](#)"

²⁶⁶ *ibid*

²⁶⁷ Responsible Jewellery Council (2022), "[Gender Equality Toolkit: A Practical Guide on How to Embed Gender Equality at the Core of Your Business Strategy](#)"

²⁶⁸ Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020), "[Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders](#)"

²⁶⁹ Because of time and knowledge constraints in undertaking the study of which this checklist is a component, the checklist mainly focuses on the disparities between heterosexual and cis men and heterosexual and cis women in a business environment. Building on emerging discussions and evidence on other gender disparities and JICA's experiences in the projects for private sector development, the list should be updated to respond to the needs of other genders

²⁷⁰ [https://entrepreneurship.mit.edu/necessity-vs-innovation-based-entrepreneurs/#:~:text=%E2%80%9CPull%E2%80%9D%20\(or%20opportunity%2D.carry%20out%20their%20own%20ideas.](https://entrepreneurship.mit.edu/necessity-vs-innovation-based-entrepreneurs/#:~:text=%E2%80%9CPull%E2%80%9D%20(or%20opportunity%2D.carry%20out%20their%20own%20ideas.)

motivation for entrepreneurs (opportunity-based or needs-based) does not necessarily influence the selection of interventions for gender equality that are to be taken in the Program, but rather the context and circumstances in which the Program is implemented determine the necessary interventions to be taken by the Program and their priority.

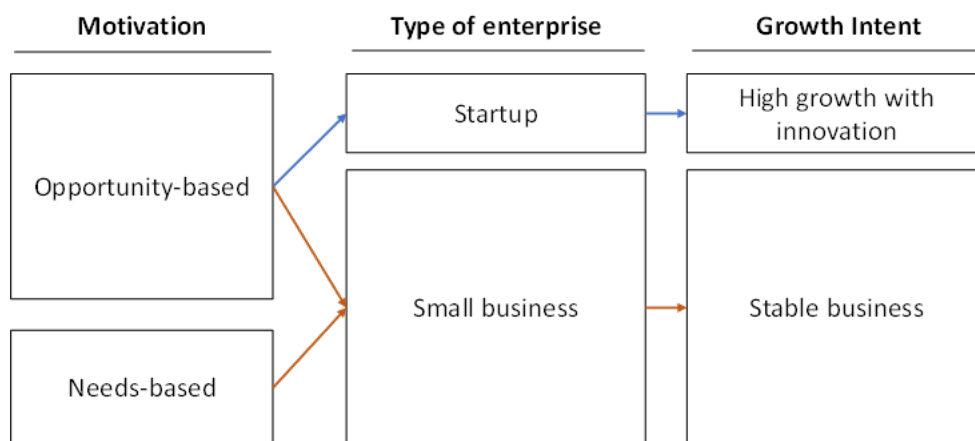


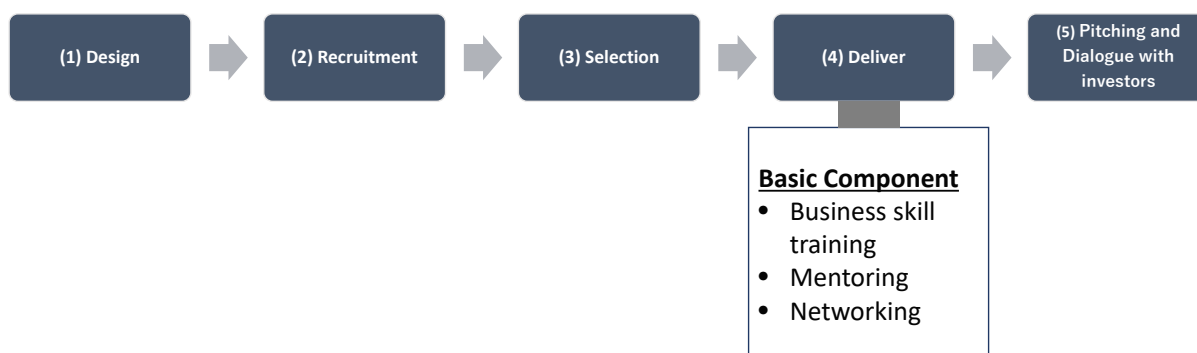
Figure 34: Different Enterprise Types

Source : USAID (2011), “The Entrepreneurship Toolkit: Successful Approaches to Fostering Entrepreneurship”並びに Forbes, “Are You Running a Startup or Small Business? What’s the Difference? (Dec 8, 2017)を参照し、IMG作成

- Basic components for supporting entrepreneurs: A variety of organizations, such as governmental organizations, NGOs, the private sector and donor agencies, provide various support programs to entrepreneurs. Business skills training is provided in many of these support programs aimed at establishing entrepreneurs’ skill foundations for doing business. Mentoring and networking have also been proven through various research as an essential component, especially for women entrepreneurs.
- Cycle of the support to entrepreneurs: The cycle of the support to entrepreneurs starts with the design of the support program, which determines the target beneficiaries and other stakeholders including facilitators and mentors, duration, components to be provided in the program. Once the program design is confirmed, the stage for recruiting participants follows. In order to find appropriate and eligible entrepreneurs, marketing and advertisement are critical activities. Appropriate channels to distribute information and receive applications should be carefully chosen. The applications will be assessed at the selection stage against the prior developed criteria. Participants who have passed the selection stage will finally have an opportunity to receive support at the delivery stage. The modality of that support from the support provider should be developed in such a way as to maximize outcomes. In some programs, the stage for participants to pitch and have a dialogue with investors will also be designed so that participants can have the financial means to realize their business plans.

Figure 35: Cycle of Support and Basic Support Menu

Cycle of the Support to Entrepreneurs



Source : GIZ (2022), “Accelerating Women Entrepreneurs: A Handbook for Practitioners”, Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020), “Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders”, and Impact HUB and INCAE Business School (2020), “Accelerators as Drivers of Gender Equality: A Guide to Gender Lens Acceleration”

- Target figures for achieving gender equality: Every support program has its own target figures for achieving gender equality, such as the percentage of women participation and the number of women staffs in a program team. The targets are determined in consideration of multiple factors including the initial circumstances, program objectives and program resources.
- Necessity of interventions for gender equity: Women entrepreneurs often face multiple challenges due to discriminative gender norms in the business environment, which men rarely experience. Taking this fact into consideration, the Program can apply some special treatment exclusively to women participants so that these challenges can be overcome or eliminated. Information about these special treatments for women participants should be announced before the Program starts in order to make the Program’s intention clear to all participants.

In order to determine the participants in the program, the Program can refer to the GIZ’s most recent toolkit that provide conditions on when participants in an acceleration program need to be limited to women and when not.

Decision Guidance on Running a (1) Women Only, (2) Mixed Gender or (3) Combined Acceleration Program

- (1) Women-only acceleration program may be suitable, when:
- Women in the local context are particularly restricted by strict gender norms;
 - Target women entrepreneurs require additional skills or knowledge to meet the selection criteria of current accelerator programs;
 - Women would benefit from a safe space to learn and share strategies for overcoming the barriers they face;
 - There is a sufficient number of target women-led ventures that meet the program criteria;
 - The program aims to build women’s networks;
 - The program has access to experienced women mentors and facilitators; and
 - The program is focused on a traditionally male-dominated sector, like energy or technology, where women need additional support to break into the industry and there is interest/capacity to build the sufficient number of target women-led ventures.

(2) Mixed-gender acceleration program with a gender lens applied may be suitable, when:

<ul style="list-style-type: none"> • The program is being run in a young ecosystem where there is a small number of women-led ventures; • The program is focused on a traditionally male-dominated sector like energy or technology and there is little interest/capacity to build the sufficient number of target women-led ventures; • The program is focused on a very niche kind of entrepreneur (e.g. rural-based healthcare ventures) and there is little interest/capacity to build the sufficient number of target women-led ventures; • The program aims to tackle gender inequality by educating and encouraging men to play a role in the solution, by facilitating learning opportunities between men and women, or by integrating women into male-dominated networks; • Women-led ventures in the local context feel comfortable to speak about the unique barriers they face in a mixed gender settings; • The program wants to stimulate innovation and would benefit from engaging a diverse range of perspectives and ideas; and • There is an existing mixed gender program and limited capacity to run an additional women-only program.
<p>(3) Combined (a mixed-gender program with a gender lens applied, partly including women-only program components to address specific needs of women entrepreneur) acceleration program may be suitable, when:</p> <ul style="list-style-type: none"> • A women-only program is not possible but women require additional capacity building and/or would benefit from a safe space to discuss and share strategies for overcoming the barriers they face.

Source: compiled by IMG based on GIZ (2022) Accelerating Women Entrepreneurs: A Handbook for Practitioners

3-1-3 Terminologies

The definitions for terms used in this checklist are set out below:

Terminology	Explanation
Accelerator ²⁷¹	A program that gives developing companies access to mentorship, investors and other support that helps them become stable, self-sufficient businesses.
Unconscious bias ²⁷²	Unintentional and automatic mental associations based on gender, stemming from traditions, norms, values, culture and/or experience.
Gender ²⁷³	The socially constructed roles, behaviors, expressions, and identities of girls, women, boys, men, and gender-diverse people
Gender lens ²⁷⁴	The deliberate consideration of how the activities of the support program may be experienced by different gender groups.
Incubator ²⁷⁵	An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections
Intersectionality ²⁷⁶	Discrimination against women persists in every corner of the world, but the experience is shaped by interwoven factors that build upon and extend beyond the gender element. These factors include race, socioeconomic class, age, sexual orientation, disability and more.
Project NINJA ²⁷⁷	Project NINJA" is an initiative launched in 2020 with the aim of supporting startups that take on the challenge of solving social issues in developing countries. "NINJA" is an abbreviation for "Next Innovation with JAPAN". NINJA fosters startups, collaborates with overseas companies including Japanese companies, promotes venture investments and impact investments aimed at solving social issues, and makes policy proposals.

²⁷¹ <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/glossary/business-accelerator>

²⁷² ILO (2017), "Research note : Breaking barriers : Unconscious gender bias in the workplace"

²⁷³ <https://cihr-irsc.gc.ca/e/48642.html>

²⁷⁴ GIZ (2022), "Accelerating Women Entrepreneurs: A Handbook for Practitioners"

²⁷⁵ <https://www.entrepreneur.com/encyclopedia/business-incubator>

²⁷⁶ <https://capacity4dev.europa.eu/articles/reality-intersectional-factors-gender-inequality>

²⁷⁷ JICA, "JICA Global Agenda No.4 Private Sector Development"

Cases to understand the challenges that women entrepreneurs are facing in business

Some cases showing the challenges caused by gender norms can be helpful allowing checklist users to have an understanding of the circumstances in which women entrepreneurs operate. The below cases are based on actual stories while the names of the people have been changed.

Case 1. Needs-based entrepreneur: Malika in Tajikistan

Malika is a 38-year-old woman living with three children in Kulyab city in the southern part of Tajikistan where male dominance and female subservience are prevalent. Malika's husband is working as a truck driver and is away from home for 3 to 4 days every week.

