



**REVIEWING NATIONAL FINANCIAL POLICIES AND M&E  
MECHANISM FOR SUGGESTING BETTER IMPLEMENTATION  
OF GENDER RESPONSIVE POLICIES SUPPORTIVE TO  
WOMEN'S ECONOMIC EMPOWERMENT**

Report on

**REVIEWING NATIONAL FINANCIAL POLICIES AND M&E  
MECHANISM FOR SUGGESTING BETTER IMPLEMENTATION  
OF GENDER RESPONSIVE POLICIES SUPPORTIVE TO WOMEN'S  
ECONOMIC EMPOWERMENT**

Submitted to

**WOMEN'S EMPOWERMENT FOR INCLUSIVE GROWTH (WING) PROJECT  
UNDP, BANGLADESH**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
AFI	Alliance for Financial Inclusion
CMSME	Cottage, Micro, Small and Medium Enterprises
BITAC	Bangladesh Industrial and Technical Assistance Center
BRDB	Bangladesh Rural Development Board
BSCIC	Bangladesh Small and Cottage Industries Corporation
CMSME	Cottage, Micro, Small and Medium Enterprises
DDLG	Deputy Director of Local Government
DLG	Director of Local Government
DSS	Department of Social Services
ECNEC	Executive Committee of the National Economic Council
IDEA	Innovation Design and Entrepreneurship Academy
JMS	Jatio Mohila Songstha
LGD	Local Government Division
LGRD&C	Local Government, Rural Development & Co-operatives
MSME	Micro, Small and Medium Enterprise
NFIS	National Financial Inclusions Strategy
NWDP	National Women Development Policy
PDBF	Polli Daridro Bimochon Foundation
PKSF	Palli Karma Sahayak Foundation
PPP	public-private partnerships
SDGS	Sustainable Development Goals
SERWTCI	Bangladesh Handloom Board and Self-Employment for Rural Destitute Women through Cottage Industries
SFDF	Small Farmers Development Foundation
SMART	Specific, Measurable, Achievable, Realistic, and Timely.
SMCIF	Small, Micro & Cottage Industries Foundation
SME	Small and Medium Enterprises
SMEF	Small & Medium Enterprise Foundation
SWOT	Strengths, Weaknesses, Opportunities and Threats
TOR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Program
UNCDF	United Nations Capital Development Fund
UNFPA	United Nations Population Fund
WDF	Women Development Forum

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## EXECUTIVE SUMMARY

This report is developed in response to UNDP's need to assess Bangladesh's National Financial Policies and M&E mechanisms in order to recommend better implementation of gender-responsive policies supportive to Women's Economic Empowerment. This study was planned by the UNDP Bangladesh to strengthen its "Women's Empowerment for Inclusive Growth (WING)" program, implemented by UNDP, UN Women, and UNCDF in collaboration with the Embassy of the Kingdom of the Netherlands that aims to contribute to women's inclusion in the local development process by supporting women's economic empowerment while minimizing the effects of the Covid-19 pandemic.

Bangladesh has a comprehensive policy framework on gender equality and women's empowerment, with a focus on economic development, in line with international standards. Unfortunately, the pandemic had a discriminatory impact on women's employment. According to a survey conducted by UNFPA, UN-Women and the British Medical Journal, Covid-19 has reduced the employment opportunities for women in the formal sector in Bangladesh by 71 percent, compared to 14 percent for men. Even in the informal sector, 24 percent of women have lost the opportunity to work. About 36% of women are at risk due to declining employment in the productive sector; compared to 26% for men. The Government of Bangladesh has announced an incentive package of BDT 200 billion for Cottage, Micro, Small and Medium Enterprises (CMSMEs), of which only 5 percent was allocated for women. The SME Foundation disbursed a loan of BDT 220 million in April-December 2020. Unfortunately, it has been reported that out of 282 borrowers, only 5 were women (Ahmed, 2021). Consequently, women continue to face significant barriers to accessing these stimulus packages; some of these barriers are social and cultural, while others are connected to a lack of education and information about financial services. Another significant challenge is the lack of a robust monitoring system to track the appropriate implementation of existing policies that encourage women's economic empowerment.

