



# BANGLADESH

## POLICY INITIATIVES

**MSMEs** REPRESENT **99%** OF ALL PRIVATE ENTERPRISES IN BANGLADESH (4)

MSMES CONTRIBUTE **25%** OF BANGLADESH'S GDP AND **80%** OF INDUSTRIAL EMPLOYMENT (7.1)

**ONLY 7.2%** OF MSMES IN BANGLADESH ARE OWNED BY **WOMEN** (1)

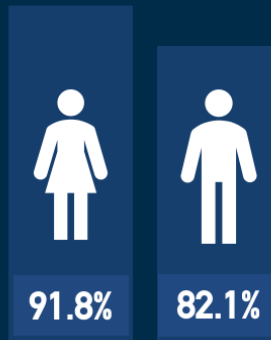
THE AMOUNT OF CREDIT FOR WOMEN ENTREPRENEURS HAS GROWN STEADILY OVER THE LAST DECADE

**61,000,000,000 Tk**  
**2019**

**18,000,000,000 Tk**  
**2010** (1)

IN BANGLADESH, IT TAKES **9 PROCEDURES AND 19.5 DAYS** TO START UP AND FORMALLY OPERATE A SME (6)

### INFORMAL SECTOR EMPLOYMENT BY GENDER

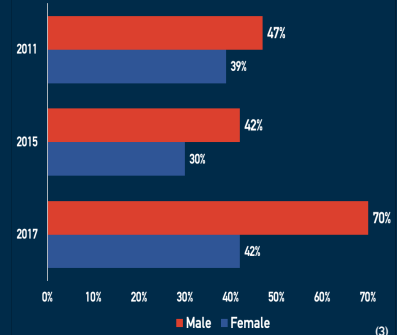


#### TOP BARRIER TO OWNING A MOBILE PHONE

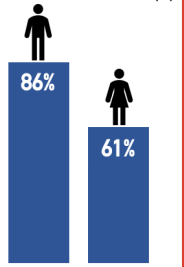
**44% OF MEN** READING/WRITING DIFFICULTIES

**31% OF WOMEN** DO NOT KNOW HOW TO USE A MOBILE (2)

#### FINANCIAL INCLUSION BY GENDER



#### MOBILE OWNERS (%)



IN 2019, NBFIS HAD INCREASED THEIR PROPORTION OF LOAN DISTRIBUTION TO **WOMEN ENTREPRENEURS TO 8.7%** (1)

#### SME POLICY 2019 FOR WOMEN ENTREPRENEURS

- Building on **SME Policy 2005**.
- Goals include **extending programs for women entrepreneurship development** and providing specialized services.
- Strategic steps towards increasing **flow of financial loans for women entrepreneurs**.
- Launching a **"Women Entrepreneur Development Fund"**. (5)



## Catalyzing Women's Entrepreneurship Creating a Gender-Responsive Entrepreneurial Ecosystem



### ECOSYSTEM OF STAKEHOLDERS

The project was launched in Bangladesh in partnership with the Small and Medium Enterprise Foundation (**SMEF**) and Ministry of Women Affairs, Bangladesh through a **national consultation** that brought together **more than 70 participants**. Participants included government leaders and policymakers from key ministries, alongside expert agencies in the areas of gender equality, SME development, trade, ICT and finance. The national consultation provided substantive background on the issues of enabling environment for women entrepreneurs, from formal policy and regulatory environment to wider sociocultural norms and their impact on the capacity of women to engage in entrepreneurial activities. ESCAP's intervention in Bangladesh is based on needs expressed by stakeholders at this consultation.



### TECHNICAL ASSISTANCE

ESCAP partnered with SMEF in 2019 to undertake a study on “**MSME Access to Finance in Bangladesh**”. The study looks at demand and supply side structural financial constraints affecting MSMEs. Specifically, the study covers 3 objectives: Analyzing the situation of MSMEs financial access in the current policy framework; Identifying gaps in the financial inclusion of MSMEs including gender gaps; and suggests policy options and recommendations for national policymakers and other stakeholders to improve MSMEs access to and usage of appropriate financial services. The study will contribute towards developing guidelines and policy recommendations to address MSME and women MSME financing gaps.



