



INVESTING IN WOMEN INITIATIVE AIDE MEMOIRES



APRIL 2015

Contents

Contents.....	1
Acknowledgements	3
Preamble 3	
INTRODUCTION.....	4
INDONESIA AIDE MEMOIRE	5
Country overview.....	5
Component 1: Business Partnerships	5
Background	5
Findings	6
Component 2: Women’s Enterprise Development.....	8
Background	8
Findings	9
Component 3: Government Partnerships.....	11
Governance Arrangements.....	11
BANGKOK AIDE MEMOIRE	13
Component 1: Business Partnerships	13
Component 2: Women’s Enterprise Development.....	15
Component 3: Government Partnerships.....	21
Governance 22	
PHILIPPINES AIDE MEMOIRE.....	23
Country Overview	23
Component 1 – Business Partnerships	24
Background	24
Findings	24
Component 2: Women Enterprise Development	25
Background	25
Findings	26
Component 3: Government Partnerships.....	28
MYANMAR AIDE MEMOIRE	29
Myanmar context	29
Component 1 – Business Partnerships	30
Background	30
Findings	30
Component 2: Women’s Enterprise Development.....	32

Background	32
Findings	33
Component 3: Government Partnerships.....	34
VIETNAM AIDE MEMOIRE	35
Country overview.....	35
Component 1: Business Partnerships	35
Background	35
Findings	36
Component 2: SMEs.....	37
Background	37
Findings	38
Component 3	43
Background	43
Findings	43
Governance	44
ANNEX A LIST OF IWI DESIGN TEAM POSITIONS	44
ANNEX B LIST OF PEOPLE/ORGANISATIONS CONSULTED	46

Acknowledgements

The Investing in Women Initiative (IWI) Design Team would like to thank DFAT staff at the Australian Embassies in Indonesia, Vietnam, Thailand, Philippines and Myanmar. The support and cooperation provided to the mission was critical in enabling a comprehensive set of consultations that have provided invaluable input into the thinking behind the direction for the Investing in Women Initiative. We would especially like to thank Hannah Derwent, Selina Hughes, Suzette Mitchell, Mia Urbano, Sarah Ransom, Doan Thu Ngo, Joy Valenzuela, Grace T. Borja, John Alikpala, Suzanne Mitchell, Emma Tiaree, Mark Taylor, Eleanor Cupit, Amber Cernovs, Felicity Miller, Antony Dickinson, and the many other unnamed staff that provided advice and support in arranging the meeting schedule and logistics for our mission. We would have been lost without you.

We would also like to acknowledge and thank all those who participated in the consultations for their time. The full list of Design Team positions and organisations consulted is included in Annex A and B.

Preamble

DFAT is currently designing a new investment titled “Investing in Women Initiative” (IWI). A Design Team has been engaged by DFAT to prepare the Investment Design Document. The IWI Design Team started work in January 2015 and has thus far conducted consultations with DFAT stakeholders in Canberra, and in-country consultations with Australian Embassy and other stakeholders in Jakarta, Hanoi, Bangkok, Manila and Yangon. This Aide Memoire reports and reflects upon the in-country mission consultations held in March 2015.

This document includes five Aide Memoires, one for each country visit, and includes: a focused backgrounder on the issues for women in the workplace and women in small and medium enterprises (SMEs) in each of the target countries; information organised under the three component headings for the IWI; report and findings of the consultations. The IWI Design Team in-country consultations helped to hone and sharpen the options for each component, moving beyond the outlines presented in the IWI concept note. Whilst this Aide Memoire presents the information that has aided in direction setting for IWI, it does not provide design details for each component which are the subject of the Feasibility Study, due to DFAT on May 8th 2015.

The Feasibility Study will be preceded by a Feasibility Workshop that will test and further refine the design options with DFAT. The subsequent Feasibility Study will include design details for each component, containing enough information for DFAT to make final and informed decisions regarding IWI design options. This, in turn, informs the final design, the first draft being due on May 29th 2015.

This Aide Memoire is submitted pursuant to Service Order Number 67384/5 for the Investing in Women Initiative Design, clause 4.1(C). It includes country context plus an Aide Memoire for each country visited. The Aide Memoires outline key findings from the design missions that will be incorporated into the IWI design, and identifies issues requiring further clarification and feasibility testing before the design document can be finalised. Each Aide Memoire includes information that informs the program logic.

INTRODUCTION

As the countries of South-East Asia move to middle-income status, their continued growth depends on harnessing all productive resources available to them and ensuring growth is equitable. These countries will need to increase the size of their economies, and bring more enterprises and employees into the formal sector. Investing in women – as customers, as employees and as entrepreneurs – and increasing their participation in the economy is an under-tapped opportunity for economic growth. The Investing in Women initiative (IWI) will do this by:

Working with the private sector to undertake reforms that empower women and increase the quantity and quality of their workforce participation.

Creating an innovative partnership with private sector investors to grow women led SMEs.

Promoting women's economic empowerment through existing DFAT country programs, knowledge building, and advocacy.

The IWI concept note recommends a single facility with regional level coordination and multi-country delivery that would connect and manage administrative and programmatic aspects of the facility and act as a resource for women's economic empowerment initiatives in the identified country programs. It proposes a work program based on three components:

Business Partnerships for Empowerment: To engage with leading private sector organisations on women's workforce participation in the region to commit to equal employment opportunity and the equal recruitment and promotion of women at all levels.

Investing in Women Enterprise Development Hub: To enable small and medium enterprises that empowers women to attract and secure investment from private investors (impact investors).

Government Partnerships for Empowerment: To mutually agree to reforms that delivers equity of opportunity for women as entrepreneurs and employees, and supports these partners to implement them.

The Design Team presents here a summary of findings from its country missions that tested the feasibility of this proposed work program and components through consultations with a range of stakeholders.

INDONESIA AIDE MEMOIRE

Country overview

Although Indonesia has achieved good rates of economic growth, poverty reduction remains a challenge. More than 105 million Indonesians live on less than US\$2 per day. The new Indonesian Government has set out ambitious development goals, particularly for the improvement of energy and other infrastructure, and social programs. Positive early steps and announcements have been made that indicate an increased focus on strengthening governance in key sectors, on more centralized, effective policy formulation, and on implementation.

Population	252.9 million (2014; UN-DESA)
GDP	USD868.3 billion
GDP Growth	5.8% (2013)
Per Capita Income	USD5200 (UNDP)
Pop living below national poverty line	11.3% (World Bank)
Life expectancy	71 (2013; UNDP)

The division of labour in Indonesia is relatively highly gendered and gender stereotyping is deeply rooted in customs and reinforced by law. Men are most often identified as providers and are thus assigned the responsibility, authority and duties that require them to work and become the provider for the family. Women on the other hand, carry domestic responsibilities of child care and household duties. These prescribed roles are enshrined in the Marriage Law, which states that *“the husband is the head of the family while the wife is the head of the household”* (Article 31.3). *“[T]he husband has the responsibility of protecting his wife and of providing her with all the necessities of life in a household in accordance with his capabilities”* (Article 34.1), while the wife *“has the responsibility of taking care of the household to the best of her ability”* (Article 34.2).

Other laws and regulations, including the tax law, adopt the same basic principles and men are granted greater rights to ownership and succession over land and property. Property titles, and / or registration, are usually held in the man’s name. Indonesian women generally have fewer valuable personal assets which impacts upon their access to finance, and are required by financial institutions to obtain consent from their husband for financing.

Component 1: Business Partnerships

Background

In 2014, Indonesia had a workforce of 121 million people; 7.2 million were unemployed. The female unemployment rate is almost 2% higher than the male unemployment rate, women are twice as likely as men to work in the informal sector, and they are paid less than men for similar work. Labour force participation of women in Indonesia is low at 50% in 2014, compared with 80.5 % for men. Leaders of the G20 countries, including Indonesia, have committed to reducing the gender gap in labour force participation by 25 percent by 2025. This would mean that Indonesia needs to increase female participation in the workforce by 7.62% in the next 10 years.

Gender discrimination does not serve the needs of Indonesia's rapidly growing economy well. There is high demand for mid and senior level human resources with university qualifications, yet almost half of the Indonesian workforce (46.93%) have no more than elementary schooling, 16% are high school graduates, and 9.46% have a diploma or university degree. By contrast, 80 per cent of Malaysia's workforce are high school and college graduates. The onset of the ASEAN Economic Community (AEC) will only serve to deepen the shortage of high skilled workers in Indonesia as their opportunities for mobility increase. It is this tension in the market place that the Investing in Women Initiative can exploit in order to improve the salary, conditions and opportunities in the workforce for women.

Findings

The IWI team widely canvassed the idea for developing an Indonesia Business Coalition of large employers to address gender equity in the workforce. The Business Coalition function would be to improve gender equity within the workplace of member companies, and promote workplace gender equity to other large employers. The team found enthusiastic support from a range of groups including multi-lateral institutions, KADIN (the Indonesia Chamber of Commerce and Industry) and APINDO (the Indonesia employers association), and existing DFAT programs that already work in this space. These consultations informed the shape of a potential business coalition in the following ways:

- The coalition would need large employers who already see themselves as employers of choice for women.
- There are a substantial number of large and very large female headed businesses (often family owned businesses) that already have informal networks and could form a core group for a business coalition.
- Both large domestic employers and multi-national employers would need to be included;
- The coalition members would need to demonstrate best practice in their own work places and champion the cause to government and other employers.
- The coalition would establish its own board and small executive to do its work and does not need a regional coalition.
- Board membership should be free (unlike the HIV/AIDS business coalition). Funds can be donated by members but it should not be mandated.

Consultations found support for the idea of assessing large employers against a set of verifiable and independent criteria on workplace gender equity. The assessment would be conducted regularly in order to assess the extent of workplace gender equity improvements for each company. This criteria could potentially be drawn from existing tools such as the Australian Workplace Gender Equality Agency, or the ILO standards for equality of opportunity and treatment in the world of work. There was also support for the idea of offering technical assistance to employers to improve their rankings against the criteria.

While the proposed instruments for promoting workplace gender equity are not new, the means of delivery by way of a business coalition is new to Indonesia. A Business Coalition puts the employers in the driver's seat of reform rather than an external entity. It also draws upon the existing big business culture, networks and ways of doing business to influence business norms more broadly. The coalition would do this by using their networks in business and government to champion the

cause of better work for women, and by incentivising good workplace practice through awards that bring status, networks and access to influential leaders.

The Business Coalition could adopt the guidelines and tools already developed for businesses in Indonesia, for assessing women's pay, conditions and opportunities for promotion in the workplace. APINDO is the umbrella organisation for employers in Indonesia and has delegated authority to represent employers by the government and by KADIN, the Indonesia Chamber of Commerce and Industry. APINDO has 350 members and offices in each province. It is a proactive organisation that works to bring about cooperation between government, employers and workers and has an inclusive business agenda. The Australia Indonesia Partnership for Economic Governance (AIPEG) has channelled funds to APINDO to initiate the Indonesia Services Dialogue – a multi-stakeholder grouping (government, multi-laterals organisations, businesses, and NGOs) designed to address specific constraints to economic growth and reduce bottlenecks. In addition, APINDO has a relationship with ILO and IFC. The partnership takes in the BetterWork program and the "Access to Employment and Decent Work for Women Project" which has produced a five part series entitled "Practical guidelines for employers for promoting equality and preventing discrimination at work". The IWI could engage with APINDO, ILO and IFC regarding application of these tools by the Business Coalitions.

The IWI Design Team tested its thinking with Shinta W. Kamdani, CEO, Sintesa Group. Shinta is also an advisor to Indonesia's vice-President, Joseph Kalla and is Chairperson of KADIN (Indonesia Chamber of Commerce and Industry). She was very supportive of the Business Coalition model, and indicated in-principle agreement to assisting in its establishment. Shinta has been a champion for women in business, runs her own angel investing company, and is a mentor to up and coming women business leaders. The IWI Design Team also met with the current Executive Director of the Indonesia Services Dialogue for APINDO (Indonesia employers group), Sinta Sariat. Sinta is the former HR manager at Freeport mine, and played a lead role on the Indonesia Business Coalition for HIV/AIDs. She indicated strong support for the idea and an interest in being part of the coalition. Feedback from the above two consultations suggested that an accreditation system to assess and rank businesses against a set of gender-friendly standards may work in Indonesia, but companies may not be interested in paying for it unless it is attached to the type of accreditation that is good for business, such as ISO accreditation. They warned against building a coalition that was overly-branded as Australian. In addition, they felt that MNCs do a better job in relation to gender equality and workplace standards than domestic companies.

The IWI investment traverses the DFAT aid program, the DFAT economic diplomacy agenda and also Austrade networks. The IWI Design Team consulted all of these stakeholders and formed useful networks for further follow-up. In particular, Austrade has established the Women in Global Business initiative that supports Australian businesswomen to promote their products and services globally and is highly active in Indonesia. In consultations with the diverse Embassy stakeholders, the IWI Design Team noted that Australian business interests should be included in a business coalition.

An area of concern for DFAT was how to mitigate the risk that the aid program may be working with employers that have poor practices in non-gender related areas such as the environment, and/or have corrupt practices. The IWI Design Team has taken this on board and is developing a number of strategies to define and mitigate this risk. For example, the Business Coalitions can be established as independent not for profit groups with their own board and executive – providing an arms-length from the Australian Aid Program. This will also facilitate Business Coalitions ability to attract

donations from companies, and promote sustainability beyond the life of the program. The downside is that the Australian Aid Program will not have control over the actions of the coalition post establishment. Therefore the IWI team will need to exercise influence during the establishment phase, have a member on the board, and be active in selection of founding board members and the executive team.