This study reviewed relevant policies and monitoring mechanisms using a gender lens. The study found although all the policies are not women-centric as a whole, most of them have special provisions for women. The policies have rightly acknowledged women's need reflecting the stakeholder's awareness of women's age-long sufferings and discrimination in economic, political and social spheres and recommended positive discrimination policies through special provisions. Unfortunately, empirical data collected from micro, small and medium enterprises headed by women, suggested a gloomy picture. There are several obstacles for women to take advantage of the special provisions to support their MSMEs. These obstacles ranged from getting proper information to the process of disbursement. It seems that such problems persist in both the private and public banks, other financial institutions, NGOs, and government offices.

While reviewing the financial policies, one limitation was found that more concern is needed to include people beyond the identity of man and woman. They are people belonging to diverse

gendered identities who are mostly socially excluded. To make an inclusive policy, the perspective of these people needs to be taken under consideration. There are specific action plans against different policies, but there seems to be practice of procrastination and inconsistency.

The first and foremost problem for women friendly financial schemes is related to the process of estimating the need. The government has kept 5% of the 200-billion-taka Covid-19 special scheme package. It seems that such an estimation is not based on any strong logic or carefully identified need of the women entrepreneur. It is merely a lump sum amount that is kept without having any scientific estimation. Although the government has a WID focal point mechanism in different ministries, interviews with the government officials suggested that this mechanism is yet to play a significant role in identifying such a need.

A major problem for women is to get access to proper information for accessing credit. Most of the lenders do not have a website where important information is updated on a regular basis. It would be difficult for a borrower with the intention of choosing the suitable loan scheme among diversified ones for him or her by merely visiting the website as in most cases inadequacy of information is traced. For example, the criteria of a loan program of BSCIC called BINIT is not mentioned on their website. The process of registration is not stated either and this is the case for most of the institutions. The borrower's sex-based ratio (male-female), their success rate or inspiring stories of successful borrowers are also not highlighted that could have inspired women to get access to credit. Whether there is any special package for the disabled women and ethnic minority group is also not mentioned. One of leading government banks of the country, Agrani bank, for instance, has not well defined the criteria for loan application in their website though the rate of interests is specified as 3% and a three years' experience is a must.

When a policy or loan is designed, it seems that no gender need assessment is done. The WID focal point mechanism could have played a significant role. Though women are targeted in the policies and in schemes, it is nowhere clear how it will help women's empowerment in their family and in practical life. It has been observed that although there are special schemes or policies for women to take loans at a low interest rate, many "women-led" enterprises are getting loans which are actually led and run by men, while women are registered by name only. Women are having less decision making authority, they hardly have any authority upon the business. There seems to be no monitoring mechanism to address these issues; it requires urgent attention from the policy makers and immediate steps should be taken to address this tendency.

There are many well written policies but it is doubtful if there is any follow up mechanism. After developing policies, action plans are coming into force gradually where different ministries are being responsible for achieving different targets. In most of the cases, there are two types of responsible bodies, one is the Prime Implementing Agency, and the other is associate. The responsibilities are well written in the action plans but there seems to be no mechanism for follow up. It was not known from anywhere that how far the targets have been achieved, who are benefited, what are the overall outcomes, what have been the challenges, what changes are required



and so on. It is not even clear if there are proper monitoring mechanisms and relevant research to follow up these policies on a regular basis.

When any provision is made for women, women are finding it very complicated to access. Applying for a loan requires supporting documents like certificates, bank statements which also require ensuring a good transaction etc. But as known from the field level data, women in general are not used to handling these, they are not capable enough to manage the certificates, to transect through banks and consequently they are failing to access the loans. So, it reflects again that more attention is needed to understand women's actual condition to design effective policies and programs. Moreover, bank officials need more sensitization. It has been repeatedly observed and told that bank officers consider women friendly loan schemes as problematic and are less interested to disburse those.