One day, at a marketplace where women go every day to buy household items Malika came across information on a three-day business course that was provided in combination with in-kind support (equipment up to USD 500) under JICA's Business Incubation Project (BIP) for starting an entrepreneurship activity. Since she had some sewing skills, she asked her husband to allow her to attend the course. He was initially against her participation claiming that a married woman should only engage in household chores such as cooking, childcare and cleaning as a housewife, which is a widely accepted gender norm in Tajik rural families. In the end, he agreed to her participating as it was an opportunity to receive in-kind support upon completion of the course.

Malika completed the course and then started a tailoring business at home with the equipment provided by BIP. Thanks to the good quality of her products, competitive prices and networks with women suppliers which she developed after starting business, Malika's business was going well with a gradual expansion in her client base leading to additional sustainable incomes for her family.

About a year later, Malika was informed that the city municipality was starting another training course from the next day. The training was scheduled once a week for five weeks aiming to change entrepreneurs' mindset to be more future- and action-oriented for further business development. Since her husband had gone to a remote mountainous area where there was no phone service, Malika participated in the training without his explicit permission. After Malika participated in the first session and told her husband about it, he became very angry claiming that she had been going out and communicating with various people too frequently after starting her sewing business. Though Malika tried to make her husband understand the importance of the training and expressed her wish to participate in the remaining sessions, he beat her and prohibited her from going out.

Case 2. Needs-based entrepreneur: Madina in Tajikistan

Madina attended three-day business training and started a bakery business at home in Kulyab City in Tajikistan. Based on her experience working in a bakery in Russia, she diversified her products, baking not only bread but also cakes and cookies, which attracted numerous customers through word of mouth. Although Madina wanted to expand her business into a small café, an establishment where customers could also enjoy coffee and tea, her husband opposed the idea due to the possibility that unknown men

would visit café which was against the gender norm he adhered to. As a result, Madina could not expand her business and thus she continued baking and selling products from home every day.

Case 3. Opportunity-based entrepreneur: Praseeda in India

Praseeda lived in the UK for a long time with her parents, where she gained experience as a hairstylist. In her 20s, after her parents decided to return to Delhi, Praseeda made the decision to open a beauty salon in Delhi primarily targeting foreigners. Although there were challenges initially, such as difficulty in retaining stylists she hired, she overcame these difficulties, relocated several times and eventually settled in the current location where many foreigners gather. Her salon is always fully booked with clients attracted through word-of-mouth. The building where the salon is located is owned by government officials with each shop space having an owner. Praseeda's shop operates under a lease agreement with one of those owners. All the other shop tenants are men; they often go out for "networking", participating in sport events and drinking with government officials. This type of social gathering is very common for Indian males, where women are not welcomed or invited. Despite the fact that the previous renewal of Praseeda's contract with the owner proceeded, she suddenly received an eviction order from the landlord. None of other tenants in the other spaces received such an order. Apparently, in the networking events, there were subtle discussions about "fees" with government officials, and the tenants took appropriate actions based on their understanding of the situation. Since Praseeda was not part of the network, she was not aware of such a critical issue and thus could not take action to avoid receiving the eviction order.

Case 4. High-growth startup founder: Ananya in India

Ananya, who currently has two children, obtained a master's degree from IIT Delhi in her early 30s, the most prestigious school in India. She started a biotech venture using her knowledge. The business has been going quite well and is currently involved in a public project after being selected. Despite the success of the business, she was frequently told to "bring the company's top executive" when visiting financial institutions to request loans for her business. Even when she claimed that she was most senior executive, she was often told to "come along with a male representative". Local governmental agencies often show the same attitude when she attends meetings for public project suppliers. Having accumulated these experiences that made her feel offended, she started to send her husband who was not an expert in biotechnology to the meetings in her place.

3-1-4 Checklists

The users of this checklist are expected to answer the following questions when they design a support program (the Program). The answer "Yes" means that an effective measure is taken to make the Program gender responsive. Not all measures need to be taken; the necessity of a measure depends on the context in which the Program is implemented. What measures can be taken also depends on the constraints in

time, budget and knowledge that the program organizer face in the field. The Program should prioritize checklist items according to context as well as the objective and target of the Program.

(1) Design

A lack of consideration for women entrepreneurs' challenges during the design stage of the Program may disadvantage women entrepreneurs throughout the Program cycle. Women will feel unwelcomed and be discouraged from applying for the Program should they find gender-related barriers in the Program. It is critical to understand differences between the experiences, expectations, abilities and needs of each gender and develop program components in such a way to respond to these differences.²⁷⁸

1	Timing/duration of the support provided in the Program	<ul style="list-style-type: none"> Does the Program adjust the timing and format of workshops/ events/ mentor meetings based on the daily time schedule of women who take on a huge part of the unpaid care and domestic work? (e.g. women with breastfeeding children; mothers who must drop off and pick up children to/from school and put them to sleep) Does the Program build an environment where women with multiple constraints can participate in the Program? (e.g. allow women to join with their infants, and offer child care or a private room for breastfeeding)
2	Location of the Program	<ul style="list-style-type: none"> Is the location of workshops/events/mentor meetings culturally acceptable and easily accessible to women? Are event venues/facilities such as waiting rooms, toilets, etc. sufficiently women-friendly? Is the Program organized at varying locations so that participants from different areas are not disadvantaged? Does the Program provide transport or offer a stipend to cover or subsidize travel costs when needed? A significant travel cost will discourage women from applying especially when they do not have the liberty to decide household expenses. Does the Program ensure accessibility for women who have time constraints due to household chores or live far from the Program venue? (e.g. running a digital program, offering program components in varying locations)
3	Program Stakeholders	<ul style="list-style-type: none"> Does the Program team have a good representation of women which will make women participants feel that their perspectives and experience are understood? Does the Program involve successful women alumni as guest speakers, mentors or ambassadors for the program? Is everyone involved in program design and delivery (program team, lecturers, mentors, juries of pitching event, etc.) required to complete gender sensitivity training to gain an awareness of how their own biases may impact their roles, and learn how to address these?²⁷⁹
4	Curriculum and Textbook	<ul style="list-style-type: none"> Is gender-neutral version applied to curriculum language? (for example, change any gender-specific language such as "businessman," "policeman," etc. to the gender-neutral version "business executive/entrepreneur," "police officer"). Are successful women entrepreneurs showcased in the case studies so that role models for women participants are provided?

²⁷⁸ In order for Project NINJA to create explicit impact on gender equality, it could organize a business contest or acceleration program which requires participants to address the issue of gender disparity. The contest and program could be specifically geared to women entrepreneurs.

²⁷⁹ The gender sensitivity training can be provided in collaboration with international or local NGOs or consulting firms that have sufficient knowledge of both gender and local context. Online training course is also provided by UN Women (<https://portal.trainingcentre.unwomen.org/#selfpaced>). The Program should choose the better way depending on their resources including budget and time.

		<ul style="list-style-type: none"> ● Is additional support in soft skills that women may lack, such as negotiation, pitching and presenting, integrated into the Program? ● Does the Program include motivational drivers for women to be entrepreneurs? Given the fact that many women entrepreneurs are willing to help their families and achieve social impacts through their businesses, such business cases can be presented in the Program.²⁸⁰ ● Does the Program offer content that raises the Program participants' awareness of gender disparities and power dynamics that may impact their businesses? Creating a "safe space" where women can voice the fears and obstacles that they face is useful to support women entrepreneurs who will go against local gender norms and sometimes even gender-based violence when they run businesses. ● Does the Program include content on how to apply a gender lens to product and service development to support all participating entrepreneurs regardless of their gender to think about how they are impacting gender inequities through their own work and how the challenge of gender inequities can be turned into market opportunities?
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(2) Recruitment

Applying a gender lens to the recruitment process enables a program to find and attract a gender-diverse pool of applicants and ensures that the process does not disadvantage one gender over others. Since support programs for entrepreneurs tend to receive fewer applications from women,²⁸¹ the recruitment phase is an important point of intervention in creating equal access for all genders.

1	Channels	<ul style="list-style-type: none"> ● Are informational events held to answer questions about the Program as well as to help women entrepreneurs understand their eligibility for the Program and the benefits they will receive? Do such informational events also target husbands, families and other close community members so that the benefits of women's participation in the Program are understood by them? ● Are multiple information sessions held to offer guidance on filling in the form?
2	Gender Inclusive Marketing Materials and Application	<ul style="list-style-type: none"> ● Is the language used in the marketing materials gender-inclusive and welcoming for women, such as "Our organization is committed to gender equality, diversity and inclusion"? ● Are phone numbers offered to call if there are questions about the application form? ● Are women entrepreneurs' images included in the marketing materials so that they see themselves as potential applicants? (e.g. messages from past female participants of NINJA) ● Do the marketing materials clearly show information about Program details including the dates, transport costs, and overall time commitments required? ● Do the marketing materials differentiate eligible criteria between those essential and desirable? Women are less likely to apply if they do not meet all criteria. ● Are Program delivery teams, facilitators and mentors presented in the marketing materials to convey the message that women are represented in the stakeholders? ● Are the application materials and informational events offered in the local language or multiple languages when needed?
3	Submission of applications	<ul style="list-style-type: none"> ● Does the deadline for submission of applications allow adequate time for the preparation of applications? ● Can applications be submitted in different formats (e.g. electronic, paper, etc.) in

²⁸⁰ Roy, S. and Manna, S. (2014), "Women in Entrepreneurship: Issues of Motivation and Choice of Business," *Journal of Entrepreneurship and Management*, Volume 3 Issue. 94 and Guzman, Oh, and Sen (2020), "What motivates innovative entrepreneurs? A Global Field Experiment" *Management Science*, 2020, vol.66, no.10, pp.4808–4819

²⁸¹ Some examples were found in the field research in India.

		<p>order to facilitate women's submission?</p> <ul style="list-style-type: none"> • Are the locations and methods for submitting applications easily accessible to women? Are paper applications placed at locations accessible to women? • Are the supporting documents that must be attached to the application easily accessible to women?
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(3) Selection

Unconscious biases may exist in the selection process which will lead to one gender group being selected over others. Identifying and avoiding potential bias in the selection process will ensure that entrepreneurs of all genders have an equal opportunity to be selected.

1	Screening process and criteria	<ul style="list-style-type: none"> • Do the screening process and criteria properly reflect the Program's intended objectives, especially when there is a target number or share for women participants? For example, applications submitted by male and female applicants may need to be evaluated separately in order to ensure that a sufficient number of female applicants pass the screening. • Are the rating scales (e.g. 1–4) and the definition of each rating (1, 2, 3, and 4) set clearly so that all screening members can assess the applications in the same way? • If there is no target number or share for women participants in the Program, are any methods used to reduce unconscious bias against women entrepreneurs, such as a blind selection processes removing gender, name, age, and other identifiers?
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(4) Delivery

The way to deliver support components may privilege certain people while disadvantaging others when backgrounds or environments are different among the Program participants. Preparation of an environment in which participants of all genders can have equal access to the support provided in the Program is indispensable.