A second option to manage reputational risk is to introduce a due diligence check for businesses wishing to enter the coalition. The extent (or depth) of due diligence conducted is an issue of debate. Fundamental due diligence on aspects such as child protection are widely endorsed, however deep due diligence on aspects such as financial management are more contentious. The IWI design will need to recommend a middle ground that both ensures the success of the business coalition and also mitigates reputational risk to the Australian aid program.

Component 2: Women's Enterprise Development

Background

SMEs dominate the economic landscape of Indonesia, representing over half of GDP and more than 96% of employment. There are 56.5 million micro, small, and medium sized enterprises in Indonesia, of this 41 million are small enterprises and 60,000 are medium-sized enterprises. Although the MSME (Micro, Small, and Medium Enterprises) sector has grown at an average of 2% per year, this is small compared to the overall growth rate in Indonesia and therefore has significant growth potential.

The government of Indonesia provides a variety of support mechanisms to the MSME sector, including loan guarantees through the banking sector, and business development support services (incubators and accelerators) located throughout the country. The Ministry of Cooperatives and Small and Medium Enterprises was established in 1993 to develop and implement SME-related policies. It provides a range of services with mixed success.

The IFC reports that among formal SMEs, around 40% are owned by women in Indonesia, putting Indonesia around the developed country average, and the number is growing by 8 percent annually. They also report that women's SMEs have shown high profitability. Key findings from a survey conducted by the Asia Foundation in 2013 found that:

- Indonesian women entrepreneurs strongly benefit from being highly networked through frequent interactions with both formal business associations and informal networks.
- Personal or family savings are the most common form of start-up capital for women.
- High interest rates, paper work, and collateral requirements were the top barriers to borrowing from formal financial institutions.
- A majority of women entrepreneurs see government as inaccessible and unsupportive, yet they frequently utilise government skills training and trade fairs.
- Technology awareness is relatively low in Indonesia, but women SME owners use it more than their male counterparts
- Informal payments (rent-seeking behaviour) are a common problem for women entrepreneurs.

Snapshot of SMEs and women in the ASEAN region

	Indonesia	Malaysia	Philippines	Thailand
Ease of doing business ranking ¹³	128	12	138	18
SMEs contribution to GDP	56% ¹⁴	32% ¹⁵	33% ¹⁶	37% ¹⁷
SMEs contribution to total exports	20% ¹⁸	19% ¹⁹	25% ²⁰	30% ²¹
% of workforce employed by SMEs	96% ²²	56% ²³	61% ²⁴	78% ²⁵
Women's economic opportunity index ranking ²⁶	47.5	53	74	47
Female labor participation rate ²⁷	51%	44%	50%	64%
Annual growth of women's SMEs ²⁸	8.1%	9.7%	2.5%	2.3%

Source: Asia Foundation 2013, Asia Foundation, 2013, Access to Trade and Growth of Women's SMEs in APEC Developing Economies Evaluating the Business Environment in Indonesia

Microfinance in Indonesia has a long history of success and is embedded in numerous formal institutions. However there is a significant gap in financing options available to SMEs, particularly for women led SMEs. Government incentives notwithstanding, banks continue to be unwilling to loan funds to SMEs without collateral and most women led businesses do not have the required collateral (although an IFC program is attempting to address this through the provision of loan guarantees). Lack of financing options is commonly referred to as “the missing middle” – banks service the financing needs of large scale enterprises, and micro-finance institutions service the financing needs of micro enterprises, the SME sector misses out at both ends of the spectrum.

In addition to financing, all those consulted by the IWI Design Team pointed to the need for non-financial services to assist women led SMEs to grow. This includes knowledge and skills development, access to networks that can provide less formal support, as well as market information that is essential for growth. It was noted that men generally have access to business networks that open doors to markets and value chains, but these are not conducive to women's membership for numerous socio-cultural and logistical reasons. Those women's networks that are operational provide mentoring support, information seminars, organise events and trade shows, and provide advice to women seeking to start-up or grow their businesses.

In terms of knowledge and skills development, women led SMEs need knowledge regarding value chains, markets, production standards and expectations, and export markets. They also require skills in the kind of financial management that is suitable for sustained business growth. The same is true for marketing and communications, and human resources management.

Skills development notwithstanding, women led SMEs are constrained by the double burden facing women in business – they often carry primary responsibility as family care-giver (to children and aged relatives) in addition to their business management responsibilities. This leaves limited opportunity and time to focus on business growth.

Findings

The IWI Team met with the Sampoerna Foundation who are supporting an initiative to open up investment financing to SMEs throughout Indonesia by way of an online platform (similar to KIVA). Using crowd sourcing techniques, they will offer small business development loan funds to SMEs throughout the country. The initiative intends to recruit agents throughout the country, who will identify SMEs seeking financing and broker the loans. The approved SMEs will be “advertised” on the platform for investors to select. The initiative expects to offer loan capital at an average of USD

20,000 per business; targeting small businesses as opposed to medium enterprises. Investors will contribute a minimum of USD 5,000, and select the types of businesses they wish to invest in. This model may be promising but is as yet untested in Indonesia. The Design Team felt it may be unrealistic for IWI to establish its own investment platform given its 2-3 year funding horizon and substantial management requirements, however will recommend further investigation of this option as a broad-based investment strategy that can support the growth of women's SMEs.

Another model operating in Indonesia is the Unitus and IIX model for SME investments. These intermediary companies provide investment loans of between USD \$500,000 and \$3 million, with an average investment of 1million and therefore are firmly situated in the high growth SME sector (as opposed to straddling the micro-finance – small enterprise space). IIX and Unitus are intermediary models for financing SMEs. In other words, they find investors and SMEs and help them broker an investment deal. In most instances, investors will share the risk by grouping together for a single investment. IIX, for example, has 400 high net worth individuals seeking investments in their target Asian countries. A single investment of USD 500,000 will usually have 10 investors each contributing 50,000 and seeking a return of 6-10%. The intermediary model has had far more success in closing investment deals than other impact investment models (see discussion in the Bangkok Aide Memoire). Both of these firms have indicated that investment / loan guarantees of up to 50% would be welcomed and encourage more investors to the market.

As noted above, there appears to be a shortage of Business Development Services (BDS) that help SMEs to grow, particularly services that focus on women's SMEs. OXFAM has been working with Shujog (a business accelerator intermediary) to build this space. IIX uses both OXFAM and Shujog to provide tailored business development services to those SMEs that are promising but require assistance to become investment ready. IIX has developed a new financing model to assist with the cost of providing incubator / accelerator services: IIX provides a loan to the incubator/accelerator to provide the business services, once the SME gets investment funds the loan is repaid using a small proportion of those funds. This model recycles funds and enables affordable SMEs access to tailored assistance for business growth.

WEConnect International is a not-for-profit with offices in Indonesia and Australia that serve the region. The organisation identifies, educates, registers, and certifies women's business enterprises based outside of the U.S. that are at least 51% owned, managed, and controlled by one or more women, and then connects them with multinational corporate buyers. In Australasia, WEConnect International works in collaboration with women's organizations including BPW (Business & Professional Women), The Ruby Connection (part of Westpac Bank), Women In Global Business (part of Austrade), WCEI (Women Chiefs of Enterprise International). Certification is offered in Australia and New Zealand. In terms of promoting trade links for women owned SMEs, WEConnect has established connections that the IWI program could tap into.

PRISMA is a DFAT funded program that already works with SMEs in the agricultural sector. It co-invests up to AUD \$200,000 in businesses that assist rural farmers to generate income and access markets. They are looking to invest AUD 15-22 million over 5 years. It is too early to measure the investment success rate, however the PRISMA team expects that a 30-40% failure rate will be acceptable. Linkages with PRISMA, Oxfam, IIX and Unitus seem an effective way forward.

The above mentioned companies notwithstanding, Impact Investors more generally have struggled to close deals in Indonesia and elsewhere. Those investors that have struggled are fund managers. In

other words, they manage the funds from investors rather than broker deals between investors and SMEs. The investors' money sits with the investment house and the investment house makes the deal and manages it for the investor. Their failure to close many deals (relative to intermediaries) may be because the investment vehicles tend to be very conservative in assessing risk. Their expectations of SME growth are very high, expecting rapid growth of an SME post-investment – up to 10 times their current size. And their expectation of entire portfolio success is low, expecting only 1 in 6 (and up to 1 in 10) companies in their portfolio to attain success (as defined by high rates of growth). Many of these Impact Investors have between 1 and 5 deals and very little in the pipeline. On the other hand, intermediary companies as mentioned above have a higher expectation of overall portfolio success and a lower expectation of growth rate for any one individual SME. This more broad-based formula is better suited to the Australian aid program because it carries less risk.

The IWI Design Team explored the option of working with ASEAN on the issues of women's economic empowerment. However, the DFAT ASEAN team felt that working with ASEAN to create change would not be the most effective use of resources and that other vehicles for change might be more resource efficient.

Component 3: Government Partnerships

Component three includes a suggestion for a facility to provide gender specific technical expertise to country programs, particularly in the area of economic and trade related work. DFAT Indonesia felt they did not need additional technical expertise as they already have access to good quality gender advisers, and have a strong focus on gender and women through their programs.

The economic and political section, and Austrade, are working with Australian companies and Banks in Indonesia, including work on financial inclusion (ANZ and CBA). The IWI Design Team noted that any work in this area should be reviewed by Embassy stakeholders in order to ensure complementarity and coordination.

Component three will look to build knowledge and undertake advocacy regarding women's economic empowerment. The over-riding lesson from the IWI consultations was to ensure that advocacy is coordinated with, and potentially embedded in, existing institutions that work on these issues. In addition, the IWI program will need to be mindful of not being perceived as "preaching" to the countries in Asia and should instead be seen as working together on a shared problem. Advocacy products will be informed by the program knowledge, and is likely to be most successful if delivered by people and organisations of influence in Indonesia rather than the facility itself.

Governance Arrangements

DFAT at Post expressed concern regarding the governance arrangements for the IWI: the resources that would be required to manage the program and the connectedness of the program to the Embassy because regional programs tend to be less visible. In order to address these concerns, the IWI Design Team is developing a governance structure that requires a light management touch from DFAT at Posts, whilst also providing succinct reporting and diplomatic opportunities through the program that will be facilitated by IWI.

DFAT colleagues managing the aid program were concerned about the potential administrative burden of the IWI program on existing over-stretched resources. These concerns, not isolated to Indonesia Post, have helped to shape the governance structure of the program such that it requires very little resources of DFAT. For example, the “hub” or “facility” will carry enough resources to ensure it takes on management and reporting requirements that might otherwise rest with a DFAT officer. In addition, the business coalitions can be largely self-managed with support from the regional facility in reporting and event management for diplomacy.

BANGKOK AIDE MEMOIRE

Although not a target country for this investment, the IWI Design Team held a series of meetings in Bangkok with UN agencies and multi-laterals, Bangkok Post, NGOs, and with a number of Impact Investors. USAID hosted a 1.5 day Gender Lens Investing Forum that team members attended, taking the opportunity to hold meetings on the side lines with various attendees. Most of the meetings centred on Impact Investing and SMEs, and this report reflects that balance.

Component 1: Business Partnerships

The concept of developing both country level business coalitions, and a regional business coalition, was discussed with agencies and generally welcomed. Thailand is ranks second in the world for the number of women CEOs, and it was generally perceived that a business coalition in Thailand would work.

The Australian Embassy in Bangkok felt that the regional business coalition would be better housed in Bangkok than in Singapore because: Thailand sees itself as a leader in the social enterprises space and in women's empowerment; has a good track record for women in business (including at senior levels); and would be active advocates for inclusive business. As well, Bangkok is the regional hub for many key UN agencies. Other key factors include:

- The idea of establishing the Business Coalition as a Foundation was well received although it was noted that a law firm would be needed to set it up if Bangkok were the location.
- The stock exchange is an avenue for business connections, as are business chambers of commerce and institutes of directors.
- There is a regional CSR business group and they are looking at ways to improve how CSR is used. Moving away from the typical CSR charity and towards more sustainable change.
- Australian companies like access to the Australian Embassy and Ambassadors and this is a key incentive for them to be involved in the business coalitions.

IWI Team met with ADB (the meeting took place in the Philippines but given its regional focus is reported here). ADB is working on an "Inclusive Business" program with large companies to build markets and products for low income people, and/or improve the ability of the value chain to address issues of poverty or marginalisation. ADB has invested in 11 companies that have signed up to an Inclusive Business strategy. The investments (loans) are co-financed by companies 50/50 and ADB invests between USD \$5m and 35m.

In support of the Inclusive Business agenda, ADB is trying to promote a better enabling environment by using an accreditation system for inclusive business. This initiative sees ADB work with government investment boards to develop an accreditation for Inclusive Business, and offer that accreditation to best practice companies. Criteria is sector based and established in a partnership between the government and business associations in each sector. Accreditation is for the business unit (not their entire business) and will be audited (but don't know yet how often), to maintain it. The benefits that flow to the company from receiving a government accreditation can be significant, particularly for market entry and bank financing. It can be useful in negotiating licenses with local governments. It is operational in Philippines, soon to be operational in Indonesia, and is starting up in Vietnam and Myanmar.