The first and one of the most important tasks would be to build a support mechanism for women entrepreneurs at the root level. Special packages, separate help desks at regional and zonal offices, and a customer friendly approach for less educated women should be designed. A lot of paperwork, lack of guarantor, scanty technological knowledge makes the process of receiving loans even harder for women. According to the guidelines of the central bank, under the guarantee scheme, it is required to fulfill several terms and conditions and attach at least 20 types of documents for the disbursement of loan which makes the process tiresome as well. In this regard, innovative and appropriate steps must be taken to ensure proper survival support to the SME sector. It has to be understood that even if the institutions come up with new ideas, they will be futile in absence of an effective institutional mechanism and doubling down will be mandatory to implement them.

Networking and communication skills with the banks and financial institutions are the key factors of flourishing as a successful entrepreneur and special emphasis has to be given on the training of these cases.

Developing alternative credit rating systems can be considered by the financial analysts as the process offers banks or other financial institutions the ability to expand the range of data that they use to assess an entity's creditworthiness. Utilizing alternative data as a substitute for traditional asset-based data to determine the creditworthiness of an SME is an emerging approach for credit scoring. It takes the advantage of new technology to light up unexplored sides of the borrower such as an entity's trade payments, sales transaction records and behavioral traits of its business principles.

Better coordination among different government institutions can be the most effective measure for solving this problem. The Credit Information Bureau (CIB) of Bangladesh Bank, set up in 1992, provides online information from 2015 but covers only 5.2% of the population. No data on potential women borrowers makes loan receiving from a formal channel a herculean task. A good information system, sharing specified data among different government organizations would solve the problem to some extent. The problem of unavailability of borrower's verifiable data about

their assets to the lender can be minimized electronically through an account aggregator which would ensure that the data is used for the purpose of risk assessment by the lender as permitted by the user.

Information asymmetry led to market failure and underutilization of incentives can be minimized through an effective communication system among potential women borrowers and lending agencies owned by the government or different NGOs. Loan programmes and circulars should be made more visible so that everybody knows that. To appreciate the hard work of the entrepreneurs, competition in the market must be healthy. Many women are producing innovative products with their own skills and creativities, where there are few who are replicating those and selling less quality-full products. These practices need to be addressed through proper monitoring.

Many women are selling their products online. But due to the absence of proper guidelines, they cannot flourish as the online platform is more competitive and selling depends more on marketing which requires updated knowledge on information and technology. Scopes for illegal business are also vast in online platforms. As it is an emerging platform, there must be proper policy guidelines. When women are claiming any loans or packages, they are not getting those as the influential persons are grabbing those. Selection of beneficiaries needs to be free of corruption.

In different loan schemes the eligibility of beneficiaries is to be poor (দুঃস্থ, অসহায়), but these terms are not well defined. So, these require fixed and measurable definitions. NID integrated centralized database in Upazillas about every family of the upazilla can be a way out where information related to financial activities of the families are stored so that no one can avail loan from more than one organization, or no one can use the favorite or biasness of the Union Chairman or anyone of the administration. Statistical information about any area takes a long time to make it to the government body when the information becomes old. Instead of procrastination of the statistics bureau, it needs to coordinate its duty so that information does not lose its value. Loan should be disbursed among the beneficiaries by analyzing their need, instead of randomly setting limits. Following the micro credit group approach instead of collateral based loan scheme seems to be a better option. And the training programs need to be revised to incorporate women's practical needs.

## 1 CHAPTER ONE: INTRODUCTION

### 1.1 CHAPTER INTRODUCTION

This report is developed in response to UNDP's need to assess Bangladesh's National Financial Policies and M&E mechanisms in order to recommend better implementation of gender-responsive policies supportive to Women's Economic Empowerment. This study was planned by the UNDP Bangladesh to strengthen its "Women's Empowerment for Inclusive Growth (WING)" program, implemented by UNDP, UN Women, and UNCDF in collaboration with the Embassy of the Kingdom of the Netherlands that aims to contribute to women's inclusion in the local development process by supporting women's economic empowerment while minimizing the effects of the Covid-19 pandemic. Women's economic empowerment is widely regarded as critical to realizing women's rights as well as achieving inclusive economic growth and long-term development. Empowering women to fully participate in all aspects of the economy is vital for strengthening economies, attaining globally agreed development and sustainability goals, and increasing women's, men's, families', and communities' quality of life. Bangladesh has a comprehensive policy framework on gender equality and women's empowerment, with a focus on economic development, in line with international standards. Bangladesh's Constitution, the country's supreme law, embraces the value of equality and includes explicit provisions on gender equality and women's empowerment. But women continue to face significant barriers to accessing these; some of these barriers are social and cultural, while others are connected to a lack of education and information about financial services. Another significant challenge is the lack of a robust monitoring system to track the appropriate implementation of existing policies that encourage women's economic empowerment. In light of the growing marginalization of women-led CMSMEs in the Covid-19 context, the goal of this study is to fill in the knowledge and policy gaps while also offering concrete recommendations to rectify the situation.