1	Language	<ul style="list-style-type: none"> • Is gender-neutral language used when delivering support throughout the Program?²⁸²
2	Learning environment	<ul style="list-style-type: none"> • Is a learning environment safe for all genders, particularly women, so that all participants feel comfortable sharing their opinions? (e.g., the Program can offer opportunities for women to raise questions anonymously when women feel uncomfortable asking questions publicly)
3	Community support	<ul style="list-style-type: none"> • Is a strong community element integrated into the Program for women to connect with and support each other? (e.g. in the beginning of the Program, an opportunity can be provided to participants to share their story and passion to start/run a business so as to build mutual understanding)

(5) Pitching and Dialogue with Investors

Some cultural norms inhibit women from speaking in public or competing with others. They may not have had enough opportunities to develop the skill of presenting their business capacities as an entrepreneur in pitch events. The unconscious biases of panel members may also favor one gender

²⁸² A guideline and toolkit provided by the United Nations can be referred to help the Program stakeholders use gender-inclusive language. <https://www.un.org/en/gender-inclusive-language/index.shtml>

group. It is therefore critical that women are given adequate opportunities to improve the necessary skills for pitching, while panel members ensure unbiased judgment.

1	Pitching and selection	<ul style="list-style-type: none"> ● Is there good representation of women in the panel members? Are women with business backgrounds selected as panel members? ● Are panel members required to receive gender sensitivity orientation so that they can gain awareness of how their own biases may impact their decisions and learn how to address these? ● Are any methods used to reduce unconscious bias against women entrepreneurs? (e.g. Village Capital, a venture capital fund, has developed “peer selection” as an alternative due diligence model to mitigate gender bias in the investment decision making process.²⁸³) ● Does the Program provide applicants with equal opportunities for good internet access when the pitching session is conducted online? ● Does the Program make sure that “promotion-oriented questions” and “prevention-oriented questions” are evenly asked between male and female applicants at the pitching session?²⁸⁴ In other words, are standardized questions used to reduce unconscious biases? ● Are applicants given support for refining their presentation content and skills, given that women may not be used to confidently expressing their views in public (even though they may have remarkable ideas)? ● Do the assessment process and selection criteria properly reflect the Program’s intended objectives, especially when there is a target number or share for women winners? Different selection criteria may need to be used for male and female presenters, given that women entrepreneurs may be at an earlier stage than other presenters or have lower growth ambitions.
2	Dialogue with investors	<ul style="list-style-type: none"> ● Does the Program provide an opportunity to communicate with investors outside of a competitive environment? Women tend to perform worse than men in competitive environments while they are able to perform similarly to men in the absence of competition.²⁸⁵ ● Is networking with women investors as well as investors who are engaged in gender-lens investing being promoted?

²⁸³ Village Capital, “Capital Evolving: Alternative Investment Strategies to Drive Inclusive Innovation”

²⁸⁴ Men are consistently asked more “promotion” questions that highlight upside potential and potential gains, while women are asked more “preventive” questions that focus on possible losses and risk mitigation (Male and Female Entrepreneurs Get Asked Different Questions by VCs — and It Affects How Much Funding They Get (2017), Harvard Business Review – Dana Kanze, Laura Huang, Mark A. Conley, and E. Tory Higgins)

²⁸⁵ <https://gap.hks.harvard.edu/performance-competitive-environments-gender-differences>

3-2 Key factors that need to be taken into account when promoting Gender Smart Business

3-2-1 Advantages of having women in enterprises

(1) Advantages of women's presence in corporate leadership

There has been some research investigating the advantage of women's presence in corporate leadership with mixed results. Research on US firms found that firms with a higher proportion of women on their boards performed significantly better than those with a lower proportion²⁸⁶ and that mixed-gender boards outperform all-male boards.²⁸⁷ A positive relationship between the diversity of board members and returns on assets and investments was also found among 112 Fortune-listed US companies.²⁸⁸ In contrast, a study on German companies demonstrated no overall relationship between female board membership and stock performance.²⁸⁹ A study on 2,000 firms found no evidence either for an impact from female board membership on corporate performance, concluding that such appointments are generally undertaken for normative rather than profit-seeking motives.²⁹⁰

Other studies show that creating a pipeline of female managers is more important than having female CEOs. An analysis of a global survey of 21,980 firms from 91 countries concluded that while the presence of women in corporate leadership positions may improve firm performance, the largest gains are from the proportion of female managers, followed by the proportion of female board members.²⁹¹ This study also revealed that the presence of female CEOs has no noticeable effect on firm profitability, finding no evidence that female CEOs outperform their male counterparts. Credit Suisse showed in its study that the majority of countries that have above-average diversity in their boardrooms are also more likely to be the ones with above-average diversity in senior management.²⁹² A statistical correlation was found between the presence of women on boards and the presence of women in managerial rank, implying that a more gender-balanced board would encourage the presence of a more balanced management team.²⁹³ A study using 15 years of panel data from the Standard & Poor's Financial Services' 1,500 firms also suggests that female managers improve overall firm performance by bringing

²⁸⁶ Catalyst (2011), "The Bottom Line: Corporate Performance and Women's Representation on Boards (2004–2008)," New York.

²⁸⁷ McKinsey & Company (2012b), "Women Matter: Making the Breakthrough"

²⁸⁸ Erhardt, Niclas L., James D. Werbel, and Charles B. Shrader (2003), Board of Director Diversity and Firm Financial Performance. "Corporate Governance: An International Review" 11, April: 102–11.

²⁸⁹ Lindstädt, Hagen, Michael Wolf, and Kerstin Fehre (2011), "Frauen in Führungspositionen: Auswirkungen auf den Unternehmenserfolg" Institut für Unternehmensführung, Karlsruher Institut für Technologie.

²⁹⁰ O'Reilly, Charles A. III, and Brian G. M. Main (2012), "Women in the Boardroom: Symbols or Substance?" Stanford Graduate School of Business Research Paper 2098, Stanford, CA.

²⁹¹ Noland, M., Moran, T., & Kotschwar, B. (2016), "Is gender diversity profitable? Evidence from a global survey"

²⁹² Credit Suisse (2021) "CS Gender 3000 in 2021 Broadening the diversity discussion"

²⁹³ Noland, M., Moran, T., & Kotschwar, B. (2016), "Is gender diversity profitable? Evidence from a global survey"

informational and social diversity benefits to the management team and motivating lower-status women in the firm.²⁹⁴

(2) Impact of women's presence in management teams

Women are reported to be involved in 80 percent of purchasing decisions worldwide.²⁹⁵ In spite of the importance of women's role as consumers, women's economic position and potential are still vastly underestimated.²⁹⁶ Female consumers are generally dissatisfied with the limited offerings in financial services, health care and consumer goods.²⁹⁷ Although women control household spending decisions in most categories of consumer goods, companies continue to make products derived from an outdated, stereotypical image of women and offer services that take too much of women's time.²⁹⁸ Understanding women's distinct needs and incorporating them into marketing strategies is a challenging task for many commercial entities since it requires a substantial shift from the way business has historically been operated.

Market research in Kenya showed that women's perspectives and behavior upon the decision about a new product or service are different from men's.²⁹⁹ Women often have different concerns than men; for example, women are cost-conscious and may face issues of affordability and access that men do not.³⁰⁰ Women need more information and ask a lot more questions than men do. Upon judging whether a new or innovative product fits their need, women request peers' opinions. With few women in senior management positions, enterprises are not able to adopt changes required to adjust and expand existing products, services and delivery methodologies to meet the needs and concerns of women; this typically applies to financial institutions.³⁰¹ Listening to women is key to taking their needs into account during the product design phase.

Ensuring product design, marketing, distribution, financing and after-sales efforts are adapted to women's preferences is critical for manufacturing companies when targeting women as the primary customer segment. The presence of women in management teams will enable enterprises to shift their corporate strategies toward the capturing of market segments dominated by women.³⁰² Better work

²⁹⁴ Dezsó CL, Ross DG (2012), "Does female representation in top management improve firm performance? A panel data investigation," *Strateg Manage J* 33:1072–1089.

²⁹⁵ Nicole Pitter Patterson, Rachel Lock (2021), "Promoting gender smart manufacturing through Manufacturing Africa, UKAID Work and Opportunities for Women"

²⁹⁶ UNCDF (2015), "Market at Full Speed, Women as Economic Drivers, Fueled by Finance"

²⁹⁷ Silverstein, Michael J., and Kate Sayre (2009), "The Female Economy". *Harvard Business Review*, September 2009.

Women Want More, New York: Boston Consultancy

²⁹⁸ UNCDF (2015), "Market at Full Speed, Women as Economic Drivers, Fueled by Finance"

²⁹⁹ Women's World Banking (2018), "How to Create Financial Products that Win with Women"

³⁰⁰ *ibid*

³⁰¹ Policy Brief: Advancing African Women's Financial Inclusion, Making Finance Work for Africa, New Faces New Voices, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Ministry for Economic Cooperation and Development (BMZ), and the East Africa Community (June 2014).

³⁰² UKAID (2021), "WOW Promoting gender smart manufacturing"

standards for women and women's increased leadership are essential in eliminating gender gaps in the workforce and improving job quality in the industry.

Gender-diverse workgroups will ensure that a range of experiences, attitudes, perspectives, skills and frames of reference are brought to the table.³⁰³ When women and men work together, they receive continuous visible cues that people are different, and those cues motivate employees to ask more questions, dig deeper and explore more options as they work on problems,³⁰⁴ leading to a wider range of innovative solutions than all-male or all-female groups.³⁰⁵ Another study in the U.S. indicates that while male managers are seen as having an edge in strategic visioning, technical skills and experience managing profit and loss; female managers are perceived as being better at leading inclusive teams, flexibility and adaptability to change, and teamwork and cooperation.³⁰⁶ Increasing the representation of women-owned SMEs in manufacturing supply chains also helps anticipate customer needs, drive innovation and competition, and enhance brands and corporate reputations.³⁰⁷

3-2-2 Differing characteristics of women- and men-owned enterprises

(1) Women-owned enterprises may be smaller in size than men-owned enterprises but not in productivity or rate of returns

In general, women- and men-owned enterprises are found to differ in terms of size. Evidence from the U.S. suggests that men-owned businesses are on average twice as large as women-owned businesses both in terms of sales and assets; women-owned firms tend to be smaller and less growth oriented.³⁰⁸ An analysis in "1992 Characteristics of Business Owners" of the U.S. showed that female-owned businesses are less likely to have profits of at least USD 10,000 compared to businesses owned by men (17% versus 36%), and less likely to hire employees (17% versus 24%), and have mean annual sales that are roughly 80 % that of men-owned enterprises.³⁰⁹ Women-owned microenterprises in Uganda generate, on average, 30 % lower profits than their male counterparts, which is associated with their lower use of capital and labor, and sector-based sex segregation.³¹⁰ Due to greater domestic and care responsibilities, women enterprise owners may be less able to allocate their working hours to their business activities than their male counterparts do. Their lower use of capital may be in part attributable to their relatively lower access to collateral (e.g. land or large assets).