The Inclusive Business accreditation could include gender components although none have been flagged so far. The ADB suggested that IWI may want to support this project and bring to the accreditation a gender lens. According to the adviser we spoke with, working with SMEs has limited systemic impact. Impact investors are 70-80% focused on environmental impacts and not focused on the people side. He also argues that most impact investments are not in South East Asia but rather in Africa and South Asia.

The **Meeting with OXFAM** was mostly focused on Impact Investing but we also noted that Oxfam has been working with large companies operating throughout South East Asia, to improve their practices. OXFAM argue that targeting multi-national corporations is limiting and domestic companies are the ones that need to be targeted. OXFAM also engage with governments on business regulation issues. They do this by partnering with large companies that can be champions for regulatory reform and create a race to the top. OXFAM uses ethical screening and risk assessment for its investments. Ethical screening can be done by partners (e.g. CSIP in Vietnam) at country level. When working with large companies, intentionality matters a lot.

UNWOMEN in Bangkok provided feedback on the business partnerships. They noted that the coalitions should include supply chains and should also include the banking sector. The regional coalition could link with the UN Global Compact and the Women's Empowerment Principles because these international company commitments lack signatories from around Asia. The Compact convenes at international and regional levels but not yet at country level. IWI could work with the signatories on implementing the substantive changes that they have signed up to but are not necessarily implementing. The sector lacks comparative analytics regarding business effectiveness as an employer of women. IWI could use a system of rankings to get business to compete with each other. An entry point may be the chambers of commerce.

Meeting with ILO: ILO works with large companies that want to improve their practices such that they reflect the ILO international standards. They use a system of assessments and diagnostics that incorporate gender. Although they do not do accreditation themselves, they do assessments against the standards. There are two accreditation systems in place that they are aware of, one from the World Economic Forum. In addition, there are two different ISO (International Standards Organisation) types of accreditation that include gender audits, one is the CSR (Corporate Social Responsibility) standards. ILO will send to us their gender audit tools.

ILO provide training and advice to big businesses on a cost sharing basis. They prefer to work with groups of companies rather than a single company, or with employer groups such as chambers of commerce. They do not make workplace gender audits public because they want a good relationship with the companies on an ongoing basis. The note that a series of audits that can track improvements in gender equality can also deliver evidence of the business case for gender equity so long as the baselines are in place. In their experience, CEO leadership is the key to successful workplace reform. ILO in Geneva has a network for business and human rights that IWI should connect with, this could be a good way to locate businesses for the coalitions in the region. Multi-national corporations (MNCs) are not yet connected with the local business environments and networks in Asia, ILO finds that they tend to operate separately. The coalition should therefore include MNCs and domestic companies to help generate greater connections.

Meeting with Heather Suksem OBE – CEO OCS South, SE Asia and Middle East: Heather was active on the HIV/AIDS Business Coalition in Thailand and is interested in helping to establish a regional

business coalition for workplace gender equity. OCS is one of the world's largest facility management companies (primarily facility maintenance) with a strong presence in South East Asia. With its key businesses being security and office cleaning, it has a strong focus on ensuring its male staff are not perpetrators of violence, and its female staff are not victims of violence in the workplace. OCS has 26,000 employees in Thailand, 22,000 in India, 1000 in Vietnam. The next two markets it will open are Myanmar and the Philippines.

Component 2: Women's Enterprise Development

Note: The Bangkok leg of the Mission was very focussed on Impact Investing for women led SMEs and therefore this section contains a comprehensive set of notes on Impact Investing.

Meeting with OXFAM re GRAISEA (see GRAISEA design document). OXFAM has received some funding from donors for implementation of the GRAISEA program and has pitched the program to DFAT seeking its financial support. Through GRAISEA (Gender Transformative and Responsible Agribusiness Investments in South East Asia), OXFAM intends to address a number of the weakness in the current Impact Investing eco-system. GRAISEA will: build women's SME business management skills through incubators; raise funds through investors; provide credit guarantees with a bank; provide marketing support to SMEs; and work with ASEAN to advocate for women SMEs. The Oxfam SME 2009 report "The Missing Middle" showed that both financial and non-financial services are required to assist women SMEs to grow. OXFAM notes that multi-national corporations find it increasingly difficult to secure quality value chains that meet their standards in terms of OHS, and pay and conditions.

OXFAM advised the IWI Design Team to include a demonstration approach that will show investors that investing in women reduces financial risk and increases financial returns. If you demonstrate the financial case the investments will follow (although this point has been challenged by others who say that investors are inherently risk adverse no matter what the evidence). An example of a successful OXFAM approach includes work in Guatemala where OXFAM worked with the Bank of America to provide a letter of credit to the Bank of Guatemala to secure SME loans; they have done USD \$1.2m of guarantees to date.

In Vietnam, OXFAM operate an Impact Investing arm through Oxfam Enterprises named On-Impact. They work with CSIP (an NGO incubator discussed in the Vietnam Aide Memoire), who provide incubation and acceleration services. They also operate SEIIF which is a fund of funds. They see a big gap in helping get SMEs investment ready and advise IWI that there is a need to build the SME pipeline. They are developing an incubator to help grow SMEs, offer financing to SMEs, build networks of women entrepreneurs, and provide mentoring. They are also in the process of working with IIX to design a credit guarantee facility for SMEs emerging from the pipeline.

Oxfam advised that SME business development projects do not recruit people with the right skills to manage the investments and therefore they fail. They have tended to re-badge their existing development staff rather than employ real entrepreneurs, financiers and the like.

Gender Lens Investing Adviser to USAID, Joy Anderson, has a background in investment fund management. She brought two ideas to the IWI Design team. Option One is to work with impact investors in the region, over a 2 year period, to introduce them to gender lens investing. The impact investors are in their infancy and are struggling with how to make good investments. Joy argues that

they would welcome the placement of trained technical advisers in their ranks to learn how to do gender lens investing. This would help impact investors to define and improve their "impact" profile, invest in more women SMEs, and demonstrate to others how it can be done successfully. This option would enable good data to be gathered on the success of gender lens investing but needs a 5-7 year M&E timeframe.

Option two is to invest in the GREAT Women "Peace and Equity Holdings" project of the Philippines. This model is in the process of development. A group of women entrepreneurs currently managing successful SMEs have come together to form a joint venture and holding company. They seek investments from bank and investment houses and they themselves manage the investments in SMEs. In other words, they become the investment house and fund managers. They provide technical assistance and mentoring to women led SMEs that they invest in, as well as networks and market access. GREAT Women will operate in the textile sector and is an innovative impact investing model that IWI may seek to support.

Meeting with Lotus Impact. Lotus Impacts is a Ho Chi Minh based Impact Investing firm that is being incubated within Vina Capital – a large Vietnamese financing company. This enables Lotus Impact to take some risks that other investors may find too difficult. Lotus aims to raise a fund of \$50M to invest in small and medium social enterprises in South East Asia, and has raised between 10m and 15m to date from US based high net worth individuals. Lotus aims for SME investments of USD \$0.5M - \$5M and takes equity or convertible debt (loans that can be converted into equity) as appropriate. Lotus has completed three deals to date (having assessed 200 proposals), totalling USD \$1.45M. They have five staff dedicated to finding and building a pipeline. Like other fund managers, they cite building the pipeline as the key challenge. The CEO of Lotus Impact believes the best way DFAT can help him grow his business is to fund a market assessment (cost \$100-\$150K) and provide risk guarantees to help leverage further family trust investment.

Meeting with UNCDF regarding their SHIFT program. UNCDF focuses on barriers to economic growth for small and medium sized companies in the Least Developed Countries in the region (Cambodia, Laos, Myanmar, and Vietnam). They also leverage knowledge for cross-border work. The SHIFT program hopes to work with financial service providers such as banks and investors to get them to reach further down to SMEs, currently they only look at larger enterprises. The IWI Design Team has found a similar trend, that banks and impact investors are not reaching very far down the SME size scale and therefore many women led SMEs are not in their line of sight.

SHIFT want to connect women entrepreneurs with each other for peer to peer learning. They also plan to create a top-tier group of influential people, such as bank CEOs, for women's financial leadership. They have evidence that shows that women led banks have a better women's rights profile. UNCDF already has some CEOs interested in such a collaboration, Bank Niagra in Indonesia for example. UNCDF see themselves as a facilitator, bringing together the CEOs for dialogue and constructive ideas.

The UNCDF would like IWI to invest in incubators and accelerators, with the SHIFT program providing the financing. Banks and multi-lateral financial institutions could refer SMEs to the IWI incubator / accelerator program and then graduate them SHIFT program financing. UNCDF can provide SMEs with grants, subordinated debt, or loans.

An alternative put forward by UNCDF is for IWI to work closely with a bank or an organisation that delivers loan guarantees. There are three types of loan guarantees: first loss approach (although this

could crowd in mezzanine funding which should be avoided); funds as a deposit on a loan and draw down on it later; use a credit agency to provide the guarantees. UNCDF advised us to attach ourselves to part of the eco-system by selecting the eco-system agents we want to work to strengthen. This would avoid the problem of development projects displacing aspects of the system.

Meeting with IIX and Shujog: Durreen Shahnaz, Founder and Chairwoman, and Natasha Garcha, Business Development and Partnerships. Durreen has a career background in investment banking and in social enterprises. Her career was informed by her experiences of being a Bangladeshi women. She sees aid for development as limiting, arguing it needs to be more ambitious and borderless and needs to bring private finance into the development equation. IIX is an example of how to use finance to bring the private sector into sustainable development.

IIX has three investment platforms. The first is the impact investing stock exchange in Mauritius. It is the first such stock market for impact investing in the world and took five years to set up. A women's livelihood bond issuance was the first thing to go up on the stock exchange. Rockefeller foundation and standard charter are supporting it.

The second platform is an intermediary organisation that brings philanthropists to the SMEs. IIX work with social enterprises in Asia and get them investment ready and put them in front of the investors. They also bring in the investors and have about 400 investors who are all high net worth individuals. Another 100 investors were interested but they will not sign the agreement that includes a clause on not pushing for mission drift in SMEs (the IWI Design Team has found that Impact Investors can become very dominant over the SMEs they invest in, including wanting mission drift to enable growth). In Asia, there are 3.4m high net worth individuals (people with over USD \$50m in assets).

IIX brings together a number of investors for one deal. For example, an investment of USD 500,000 may have 10 investors behind it. IIX have closed 16 deals on this platform, with investment sized between USD \$0.5m and USD \$1m. IIX act as broker and therefore do not actually have a fund they manage – this is the intermediary approach (similar to UNITUS). IIX is currently making the platform more technology driven by using an online approach (like crowd funding but for member investors). The new platform is more transparent and enables investors to choose investments. Usually investors get 6-8% returns but sometimes it can be 30%. Unlike some Impact Investors, IIX does not push the company to grow at rates that are risky for the company, or faster than they are comfortable with. Most investments are 15-20% convertible equity. The exit strategy is to sell the equity back to the SME or to new investors.

Durreen was not impressed with the current batch of Impact Investors trying to operate in Asia. She said that LGTVP looked at 400 deals and invested in one (this was confirmed by LGTVP in our meeting with them). She claims they are too rigorous and are more conservative and risk averse than most investment houses.

The third Platform is to get the businesses investment ready through Shujog, and this feeds the IIX investment pipeline. Shujog is an accelerator that helps SMEs to become investment ready. Many SMEs do grow but do not go on to receive investment financing, often through their own choice. Shujog have so far identified about 300 SMEs and from this number generated a shortlist of 40 for the IIX investment platform, (the IWI Design Team notes that this is a much higher success rate than other Impact Investors who make one or two deals from an initial list of 300). Shujog spend at most USD 20,000 to get the businesses investment ready (as opposed to other Impact Investors who were

seeking USD 100-200,000 to get SMEs in their pipeline investment ready). In addition to their existing accelerator work, they intend to open in Indonesia and Bangladesh, Timor Leste, and in Sri Lanka with Oxfam.

Shujog are now introducing a new revolving fund model to supply accelerator type services to SMEs. They have started with a pot of money from Rockefeller, JP Morgan, and USAID PACE funds. Once a SME is identified as investor potential, they look for technical assistance providers to assist in getting them investment ready. Shujog does a three way contract between the technical assistance provider, Shujog, and the SME. Shujog provide a (loan) working capital extension to the technical assistance provider. The technical assistance provider will work with the SME to get it investment ready. The SME will pay the technical assistance provider when it gets an investment, and then the technical assistance provider pays back Shujog.

IIX is designing a new loan guarantee facility, funded by SIDA, (Sweden International Development Agency) and Oxfam. SIDA will fund Oxfam accelerators to work with SMEs to get them investment ready, and fund a loan guarantee to help the SME obtain financing. The facility will provide for up to 50% of an investment under guarantee. Banks will ear-mark the guarantee on their balance sheets. Investors pay a premium (like an insurance premium) to get the guarantee. This model triggers a lot of investment, it will leverage 100-200m in investments. It helps bring scale. If IWI were interested in this model we can speak further with IIX, they suggest that we work with a probability of 20% loss on guarantees and focus on investment at the USD \$500,000 to 750, 000 amount.

Meeting with WOCA:- Jeanette Gurung and Maria Lee. WOCAN (Women Organising for Change in Agriculture and Natural Resource Management), is undertaking pilot work that seeks to incentivise companies that operate in developing countries to do good gender work, whilst at the same time increasing poor women's income. Their pilot is incentivising companies to produce affordable goods and services for the poor, through the use of an accreditation system that is monetised, providing funds to the company and to the women in villages where they sell their products or services. They have developed a method to measure women's economic contribution to the village that is usually unpaid, and a system of metrics to measure the savings made through the introduction of new goods and services, converting the savings into units that can be monetised. They then sell the units through an open web based platform. Half of the money raised goes to the company that introduced the goods and/or services and half goes directly to the women that benefited from the scheme. For more details please see their website: <http://www.wocan.org/>.