### 1.2 RATIONALE OF THE STUDY

The COVID-19 pandemic has had a significant impact on Bangladesh's fast shifting socioeconomic landscape. Covid-19 is far more than a health crisis: it is wreaking havoc on economies, and obviously Bangladesh is no exception. While the pandemic's impact may differ by country, it has certainly increased poverty and inequalities on a global basis, making the SDGs even more critical. Bangladesh had a relatively stable economic condition prior to the start of the pandemic, which helped to minimize poverty and social inequality. However, the country's economy took a huge toll because of the pandemic. During the pandemic, the poor became poorer, and a "new poor" group of people have emerged. According to a survey done by the Bangladesh Institute of Development Studies (BIDS) in May 2020, COVID has caused nearly 16.4 million people to fall below the poverty line. Of these about 50 percent have lost their jobs, and more than 20 percent of them have earned less than BDT 15,000 monthly (Jamal 2020).

Unfortunately, the pandemic had a discriminatory impact on women's employment. According to a survey conducted by UNFPA, UN-Women and the British Medical Journal, Covid-19 has reduced the employment opportunities for women in the formal sector in Bangladesh by 71 percent, compared to 14 percent for men. Even in the informal sector, 24 percent of women have lost the opportunity to work. About 36% of women are at risk due to declining employment in the productive sector; compared to 26% for men. Moreover, the closure of schools and the temporary closure of childcare centers have had a significant impact on reducing women's income opportunities. For all these reasons, women have had to change their work schedules, reduce their working hours, and increase the amount of their household and services. The Government of Bangladesh has announced an incentive package of BDT 200 billion for Cottage, Micro, Small and Medium Enterprises (CMSMEs), of which only 5 percent was allocated for women. The SME Foundation disbursed a loan of BDT 220 million in April-December 2020. Unfortunately, it has been reported that out of 282 borrowers, only 5 were women (Ahmed, 2021).

A large portion of women-owned or managed companies are small and medium-sized enterprises (MSMEs). The risk rate in such businesses has increased due to low level financial resources and limited access to government funds. The COVID-19 pandemic has also hit rural women entrepreneurs in a major crisis, with 80 percent of entrepreneurs not earning a living during the pandemic. Without any income, small business entrepreneurs are trapped in a debt cycle by spending most of their savings in a bid to survive. If the situation worsens, many of the entrepreneurs may have to return to their previous housewife roles. This will hamper the economic development of rural women. On the other hand, the dropout rate is expected to rise among school-going children, and it is likely that most of them will be girls. Many families will not be able to afford to pay for the education of their daughters due to lack of income and rising poverty rates. As a result, the number of child marriages is likely to increase. According to UNICEF Bangladesh, 2021, about 1 crore girls are at risk of child marriage due to Covid-19 (UNICEF Bangladesh 2021). Considering the grave situation, the proposed study is based on the argument that any epidemic affects men and women differently and the Corona Crisis has had a significant impact on Bangladeshi women and has changed gender relations in both the labor market and the home and both are interlinked. It acknowledges that to ensure women's economic empowerment, all their practical needs and subjective realities should be taken under consideration. Therefore, while mapping the available policies for women, attempts should be taken to identify relevant factors that affect women's journey towards economic empowerment. Understanding those factors requires focusing on existing policies and packages to involve and keep women in income generating activities. It further entails identifying underlying causes of women's marginalization, and factors that limit women's resources, makes the available resources "unreachable", hinder women to build their entrepreneurship skills, capacity and decision-making power and also to find scopes in the supply side to introduce women friendly policies and schemes. In a patriarchal society, there must be a holistic approach to consider all the gendered dimensions of a woman's life while trying to empower her. Hence, the study devoted itself to conduct the review through a

gender lens which not only counted the available resources, but also helped find the keys to those resources.

