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SUPPORTING SMALL BUSINESS WOMEN

CONTEXT

The women-led small medium enterprises (W-SMEs) are less likely to receive financial training, services, and loans from banks to grow their businesses. On the supply side of financial services, banks remain gender neutral in their outreach, product, and service offerings. By offering gender neutral services, banks do not recognize and address the gender-specific barriers that female entrepreneurs face.

Women entrepreneurs play a vital role in Indonesia's economic resilience and recovery, comprising almost half of the small and medium enterprise owners. However, women SME owners face barriers due to limited financial management knowledge, lack of property ownership, limited and less diverse networks, limitations in mobility due to household responsibilities and dependence on husbands for household and business decision making.

BUSINESS TRAINING AND LOANS TO SMALL BUSINESS WOMEN

To help bridge the gap, the United States Agency for International Development (USAID) and PT Impact Credit Solutions (ICS) / Nikel Academy provide a range of services for W-SMEs to access financial training and support to expand their businesses. Nikel will build and maintain relationships with various teams at the banks to understand the banks' key challenges with lending to W-SMEs, and to identify

mutually beneficial solutions. Nickel team will engage banks to invest in digital lending solutions to unlock the W-SMEs potential as the local bank borrowers.

RESULTS

By end of 2024, USAID, through Nickel, aims to achieve the followings:

- Development and launch of a website-based public platform for 180,000 Indonesian W-SMEs to access business and financial training.
- Development of a closed-loop website-based platform, with back-end integration with banks, in parallel with public website development for 8,000 W-SMEs (nominated by banks as W-SMEs and bank members, but without business accounts) to attend in-depth online-and-offline SME business, digital literacy, and financial management training. Out of 8,000 trained, fifty percent (4,000) W-SMEs are approved for local bank loans.
- Nickel will maintain both websites (public and close-loop version) as part of their business sustainability.
- Local banks partner with Nickel to participate in the training program and commit to provide loans to ‘graduates’ of the training program. More or less \$50 million in loans will be disbursed to W-SMEs by local partner banks and other financial institutions.

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