Meeting with Indigo Social Finance: Kaylene Alvarez and Amanda Lonsdale have a background in investment banking, debt structuring and risk management to financial institutions. They have recently relocated to SE Asia to establish Indigo Social Finance. Indigo's aim is to provide funds by way of primary debt (i.e. loans) to MSMEs in the ethical textile and fashion supply chain. They picked textiles and clothing as an area of focus as it is a large employer; has a number of social impact possibilities in terms of ethical practice, environmental sustainability and gender equity; and often has large Western retailers at the end of the supply chain. They are yet to do a deal or set up an office in SE Asia. They have offered consulting services to IWI to help in its direction setting and establishment.

Meeting with UNWOMEN: UNWOMEN provided useful feedback on component two as follows:

- Governments in the region are insecure or nervous about the growth of impact investors (and investors generally) because the banks complain that lending is their area of work - banks see it as their own space even though they are not servicing the SME sector very well.
- Suggest that returning migrant workers may be a good target for SME support. There are returning migrant workers groups and numerous categories of skilled workers (later in the consultations it was noted that returning migrant workers do not necessarily possess the skills or motivation to become entrepreneurs or business owners).
- Supported the idea of offsetting loans with a guarantee.
- In reviewing the idea of helping micro-enterprises grow and graduate to become SMEs they argued that the population of women led micro enterprises are very different from the population of women led SMEs space – they are not the same women.
- Male networks and the cultural norms that support their value chains are strong and women do not have access to them.

They noted that the SME definition used in developed countries does not apply in developing countries. SMEs in developed countries are generally larger with more capital and more staff. SMEs in Asia are much smaller with entry level loans at USD \$20,000 and a loan average at USD 50,000 to 100,000.

Meeting with The Asia Foundation (TAF): TAF is currently looking at barriers to women's entrepreneurship with a focus on trade. Their research indicates that connections, confidence and finance are the three top needs for women entrepreneurs. Their analysis suggest that surveys often find that the biggest gap for SMEs is access to finance but surveys do not dig deeper to get behind this question and answer. They argue access to finance is too simplistic, the story is more complex and we need to look deeper. They have found the following:

- Women in SME networks perceive they will grow in the future, but women not in networks are less optimistic.
- Women join business associations less often than men except in Indonesia where there are many associations for women.
- There is a correlation between the size of the business and access to a mentor.
- Access to technology is lacking - except in Indonesia.
- Women tend to hire more women.

The definition of “Impact” can be very broad. It can start at the lowest level of “do no harm to the environment and have no harmful social impact”, or it can include the achievement of social goals – such as the case with many social enterprises which are defined by setting out to do socially beneficial work. Eco-Store in Philippines is a good social enterprise model and they would be interested in duplicating the model regionally.

The Asia Foundation has observed that higher rates of SME growth come with a mix of support services. IWI could add-value by supporting the pipeline for investors and/or consider giving credit guarantees and developing women networks to support SME growth. The Asia Foundation created women's business associations at national and local levels and women's information business hotlines with calls subsidised by the bank. Crowd-funding through an NGO or bank is another options (e.g. the KIVA model).

SOW is a TAF program started in Cambodia and is now operating throughout SEA. It links women entrepreneurs across countries using face-book. They use the site to help each other with Q&A support, tips and advice. The face-book page has 300,000 members.

Meeting with UNITUS: (although not in Bangkok this meeting fits within the discussion on impact investing and is therefore noted in this narrative). Unitus incorporates Unitus Capital (UC) and the recently established Unitus Impact (UI):

- Unitus Capital is an "intermediary" organisation (similar to IIX), in that it matches investors to businesses rather than manages funds.
- Unitus Impact is a "fund" in that it collects a finite amount of money from investors and then aims to provide them an acceptable return over a fixed period, usually ten years.
- There is no specific gender lens yet but they note that a lot of SMEs are run by women.

Unitus Capital has been operational since 2008 and have brokered 64 investments in India, Indonesia, Philippines, China and Australia – both debt and equity – worth over USD \$1b. Headquartered in Bangalore and with representation in US and Sydney, they have a team of 20 and offer a range of investment banking services to facilitate SME access to venture and growth capital, and to enable investment by investors that are seeking social, environmental and financial impact.

Unitus Impact has been established since 2011 and undertaken five investments as demonstration (or “proof of concept”) investments that help it attract further investors. Their aim is to invest in scalable supply chain and distribution companies that increase incomes and improve the livelihoods of the working poor. They use a deal-by-deal investment approach – tailoring deals to the needs of the business (note – this is useful for women led SMEs). All five investment companies continue to grow and have raised or are currently raising follow-on financing. (Note: Unitus, like IIX, want broad based growth, in other words they want as many of their companies to keep growing as possible and are not seeking one in ten to grow hugely to pay for the ones that do not grow or collapse). They are now raising a \$30 million fund to invest in 12 to 15 innovative companies in SE Asia and India.

Meeting with John Simon regarding Total Impact Capital (held in Canberra but relevant to this section and therefore reported here). John is Managing Partner of Total Impact Capital (TIC), an investment (or merchant) bank that now specializes in sourcing and developing private investment opportunities that are both socially and financially attractive. It also consults to governments and non-profits on how to make innovative, sustainable investments. TIC sources of capital include venture capital, private equity and impact debt as well as public and philanthropic funds. TIC is primarily focused on sourcing and distributing global investments and will provide debt or equity as appropriate. It looks to invest between USD \$0.5M and \$5M per project, but in time could invest more. Most of the investments have been in sub – Saharan Africa, a region John knows well as a past US Ambassador to the African Union. John defined 3 levels of “social capital”:

- 1) Socially responsible investment which aims not to have any negative effects;
- 2) Social venture capital which is focused on supporting not for profits;
- 3) Impact investing which is any investment that has greater than zero percent return and has a quantifiable social impact.

John agreed SME’s are the right target for IWI because microenterprises are not focused on growth in the way SME’s are. John notes that women led businesses that have good growth potential are

not likely to be start-ups but already existing businesses. IWI should use an existing vehicle rather than set up a new one. The program should invest through these existing establishments but offer criteria based on gender and IWI could support this with technical assistance. John suggested that we do not partner with just one investment vehicle but look at a number of funds. Added value would be demonstrated by the number of deals done (that otherwise would not have been), and we should not be too prescriptive in what reporting we want. The other, less preferable, option is to provide a loan guarantee to banks but we might find that banks do not need it and the guarantee will never be used. However a guarantee will be likely to push an investor to move forward in the gender space.

In reply to a question about on-line funding platforms, John spoke about MYC4, a TIC investment. MYC4 has a data engine to work in microfinance. This fills a gap where microfinance cannot loan enough funds so MYC4 can be used to cover the shortfall and anyone can provide the loan. The interest rate is auctioned off and the lowest rate on offer will provide the loan. This all happens in real time and online. MYC4 is run out of Denmark but provides loans in Africa. There is some currency risk as loans are provided in local currency, but MYC4 is looking at ways to hedge the risk. It has found there are a lot of relatively risk free loans that don't get funded.

NAB Impact Investment Readiness Fund (this initiative is highlighted here as an option however there has been no consultation regarding the Fund). The NAB Impact Investment Readiness Fund is a new AUD \$1 million fund established to provide mission-driven organisations with targeted advice and support to help them secure investment for scaling up their social or environmental impact. Opening on the 10th March 2015, the Fund will offer grants of up to \$100,000 for not-for-profit organisations and social enterprises to purchase specialised capacity building support from providers such as advisory, financial, intermediary or legal services. The Fund is a partnership between NAB and Impact Investing Australia and has been designed in consultation with The Difference Incubator. The IWI Design Team has considered an option to provide SMEs with grants for specific TA through accelerator services – a similar model to the NAB model.

Component 3: Government Partnerships

Note: Given the focus on impact investing for the Bangkok trip, components one and three were less discussed.

Most people we spoke with were supportive of the idea of advocacy and campaigns to raise awareness of the way in which gender norms impact on women's economic empowerment (and empowerment more generally), from the national through to the household level. It is widely agreed that there are strong normative links between social, economic and political empowerment and these need to be addressed. There was an indication that there were private sector companies within the region that would be willing to support advocacy and campaign efforts to address issues of the double burden women face in in the workplace and in the home, sexual harassment at work in public, and other broad gender issues that impact women's economic empowerment.

Nearly all people interviewed reiterated the need to work at country level because of the very different environments in each country. The same methods to achieve IWI outcomes will not translate across countries. In Philippines and Indonesia, the regulatory environments tend to be supportive of women's economic empowerment however it is implementation that is lacking. For

example, in spite of banking regulations that encourage SME and gender lens investing, banks are not taking up the opportunities to open up this market. In Myanmar, the regulatory environment remains in transition from a centrally controlled market. There are numerous donor investments to build the right regulatory framework in Myanmar, however there is a distinct lack of attention to applying a gender lens to the work currently being undertaken. There is a general sense that the work comes first and gender lens comes later. In Vietnam, the regulatory environment tends to stifle SME investment and the DFTA funded RCV program is working on this, albeit without a gender lens.

UNWomen feedback on C3: UNWomen argued that IWI needs to work bilaterally to change regulations and legislation, not regionally. They suggest working through established programs to add a gender lens, focusing on economic governance programs. IWI could also offer a panel of gender experts that programs could utilise.

Governance

Bangkok Post advised that the IWI inception phase needs to be long, many programs make the mistake of not having a long enough inception phase. This is especially true for regional programs with country level activities. They would prefer ten year designs with a modular style approach that enables countries to opt-in.

It is critical to get country level buy-in from posts - if it exists outside of the posts then they won't own it. A way to get buy-in is to adopt the Australia-Mekong NGO Engagement Program (AMNEP) model. The program is managed by an A-based officer located in the regional team, who works with bilateral sector and program teams to identify opportunities and an AMNEP workplan per post. A team based in Hanoi supports the relationship and policy work with administrative and events management support, through a managing contractor. This enables policy and research and events to be embedded within Embassies - with a single diplomat as lead in each country. Another model is the AAPTIP model that has a regional centre in Bangkok and staff in each target country. As well, the AAPTIP program pays for a posted officer to manage it – within the Embassy but paid for out of administered budget.

PHILIPPINES AIDE MEMOIRE

Country Overview

The Philippines is among the dynamically emerging markets in the region with annual growth averaging 5% since 2002, significantly higher than the rate achieved in the two decades previous. However, there are wide disparities in income and quality of life across regions and sectors in the Philippines. While the country is abundant in natural resources, environmental assets remain unavailable to poor groups owing to exclusion, insecure land tenure, lack of access to technologies and degraded resources. The number of people living in poverty is high, at 26.5 percent of the population living below the poverty line (including 10 million women).

The Philippines is often cited as a country exemplar of women's economic empowerment. For example, in the World Economic Forum's Global Gender Gap Report 2013, the Philippines ranked 5th out of 136 countries, making it the only Asian country to enter in the top ten since 2006. In the ILO 2013 global report "Women in Business and Management", Philippines ranked fourth (47.6%) for women's percentage share of all managers, 37.7% of firms had a female as a top manager, and gendered wage gaps are low.

However, other indicators provide a more mixed picture. In the Women's Economic Opportunity rankings released by the Economist Intelligence Unit (EIU) in 2012, the Philippines scored 50.3 points which placed the country in 74th rank out of 128 countries. The 2013 Human Development Report ranked the Philippines' Human Development Index (HDI) 114th out of 186 countries.

The Philippines has a strong legal and policy framework for the protection and promotion of women's rights. In August 2009, the government passed ground breaking legislation—the Magna Carta of Women. The Magna Carta, based on the Convention on the Elimination of All Forms of Discrimination against Women, defines gender discrimination, sets forth the state's obligations towards substantive equality, introduces special temporary measures within legislation to produce equality, and outlines provisions for implementing these principles. Other important legislation for gender equality that have been passed in the Philippines includes Women in Development and Nation Building, 1992; Migrant Workers and Overseas Filipino Act, 1995; Anti Sexual Harassment Act, 1995; Anti Rape Law, 1997; Anti-Trafficking in Persons Act, 2003; and Anti Violence Against Women and Children Act, 2004. In 1992, the government passed the Gender and Development Budget Policy, which mandates that the budget of all national and local government agencies must dedicate at least 5% for gender and development programs.

Despite the relatively strong regulatory environment in the Philippines for women's rights and advancing gender equity, challenges remain in implementation and enforcement. Further advances in gender equality will require effective implementation of legislation relating to child care and women's economic inclusion, such as the agrarian reform law. A key challenge for the Philippines into the future will be to increase its competitiveness, especially in view of the ASEAN Economic Community (AEC). There is concern that Filipino businesses will struggle to attract and retain a skilled workforce as opportunities in other ASEAN countries become more accessible with free movement of labour.

There was a sense amongst many of the stakeholders we consulted that gender inequality was not a significant priority in the private and public sector and most viewed government regulation, laws and policies were sufficient to advance the status of women, and that this was reflected in the prominence of women in the professional workforce. However, when discussion focused in on specific issues it became evident that there exists a female burden of domestic work, lack of collateral to access finance, and specific vulnerabilities for female casual and overseas workers.