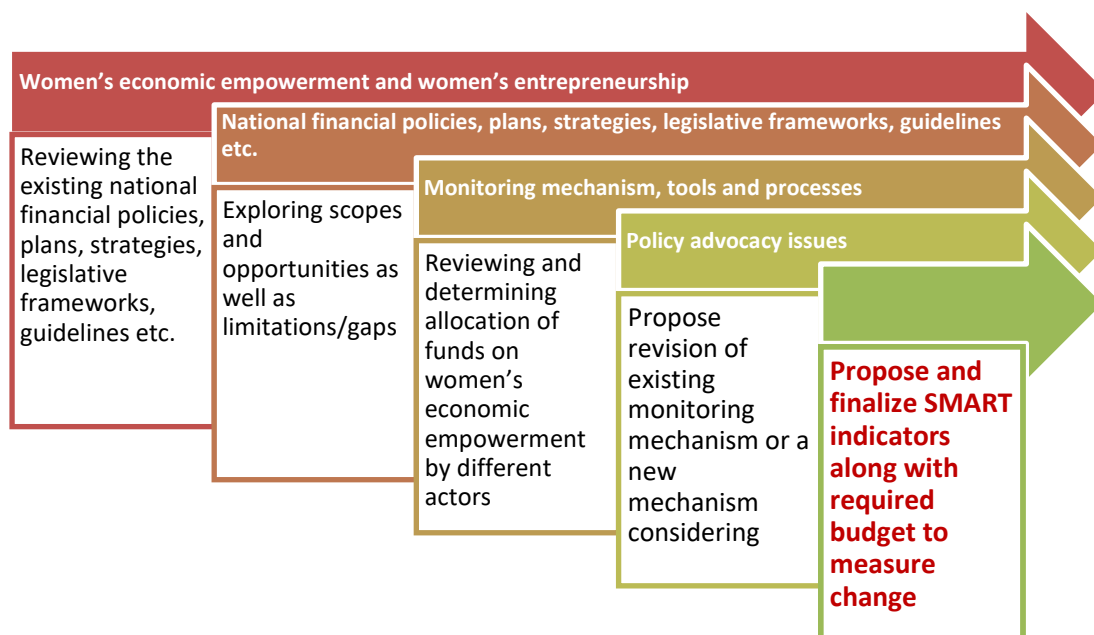


Figure 1: Key Tasks

### 1.3 OBJECTIVES OF THE STUDY

The Objectives of this study are as follows:

1. Mapping of the actors who are supportive to promote women's economic empowerment and more specifically women's entrepreneurship;
2. Identifying existing national financial policies, plans, strategies, legislative frameworks, guidelines etc.
3. Reviewing the existing national financial policies, plans, strategies, legislative frameworks, guidelines etc.
4. Conducting SWOT analysis of the framework/monitoring mechanism including available tools and processes for tracking implementation of relevant policies involving relevant actors
5. Reviewing existing tools used for determining allocation of funds on women's economic empowerment by local government institutes, financial institutes as well as Bangladesh Bank
6. Identify policy advocacy issues
7. Suggest appropriate monitoring mechanism including required changes of the existing one if possible
8. Suggest a plan for enhancing capacity of relevant actors to implement the revised or new monitoring mechanism
9. Propose and finalize SMART(Specific, Measurable, Achievable, Relevant and Time-bound) indicators along with required budget to measure change.

## 1.4 METHODOLOGY

This study used qualitative methodology. Based on the objective of the study, the study approach included empirical and primary data collection along with literature review to collect secondary data in order to better understand and explain the primary findings.

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### 1.4.1 STUDY APPROACH

An intersectional approach was taken under consideration throughout the study which shows the way that people's social identities can overlap, creating compounding experiences of discrimination. An intersectional approach acknowledges systemic discrimination due to sexual orientation and identity, gender and gender identity, race, economic status, immigration status, national origin, and ability, among other aspects of one's identity, and that this systemic discrimination impacts access to opportunity. While adopting an intersectional approach, different subjectivities of the respondents were counted as much as possible and different environmental factors, e.g. socio-cultural, political, geographical contexts were also taken under consideration while analyzing the data to suggest a holistic understanding.