³⁰³ Sasakawa Peace Foundation (2022) "Gender Lenz Incubation and Acceleration Toolkit"

³⁰⁴ *ibid*

³⁰⁵ UKAID (2021), "WOW Promoting gender smart manufacturing"

³⁰⁶ Mercer. (2014), "When Women Thrive"

³⁰⁷ IFC (2018), "A global partnership to support women-owned businesses"

³⁰⁸ Coleman, S. (2007), "The Role of Human and Financial Capital in the Profitability and Growth of Women-Owned Small Firms," *Journal of Small Business Management* 45, no. 3:303-319.

³⁰⁹ Robert W. Fairlie and Alicia M. Robb (2008), "Gender Differences in Business Performance Evidence from the Characteristics of Business Owners Survey"

³¹⁰ Copley & Birce Gokalp & Daniel Kirkwood (2021), "Unlocking the Potential of Women Entrepreneurs in Uganda," World Bank Publications - Reports 36220, The World Bank Group.

However, research shows that there are no significant gender differences in productivity nor rates of returns. An analysis using the World Bank Enterprise Surveys (2002-2006) finds that women-owned businesses in Africa are at least as productive as men-owned businesses when measured by value added per worker and total factor productivity.³¹¹ A study from Australia finds no significant differences either between male- and female-controlled businesses with respect to total income to total assets, the return on assets, or the return on equity after controlling for industry, age of business, and the number of days a business operated.³¹² A study of 2,800 male and female entrepreneurs by the Warwick Business School found that women's returns were nearly 1.8% higher than men's returns overall.³¹³

(2) Men and women have different priorities

Male and female entrepreneurs differ in the value attached to startups size and to business expansion, with studies showing that businesses headed by women tend to be smaller than those headed by men.³¹⁴ According to the Gender Entrepreneurship Monitor's data of 34 countries, regardless of per capita income, the vast majority of women involved in a new business or in a startups expects to create no jobs or between 1 and 5 jobs within a 5-year period.³¹⁵

A study using a panel of 2000 Dutch startups (1994) found that female entrepreneurs have a smaller amount of startups capital than their male counterparts.³¹⁶ The difference can be attributed to the "indirect effect" and "direct effect". The indirect effect is represented by women's type of business and management style and experience; female entrepreneurs are more likely to work part-time and work in the service sector, have less financial management experience and spend less time networking. The direct effect, called a gender effect, is represented by female entrepreneurs' smaller amount of financial capital, which may be attributed to a lack of confidence in their own entrepreneurial capabilities. Moreover, female entrepreneurs may have different ambitions and objectives than male entrepreneurs, being more likely to attach value to "quality" than "quantity" aspects of life.

Women typically need more information than men to make a financial decision; women have different financial goals, motivations and priorities when compared with men.³¹⁷ Certain life events such as education, child care or caring for elderly parents typically affect the income and cost patterns of women entrepreneurs. Women have more desire than men to effectively combine work and family responsibilities: this often motivates women to start their own business due to the option of flexible

³¹¹ Bardasi, Elena and Abay Getahun (2008), "Unlocking the Power of Women" Chapter prepared for the Ethiopia ICA. Toward the Competitive Frontier: Strategies for Improving Ethiopia's Investment Climate. World Bank, Washington D.C.

³¹² Watson (2012) "Comparing the performance of male- and female-controlled businesses : Relating Outputs to Inputs"

³¹³ Warwick Business School, (2018) "Are Women Better Investors Than Men?"

³¹⁴ Minniti, M., I.E. Allen and N. Langowitz. (2005), "Report on Women an Entrepreneurship," Global Entrepreneurship Monitor 2005

³¹⁵ *ibid*

³¹⁶ 12 Verheul, I., and Thurik, R. (2001), "Start-Up Capital: Does Gender Matter?," Small Business Economics 16: 329-345.

³¹⁷ Berfond, J., Haas, E., Rodrigues, H. & Wahler, B. (2014), "Global best practices in banking for women-led SMEs,"s.l.: European Bank for Reconstructon and Development (EBRD).

work environment.³¹⁸ Women, especially those with young children, tend to become self-employed due to work schedule flexibilities and other family related reasons while this is not the case for men.³¹⁹

Women's tendency to have higher risk aversion than men is also touched on in other papers. This difference has important implications for business performance since higher risk aversion could lead women to restrict investment in their business ventures.³²⁰ The Global Entrepreneurship Report 2005 showed that in middle income countries, fear of failure is significantly higher for women than men.³²¹ Likewise, women investors tend to spread their risk, distributing their investments over a broader base of companies.³²² By minimizing investment concentrations, they reduce their overall portfolio risk. Men, by contrast, are more likely to consider alternative investments,³²³ which can be more volatile.

3-2-3 Constraints on women's economic participation

(1) Social norms which are only applied to women

Social norms and traditions that restrain women's mobility and use of money limit women entrepreneurs' opportunities to build social and economic capital. In the case of Bangladesh, the norm of seclusion ("Purdah") constitutes one of the reasons why girls are less educated than boys; Purdah considers traveling to neighboring villages unacceptable due to safety and security concerns.³²⁴ Women observing Purdah often find it difficult to visit banks, purchase their inputs or raw materials or market their products in public settings where they would have to deal with men.³²⁵ Research has shown that the "Purdah mentality" is prevalent even in non-Islamic populations of South Asia;³²⁶ patriarchal norms that determine the suitability of women's public participation also restrict women's mobility.³²⁷

Prevailing social norms place the primary responsibility for domestic work and child care on women and the primary responsibility of providing money for the family on men.³²⁸ Enterprises are inclined to

³¹⁸ World Bank (2009), "How do female entrepreneurs perform: Evidence from Three developing regions"

³¹⁹ Richard J. Boden, Jr. (1999), "Flexible Working Hours, Family Responsibilities, and Female Self-Employment: Gender Differences in Self-Employment Selection"

³²⁰ World Bank (2009), "How do female entrepreneurs perform: Evidence from Three developing regions"

³²¹ Minniti, M., I.E. Allen and N. Langowitz (2005), "Report on Women an Entrepreneurship." Global Entrepreneurship Monitor 2005

³²² BCG (2020), "Managing the Next Decade of Womens Wealth"

³²³ As against conventional investments represented by stocks, bonds or cash, alternative investments include private equity, venture capital, hedge funds, managed futures, art and antiques, commodities, derivatives contracts and real estate.

³²⁴ Blunch, Niels-Hugo, and Maitreyi Bordia Das. (2007) "Changing Norms about Gender Inequality in Education: Evidence from Bangladesh." Policy Research Working Paper 4044, World Bank, Washington, DC.

³²⁵ Sultana, Afiya. (2012), "Promoting Women's Entrepreneurship through SME: Growth and Development in the Context of Bangladesh." Journal of Business and Management 4 (1): 18–29.

³²⁶ Blunch, Niels-Hugo, and Maitreyi Bordia Das. (2007), "Changing Norms about Gender Inequality in Education: Evidence from Bangladesh." Policy Research Working Paper 4044, World Bank, Washington, DC.

³²⁷ Solotaroff, Jennifer L, et al, (2019), "Voices to Choices: Bangladesh's Journey in Women's Economic Empowerment," International Development in Focus, Washington, DC: World Bank, p. xvii

³²⁸ Chaktraints and Effective Interventions. Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

³²⁸ Chakravravarty, Shubha; Das, Smita; Vaillant, Julia (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

avoid employing women who have responsibilities as the primary family caretaker since caretaking involves a risk of absence if a child is sick, time off from work in cases of family emergency, and limited hours available for work or overtime. As a result, women may be obliged to work fewer hours than they otherwise would, or they may have to choose less-productive, low-return occupations that offer flexible schedules, part-time, or home-based work.³²⁹

(2) Lack of networks and mobility

Female entrepreneurs often face gender-related barriers in terms of social capital. Fifty-six percent of the respondents to a survey of 43 female entrepreneurs in Kenya identified a lack of networks as a major challenge to their business.³³⁰ Most investor networking takes place after office hours, a time unavailable to many women entrepreneurs who are burdened with disproportionate care responsibilities. Also in the context of transition economies, females are found to be constrained in their access to information and networks in part because they have fewer contacts from the Soviet Union era.³³¹ Unavailability of networks influence young women's job prospects. Fathers in South Africa were, for example, found to provide useful network connections only to sons during the job search process and not to daughters.³³² Evidence from Malawi also demonstrates that men are less likely to refer women for jobs, even though there are qualified women in their networks.³³³

A survey in India found that women invited with a friend to a two-day business counseling showed, after four months, a better performance and understanding in business than those invited alone; having a friend as a training partner may strengthen the social network that a woman can rely on after the training is completed.³³⁴ Amazingly, the survey results also suggest that women trained with a peer were less likely to report being housewives four months after the training and that demand for bank services could be increased simply by encouraging female entrepreneurs to form specific goals and aspirations, especially in the presence of a friend.

Constraints on mobility due to the time required for domestic responsibilities may limit women's access to education, markets, banks and credit, and social networks.³³⁵ For example, an apprenticeship program in Malawi experienced high rates of dropout by girls, who often cited distance as a constraint in program participation.³³⁶ Women in rural and urban areas experience different burdens and risks associated with

³²⁹ *ibid*

³³⁰ Plan International (2022), "Disruptive roles in gender lens investing in Kenya"

³³¹ Ruminska-Zimny, E. (2002), "Gender Aspects of Changes in the Labour Markets in Transition Economies (Issue Paper)". United Nations Economic Commission for Europe

³³² Magruder, J. R. (2009). "Intergenerational networks, unemployment, and persistent inequality in South Africa,". *American Economic Journal: Applied Economics*, 2(1), 62-85.

³³³ Beaman, L., Keleher, N., & Magruder, J. (2012). "Do job networks disadvantage women? Evidence from a recruitment experiment in Malawi." Working Paper, Department of Economics, Northwestern University.

³³⁴ Field, E., S. Jayachandran, R. Pande, and N. Rigol. (2016), "Friendship at Work: Can Peer Effects Catalyze Female Entrepreneurship?" *American Economic Journal*

³³⁵ Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

³³⁶ Cho, Y., Kalomba, D., Mobarak, A. M., & Orozco, V. (2013). "Gender differences in the effects of vocational training:

travel and transport: case studies and qualitative data indicate that women in rural areas suffer from social norms that require them to walk long distances, consuming time.³³⁷

(3) Limited access to capital

Women may be disadvantaged in their use of capital. Research suggests that female entrepreneurs are less able to make effective use of capital and to separate business capital from household finances; either due to a present bias or a greater risk of expropriation from family members.³³⁸ In certain societies, women are less likely to have formal documentation (identity, land ownership title, etc.). Depending on the country, they may face legal barriers around property rights, business licensing, entering into contracts or opening bank accounts.³³⁹

The market research conducted by Women's World Banking in association with Kenya Commercial Bank (KCB) has shown that women want their bank to understand their business, require transparency and clear processes for loan approval, and expect opportunities to network.³⁴⁰ With women owning 40 percent of Kenya's SMEs, the opportunity to effectively service this untapped market is tremendous. KCB and Women's World Banking trained a total of 566 KCB staff to be relationship managers.³⁴¹ The training covered topics such as approaching and understanding customers, communicating effectively, selling and cross-selling, and following up as well as a cash flow-based methodology. Relationship managers were also taught to be sensitive to gender, when to consider market-specific factors, whether decisions might include potential biases, and why to focus on women customers; over the course of the program, women's access to credit increased. When the program first started, women represented only 22 percent of MSME loans to sole proprietors. In branches where the new proposition was rolled out, lending to women-led businesses grew to over 50 percent of the MSME loan portfolio.