The concept of “inclusive business” is gaining traction in the Philippines and is on the agenda of some of the larger multinational companies and large national companies as reported by the ADB and Philippine Business for Social Progress (PBSP). Inclusive business aims to develop commercially viable business models that engage the poor in their business operations in a way that benefits low-income communities and creates sustainable livelihoods. Inclusive businesses may engage low-income communities through, among other things, directly employing low-income people; targeting development of suppliers and service providers from low-income communities; or providing affordable goods and services targeted at low-income communities. The ADB is active in this space in the Philippines and is providing loans to Inclusive Businesses and is also developing a related accreditation system (as described above). Inserting gender equality more prominently within this agenda is a clear opportunity for IWI.

Component 1 – Business Partnerships

Background

Women’s workforce participation in Philippines is comparatively low for the region. The labour participation rate for women is an estimated 49.9% compared with 78.1% for men, with a total estimated labour force participation rate of 64.4%. 26.7 million people in the working population are in vulnerable employment, of which men and women share a fairly equal proportion (males = 13.06 million, females = 13.6 million) (ILOSTAT). The government estimates that nearly 50% of overseas Filipino workers are women, but they contributed only about 30% of total remittances, indicating that they are mostly in unskilled, low-paying jobs (ADB).

The Philippine Government, through the Department of Labour and Employment, oversees a system of accreditation award for businesses that meet standards in gender equality in the workplace. Receipt of this award brings recognition and status to the companies and is reportedly sought after. The Employers Federation of the Philippines also awards companies meeting standards in gender equality. These standards/ awards should provide a good starting point of national relevance for IWI’s work on promoting gender equality in the workplace.

There is a vibrant private sector in the Philippines and an existing culture of philanthropy and social responsibility among some of the larger corporations and wealthy individuals and families. In addition, the trend towards an inclusive business agenda is shifting CSR practice away from donations to charitable causes and towards inclusive business models that reach out to marginalised communities to include them in markets.

Findings

In response to the emerging IWI proposal that a business coalition be established in the Philippines, a number of interviewees suggested that there already existed several networks that could provide a good entry point (for example, PBSP, Makati Business Club, Women’s Business Council, ANZCHAM).

They also argued that there was no real need to focus on women's economic empowerment because businesses were already representative of women.

Meeting with PBSP (Philippines Business for Social Progress): PBSP is a non-profit organization established by a group of 50 large international and national companies to pursue inclusive business strategies. Their aim is to make the benefits of business be felt by an increasingly larger constituency through inclusive business practices that encourage new enterprises, greater access to capital, greater synergies leading to self-reliance and transparency. Currently, this agenda does not have a clear gender strategy or lens. From its preliminary assessment, the IWI Design Team identified PBSP as a potential suitable partner for the Business Coalition given its high profile members and reputation, and there is interest from PBSP to do this. This approach is consistent with the general finding that a suitable entry point for pursuing gender equality in the workplace in the Philippines is through business priorities rather than as a standalone initiative, given the relatively advanced positioning of women in the workplace.

Meeting with the ILO: Regulation and inspection of works standards, including workers' rights, in Philippine's Export Processing Zones (EPZs) is a challenge area. The Dept of Labour and Employment does not have the authority to carry out site inspections or audits in these zones. Subsequently, there are concerns about breaches or workers' rights, including freedom of association, exploitation and sexual harassment. Whilst these industries are probably priority areas in terms of raising awareness and standards for workers, including women, it appears it would be quite difficult for the IWI to engage with companies in EPZs directly but could pursue engagement through the Business Coalition.

Business Processing Outsourcing (BPOs) is another major employer in the Philippines and involves national and international companies including Australian companies such as Telstra and Macquarie Bank (as reported by Austrade, ANZCHAM, and ILO). Engaging this sector in the Business Coalitions has the potential to reach large number of female employees.

Austrade advised on the need for any proposed Business Coalition to understand and appreciate the business structures in the Philippines, which includes dominance in ownership by about 20 families. For the Business Coalitions to achieve real impact and change, engaging one of these major families and their group of companies, such as the Ayala Group, will be powerful but require careful management.

Component 2: Women Enterprise Development

Background

MSMEs play a crucial role in the Philippines' economy, representing 99.6% of all registered businesses. MSMEs account for 32% of GDP in the Philippines and employ almost 70% of the workforce. According to the 2008 Department of Trade and Industry survey, there are 758,436 micro, small, and medium enterprises (MSMEs): 91.9% (697,077) are microenterprises; 7.7% (58,292) are small enterprises; and 0.4% (3,067) are medium enterprises. Based on the 2008 National Statistics Office data, MSMEs accounted for 3.4 million jobs in the Philippines.

In the Philippines, opportunities for starting businesses exist for both men and women as evidenced by the greater percent of nascent businesses and women's high level of entrepreneurial activity. The

2006 Philippine survey on entrepreneurship conducted by the Global Economic Monitor found that Filipino women own 45% of business enterprises, these are generally nascent businesses (69%), while men more often own established businesses (66%). For credit and capital, women turn to government financial institutions, rural banks, non-government agencies and microfinance institutions as major sources of microcredit or microfinance loans.

Despite these trends and enabling mechanisms, there remains an under-representation in the numbers of women entrepreneurs among established businesses, suggesting a set of factors that limit women when it comes to managing and operating a business. Researchers have found that while women play a strong role in starting a business, family responsibilities put time constraints on the amount of time they can put into their businesses. Furthermore, social services available to working women were generally insufficient. As such, women are typically found in activities that permit them to balance family responsibilities with income generating activities such as retail trade, food preparation or home-based piecework. In particular, younger women with small children tend to start businesses that allow them to remain close to their home.

Approximately 70% of SMEs are partly owned by women and a little over 20% of the SME market has access to formal financial institutions. Although banks are liquid they are conservative in taking risks. Also, regulations ensure there is not too much risk-taking behaviour by the banks. Although the SME market is untapped; risks still remain.

Access to finance remains a significant challenge for small sized enterprises (the missing middle), though less so for micro and larger business. Common barriers include lack of collateral, underdeveloped business plans, and lack of skills necessary to grow businesses. The literature and consultations also suggest that financial institutions in the Philippines are extremely risk adverse when lending to SMEs and it is difficult for SMEs to meet eligibility requirements.

Findings

The Design Team was not able to meet with an impact investment community for SMEs in the Philippines. This reflects the very small number that are operating in the region and time constraints for the country mission. The IWI Design Team did meet with a number groups (including IFC) that are working with major banks in the Philippines to improve their lending services to SMEs, including women's SMEs. For example, Pacita Yuan from the GREAT Women Project/ Women's Business Council has been involved in setting up a new women's service within the Development Bank of the Philippines called "Inclusive Lending for Inspiring Women" (ILAW). The initiative is designed to encourage female small business owners to take out loans from between 1 and 10,000 million pesos. Uptake has not been high to date, suggesting that the bank has not changed its lending practices and risk assessments to sufficiently meet the women's market.

Pacita Yuan has also been involved in setting up "Peace & Equity Holdings" – this is an impact investing firm with funds available to invest in social enterprises (10-20 million pesos). Currently the fund covers five commodities and aims to develop the value chains of these commodities. It focuses on start-up, expansion of businesses, and also prospecting of existing businesses for future investment. There is interest in developing a gender lens to these investment models.

The IFC is working with the Philippine Rizal Commercial Banking Corps (RCBC) on a regional initiative to promote SME lending to women customers by tailoring services and products. IFC has supported

product development and the initiative also provides support for networking and business development services.

IFC offers a loan guarantee of 50% to banks to loan to larger SMEs but the uptake by banks is weak. They are still risk averse and they find the assessment process too onerous – preferring to deal in larger loans. The government also provides guarantees but they are not taken up.

The IFC described some of the challenges within the Philippines banking sector. Access to capital is a big issue in Philippines and is a function of the enabling environment. In Philippines it is very difficult to enforce your rights as a lender, laws are pro-borrower. They are currently in the process of putting in place a central credit bureau. There are pocket credit information systems but these are not reliable. Transparency laws are strong but their implementation is weak and banks may choose not to give information. IFC is also trying to make it more acceptable to lenders to accept moveable collateral. This is moving slowly because there are more parties to deal with. This later issue is more administrative than legal.

There are well established micro-credit facilities in the Philippines, such as CARD, the largest micro-finance company in the Philippines with 2 million customers. IFC has helped CARD set up an SME financing platform for graduating micro-enterprises to small enterprises and is working with CARD to develop a loan offering in the small enterprise market to service SMEs. IWI could consider working with CARD and IFC on further tailoring services and products to women SMEs.

ANZCHAM is establishing a women in business committee to look at networking opportunities, promoting women's business, and doing policy and advocacy work.

Given the relative scarcity of impact investing in the Philippines but a fertile women's SME market, the IWI design should consider orientating its engagement under Component 2 to traditional financing institutions where there is existing opportunities to increase the access to preferred finance options for women SMEs. This could include working with CARD/ IFC to expand its lending services to cover small enterprises; work with IFC/ RSBC and/or DBP to develop women's SME services and products; and working with Pacita Yuan and the Development Bank of the Philippines on the Inclusive Lending for Inspiring Women initiative. These partnerships could also work with Global Banking Alliance for Women and provide scope to engage Australian banks such as ANZ and Westpac.

The Design Team met with several government units/agencies from the Department of Trade and Industry involved in the development and promotion of SMEs in the Philippines. The government considers major barriers for women SMEs to be access to finance, business skills including confidence, and business competitiveness. It sees opportunities for growth in product innovation and development. Priorities for government are developing SMEs in disaster prone areas, high poverty incidence areas and rural areas. Services and training are provided for export oriented businesses. Training includes specific issues of compliance for export market, ASEAN-AEC requirements, mentoring, competitiveness and compliance with international market, negotiation and marketing skills, organisational development and systems, quality standards and requirements of the market.

Component 3: Government Partnerships

As highlighted above, the legal and regulatory framework for women's rights in the Philippines is generally strong, though challenges remain in implementation. Constraints to divorce cause problems with property title and credit applications. Recent passing of the Reproductive Health Law will hopefully enable much needed family planning services through government clinics which should have positive impact on women's economic empowerment. The ease of doing business in the Philippines is low, and there are often complicated processes for registering business and bank accounts. Lack of competition between banks has led banks to a poor customer service focus.

Despite a generally supportive legal framework for women, there remain significant socio-cultural / religious values and norms that affect women's empowerment in the Philippines. Women generally remain responsible for home duties, child, and elderly care. Often times, women who work need the assistance of an extended family (women) to take care of children. Use of modern contraception methods for family planning remains inaccessible for some women.

The Australian Embassy in Manila is actively scoping new programs supporting DFAT's aid for trade and women's empowerment development targets. There is scope for the IWI to provide specific technical assistance to bring a gender lens to this analytical work, programming and implementation. At the same time, the IWI will be able to leverage the networks and experience of existing programs such as Coalitions for Change.

Advocacy work (under Component 1 and 2) will need to be closely linked with national organisations and existing networks that have the essential contacts, influence and profile. Business leaders and not-for profit sector are concerned with the increasing inequality gap across the country and are interested in garnering their resources and expertise, and directing their businesses (as reported by ADB, PBPS, Echostore, PCW), towards creating better opportunities for the poor across the country. The IWI program could align with these national priorities and give a stronger gender lens to this work.

MYANMAR AIDE MEMOIRE

Myanmar context

Myanmar is currently in a triple transition: from an authoritarian military system to democratic governance; from a centrally directed economy to a market-oriented economy; and from 60 years of conflict to peace at its border areas (World Bank). With transition comes vulnerability, challenges and opportunities. Myanmar's economic growth is strong at 7.8% in 2014. It is resource-rich with a strong agriculture base backed by a strong agricultural processing industry, however its economy will need to diversify and modernise. Access to electricity is limited to only 26 percent of the population. Poverty is twice as high in rural areas where 70% of the population lives, and worst in the conflict sensitive remote border areas where minority ethnic groups reside. According to the United Nations, over 80% of Myanmar's population are subsistence farmers and live on \$2 or less per day.

Population	53.2million (2013; WB)
GDP	\$56.8 billion (13/14 est; WB)
GDP Growth	7.8% (2014; ADB)
Per Capita Income	US\$702 (UNDP)
Poverty rate	26%
Life expectancy	65.7

Current challenges in Myanmar include high maternal mortality rates and women are paid less for the same work as men. With fewer women elected to office, women have a weaker voice and influence in politics. The new challenges that will have an impact on gender equality include economic integration, domestic and international migration, rapid urbanization, new information and communication technology, and population aging. Political, religious and ethnic instability still affect large parts of the country. The Government is seemingly willing to engage with civil society on democratic reform and development more broadly, but processes and mechanisms for effective engagement are underdeveloped.

The legal framework for protection of women's rights and security are not strong in Myanmar however there are initiatives underway that will strengthen the legal framework. There is a National Plan of Action for the Advancement of Women 2011-2015, and although there are currently no laws protecting women against domestic violence, these are in progress. Women in Myanmar enjoy equal rights in inheritance laws and property rights in the case of divorce. However, patriarchal cultural values related to women's roles and responsibilities still shape familial relationships, contribute to the gendered division of labour, and limit women's participation in decision making. Key issues of concern include:

- i. high maternal mortality ratio and insufficient access to reproductive and basic health services;
- ii. low levels of participation by women in public decision making and the labour market;
- iii. increase in HIV among women; and
- iv. lack of reliable and sex-disaggregated data across all sectors, which hampers evidence-based policy and program interventions.

Gender disparities are more prevalent in rural areas and among some ethnic groups.