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### 1.4.2 STUDY PHASES

However, this research was conducted in three phases:

Phase 1: Desk Review: Identifying the “De Jure” Scenario-what is on papers.

Phase 2: Focus on Implementation while Collecting Empirical Data: Identifying the “De Facto” Scenario-what are the real experiences.

Phase 3: Focus on Background: Identifying the structured and/or unstructured factors determining the allocation of funds.

#### **Phase 1: Desk Review: Identifying the “De Jure” Scenario-what is on papers**

With the help of secondary research, in phase 1, the main objective was to -

1. Fix the policies that was reviewed in this research, and find out their background, objective and focus on different groups.
2. Define the instruments of the policy and point out the points of data collection in the second phase. That means, the researcher listed out the banks, NBFIs, NGOs and Government agencies that were connected to sanction the loans and aids and also different stakeholders connected to the process. Then the highest and lowest contributors from each of the sectors were fixed as the point of further assessments (who to interview, which organisations should be further researched on) for phase 2.
3. Describe what has been achieved through the policies and how much of the goals of these policies have been successfully achieved.

4. Find out who were/are likely to benefit by implementing these policies. That means who are the target groups of those policies, and what indirect impacts it can have in the lives of other groups apart from the target segments.
5. Find out if horizontal equity, vertical equity and distributional equity was ensured while designing those policies, i.e. if all the target groups of those policies were ensured to get equal access to the resources
6. Find out if different needs and requirements of ethnic minorities, people with special needs, and other groups that require extra supports, were kept in mind while designing and implementing those policies
7. Point out who are having control of the resources in different phases of implementing the policies.
8. Find out if any group of people incurs any kind of loss due to the implementation of those policies

**Phase-2: Focus on Implementation while Collecting Empirical Data: Identifying the “De Facto” Scenario-what are the real experiences**

In Phase-2, there were field visits and interviews of the concerned persons from the organizations, which were responsible to sanction the loans and the aids and interviews of the beneficiaries. The objectives of this phase were as follows:

1. Find out how the whole system operates while implementing the policies i.e. who does what, why and when
2. Collect further information from the interviews of concerned people in selected Banks, NBFIs, NGOs and Government agencies on how the implementation takes place and the rationale behind their decisions of following that way
3. Find out further information on how much of the gender responsive goals achieved by the implementation of the policies
4. Understand the effect of the policy on individuals, households, businesses
5. Gather information on who might have the control over the resources during the implementation of the policies
6. Understand the effect of the policy on the individual, social, and institutional level and analyse them from the gender perspective
7. Find out further information on if anyone incur any loss during or after the implementation of the policy

### **Phase 3: Focus on Background**

Phase 3 focused on the stakeholders and/or policy makers. There were field visits and in-depth interviews of the stakeholders with the following objectives:

1. Understand the relation between the stakeholders in the individual, social and institutional level and identify if the process of allocating fund is either top down or bottom up, or a combination of both. Identify what special measures or processes are in place to provide and / or allocate and / or attract financial services for women entrepreneurs.
2. Find out if there have been any externalities i.e. allocations based on nepotism and prejudice.
3. Identify how the policy makers/stakeholders prioritize the needs of different target group based on social, cultural and political norms (women in ethnic and religious minorities, underprivileged communities and women with special needs, women with disability, divorced and widowed women etc.) And consider while designing the policies.
4. Identify what factors and background are likely to influence policy makers to adopt and design certain provisions.
5. Understand how the resources of the policy implementation are controlled at the ground level.