CARD SME Bank in the Philippines was created to cater to clients graduating from microfinance services, the majority of which were women.³⁴² The bank created a credit scoring model based on segmentation by loan size; for small- to medium-sized loans the bank places greater weight on non-financial criteria such as age, successor, health and management of the business while for larger loans the bank also relies on financial information such as cash flow, inventory and revenue. Banco National (BN) in the Philippines also demonstrates a successful case of non-financial services that can boost

Constraints on women and drop-out behavior," World Bank Policy Research Working Paper, (6545).

³³⁷ Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

³³⁸ Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014). "Microenterprise growth and the flypaper effect: evidence from a randomized experiment in Ghana." Journal of Development Economics, 106: 211–26

³³⁹ Berfond, J., Haas, E., Rodrigues, H. & Wahler, B., (2014), "Global best practices in banking for women-led SMEs." s.l.: European Bank for Reconstruction and Development (EBRD).

³⁴⁰ Women's World Banking (2018) "How to Create Financial Products that Win with Women" Retrieved 27 Oct 2022

³⁴¹ Women's World Banking, "Empowering MSMEs Creating a Better Banking Experience for Women-Led Micro, Small, and Medium Enterprises in Kenya." Women's World Banking and KCB Group PLC, 2020.

³⁴² Berfond, J., Haas, E., Rodrigues, H. & Wahler, B.,(2014), "Global practices in banking for women-led SMEs." s.l.: European Bank for Reconstruction and Development (EBRD).

profitability of both the bank and its female clients. A unique approach of the BN's training program is the delivery of advanced content in line with the growth and complexity of the client's business activities. Training sessions helped the bank generate targeted sales and boost cross-selling with loan officers present at training events to understand client needs.

Bulbank in Bulgaria in 2011 established the "Donna" program "for independent, confident and modern woman."³⁴³ Based on research results indicating that women entrepreneurs needed more encouragement and support to address issues of self-confidence and social expectations, Bulbank developed a six-session course on leadership and offered it to Donna clients for free. In order to cater to female clients' preferences, the bank assigned an all-female sales force (relationship managers) to Donna clients. All relationship managers were specifically trained on psychological and interpersonal skills.

Some governments have adopted policies to improve women entrepreneurs' access to finance. For example, the central bank of Bangladesh, Bangladesh Bank, has undertaken a policy initiative through which financial institutions are required to establish a "Women Entrepreneur Dedicated Desk" and appoint a woman officer as chief of the dedicated desk.³⁴⁴

(4) Women's engagement in the sectors with lower opportunities for growth

Many studies have shown female-owned firms to lag behind their male counterparts in a number of key indicators of enterprise performance.³⁴⁵ In terms of revenue, one study indicates that the sales of female-owned firms in Sub-Saharan Africa are 31 percent lower than those of male-owned firms.³⁴⁶ Sectoral choice is a major contributing factor to this gender gap in enterprise performance. Male- and female-led ventures tend to pursue different types of market opportunities; male entrepreneurs engage in a broad range of industries, while female entrepreneurs largely pursue businesses in the service sector (trade, health, education, etc.) as well as in the industries focusing on female customers such as fashion/tailoring/ sewing, cosmetics and cooking. A study conducted in Eastern Europe and Central Asia (ECA), Sub-Saharan Africa (SSA) and Latin America (LA) showed some consistent patterns in female entrepreneurs' relative sectoral concentration across these three regions; wholesale and retail trade, hotels and restaurants, food processing, and garments and leather are the largest sectors where female entrepreneurs are found.³⁴⁷

Female enterprise owners who enter and operate in male-dominated sectors are often labeled as "female crossovers". A study covering data from 97 countries showed that female crossovers make 66 percent

³⁴³ Berfond, J., Haas, E., Rodrigues, H. & Wahler, B., (2014), ""Global best practices in banking for women-led SMEs," s.l.: European Bank for Reconstruction and Development (EBRD).

³⁴⁴ Salman, A.; Nowacka, K. "Innovative Financial Products and Services for Women in Asia and the Pacific; ADB Sustainable Development Working Paper Series," Asian Development Bank: Mandaluyong, Philippines, 2020.

³⁴⁵ Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors". World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁴⁶ World Bank (2009) "How do female entrepreneurs perform: Evidence from Three developing regions"

³⁴⁷ Elena Bardasi & Shwetlena Sabarwal & Katherine Terrell, (2011), "How do female entrepreneurs perform? Evidence from three developing regions," Small Business Economics, Springer, vol. 37(4), pages 417-441, November.

higher profits than women who remain in traditionally female sectors.³⁴⁸ These findings are consistent with micro-level data results in Uganda³⁴⁹ and Ethiopia³⁵⁰ that showed that firms owned by women in male-dominated sectors, on average, are far more profitable than firms owned by women in traditionally female sectors. A study in Uganda also showed that female crossovers earn as much profits as the men operating in the same sectors; crossovers were found to earn on average twice the profits of women who did not cross over.³⁵¹

The same is applied to wage workers. An analysis from Sub-Saharan Africa shows that 75 percent of employees in women-owned enterprises are women, while only 20 percent of employees of enterprises owned by men are women.³⁵² A study conducted in 7 West African cities found, as a result, that women earned 50 percent to 79 percent as much as men with 39 percent to 61 percent of this gap being explained by occupation and sector (public, private formal, informal).³⁵³

(5) Determinant factors for women in deciding which sectors to engage in

Evidence suggests that informational asymmetries, a lack of role models and networks, and sexual harassment all contribute to a pattern of segregation.³⁵⁴ Without information and support, young women often opt for the types of work they see other women doing, even if it is not as profitable as other available opportunities.³⁵⁵ Aforementioned studies in Uganda³⁵⁶ and Ethiopia³⁵⁷ that investigated the determinants of female engagement in male-dominated sectors confirmed that women in female-dominated sectors had little information about the level of earnings of women in male-dominated sectors. It was found in Uganda, for example, that almost 80 percent of non-crossovers (who earn less than crossovers) think that they earn the same or more.

The risk and threat of sexual harassment also affects the types of work women prefer, increasing the pressure from families and communities to avoid professions perceived to be unsafe or unsuitable.³⁵⁸

³⁴⁸ Gonzalez Martinez, Paula et Papineni, Sreelakshmi (2019), "Tackling the Global Profitarchy : Gender and the Choice of Business Sector," Policy Research Working Paper;No. 8865. World Bank, Washington, DC.

³⁴⁹ Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors" World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁵⁰ Alibhai, S., Buehren, N., & Papineni, S. (2015). "Female entrepreneurs who succeed in male dominated sectors in Ethiopia" Gender Innovation Lab Policy Brief 12.

³⁵¹ Copley & Birce Gokalp & Daniel Kirkwood, (2021) "Unlocking the Potential of Women Entrepreneurs in Uganda," World Bank Publications - Reports 36220, The World Bank Group.

³⁵² World Bank Group (2019) "Profiting from Parity: Unlocking the Potential of Women's Business in Africa"

³⁵³ Nordman, C. J., Robilliard, A. S., & Roubaud, F. (2009). "Decomposing gender and ethnic earnings gaps in seven West African cities. IRD"

³⁵⁴ Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

³⁵⁵ *ibid*

³⁵⁶ Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors". World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁵⁷ Alibhai, S., Buehren, N., & Papineni, S. (2015), "Female entrepreneurs who succeed in male dominated sectors in Ethiopia" Gender Innovation Lab Policy Brief 12.

³⁵⁸ Chakravarty, Shubha; Das, Smita; Vaillant, Julia (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions." Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

Concern surrounding safety may prevent labor market entry for young women or limit the locations that young women seek to work in, and thus constrain their initial work experience to particular occupations or low-return jobs.³⁵⁹ Negative experiences with teachers or classmates in school are often sources of their fears, lowering their willingness to participate in male-dominated training programs.³⁶⁰ Women entrepreneurs in Uganda who choose to cross over are almost twice as likely to experience unwanted sexual proposals.³⁶¹ A study in Ethiopia also reports that women crossovers face more difficulty in terms of discrimination from male customers and employees than non-crossovers; furthermore, crossovers are more likely to report that clients prefer to deal with male business owners.³⁶²

Crossover entrepreneurs find more difficulties in building networks than non-crossovers. In Uganda, 40 percent of crossovers found difficulties in establishing networks as opposed to only 14 percent of non-crossovers.³⁶³ That said, since networking seems more critical to the survival of crossovers than non-crossovers, crossovers in some ways overcome this challenge in the course of operations; the same study showed that 55 percent of crossovers interacted with other business owners at least once a month to discuss business issues, while only 39 percent of non-crossovers did.

(6) Non-cognitive gender gap in acceleration programs

It is reported that there is an enormous gender gap in venture capital funding in the U.S.; female entrepreneurs receive only about 2 percent of all venture funding, despite owning 38 percent of businesses in the country.³⁶⁴ Though the U.S. has seen an increase in the number of female venture capitalists (from an estimated 3 percent of all venture capitalists in 2014 to 7 percent in 2017), the funding gap has widened. The research jointly conducted in 2020 by IFC, Village Capital and Women Entrepreneurs Finance Initiative, a quantitative analysis on a global dataset of more than 1,000 companies collected over a five-year period shows that acceleration programs exacerbated the gender financing gap in equity financing; male-led startups, on average, increased the amount of equity they raised post-acceleration to 2.6 times that of female-led startups.³⁶⁵ According to the study, acceleration has in fact little to no effect on the ability of female-led startups to raise equity, with female-led startups seeing a similar increase regardless of their involvement in the program. Statistical analysis shows that the gender financing gap cannot be easily explained by founder characteristics (such as education or experience) or startup characteristics (such as intellectual property, sector of operation, geography, or revenue generated), suggesting that a potential bias or a higher perceived risk for female-led startups is

³⁵⁹ *ibid*

³⁶⁰ *ibid*

³⁶¹ Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors”. World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁶² Alibhai, S., Buehren, N., Papineni S. (2015) “Female entrepreneurs who succeed in male dominated sectors in Ethiopia” Gender Innovation Lab. Policy Brief Issue 12.

³⁶³ Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors”. World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁶⁴ Kanze, D., Huang, L., Conley, M.A. and Higgins, E.T. (2017), “Male and female entrepreneurs get asked different questions by VCs – and it affects how much funding they get.” Harvard Business Review, June 27, 2017.

