MSME access to credit: Exploring solutions which fill the financing gap

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Formal MSME Financing Gap

US$ 2.38 trillion
EAST ASIA AND THE PACIFIC

US$ 336 billion
SOUTH ASIA

US$ 1.3 trillion
WOMEN MSME FINANCE GAP
IN EAST ASIA AND THE PACIFIC

US$ 27 billion
WOMEN MSME FINANCE GAP
IN SOUTH ASIA

Key Barriers

• Ability to meet collateral requirements
• Ability to meet customer due-diligence and KYC requirements
• Bankability (record keeping and accounting records)
• Financial and digital literacy

Additional and specific to women entrepreneurs

• Socio-cultural norms
• Control over device ownership in digital financial services
• Mobility constraints

Bridging the financing gap boosts GDP and creates economic and social gains
Bangladesh

- 150 women entrepreneurs surveyed
- Only 8% took a loan from a formal financial institution and only 19% had a valid trade license
- Key barriers include: client relations, supply chain management, technology use, online harassment and lack of family support/approval

Fiji

- Lean data research of randomized SPBD clients.
- Findings noted the need for more flexible and diversified loan products including longer loan terms, larger loan sizes and longer grace periods particularly due to COVID-19.
- Findings noted the importance of specialization of credit products i.e. business, home improvement, education, etc.
- Wraparound services to support business start-up, planning and expansion.
ESCAP and UNCDF have partnered to support FinTechs and traditional financial service providers to develop, test and scale solutions for MSMEs.

**SKYEYE LTD:** Samoa’s first payment gateway, integrating mobile money payment services, bank partners’ and SkyEye’s Maua online marketplace

**AELOI:** Digital token system for public transport electric vehicles and access to digital loans

**SPARROW PAY:** Financial and digital literacy training, and a digital marketplace linked with a bulk payment system

**BANHJI FINTECH:** SME finance platform, linked with digital and financial literacy training, improving access to working capital loans

**SHE INVESTMENTS:** First ever mobile bookkeeping app in Cambodia supporting women to maintain the financial records needed to access loans

**IFARMER:** Digital agriculture lending platform linking urban farm investors to rural women farmers, and enhanced with training & financial management support

**ROMONI SERVICES LIMITED:** Aggregator platform for women entrepreneurs working in the creative industries, connecting women entrepreneurs with training, customers, other businesses, & financial services
Thank You!

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