The whole process can be summarized in the following diagram:

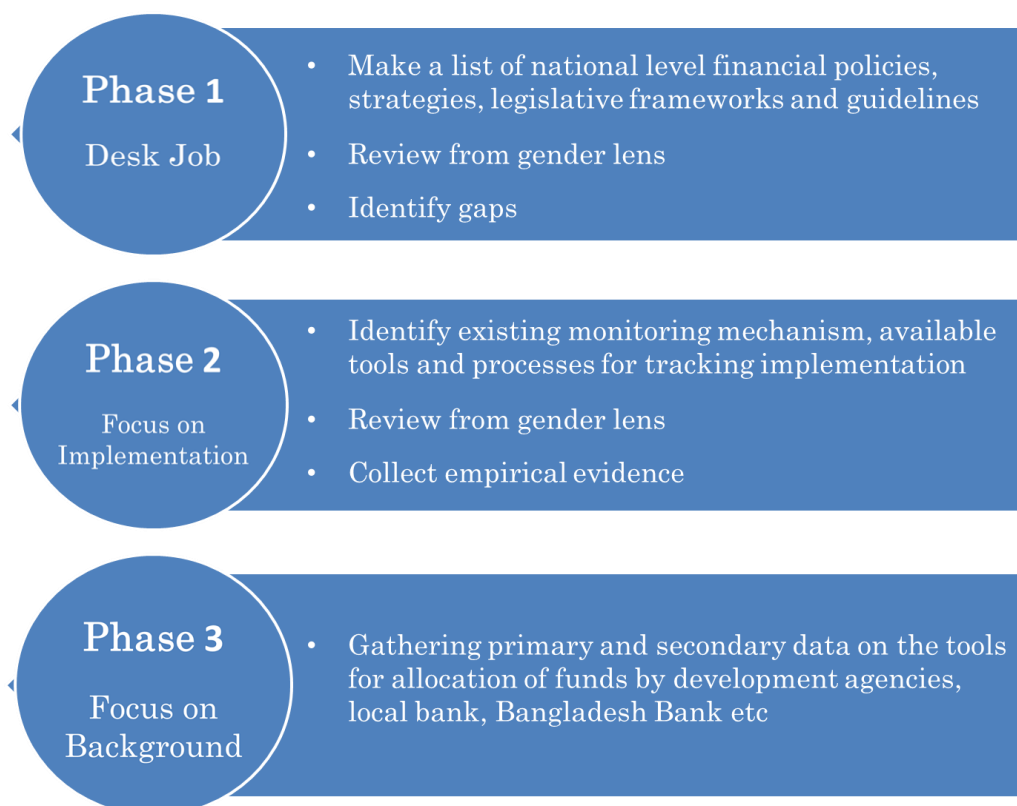


Figure 2: Key Tasks in Realizing TOR



The following table summarizes the details of phase wise data collection.

Table 1: Summary of data collection

Study Phase	Tools of Data Collection	Literatures/Interviews
<b>Phase 1</b>	<b>Secondary Data Collection</b>	<p>The Eighth Five-Year Plan (July 2020-June 2025), National Women Development policy (NWDP) 2011, Industrial Policy 2015 (6th draft), SMESPD Circular Letter No. 01, CMSMEs Circulars from Bangladesh Bank</p> <ul style="list-style-type: none"> <li>• 6 Government Based Financial Organizations</li> <li>• 3 Specialized Organizations</li> <li>• 2 Non-Government Organizations</li> <li>• 4 Public Banks</li> <li>• 5 Private Banks</li> <li>• 2 Non-Bank Financial Institutions</li> </ul>
<b>Phase 2</b>	<b>Primary Data Collection (In Depth Interviews)</b>	<ul style="list-style-type: none"> <li>• 2 KIIs of officials from BSCIC, Rangpur</li> <li>• 2 KIIs of officials from 2 Specialized Organizations (Grameen Bank, Palli Karma-Sahayak Foundation (PKSF))</li> <li>• 2 KIIs of officials from 2 Public Banks (Sonali bank, Agrani bank),</li> <li>• 5 KIIs of officials from Products, Small/Retail Business of Private Banks (Dutch-Bangla Bank, Eastern Bank, City Bank, IFIC bank, National Bank)</li> <li>• 2 KIIs form NGFIs (IDLC, Lanka Bangla Finance)</li> <li>• 10 KIIs of women entrepreneurs from different districts.</li> <li>• 1 KII of an Intersex entrepreneur from Savar</li> <li>• 1 FGD of entrepreneurs at SME Fair,2021</li> <li>• 1 FGD of entrepreneurs at Rangpur</li> </ul>
<b>Phase 3</b>	<b>Primary Data Collection (In Depth Interviews)</b>	<ul style="list-style-type: none"> <li>• KIIS of 2 DGM and 1 GM of Bangladesh Bank</li> <li>• KIIS of 3 former UNOs and 4 Deputy Secretaries</li> <li>• KIIS of 3 Officials from Department of Women and Children Affairs</li> </ul>