Component 1 – Business Partnerships

Background

Women's workforce participation (formal and informal) in Myanmar is comparatively high for the region. The labour force participation rate for women is estimated at 75.2% compared with 82.3% for men. The female unemployment rate is 3.7% and the male unemployment rate is 3.1%.

Agriculture employed 58.4% of the workforce in 2012 (women at 66.1% and men at 50.8%); a significant drop from 69.4% in 1991 (Source – WB, using ILO estimates).

A wide gap remains between men and women in the higher ranks of paid employment, with women concentrated in lower ranks and less-skilled jobs. In 2008–2009, women occupied only 31.7% of senior posts (deputy director and above) of all staff in state administrative organisations and ministries. Despite laws requiring equal pay for men and women, disparities in wages remain. For similar formal sector jobs, women earned 61 cents in every dollar that men earned. Women provide unpaid, largely invisible and unrecognised work at home in addition to their paid work in the public sphere.

Given the uncertainty in the regulatory, banking and political environment, many international companies remain extremely cautious about investing in Myanmar. This is particularly true for Australian companies, with only a few setting up small, exploratory / investigative offices in Myanmar. There is greater representation from companies from the US, UK and Europe, despite the US still having a relatively large number of national companies (typically required for partnerships) on their blacklist (through the U.S. Responsible Investment Reporting Requirements).

Under Myanmar law, foreign businesses investing in Myanmar are required to meet a number of social and environmental impact and corporate social responsibility (CSR) requirements. This is not a constraint to foreign investment because many already undertake CSR activities in the communities where they work to both protect the organisation from reputational, financial and legal risks, and contribute to sustainable development objectives.

Findings

There is a limited number of international big businesses operating in Myanmar, and only a small number of large national companies that can be considered relatively “clean” from a due diligence perspective. However, the IWI Design Team is of the view that there may be enough companies, and enough interest, to make a Business Coalition successful in Myanmar. What's more, establishment of such a coalition may help to embed gender equity principles in the nascent private sector of large scale employers.

US companies already doing CSR activities in Myanmar include Coca-Cola, PepsiCo, Chevron, Colgate Palmolive, and Proctor & Gamble¹. Other companies with investments and operations in Myanmar include Unilever and Microsoft. There are relatively few larger Australian companies: SMEC is doing hydro and road projects; Woodside was recently granted a licence for exploration; and ANZ is one of nine foreign banks given a licence to establish intermediary banking services. ANZ and Woodside both have small but growing presence in Yangon.

¹ US State Department, <http://www.state.gov/r/pa/prs/ps/2014/230465.htm>

In addition to international companies, there is scope to engage national companies in the proposed business coalition. Comprehensive due diligence will need to be carried out on all potential national companies before joining the coalition to ensure that members are meeting transparency and safeguard requirements. There are a number of national companies that may be suitable members, these include Citi Mart (also female owned), KBZ (bank), Parami Energy Group of Companies, Myint and Associates, and Yoma (still not cleared from US Sanctions list but generally perceived well).

International NGO PACT has been operating in Myanmar since 1997, it has a good track record in working with civil society, a large and successful microcredit scheme, and are increasingly working with large companies, including partnerships with Chevron and Coca-Cola. Their work with large companies is focused on the development and implementation of CSR funded programs. PACT conducts in-depth due diligence on companies with whom it engages and could be engaged by IWI to support due diligence and other advisory work during the establishment phase.

The IWI Design Team met with Care Australia which has had operations in Myanmar for more than twenty years. They have two large programs in rural development and urban development. Their rural program looks at value chains and how to increase livelihoods. They observe that a lot of women are not only in farm labour but are also engaged in business trading. Their urban projects focus on migrant workers, sex workers, safe employment, and vocational and microbusiness training. There is a lack of skills across Myanmar but there is considerable enthusiasm for training, and a small injection of skills development goes a long way. CARE does work with factories and has a partnership with GAP. There is high levels of GBV within factories.

The Design Team met with the Myanmar Centre for Responsible Business (MCRB), established by the Danish Institute for Human Rights and the UK Institution for Human Rights and Business. It aims to provide a trusted and impartial platform for the creation of knowledge, capacity and dialogue amongst businesses, CSOs, and governments, to encourage responsible business conduct throughout Myanmar. MCRB conducts transparency assessments of companies, and publishes sector-wide impact assessments that include social, environmental and human rights impact and corresponding recommendations. It also provides workshops and trainings on responsible business practices. The IWI team concluded that MCRB would make a useful network partner and might also be engaged in an advisory and training capacity to support the Business Coalition.

The local NGO Gender Equality Network (GEN) was consistently raised by interviewees as a dynamic and influential NGO in Myanmar. Although the design team was unable to meet with them, they are considered an important network partner and potential adviser for the Business Coalition.

The IWI Design Team concluded that a cautious approach to development of a Business Coalition in Myanmar was a viable way forward. There is a good amount of interest from international corporations in doing good work in Myanmar, and there is a small number of domestic firms that are likely to pass a due diligence check. Caution is required in order to ensure mitigation of risks related to doing business in Myanmar and working with large Myanmar firms.

Component 2: Women's Enterprise Development

Background

Myanmar is experiencing rapid changes but it is still a high risk investment environment. In addition to the difficult regulatory environment, there is a lack of skills and capacity amongst its human resources as a consequence of isolation and 30 years of deteriorating education standards. SMEs in Myanmar are in their nascent stage of development and constraints include skills, access to capital, poor banking services, electricity, and a poor regulatory environment. Nonetheless, Myanmar is on a trajectory of growth and opportunity, interviewees noted that there is enthusiasm and drive.

Available data indicate that the approximate number of registered enterprises in Myanmar is 127,000; of these, 99.4 per cent are SMEs. It is estimated that over 620,000 business entities—constituting over 83 per cent of all Myanmar businesses—operate in the informal sector (Nay Pyi Taw News, 2013). The majority of these are family-based establishments and self-employed workers (UNESCAP).

In Myanmar the financial sector is relatively small, underdeveloped, and at its early stages of development. In 2011, the Government of the Union of Myanmar passed a microfinance law to develop the microfinance subsector and to set forth its intent to use it as an instrument of poverty reduction. The law also recognized the link between microfinance and the emergence and development of small businesses.

The most significant regulatory constraint on the development of the formal banking sector in Myanmar is a mandatory requirement of full collateral to be secured by banks engaged in lending. The law on Financial Institutions requires all bank credits to be secured by 100% collateral with assessed monetary loan equivalent value of real estate or fixed deposit account. This has forced millions of micro and small entrepreneurs to resort to high-cost loans from informal moneylenders or pawnshops, (ILO 2014a).

According to the Myanmar Enterprise Survey conducted by the World Bank in 2014, Myanmar firms nominated the following as their main constraints to growth:

- Almost 23% find access to finance the top constraint (particularly in the retail sector). The use of bank loans for financing is less than in any other country in the region and only 30% of firms in Myanmar have a current or checking account.
- Just over 21% indicated access to land as the main constraint (becoming less important as firms become larger). All land in Myanmar ultimately belongs to the state. Private “ownership” refers to those who have a land-use agreement, often a 50 year lease. Uncompensated confiscation of land without due process is a source of significant conflict.
- For almost 17% of businesses access to electricity was the top constraint (becoming more important as firms become larger and the top constraint for manufacturing sector). Even in the major cities, where the access to electricity is much better than in rural areas, power outages are pervasive.
- For over 9% of businesses access to skilled workers is the top priority. Firms agree that the educational system does not produce workers with the type of skills that they need. This notwithstanding, firms generally do not provide their workers with training and development opportunities, substantially less so than other firms in the region.

The policies and procedures for entering the formal economy are outdated and cumbersome. Most firms stay either completely informal or register only with the City Development Committees (total of 75% of firms). Informal firms cite fear of government interference and complicated registration procedures as the main reasons for not registering, as well as the perceived lack of benefits from registration.

Larger firms, who don't have the option of remaining informal, spend more time complying with government regulations. With tax receipts hovering at a very low 5% of GDP, the challenge of broadening the tax base will have to be combined with making it simpler, quicker, and cheaper to pay taxes. Often, paying taxes is combined with the requirement to pay a bribe. Only Bangladesh has a higher incidence of bribes accompanying tax payment. Beyond paying taxes, corruption occurs frequently when interacting with the government.

The Government of Myanmar is pushing ahead with a reform agenda with a new foreign investment law passed in 2012 and an SME development centre established under the Ministry of Industry in 2013. Further reforms to industrial, competition, and intellectual property rights laws are currently on the agenda.

Findings

Given the relatively underdeveloped and small SME sector in Myanmar, the Design Team concluded that the time may not be right for impact investing in women's SMEs, indeed the environment suggests that such an initiative would struggle to be successful.

In relation to investing in women-led SMEs, the IWI Design Team met with the IFC, Yangon Bakehouse (a social enterprise), and the Myanmar Women's Entrepreneurs Network, CARE International, the ILO, and the multi-donor funded Livelihoods and Food Security Trust Fund (LIFT).

IFC provides financing and builds the capacity of local banks and financial institutions to expand access to finance. For example, they provided a \$5 million convertible loan to Yoma Bank which aims to provide an additional 1,000 loans worth \$370 million to small and medium enterprises by 2019; and a \$5 million trade finance credit line for Myanmar Oriental Bank to help facilitate international trade for local SMEs.

CARE in Myanmar currently does not work with SMEs because they are very underdeveloped and the priority is with microfinance. Instability is a major impediment to business investment, including banking. Generally, difficulties for SMEs include getting Identity Cards which are needed to obtain a bank account and therefore locals are largely unbanked. Business is still largely controlled by elites and cronies. There is a law restricting women from working in mines which can force them into low skill work and exploitation around mine sites. Violence against women is not illegal yet and women's legal framework is very poor generally.

Supply of vocational and technical training is currently very weak and characterised by low capacity, lack of outreach, and lack of technical diversity. There are few business management training products for SMEs and even fewer services that offer market linkages, market information, business consultancy services and technology training services. Public sector providers are fully dependent on government budget allocations, while NGOs depend on donors (ILO 2014b).

The Design Team's preliminary assessment is that given the nascent stage of development of the SME sector in Myanmar, and the significant barriers to banking and foreign investment, the proposed activities under Component 2 do not currently suit Myanmar. However, there will still be

opportunity for Myanmar to remain engaged in the initiative through regional events and dialogue, and to utilise research and outcomes from IWI work elsewhere. The research and analysis that will be carried out by the program will also look to include Myanmar and there may also be scope for Myanmar to be part of SME activities into the future.

Component 3: Government Partnerships

As noted throughout this Aide Memoire, the enabling environment for women's economic empowerment is weak and includes a lack of government regulations and laws (or implementation), a lack of access to skills and capacity building assistance, poor infrastructure, and underlying social and cultural norms that undervalue women's contribution in the public sphere.

The bilateral aid program in Myanmar is already working on future initiatives that aim to strengthen effective private sector engagement and continued growth of micro-enterprises and related micro-credit schemes, particularly through the rural livelihood program LIFT. The IWI could provide valuable technical assistance in strengthening gender approaches to future programming of aid for trade and economic growth initiatives. There may also be scope for IWI to provide targeted funding for high priority reform initiatives that will support IWI's and the bilateral program common goals. Provision and management of these initiatives needs to be considerate of the already stretched resources available at Post.

Engagement with key national organisations such as the Gender Equality Network and other prominent women's/national NGOs will be important for advocacy work and efforts to address underlying cultural and social norms in Myanmar.

VIETNAM AIDE MEMOIRE

Country overview

Political and economic reforms (Doi Moi) launched in 1986 have transformed Vietnam from one of the poorest countries in the world, with per capita income below \$100, to a lower middle income country with per capita income of \$1,960 by the end of 2013. Vietnam has already attained four of its ten Millennium Development Goal targets and is likely to attain three more by end 2015 (World Bank).

Population	89.7 million (2013; WB)
GDP	USD171.4billion (2013; WB)
GDP Growth	5.4% (2013; WB)
Per Capita Income	USD1407 (2011; UNDP)
Poverty rate	10.7%
Life expectancy	76

Over the last few decades, Vietnam has made remarkable progress in reducing poverty. The percentage of people living in poverty dropped from almost 60% in the 1990s to under 10% today. Over the same period, the mean income for the bottom 40% of the Vietnamese population increased by an annual average of 9%. Vietnam's growth rate has averaged 6.4% per year for the last decade, but it has begun to slow recently.

The Government of Vietnam plays a very influential role in the economy: trade and financial flows are restricted; 30% of the large firms are state owned enterprise; and to operate successfully in Vietnam a government partner is essential. There are few impact investors operating successfully in Vietnam for a number of reasons, including difficulties associated with international financial transactions and weak implementation of laws regarding debt repayments. It was also argued that there is a lack of business skills in the micro to small enterprise sector.

Vietnam has a good track record on gender equity and has robust regulations and policies in place. Despite an ongoing expectation that women remain principally responsible for the care of their families and households, women are visible in the economy as CEOs and successful business owners.