³⁶⁵ IFC (2020), “Venture Capital and the Gender Financing Gap: The Role of Accelerators WeFi Research Snapshot”

playing a role in investors' decision-making. However, it should be noted that the same study showed that female-led startups that participated in the program increased the amount of debt they raised by nearly 2.5 times as much as female-led startups that did not participate in the program, implying that acceleration removes female-led startups' disadvantage in raising debt.

Research has found that investors place greater value on pitches presented by male entrepreneurs than those presented by female counterparts, even when the content of the pitch is the same.³⁶⁶ This effect is amplified by males' physical attractiveness (attractive males are particularly persuasive), whereas physical attractiveness did not matter among female entrepreneurs. It was also found that male-narrated pitches were rated as more persuasive, logical, and fact-based than were the same pitches narrated by a female voice.³⁶⁷

Another study analyzing video transcriptions of the Q&A sessions found that venture capitalists asked different types of questions to male and female entrepreneurs: men were asked about the potential for gains ("promotion questions") and women about the potential for losses ("prevention questions"), which inadvertently favors male entrepreneurs over female entrepreneurs.³⁶⁸ Since both men and women investors who evaluate startups appear to display the same bias in their questioning, simply increasing the number of female judges or venture capitalists does not eliminate this bias. Both male and female judges and venture capitalists should be informed of this phenomenon so that they balance promotion and prevention questions between men and women in an equitable manner. Another way to avoid this bias is to ask the same questions to men and women.

3-2-4 Initiatives that can increase women's economic participation

(1) Digital financial products that cater to women entrepreneurs' needs

Digital financial products, such as mobile money, that enable quick and secure cash transfers can improve women's control over their income, and help them overcome risk-related issues such as emergencies. Traditional banking and financial products are not suited to most vulnerable women with services not adapted to women's needs, especially in rural areas.³⁶⁹ Mobile money is a revolutionary tool for expanding women's access to financial services in low resource environments, enabling them to quickly transfer money at low cost without needing any bank accounts while improving their control over their income.³⁷⁰ The popularity of such services over traditional products has already been demonstrated. For example, in the Girls' Education and Women's Empowerment and Livelihood Project

³⁶⁶ Brooks, A., Huang, L., Kearney, S. and Murray, F. (2014), "[Investors prefer entrepreneurial ventures pitched by attractive men.](#)" Proceedings of the National Academy of the Sciences, Volume, 111, No. 12, pp. 4427-4431

³⁶⁷ *ibid*

³⁶⁸ Kanze, D., Huang, L., Conley, M.A. and Higgins, E.T. (2017), "[Male and female entrepreneurs get asked different questions by VCs – and it affects how much funding they get.](#)" Harvard Business Review, June 27, 2017.

³⁶⁹ Copley & Birce Gokalp & Daniel Kirkwood, (2021), "[Unlocking the Potential of Women Entrepreneurs in Uganda.](#)" World Bank Publications - Reports 36220, The World Bank Group.

³⁷⁰ Hare, A. and Parekh, N. (2020). "[The rise of mobile money in sub-Saharan Africa: Has this digital technology lived up to its promises?](#)" "

in Zambia that offered digital payments (grants) to women with a choice among commercial banks, mobile operators and the post office; over 90 percent of beneficiaries chose a mobile money provider.³⁷¹ Mobile money has reached millions of Kenyans at an unprecedented speed over the past decade by enabling them to safely store, send, and transact money via text messages.³⁷² Reduced cost of long-distance remittances allows internal migration of breadwinners to higher return labor markets; access to Kenyan mobile money M-PESA is estimated to have lifted 194,000 households, or 2 percent of Kenyan households, out of poverty through increased efficiency in the allocation of consumption and labor. Mobile money use also leads households to save more by lowering transaction cost; households with mobile money accounts were 16% ~ 22% more likely to save with their average household savings increasing by 15% ~ 21%, equivalent to USD 2.7 to USD 3.7 per month.³⁷³

The effects of using mobile money in delivering a cash transfer program were examined in Niger, and a significant impact by mobile money was observed on women's bargaining power within the household.³⁷⁴ Firstly, the mobile money transfer ("Zap") program affected intrahousehold decision making; program recipients, all of whom were women, reported that mobile money transfers were less observable to other household members, thereby allowing them to temporarily conceal the arrival of the transfer. Secondly, whereas manual cash delivery program recipients traveled an average of approximately 4 kilometers (round-trip) from their home village to obtain the transfer, Zap program recipients traveled 2 kilometers to "cash out" at the nearest agent. As a result, program recipients were more likely to travel to weekly markets, spend more money on children's clothing and spend more time on childcare or food preparation.

Though the long-run effects of mobile money on poverty reduction and women's empowerment are impressive, there are a number of pre-conditions required for these impacts to be achieved,³⁷⁵ including:

- Investing in infrastructure to scale;
- Developing a strong profitable network of agents to deliver the mobile money system, including cash-out services;
- Making the registration/use of the technology simple and trouble-free for consumers; and
- Creating a strong regulatory environment once the technology has been developed.

³⁷¹ Copley & Birce Gokalp & Daniel Kirkwood, 2021. "Unlocking the Potential of Women Entrepreneurs in Uganda," World Bank Publications - Reports 36220, The World Bank Group.

³⁷² Suri, T. and Jack, W. (December 8, 2016). "The long-run poverty and gender impacts of mobile money," *Science* Vol. 354 (6317), 1288-1292. New York: American Association for the Advancement of Science.

³⁷³ Gürbüz, A (2017), "Mobile Money and Savings in Rural Kenya"

³⁷⁴ Aker, J. C., Boumnijel, R., McClelland, A., & Tierney, N. (2016). "Payment mechanisms and antipoverty programs: Evidence from a mobile money cash transfer experiment in Niger. *Economic Development and Cultural Change*"

³⁷⁵ Hare, A. and Parekh, N. (2020). "The rise of mobile money in sub-Saharan Africa: Has this digital technology lived up to its promises?"

(2) Innovative risk assessment mechanisms that increase women's access to finance

Fintech organizations are developing alternative risk assessment mechanisms that allow financial institutions to assess the creditworthiness of underserved populations, including women who lack sufficient credit history.³⁷⁶ Fintech organizations use advanced data analytics tools as well as AI-based technologies to capture consumer data from mobile phone records, utility bills, loan applications and social media, based on which credit scores are determined. This enables women to gain access to credit and also build their credit history by beginning with borrowing a small amount, and over time, borrowing a sizable amount.³⁷⁷ Techniques like psychometric testing can capture behavioral data of loan applicants, such as their attitudes, beliefs and integrity, which is used to predict the applicant's loan repayment behavior. Through a reduction in default risks, the psychometric tests' impact on access to finance for women without credit histories or collateral is promising. For instance, in Indonesia, Bank BTPN has deployed psychometric testing, which has enabled the bank to effectively serve the bottom fifth of borrowers while achieving a 17 percent decrease in default rates. However, without sex-disaggregated data, the extent to which these services reach underserved women is not clear. A study by the World Bank's Africa Gender Innovation Lab has also demonstrated that loan performance is clearly linked to psychometric profiles.³⁷⁸ In Ethiopia, across all income segments, customers with higher test scores were, in the early months of borrowing, seven times more likely to repay their loans than the customers who did not perform well on the test.

(3) In-kind assistance with greater impact than cash assistance

With women having significantly less assets than men, grants or in-kind support may have a significant impact especially on needs-based women entrepreneurs at the initial stage of business. While a cash grant is the most liquid, and hence easiest for the recipient to allocate towards his/her highest return activity, it is also the easiest to allocate to non-income generating activities such as increasing consumption.³⁷⁹ In contrast, in-kind contributions do not allow the recipient to use them for other purposes if not liquidated. Research conducted in Ghana showed that high returns were generated only when the grant was delivered in-kind, a result which was particularly strong among women.³⁸⁰ The effects of the provision of a loan, cash or in-kind assistance were tested in Egypt with over 3,000 individuals who applied for a loan to start a new business or to grow an existing one.³⁸¹ All three forms of capital assistance led to larger increases in business assets and profits for women than men with 39

³⁷⁶ Salman, A.; Nowacka, K. (2020), "Innovative Financial Products and Services for Women in Asia and the Pacific," ADB Sustainable Development Working Paper Series; Asian Development Bank: Mandaluyong, Philippines

³⁷⁷ *ibid*

³⁷⁸ *ibid*.

³⁷⁹ Crépon, B., El Komi, M., and Osman, A. (2020). "Is it who you are or what you get? Comparing the impacts of loans and grants for microenterprise development"

³⁸⁰ Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014), "Microenterprise growth and the flypaper effect: evidence from a randomized experiment in Ghana" *Journal of Development Economics*, 106: 211–26

³⁸¹ Crépon, B., El Komi, M., and Osman, A. (2020), "Is it who you are or what you get? Comparing the impacts of loans and grants for microenterprise development"

percent of women who received an in-kind grant having a business one year later as opposed to 15 percent of women who received nothing. Business impacts from the receipt of cash or loans were statistically significant but were lower than those on the recipients of in-kind assistance.

(4) Increased likelihood of women's crossing over

Apart from the most frequently observed cases where women inherit from their family the business in male-dominated sectors, having a male role model, such as fathers, husbands, male friends/community members and other male family members, increased the likelihood of women's crossing over into a male-dominated sector. Whereas crossovers may have started their business due to an opportunity provided by their husbands, fathers seem to be a more common role model and support for crossovers, introducing daughters to a different sector by providing relevant contacts or by providing financial support at the moment of start-up.³⁸²

The provision of information, if provided in an early stage of life, enables women to make better informed choices about their sector of operation.³⁸³ In a Kenya national vocational training program, prior to training enrollment decisions and course selection, some women were given information on the difference between expected earnings for graduates of male-dominated trades versus female dominated trades as well as a video presentation about successful Kenyan female car mechanics. As a result, women who received the intervention were nine percentage points more likely to express a preference for a male dominated course, and five percentage points more likely to enroll in one. Similar results were reported in the Republic of Congo; women who saw a video with information on trade-specific earnings were 8 percentage points more likely to select a male-dominated trade, which was a 29 percent increase compared to the control group.³⁸⁴ In an experiment in India, information on the business process outsourcing industry (BPO), which offers twice the average pay of non-BPO workers with similar education levels, was disseminated in rural areas and then qualified women were supported to be hired.³⁸⁵ Over the three-year period of recruiting services, the recruiters reported placing about 900 women from treatment villages into jobs.

Information alone is not enough to trigger women's behavior change toward male-dominated sectors; a female entrepreneur wishing to enter a male-dominated sector needs a mentor who can guide her. Such a mentor can be found from the entrepreneur's existing network of family and friends, but it may work as well with sympathetic (or empathetic) outsiders.³⁸⁶ According to the above-mentioned research in the

³⁸² Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors" World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

³⁸³ Hicks, J. H., Kremer, M., Mbiti, I., Miguel, E. (2011): "Vocational Education Voucher Delivery and Labor Market Returns: A Randomized Evaluation Among Kenyan Youth." Report for Spanish Impact Evaluation Fund, Phase II.