### PARTNERSHIP DEVELOPMENT

ESCAP's partnership with SMEF has been formalized through a Letter of Agreement (LOA) that will provide the framework for implementing project activities in Bangladesh. The LOA focuses on: a) Design of a “**One-Stop Centre for Women entrepreneurs**” as a web-portal that will serve as an information hub for women entrepreneurs, wherein all the resources and schemes related to entrepreneurship will be accessible; b) A **Training of Trainers (ToT)** programme under **E-Commerce Capacity Building Initiative** will be developed for both women entrepreneurs and policymakers to increase their knowledge and skills to leverage ICT in entrepreneurship development strategies and programmes; c) **Monitoring and measurement framework** with indicators for tracking progress of women MSMEs in Bangladesh followed by a training for SMEF staff that will enable them to develop, collect and report tools of progress of support policies and initiatives for women entrepreneurs.



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### EVIDENCE-BASED PRIORITY ACTIONS

Building on the partnership with SMEF, a rapid policy assessment on **the barriers and opportunities for women entrepreneurs in Bangladesh, including assessing the impact of COVID-19 on women entrepreneurs** has been undertaken. The assessment has generated actionable policy recommendations on phased recovery and long-term development for the Government of Bangladesh to consider in addressing the impact of the COVID-19 pandemic on women-led MSMEs. It also provides guidance on specific actions needed in implementing the recently approved **SME Policy** particularly focusing on provisions specific to women entrepreneurs. The assessment will contribute towards building a gender-responsive business environment for women-owned MSMEs in Bangladesh.



### FORMALISED MECHANISMS

An in-country **Project Advisory Committee (PAC)** has been established. The first committee meeting, held in January 2020 had participation of over 20 representatives including from **Ministry of Industries, Ministry of Women and Children Affairs, Ministry of Commerce, Bangladesh Institute for ICT for Development, Start-Up Bangladesh** and other experts in the field of Gender, ICT, Finance and SME Development. Establishment of PAC has resulted in the formalisation of a multi-stakeholder mechanism for engagement of diverse stakeholders beyond the traditional gender machineries in advancing the women entrepreneurs agenda. The PAC endorsed key interventions to be implemented in 2021. The preliminary findings from the rapid policy assessment **on the barriers and opportunities for women entrepreneurs in Bangladesh were discussed.**



### SERVICE DELIVERY MECHANISMS

Building on the partnership with SMEF, a one-stop platform for women entrepreneurs in Bangladesh is being conceptualized. Drawing from the **regional best practices and innovations**, the digital platform aims to enhance Bangladeshi women entrepreneurs' access to information, services, capacity development opportunities as well as networks critical to their businesses. The platform would also allow for women entrepreneurs in urban as well as rural areas to enlist themselves with the SME foundation, enabling SMEF to provide structured support to women-led enterprises.



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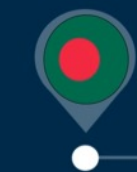


### MONITORING AND EVALUATION

In consultation with SMEF, ESCAP has developed a monitoring and evaluation (M&E) framework for tracking outcomes and impact of policy initiatives for women entrepreneurs in Bangladesh. The M&E toolkit includes a theory of change and results measurement framework that will enable SMEF to collect, monitor and report impact of policy and programmatic interventions on women entrepreneurs. The reporting against the framework will inform the current gaps in interventions as well as support in prioritization and design of future policies and programmes. This will be followed by a training of SMEF officials and other relevant stakeholders in Bangladesh on adapting and operationalizing the M&E framework for different interventions at national and provincial levels.

The Programme is active across  
**SOUTH ASIA, SOUTH EAST ASIA and THE PACIFIC.**

With on-the-ground activities in:



BANGLADESH



CAMBODIA



FIJI



NEPAL



SAMOA



VIET NAM

(1) ESCAP & UNCDF 2020 (2) GSMA State of the Industry 2020 (3) Global Findex 2011-2017 (4) ADB 2015 (5) Ministry of Industries, BD 2019 (6) World Bank Doing Business 2020 (7) Bangladesh SME Policy 2019.



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