Component 1: Business Partnerships

Background

Women's workforce participation in Vietnam is comparatively high for the region. The labour force participation rate for women is 72.8% compared with 81.9% for men, with a total labour force participation rate of 77.2%. The unemployment rate is 2%, with female unemployment at 1.9% and male 2.0%. Agriculture has dropped as a major share of employment from 76.1% in 1991 to only 47.4% in 2012. Male and female participation in the agriculture sector is relatively equal, with males representing 45.4% and females 49.5%. There is a greater difference in male/female participation in industry, with males representing 25.2% compared to 16.8% for women, but this gap closes again in the services sector, with males representing 29.5% and females 33.7%. The wage gap in Vietnam is also not as pronounced as other countries in the region at 9.4% in 2013. Despite relatively strong labour force participation, the share of vulnerable employment in total employment is high at 62.6%

in 2012, with the burden felt most by women at 69.2% compared to 56.4% of men². The educational and training levels of women workers are lower than those of men. The percentage of women with degrees and diplomas stands at 10%, as compared to 16% for men.

Findings

The IWI team canvassed the idea for developing a Business Coalition of large employers to address issues faced by women in the workforce, and found that this may work well in Vietnam although establishment times may be longer due to the importance of first ensuring key government and business organisations are supportive. Most multi-national private sector activity takes place in Ho Chi Minh City.

ASEAN Women's Entrepreneur Network: The IWI Design Team attended the ASEAN Women's Entrepreneur Network conference in Hanoi. There we met with a number of successful Vietnamese women CEOs and women business owners who could be champions of a business coalition. For example, Truong Thi Thanh Ha is the general director of Dong Xuan Knitting Sale (a large state owned enterprise). The business has thousands of employees across Vietnam and is committed to the ILO standards in the workplace. May Mai Nguyen is another candidate who emerged from our discussions. She owns and runs Vido Tour, a large inbound tourist company.

Meeting with CSIP: CSIP (Centre for Social Initiatives Promotion), is an NGO that works with SMEs to help them grow (see notes in following section). The CSIP Director, Oanh, has established a social enterprise (separate to CSIP) that brings together women CEOs of large companies and women entrepreneurs. The objective is to provide mentoring and support to emerging women business leaders and to advocate for policy change where necessary. The IWI Design Team noted that this network could be a good starting place for the business coalition.

Meeting with Tran Tuan Anh (DFAT Economy and trade), Hien Le (Austrade), Phuong Kien (Austrade) and Alison Keys (First Secretary – Political and Public Diplomacy): The IWI team met with these key Embassy staff to canvas their thoughts on the business coalition. They noted that most companies are not fully state owned enterprises and often share ownership with private sector partners. Also, Vietnam has made a lot of progress on gender policies but the implementation is where most work is needed.

The team felt that the key constraints for women led or owned SMEs in Vietnam include the limitations of traditional views on women's roles in home and child care. They argued that the private sector lacks motivation to improve gender equality in the workplace and will only address gender equality issues if local women really push for change. Examples of gender equality success will be required to showcase to businesses before they will buy into the idea of a business coalition. They also noted that it will be important to get the Vietnamese government on board first and the expectation is they would be very supportive of the initiative.

Meeting with VCCI: The Vietnam Business Chamber of Commerce and Industry is a powerful and well connected organisation that expressed an interest in hosting the business coalition. They have a women's business council committee which is very active and high profile. Although VCCI are an important key stakeholder to keep onside, their hosting of a coalition may dampen enthusiasm from some, and raise questions regarding its independence. It would be more appropriate for the VCCI to have a representative on the business coalition.

² ILO Global Employment Trends 2014: supporting data sets

The IWI Design Team concluded that although a business coalition may work in Vietnam, more work in-country will be required to establish the coalition, including in the business capital, Ho Chi Minh City. The support of the Australian Embassy in Vietnam will be critical in identifying key stakeholders and ensuring Government sanction of the activity.

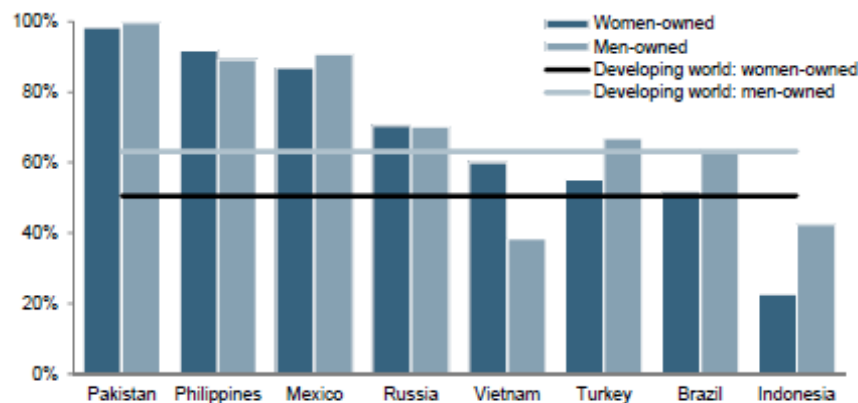
Component 2: SMEs

Background

Women entrepreneurs contribute significantly to national development in Vietnam: the Government Statistics Office estimates that 30% of the incorporated small and medium enterprises are owned by women; about 25% of leaders and CEOs in Vietnamese enterprises in all economic sectors are women, and an estimated 60% of household businesses are owned by women. The sectors with high percentages of female entrepreneurs are: education-related services (56%) and hotels and restaurants (47%). In the wholesale, retail trade, vehicle repairs, personal services, fishing and manufacturing sectors almost every fifth enterprise is owned by a woman (18 to 20%) while less than one of every 20 enterprises in the agriculture and forestry industry is owned by a woman (4%) (UNIDO 2010, using GSO statistics from 2000). Besides incorporated enterprises, Vietnam has about 3 million household enterprises (GSO, 2006). Women-led enterprises in this category are estimated at about 28% to 30% of the total.

Most enterprises, whether male- or female-owned, report difficulties when it comes to understanding and following complex regulations, dealing with government officials, and providing insights regarding potential policy changes. Businesswomen in Vietnam also believe that the absence of a policy dialogue mechanism through which they can address their chief concerns, such as access to capital and land, imposes additional limitations on their success (IFC 2007). Nonetheless, a greater number of women are using commercial banks as a source of finance as illustrated in Figure 1 below.

Figure 1. % of formal SMEs using a commercial bank as source of external financing



Source: IFC Enterprise Finance Gap Database

According to a study conducted by UNIDO and VCCI, women feel discriminated against when it comes to obtaining commercial credit, but actually more men experience problems in this regard. This is because, despite having more registered land under their names, male entrepreneurs have fewer savings in the bank than women. Women also tend to be more diplomatic and persevering

than men when it comes to loan applications. However, the successful borrowing rates of women are much lower than men when applying for loans from an *alternative* bank. The most common problems encountered in getting credit were drawn-out loan application procedures, complicated loan terms and conditions, low asset valuation and strict collateral conditions. While obtaining long term commercial credit was a prevalent problem, very few entrepreneurs complained about taxation. The few women who experienced problems in paying taxes complained of complex forms that were arduous to accomplish. Many reported that the high labour mobility of workers in Vietnam tends to disrupt operations and creates unnecessary costs for the firm. There was no significant difference between men and women in terms of making facilitation payments (bribes) to ease administrative burdens³.

The UNIDO/ VCCI (2010) study showed that Vietnamese women suffer from heavy domestic responsibilities that they perceive as a hindrance to business continuation and growth. The research has shown that relative to men, fewer Vietnamese women possess registered land under their name. Women also disproportionately bear the burden of domestic responsibilities and harbour more negative internal perceptions. The reasons behind these could all be traced to the level of tradition and social norms. In general, raising men's awareness about gender equality is as critical as raising women's awareness. Men need to be equally informed about the benefits of shared decision making, equal property rights and inheritance, as well as responsibility for domestic work.

In addition, the UNIDO/ VCCI study showed that a lack of qualified employees was found to be one of the biggest obstacles facing both male and female entrepreneurs. Female entrepreneurs tend to hire a large number of female workers but suffer from high labour mobility. Across sectors and types of enterprises, retaining experienced and educated workers is the most prevalent problem among entrepreneurs.

Findings

The IWI Design Team attended the ASEAN Women's Entrepreneur Network (AWEN) conference which was attended by more than 200 women entrepreneurs from across the region. The conference included a good deal of discussion regarding the impact that ASEAN Economic Community (AEC) integration may have on SMEs in the region. Many countries, and SMEs, are not well prepared for the AEC and their businesses will likely suffer from imports. Preparation requires that SMEs understand export markets and standards, and are supported to compete effectively. In addition, many of the women entrepreneurs spoke of the need for women to have stronger networks, trade shows, information, and skills for business growth and financing.

Meeting with Vietnam Women's Union: Ms Dao Mai Hoa, Vice-Director Women's economic department: VWU are trying to strengthen the network of entrepreneurs through establishment of the Vietnam association for women's entrepreneurs at national and local levels. This is a different group to the VCCI established group. VWU would like to assist SMEs to grow (however their current focus is micro-entrepreneurs). They need networking and TVET to connect women with companies who are looking for staff. Also to connect micro enterprises with value chains. VWU assists cooperatives to produce goods to market standards and then connects them to a credit provider.

³ **Gender related Obstacles To Vietnamese Women Entrepreneurs Technical Report (2010)** Prepared for the UN-GOV Joint Programme on Gender Equality, by the United Nations Industrial Development Organization (UNIDO) in cooperation with the Viet Nam Chamber of Commerce and Industry (VCCI)

By government decree banks must provide loans without collateral to micro enterprises but this is capped at 100m VND and therefore not useful to SMEs. In order to get a bank loan women have to give their land title to banks and the bank holds on to the title even though they cannot do anything with it. Women can't get a second loan whilst the bank has their title.

Notes from presentations at the opening of the ASEAN Women's Entrepreneur Network conference including the Vice-President of Vietnam and the ASEAN Secretary General from Vietnam, and the Head of the Vietnam Chamber of Commerce and Industry (VCCI):

ASEAN has a population of 655m and 2.3 trillion in GDP. The AEC will be in place by the end of 2015 and with it comes opportunities for women entrepreneurs but also challenges. It is likely that the first free trade agreement will be with the EU. Production costs will decrease and there will be greater ability to connect up with global value chains. However, some businesses and some products will suffer and they need to change to survive. SMEs are the largest economic base of ASEAN, making up 92-99% of all enterprises, 77-97% of the labour force are employed in SMEs; SMEs account for 22-30% of GDP; and make up 20-30% of exports.

Women entrepreneurs in Vietnam have been very active in promoting equity and growing successful businesses. 40-50% of businesses are led by women. They have been working to prepare for the AEC, particularly around production standards and consistency of quality outputs.

Opportunities for women SMEs in AEC:

- Increased market access
- More outsourcing choices
- Economic scale and trade facilitation
- Exporting will be cheaper
- Skilled labour can move freely
- The Service Sector is more open
- There will be more SME development programs

Challenges for women in AEC:

- Fierce competition between similar enterprises across borders
- Countries with skilled labour will benefit more
- Understanding the challenges and opportunities of AEC
- SME products are limited in range and generally labour intensive
- Women led SMEs are generally smaller and do not grow as fast or large as male led SMEs
- Many countries do not provide technology friendly environments that are important in AEC

Notes from Gender Lens Investing Seminar (part of the AWEN conference): Policy makers and financial institutions find it hard to have a gender lens because they do not acknowledge that the economy is gendered and therefore see no difference in the needs of women and men (and therefore have products tailored to men).

Women are predominantly in the service industry and therefore do not have collateral but women cannot get loans without collateral. Also, equity financing is not useful to women because once an investor owns part of your business it can be difficult to get the investor out of your business, they also tend to dominate management decisions. The financing gap, or "missing middle" is for financing of between 100,000 USD and 5million to SMEs.

Repayment schedules need to be tailored for women SMEs – equal monthly repayments is not useful and it is better to have larger repayments of times of good cash flow, and smaller repayments when cash flow is expected to be less. What's more, SMEs need a longer time frame than what a lot of investors are seeking. Most investors seek a time frame of 3-5 years but SMEs need 5-7 years.

Notes from Meeting with DFAT regarding the Climate Innovation Centre: The Climate Innovation Centre is a World Bank program supported by Australian aid. The GoV is the implementing agency. All donor programs in Vietnam are required to have a GoV implementing partner because ODA is considered a part of the state budget. All projects need to submit a proposal to the Vice-President's office for approval and they appoint a department to manage the project. Ministries then tend to contract out implementation of projects.

NGOs have a single government agency to go through titled The People's Aid Co-ordinating Committee (PACCOM). It is a state umbrella agency to all NGOs. All NGOs must be approved by PACCOM before operating. Setting up a new NGO is a long process because they need to be accredited with PACCOM and this takes 12-18 months.

The IWI will need to decide what Vietnamese agency will submit the PDO to the Prime Minister.

Meeting with the Central Institute for Economic Management (CIEM): CIEM sits under the Ministry of Planning and Investment but operates separately and like a think tank to GoV. They are concerned with how to reallocate resources through the market mechanism. RCV – a DFAT funded program – is housed in CIEM and provides technical support to implement some of the components of the government economic restructuring agenda. They work with CIEM, VCM (the Vietnam Competition Agency) and IPSARD (the Institute for Policy and Strategy in Agriculture). RCV focuses on regulatory and institutional reform, allocative efficiency, and competitiveness of the economy.

CIEM seek to remove barriers to market entry and facilitate business to reduce risk and reduce compliance costs for doing business in Vietnam. They advocate for increased competition including independence of regulatory authorities. They also focus on sectors that are restricted, especially in the agricultural sector where the market is dominated by the VinaFood monopoly (a state-owned enterprise). Vietnam needs more independent regulators and inclusive institutions.

CIEM helped change the laws related to property title, Vietnam now requires both the husband and wife names on a title. The only gender related economic research work they could point to was a 2012 study done by DANIDA that was an analysis of gender issues in the economy.