³⁸⁴ Addressing Gender-Based Segregation through Information : Evidence from a Randomized Experiment in the Republic of Congo. Policy Research Working Paper;No.

³⁸⁵ "Do Labor Market Opportunities Affect Young Women's Work and Family Decisions? Experimental Evidence from India"

³⁸⁶ Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors" World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

Republic of Congo, both crossovers and non-crossovers agreed that they would allow their daughters to cross over if someone reliable was to introduce them to the sector.

(5) Psychology-oriented training that increases women's self-confidence

When starting a business many women first need to have the self-confidence in their noncognitive skills (or “soft skills) enhanced.³⁸⁷ Evidence from Uganda and Togo demonstrates that psychology-based training that fosters a proactive, resilient, and entrepreneurial mindset can help women to introduce new innovative products in their businesses and increase their earnings.³⁸⁸ In Togo, “personal initiative” training boosted women’s profits by 40% as compared to a statistically insignificant 5 percent increase in profits for women who received only standard business training. Women who received personal initiative training also invested more in their businesses, were more likely to introduce new innovative products, and proactively pursued financing sources. This type of training has been implemented, tested, and adapted across multiple contexts globally, which has helped to develop lessons on delivery modalities, cost-effectiveness, and options for tailoring the training to distinct groups of beneficiaries. For instance, in Mozambique, the personal initiative training has even been proven effective in getting women farmers to move into more profitable crops and to start off-farm businesses.

Psychology-oriented training approaches seem to require a greater personalization of the training content by instructors and thus seem more likely to be successful in instances where instructors have similar experiences.³⁸⁹ Trainers who have been entrepreneurs themselves are able to understand their trainees’ specific challenges, and thus act as a role model and provide them with practical examples.

(6) Business training and mentoring

A study in Tanzania that examined business training’s impact on the performance of women entrepreneurs confirmed that training may increase knowledge (as reflected in the adoption of business practices) but it does not necessarily translate into improved business outcomes.³⁹⁰ That said, the study also found that only those with at least 9 years of experience in their main business activity were actually able to increase their revenues after two years (about 8-9 percent for each additional year of experience), suggesting that training may be effective in changing business practices, but that certain skills acquired through experience would be needed for the training outcomes to materialize.

Mentoring is found to be a cost-effective option to boost performance of female entrepreneurs. A study using data from Sri Lanka, Kenya and Nigeria showed that owners implementing better business

³⁸⁷ Cognitive skills are the core skills to think, read, learn, remember, reason, and pay attention. Noncognitive or “soft skills” are related to motivation, integrity, and interpersonal interaction.

³⁸⁸ Copley & Birce Gokalp & Daniel Kirkwood, (2021), “Unlocking the Potential of Women Entrepreneurs in Uganda,” World Bank Publications - Reports 36220, The World Bank Group.

³⁸⁹ “Alibhai, Salman; Buehren, Niklas; Frese, Michael; Goldstein, Markus; Papineni, Sreelakshmi; Wolf, Kathrin. (2019),”Full Esteem Ahead? Mindset-Oriented Business Training in Ethiopia,” Policy Research Working Paper; No. 8892. World Bank,

³⁹⁰ “Bardasi, Elena; Gassier, Marine; Goldstein, Markus; Holla, Alaka. (2017), “The Profits of Wisdom: The Impacts of a Business Support Program in Tanzania” Policy Research Working Paper; No. 8279. World Bank

practices that they learned from mentors exhibited higher sales, profits, labor productivity and total factor productivity.³⁹¹ This is also the case with businesses owned by women. Mentors trained in the Women in Agribusiness Leaders Network (WALN), a World Bank project in Ethiopia, provided customized mentoring to randomly selected women mentees in agriculture-related businesses who had gone through formal business training.³⁹² The mentees demonstrated strong effects in the adoption of some business practices, though this did not translate to higher profits, probably due to the limited scale of the adopted practices.

With 17 percent of its suppliers being women, Boyner Group in Turkey observed many barriers that prevented women from starting and succeeding in their own businesses. To remedy this, Boyner Group, in partnership with IFC, created a program called “Good for Business”; a 12-week training program to support women entrepreneurs in the company’s value chain and help them enhance their businesses.³⁹³ The company then connected program participants to other role models and mentors, and introduced them to banks and brands with whom they could work. As a result, women gained the skills and resources necessary to diversify their products, find new global buyers, and gain valuable business connections and partners; making themselves reliable, profitable and strategic partners for Boyner Group.

(7) Access to childcare that enables women to participate in the labor market

Women who take care of their children at home have little time to find a job, which restricts women’s job opportunities and reduces their long-term earning potential.³⁹⁴ Providing childcare could be an effective way to ease time constraints faced by women.

JPMorgan Chase & Co. conducted an assessment of its global “backup” childcare program in which 13,000 employees were enrolled. When employees were asked what they would have done without backup care, 80 percent responded that they would have taken unscheduled time off from work. Almost 80 percent of parents who used the program reported that they were better able to focus at work. Several studies, including those in Kenya, Mozambique and Togo, have also found childcare’s significant positive impacts on female labor-force participation rates.³⁹⁵ External childcare services are, however, often expensive, and wages may not sufficiently cover these costs leading to a lack of access to affordable and high-quality childcare services preventing women from participating in the labor market. In Bangladesh, where the responsibility for childcare is assigned to mothers, many parents do not have

³⁹¹ David McKenzie & Christopher Woodruff, (2015), "Business Practices in Small Firms in Developing Countries," NBER Working Papers 21505, National Bureau of Economic Research, Inc.

³⁹² “Bakhtiar, M. Mehrab; Bastian, Gautam; Goldstein, Markus. (2021), “Business Training and Mentoring: Experimental Evidence from Women-Owned Microenterprises in Ethiopia,” Policy Research Working Paper;No. 9552. World Bank,

³⁹³ IFC (2016), “SheWorks Knowledge Report: Putting Gender Smart Commitments into Practice at the Workplace (Executive Summary)”

³⁹⁴ “Mottaghi, Lili; Crepon, Bruno; Krafft, Caroline; Caria, Stefano; Nagy, Abdelrahman; Fadl, Noha. (2021), “Evidence to Inform Policy : What Works to Close the Gender Gaps in Middle East and North Africa,” Research and Policy Brief, World Bank

³⁹⁵ World Bank Group (2019), “Profiting from Parity: Unlocking the Potential of Women's Business in Africa”

faith in childcare providers and thus choose not to enroll their children in care centers, even when these services are available and affordable to them.³⁹⁶ Research suggests that investing in community-based childcare may serve a dual purpose by promoting the employment of women and the elderly as caregivers, enabling more women to enter the labor force in other sectors while ensuring that children receive adequate attention and care.³⁹⁷

While traditional gender roles and restrictive social norms are an additional constraint on women’s participation in the labor market, recent evidence suggests that gender norms are becoming flexible; childcare services are becoming culturally accepted.³⁹⁸ For example, a study in Egypt asked mothers about their willingness to send their children to childcare should the option become available to them; 96 percent of them expressed interest.³⁹⁹

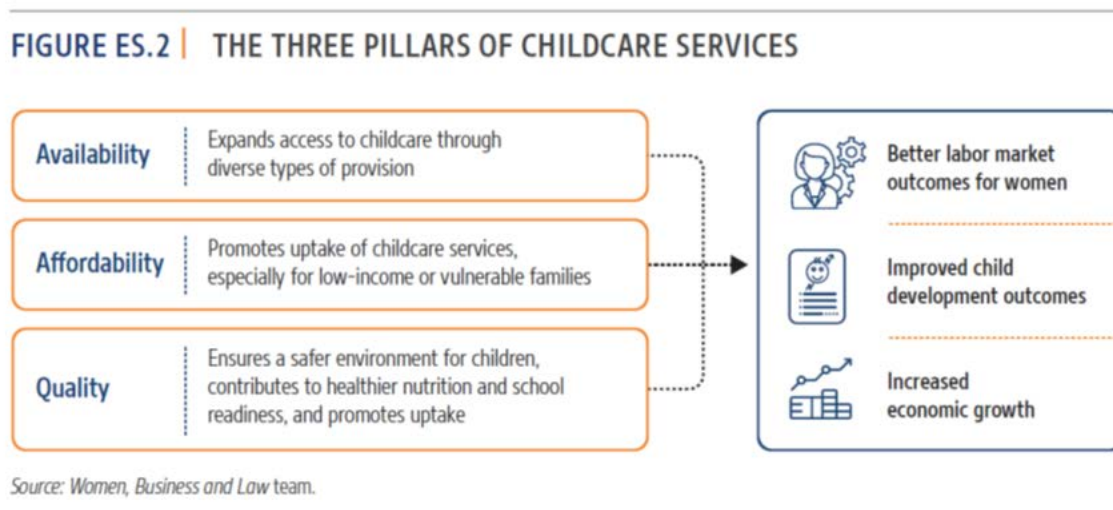


Figure 36: Three pillars of Childcare Services

Source: World Bank (2022) Women, Business, and the Law 2022

(8) Adopt policies within companies to respond to female employees’ needs

Companies that adopt policies that respond to women’s needs will be able to attract talented people while improving retention rates and reducing absenteeism and turnover rates. For instance, it is reported that Nalt Enterprises, a Vietnamese garment manufacturer, successfully reduced its staff turnover by a third after the company established a women’s clinic and a daycare for the employees’ children. This

³⁹⁶ Tas, Emcet Oktay and Ahmed, Tanima, (2021), “Women’s Economic Participation, Time Use, and Access to Childcare in Urban Bangladesh”

³⁹⁷ ibid

³⁹⁸ “Mottaghi, Lili; Crepon, Bruno; Krafft, Caroline; Caria, Stefano; Nagy , Abdelrahman; Fadl, Noha. (2021), “Evidence to Inform Policy : What Works to Close the Gender Gaps in Middle East and North Africa,” Research and Policy Brief;. World Bank

³⁹⁹ ibid

ensured regular medical check-ups and services for employees and their children, making the employees healthier, more productive and less likely to take time off for their and their children's illnesses.⁴⁰⁰ A program that delivered health services to women workers in Bangladesh garment factories recorded an 18 percent decline in absenteeism (from 867 to 712) and a 46% decrease in staff turnover (from 40% to 21%) in the first 18 months of the program.⁴⁰¹ German government research reported that the average return on investment for women- and family-friendly policies was 25 percent with savings calculated on the basis of improvements in retention and attendance.⁴⁰²

3-2-5 Development and distribution of women friendly products and services

Boston Consulting Group estimates that globally, women controlled about USD 70 trillion in assets in 2019, estimated to increase to USD 93 trillion in 2023.⁴⁰³ Despite women's significant contribution to voluntary consumer spending, women's economic position and potential are still vastly underestimated; most products are not designed to target women as consumers or solve problems that women face.⁴⁰⁴ Although women control household spending decisions in most categories of consumer goods, companies continue to make products derived from outdated, stereotypical images of women and offer services that take too much of women's time.⁴⁰⁵ Understanding women's distinct needs and incorporating them into marketing strategies is a challenging task for many commercial entities since it requires a substantial shift from the way business has historically been operated. Women's greater constraints in terms of mobility as well as access to information make it more challenging and costly for markets to set up new ways to engage and transact with women.

There is an assumption that many of the world's products and services, ranging from mobile to financial services, can be gender neutral. This leads to a practice called "gender washing".⁴⁰⁶ "Gender washing" is represented by a company's two distinct behaviors: (1) a failure to acknowledge women's distinct needs; and (2) a belief that marketing to women simply means offering a "female" version of men's products. In reality, men and women have different preferences and behaviors toward products and services. For example, not being attracted to features that appeal to men, women make different decisions from men's, often consulting friends or family members before trying a new service.⁴⁰⁷

⁴⁰⁰ International Finance Corporation (2013), "Investing in Women's Employment: Good for Business, Good for Development"

⁴⁰¹ *ibid*

⁴⁰² Bundesministerium für Familie, Senioren, Frauen und Jugend, (2005), "Betriebswirtschaftliche Effekte familienfreundlicher Maßnahmen: Kosten-Nutzen-Analyse"

⁴⁰³ BCG (2020) "Managing the Next Decade of Women's Wealth"

⁴⁰⁴ Silverstein, Michael J., and Kate Sayre. (2009) "The Female Economy. *Harvard Business Review*, September 2009. Women Want More," New York: Boston Consultant Group

⁴⁰⁵ UNCDF (2015) Market at Full Speed, Women as Economic Drivers, Fuelled by Finance

⁴⁰⁶ Darroch, Jenny. "Avoid Gender Washing: Making Sense of Marketing to Women by Understanding the Three Waves of Feminism" *The Huffington Post*, 10 June, 2014. https://www.huffpost.com/entry/avoid-gender-washing-maki_b_547691.html Retrieved 17 Nov 2022)

⁴⁰⁷ Bernard, Tara Siegel "Financial Advice by the Demographics" *The New York Times*, 20 February, 2015.

Women's distinct needs and preferences within specific market segments often go unnoticed simply because companies have not explored them. Companies that are among the first to meaningfully invest in women as customers gain premiums through brand leadership in the women's market and through a deep understanding of how best to serve women.⁴⁰⁸ For example, Banco BHD León (BHD) in the Dominican Republic in association with IFC, achieved an internal rate of return of 35 percent by targeting specific groups of women that were underserved. YES Bank, Garanti Bank, Access Bank, Raw Bank, and Bank Itau, which are all IFC's partners, have been successful in establishing themselves as leaders in the women's banking market by seizing early opportunities to target women customers.⁴⁰⁹ BLC Bank in Lebanon was known as a gender-friendly bank by increasing female personnel, training bank staff on gender equality, introducing paternity leave, and increasing maternity leave. The bank has also launched a series of products and services tailored for women which resulted in a lower rate of nonperforming loans and a higher internal rate of return compared to the bank's overall portfolio.⁴¹⁰

Survey findings also confirmed that awareness of a company's commitment to buy from women-owned businesses can enhance consumers' brand loyalty.⁴¹¹ When the U.S. Women's Business Enterprise National Council (WBENC) surveyed 1,227 female consumers between the ages of 35 and 55, almost 80 percent of them said that knowing that a company purchases from women-owned businesses would compel them to try its products or services.

In order to successfully orient products and services toward specific segments in the women's market, a company needs to review the entire value chain so that not only its product concept and design but also distribution channels, including sales agents, all satisfy women's needs; eliminating hurdles. Among others, the following elements need to be considered:

Design: The product or service must be designed to serve women's particular needs and desires. When products/services are designed with women's input, such as that of female design staff, they are more aligned to women's preferences, creating the potential for increased sales and customer satisfaction.⁴¹²

Customer relations and advertisement: Advertisements must appeal to women consumers and their specific needs, highlighting the features that improve women and their family's quality of life. When distributing information about the product or service, the company should identify and use specific local human networks and channels to reach women in the target segments. Awareness programs that address taboos and drive behavior change among target female consumers (and men) may sometimes be needed.

Distribution channels and customer support: The product or service should be sold at times and locations that are convenient for women consumers. By engaging female sales agents in customer support, the

⁴⁰⁸ IFC (2017), "Invest in Women: New evidence for the business case"

⁴⁰⁹ *ibid*

⁴¹⁰ *ibid*

⁴¹¹ IFC (2016), "SheWorks Putting Gender-Smart Commitments into Practice at the workplace"

⁴¹² International Center for Research on Women (ICRW) and ACUMEN (2015) "Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty"

companies are able to improve female customer loyalty and satisfaction, and in turn, increase the enterprise's customer base. Credit and installment payment schemes can be particularly attractive and valuable to female consumers, who typically have less access to or control over finances than men.⁴¹³

The following are the examples of women-friendly products or services that are designed to meet women's specific needs identified through careful observation and delivered via specific channels so that the product or service can reach the target women customers.

Box 9: GUARDIAN in India⁴¹⁴

Gramalaya Urban and Rural Development Initiatives and Network (GUARDIAN) is a microfinance institution in India engaging in micro-lending to households solely to support the purchase of water and sanitation assets. GUARDIAN

AN's loans enable women to have access to affordable, high-quality water and sanitation solutions that save time, improve health, and provide safety and dignity. GUARDIAN offers a unique sanitation loan scheme specifically targeted to female clients. GUARDIAN's repayment rates are higher than 99%.

In order to reach female clients, GUARDIAN loan officers contact existing women's groups, such as self-help groups, village committees, and community-based organizations in places that face a lack of household water connections and high levels of open defecation. Once the potential clients become interested, GUARDIAN helps them form joint-liability groups composed of five female members who live on the same street and can support each other in making payments. Female clients preferred the group loan scheme with their neighbors to individual loans. Female clients said that they were motivated to engage in the loan because they could share the risk and the benefits with their neighbors.

Given their time poverty and mobility limitations, female clients liked the option of doorstep collection and monthly installments. Female clients appreciated that little documentation is required to obtain a loan, which makes the process smooth and easy.

Both female and male loan officers are engaged in the promotion of GUARDIAN's sanitation loans. Female credit officers can easily initiate the first contact with potential female clients, and several female customers said they feel secure inviting female loan officers into their houses, even when their husbands are not present. Meanwhile, male loan officers are able to convince suspicious husbands and recalcitrant clients who refuse to pay. Moreover, male loan officers can learn how to approach female clients from their female colleagues. Using a combination of male and female loan officers has enabled GUARDIAN to reach and build trust among gender-diverse markets.

The majority of clients reported time and convenience as the most important benefits. Female clients are able to use the saved time to take their children to school on time and arrive earlier to work. Women described the convenience of being able to multitask at home without needing to spend the time or energy to go outside to collect water or defecate. Women are also using the water for new income-generating activities at home, including home gardening. Female clients also reported a reduction in diarrhea in the household, improved urinary health among women. Women also feel safer due to not having to go out into the open to defecate, especially at night. Clients had been particularly concerned for their adolescent daughters who were often victims of sexual harassment. In addition, as an indirect benefit, several clients indicated increased autonomy and peace of mind as a result of having a toilet. One woman reported that in the past she went to bed afraid of being scolded by her husband for waking him up in the middle of the night when she needed to urinate or defecate

⁴¹³ *ibid*

⁴¹⁴ *ibid*

outside. Now she can go to the toilet alone anytime. Some women also expressed an increased feeling of dignity from having the ability to go to the bathroom in privacy.

Box 10: BRUN in Tanzania⁴¹⁵

Founded in 2010, BURN is one of the few companies manufacturing, distributing and selling clean cookstoves in East Africa. BURN's Jikokoa ("saving stove" in Kiswahili) is a charcoal stove that requires less charcoal and cooks faster than a traditional stove. BURN employs over 100 people in its factory (half of whom are women) and produces a stove every minute. BURN is committed to hiring equal numbers of women and men into the business, including in factory jobs, and provides on-the-job training, allowing workers with little prior experience to gain access to the job market.

BURN integrates gender into its business model at multiple levels, most notably in its sales and manufacturing operations. Customers and staff reported that female sales staff may have the edge since potential customers may not trust that male sales agents have actually used the stove and understand its benefits. BURN trains employees to take on new roles and has frequently promoted factory line workers to sales agents. This enables women who may not have originally had adequate sales skills to become experts in the Jikokoa, advance within the company, and become effective sales agents who are able to effectively reach female customers. Through business policies such as flexible work hours and maternity leave, a culture of equality between men and women, and the practice of promoting from within, BURN has created an atmosphere where female employees feel comfortable, enjoy coming to work each day, and have opportunities for leadership and growth.

The cookstove can reduce women's exposure to smoke, decrease the amount of time she spends cooking, and reduce her risk of burns as well as the drudgery associated with cooking over an open flame. The energy efficient cookstoves also reduce fuel expenditures for the households. Female customers reported using those savings to pay for milk for their babies, books and school fees for their children, clothing for their families, and solar lamps.

Box 11: HarassMap, Egypt⁴¹⁶

Studies in Egypt suggest that sexual harassment is very high with 83% of Egyptian women have experienced sexual harassment.

HarassMap is well-known for its crowdsourced map that tracks incidents of sexual harassment and violence. The Map utilizes both geographic information system (GIS) and SMS technologies to record where incidents of harassment occur across the country, allowing all to see which areas to-date have the most reports on sexual harassment. Individuals that either experience or witness sexual harassment are able to anonymously submit reports directly through the web interface, through Facebook or Twitter, or by sending an SMS using the short code 6069. Additionally, the Map documents the scope and seriousness of the problem by publicizing actual stories of harassment that have been submitted. Map reports and information are displayed via an open source platform to allow viewers to obtain information about sexual harassment and support those who are harassed in their neighborhoods. The Map serves multiple functions, such as: providing testimony by those who experience or witness sexual harassment as to the seriousness of the problem, serving as data for understanding how sexual harassment is evolving in Egypt, providing HarassMap with information that can be used to tailor communication campaigns and research programs, and serving as a tool for community outreach teams to motivate the public to stand up against sexual harassment. Immediately after launching the

⁴¹⁵ International Center for Research on Women (ICRW) and ACUMEN (2015), "Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty"

⁴¹⁶ <https://harassmap.org/en> Retrieved 3 May 2023

Map a large number of reports of sexual harassment were received from people who had witnessed or experienced harassment.

HarassMap has supported teams seeking to replicate and adapt the HarassMap model in places such as Morocco, Syria, Lebanon, Palestine, Pakistan, Turkey, India and Indonesia, and has coached over 50 different groups. The innovative ideas and successes of HarassMap are reaching well beyond the population it sought to initially engage with, and has motivated others around the world to confront sexual harassment and work toward safer spaces for all, in all places.