CIEM has a network of social enterprises and tries to match up social enterprises with investors, and encourage social enterprises. They have a strong relationship with the private sector and with VCCI and may be a good partner for this program.

CIEM is willing to develop a list of companies interested in gender equality. Dr Cung noted that Business Associations could be considered for IWI as they can accept funds from the private sector and overseas.

Meeting with SPARK: SPARK is a small local NGO that start in 2011. They promote entrepreneurship for social benefit. SPARK nurture and work alongside social enterprise businesses to help them grow. They offer a suite of business development services and broker relationships with banks and other business services. SPARK has 19 businesses that they have worked with to build and grow over the past 2-3 years, and they have staff from the investment and banking sector to help work with social

enterprises. Their process is designed to help as many social enterprises as possible (with limited funds) in the following way:

- SPARK holds a competition and advertises nationally for proposals. SPARK employs volunteer (pay per diems only) provincial ambassadors, usually retirees or university students that help SMEs enter the competition and prepare their business plan.
- SMEs need to submit a business plan to enter and the prize is a grant of USD \$5,000 to 20,000 for business growth. They usually get about 300 proposals and choose 7-10. They then run them through workshops and training so they can develop a full business plan. Then they select 3 to go to the board for potential funding. The SMEs do a presentation to the board and the board selects one for the prize. SPARK then works alongside the SME to support its growth.
- The competitive process is very successful as a learning tool for SMEs. They deliberately make it so that the businesses learn from the process and do an open call across the country.

SPARK argues that the barriers to social enterprise growth are not only finance but also capacity. Women social enterprise owners also need a place to discuss the unique challenges they face, either face to face or online.

It is very difficult for foreign investment firms to operate in Vietnam because of the difficulty of moving money in and out of the country. As well, the due diligence required by foreign investors is very difficult for Vietnam SMEs to meet, especially on the issue of financial management. Many SMEs use various methods to get around government regulations (avoiding bureaucracy) and this often means that they are not investment ready because their systems (books etc.) do not meet international standards.

Meeting with CSIP: CSIP was established in 2008 and does advocacy on the regulatory environment for women led SMEs, and they are an incubator and accelerator for social enterprises.

Social enterprises have recently been recognised in law as unique and therefore should be treated differently to other enterprises. They now have less regulations and more favourable policies. Any company can register as a social enterprise if they reinvest 51% of their profits into CSR activities.

CSIP has 70 social enterprises and help them to become investment ready. CSIP funds come from Venture Philanthropists – an Irish company. KPMG helps them with pro bono services and networks. CSIP uses provincial authorities to promote their program to businesses and, like SPARK, they run a competition that also serves to provide training to SME owners. They provide grants to SMEs: USD 10,000 for start-ups and maximum of USD 30,000.

CSIP have started a partnership with an OXFAM Novib Impact Investment organisation to pilot a program in four provinces. They source the companies and assist in getting them investment ready. CSIP started with 100 companies and shortlisted to 8-10 companies. Oxfam then invest in these companies.

In CSIP experience, Impact Investors are mostly looking for million dollar investments. There is a huge gap between the needs of small business in Vietnam and the larger SMEs required by investors. For example, UOB approached CSIP wanting to park USD 100m in investments, with the smallest size being 5m. CSIP cannot do that work because there is not enough companies that require such a large investment size. Also, banks in Vietnam have not proved useful to social enterprises, they think

too short term. CSIP has tried to change their thinking so that they provide longer term loans to SMEs, but they will not change.

Meeting with Mr. Pham Cong Sang, Managing Director of SEAF: SEAF currently invests in 18 SME investments, only 2 are women owned SMEs. They provide loans as well as non-financial support to support SME growth. Social impact is not a key criteria for SME selection but they do carry out their own due diligence. Due diligence includes adherence to legal standards in working conditions, cash performance, OH&S issues, and legal checks. SME's are seen as the missing middle and SEAF is trying to meet this niche market through short-term loans and more flexible arrangements. SEAF is considered a first mover in Vietnam and registered with the securities commission of Vietnam but they note set up time was lengthy. Operating challenges include sourcing businesses to invest in and law enforcement of business arrangements.

SEAF's Vietnam investments do not include equity, all are debt based typically covering 5 years. Banks tend to only loan to high growth business for longer terms and SEAF meets the needs of small business better through providing short term loans and greater flexibility. The business development team (2 staff) is responsible for finding businesses to invest in and generating a pipeline of prospects through networking, cold calling, participating in trade shows, etc. Challenges are finding the investable businesses, and law enforcement in Vietnam is weak meaning it can take up to 3 years for a bank to sell assets if the investment goes bad. This is not a good environment for investors.

Meeting with Madam Nguyen Thi Tuyet Minh, chairwomen of the ASEAN Women's Entrepreneurs Network (AWEN): AWEN supports women entrepreneurs through lobbying, advocacy and providing recommendations on regulations. They also implement activities in trade promotion, and capacity building. Key obstacles for SMEs in Vietnam include a lack of business knowledge, technology skills, human resources and business language. Women also lack the knowledge to grow businesses, reach the required labour and product standards, and lack confidence approaching financial institutions for loans.

In summary, there is a nascent impact investing scene in Vietnam (even more so than other countries with the exception of Myanmar), and the following organisations supported SMEs either by providing loans, business development services or networks:

- CSIP and SPARK are both accelerators for social enterprises. They are small and do a lot of support with very little funds.
- Lotus Impact have made three investments one for \$750,000, one of \$500,000 and one of \$250,000. They do not apply a gender lens to their investments. They looked at 200 investments and only invested in three. Their investors are high net worth individuals and they are being incubated by Vina Capital. Given they have limited investments to date, and are backed by VinaCapital, IWI would unlikely invest.
- SEAF has 19 investments but has faced many problems in re-couping bad debts. They have reduced their presence and provide support to their existing investments but do not apply a gender lens.
- Oxfam impact investing has been operating in Vietnam for a few years but has only one investment. Oxfam also provide training and other support through CSIP.
- VWU (Vietnam Women's Union) provides financial services to poor women and have a micro and small enterprise loans scheme, and also provide technical assistance. Loan size is 1m

VND (USD 50) to largest of 100m VND (5,000 USD) and therefore smaller than the target SME sector IWI seeks to support.

Some options for component 2 in Vietnam:

- IWI could work with CSIP and SPARK to offer USD 25,000 to 50,000 loans and technical support services to SMEs, with an option to include credit guarantees.
- IWI could also work through IIX, Oxfam and Shujog, to deliver services and credit guarantees.
- IWI could identify a progressive bank and work with them to extend more loans to women led SMEs. The meeting with Rubin Japha from the IFC in Bangkok is relevant here. They work with progressive banks who lend to SMEs by providing a deposit as collateral or guarantee for the loans (reduce risk).

Component 3

Background

In recent years, the Vietnamese government has focused efforts on tapping into women's potential by improving the regulatory business environment and implementing the Law on Gender Equality, the Law on Investment, and the Law on Enterprises, as well as other decrees in support of female entrepreneurship. The aim of reforms is to level the playing field in order to draw on female entrepreneurship as an engine of economic growth and social development. However, women entrepreneurs in Viet Nam live under two social settings: traditional values that support the subordination of women and socialist ideals on the equality of citizens before the law (UNIDO 2010).

Vietnamese leaders recognize the economic potential of women. Central Party Resolution No. 11 paved the way for the creation of the National Action Plan for Women 2008-2010. The Law providing for Gender Equality (No. 73/2006/QH11) was enacted and the government issued several decrees supporting, among others: mainstreaming of gender equality into legal normative documents (No. 48/2009/ND-CP), implementation of articles under the Gender Equality Law (No. 70/2008/ND-CP) and handling of administrative violations of gender equality (No. 55/2009/ND-CP). The decree that supports the development of SMEs and prioritises women-owned enterprises and female labour-intensive SMEs (No. 56/2009/ND-CP) was recently reviewed and reissued.

Findings

The abovementioned UNIDO/ VCCI assessment found that although recent laws and decrees designed to assist female entrepreneurship are welcomed, the government circulars regarding implementation of these laws are at times not very clear. For example, they do not recognise women as investors and as owners of SMEs, they do not provide provisions that would protect women in cases of problems with registration officials, they do not provide preferential treatment to women-led SMEs where it is needed (for example, in business domains that are disproportionately dominated by men, which women would like to enter), and they do not consider the burden of domestic tasks on women. Therefore, there is a need to continuously analyse the implementation of laws to ensure the intent of the law is reflected and that women's rights and opportunities are protected.

Moreover, the UNIDO/ VCCI study found that Vietnamese women entrepreneurs suffer more from traditional and internal factors, than from regulatory factors when starting a business. However, once a business is started, and if we reduce the burden of family responsibilities, female entrepreneurs seem to be able to take the lead over male entrepreneurs in terms of their perseverance and determination to succeed.

The IWI Design Team met with a group of women scholarship alumni who reported that the issue of women’s double burden is widespread and is not being addressed. They said women tend to accept that if they want a career then they need to do it whilst also managing the household. Women graduates in formal employment tend to have funds to hire home help but still the responsibility is theirs and not shared. The Government of Vietnam, through CIEM, were welcoming of the idea of raising women’s economic empowerment issues more broadly and they would be important partners in ensuring the success of such a strategy.

VWU works with women in industrial zones and encourages government and companies to provide kindergartens and to stabilise rent prices, they also raise awareness of rights and they also do work/life balance awareness raising. VWU, with its extensive presence throughout Vietnam and its existing campaigning work may make a good partner for IWI activities and opening a dialogue on women’s additional burden.

Governance

The DFAT Vietnam bilateral program and the Mekong regional hub at Hanoi post are keen to remain engaged in program development, but do not expect to have bilateral resources to contribute to the program. Post recommended the feasibility assessment include consideration of a range of management and implementation options that could encourage a consortium, beyond managing contractor model or standalone NGO models. AMNEP (Australia Mekong NGO Platform) is an alternative option whereby the MC contracts support to a Posted officer who is the Program Director and the main diplomatic link with NGOs. The team of support staff enable the program director to reach NGOs efficiently and effectively, and arrange events easily.

Hanoi post includes a consultant working on gender issues until June 2015 but there was lot of interest in having access to further technical assistance on gender. They recommended that the decision regarding the location for DFAT management should consider where most work will be carried out.

Post also recommended that the IWI Design Team consider if all components are necessary, in particular they questioned whether the enterprise hub works with the other components. As well, the design will need to be explicit on the role of HOMs in the investment. HOMs could be useful to leverage business access and for a steering committee function across the region.

ANNEX A LIST OF IWI DESIGN TEAM POSITIONS

Table 1: Design team positions

Position
Design Team Leader
Program Design Specialist
Gender Equality Specialist
Program Logic Specialist
Private Sector Specialist

Table 2: DFAT Team members

Position	Name
Principal Sector Specialist – Gender Human Rights and Gender Equality Branch DFAT	Sally Moyle
Senior Specialist Gender Equality Human Rights and Gender Equality Branch Multilateral Policy Division, DFAT	Sarah Goulding
Effectiveness and Risk Management Section Analytical and Effectiveness Branch SRD, DFAT	Chad Clark

ANNEX B LIST OF PEOPLE/ORGANISATIONS CONSULTED

Indonesia

Organisation
APINDO (Employers Association of Indonesia)
Austrade
Australia Indonesia Business Council
DFAT
DFAT (ASEAN Secretariat)
DFAT funded AIPEG Project
DFAT MAMPU project
DFAT funded PRISMA project
DFAT Political and Economic Section
ILO
IFC
Indo-Aust Business Council
Indonesia Services Dialogue
Sampoerna Foundation
USAID

Bangkok

Organisation
Ashurst LLP
Austrade
Criterion Institute
DFAT
DFAT
ILO, Asia Regional Office
Independent Consultant
Indigo Social Finance
LGT Venture Philanthropy
Lotus Impact
Outsourced Client Solutions South, SE Asia and Middle East
OXFAM
The Asia Foundation
UNCDF
UNESCAP
UNWomen

USAID
WOCAN and W+ Standard for Women's Empowerment

Philippines

Organisation
ANZCHAM Philippines
Asia Development Bank
Australian Trade Commission
Canadian DFATD
Dept of Trade and Industry
Department of Trade and Industry, Bureau of MSME
Department of Trade and Industry, Philippine Trade Training Centre
Development Finance Int.
Echostore
IFC
International Labour Organisation
NEGOSYO
Philippine Business for Social Progress (PBSP)
Philippines Commission on Women
UNWomen
Women's Business Council of the Philippines

Myanmar

Organisation
Asia Development Bank
Australia-Myanmar Chamber of Commerce (informal)
Care Myanmar
IFC
ILO
LIFT
Myanmar Centre for Responsible Business

Myanmar Women's Entrepreneur Association
PACT
Yangon Bakehouse

Vietnam

Organisation
ACIAR
Austrade
CIEM
Craftlink
Centre for Social Initiatives Promotion
DFAT Mekong Regional Hub
DFAT Vietnam Bilateral
ILO Better Work Contacts
Lotus Impact
Mekong Economics
RCV, DFAT funded project
SEAF Impact Investors
Spark
The World Bank
UN Women
Viet Nam Women's Union Economic Department
Viet Nam Women's Union Micro finance Fund (TYM)
Vietnam Company (knitting guild)
Vietnam Women's Entrepreneurs Council (VCCI)
Vina Capital Foundation and Group, HO CHI MINH CITY