While conducting content analysis with the secondary data, proper referencing has been ensured to validate the arguments. While collecting primary data, research objectives were articulated in written documents and the document was read out to help informants understand properly. To protect informant's rights, they were being informed of all data collection devices and activities. Time and place of data collection were decided based on prior consultation with the informants to ensure their convenience. Their consent was taken verbally. There was no provision of taking written consent from the informants as for many of them considered it as a concern of insecurity to sign in papers placed by outsiders even though they could read. However, verbatim transcriptions and written interpretations were kept confidentially considering the rights, anonymity, interests and wishes of informants. The names of the informants are kept hidden and not revealed anywhere in the study to ensure the rights of the informants as promised.

### 2.1 CHAPTER INTRODUCTION

Policies are the tools which a government uses to address the needs of its people and to direct the government and private bodies to serve their purpose being compliant to the laws of the state and rights of the citizens. Policies are designed by the government according to the necessity of the citizens. In the path of ensuring gender equity, the impact of policies aiming towards combating the existing gender gaps is immense. Gender Equality-which is the 5<sup>th</sup> Sustainable Development Goal (SDG) of UN, states to *‘Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.’* This can be done only through promoting and executing policies aiming to combat existing gender-based discriminations in the financial and social landscape.

Despite being a less developed country, Bangladesh has always tried to promote gender equity in its national policies. Several policies have paved the way of advancement of Bangladesh towards gender equality. To make Bangladesh an equal, equitable and just country achieving gender equality is a must. And one of the most crucial aspects of gender equality is women’s financial inclusion. To understand the current scenario of Bangladesh’s financial environment and to assess the current condition of women’s inclusion in the financial landscape, it is important to understand how the existing policies have helped and what the gaps of those policies are. To comprehend the current state of Bangladesh’s financial landscape and to assess the current state of women’s financial inclusion, it is necessary to comprehend how existing policies have assisted and what gaps exist in the policies.

The first section of this chapter has dealt with how the policies would be analyzed. The second section briefly discussed the background of policy development. The third section presented the findings based on the analysis of relevant policies. For this purpose, the following policies were considered:

- i. The Eighth Five-Year Plan (July 2020-June 2025)
- ii. National Women Development policy (NWDP) 2011
- iii. Industrial Policy 2015 (6th draft)
- iv. SMESPD Circular Letter No. 01
- v. CMSMEs Circulars from Bangladesh Bank.

### 2.2 ANALYTICAL FRAMEWORK

To understand this, analysis from gender perspective and intersectional approach were very much helpful. Because with such analysis, future doors of improved policies will open which can ensure the improvement of women from all the communities. That is why, under this research several policies have been reviewed which is crucial towards ensuring women’s financial inclusion in

Bangladesh. For analysis, “Gender Responsive Policy Analysis UNDP Framework” has been followed.

The policies that have been considered for analysis as part of this report are: The Eighth Five-Year Plan (July 2020-June 2025), National Women Development policy (NWDP) 2011, Industrial Policy 2015 (6th draft), SMESPD Circular Letter No. 01, CMSMEs Circulars from Bangladesh Bank.

To analyze policies for identifying women’s financial inclusion, a few things need to be taken under consideration. In order to review different financial policies, “Gender Responsive Policy Analysis UNDP Framework” has been followed. This framework is aware of the fact that gender relations can both influence and be influenced by financial policies and this may limit, or enhance the capacity of policy instruments to achieve the underlying objectives. There may be gender based constraints to resource and technology availability, or the instruments may themselves be gender biased. So, there must be an intersectional lens to review any policy which can relate different realities of people of different gender identities to the objectives and instruments of the policies.

As suggested by this framework, there are a few criteria to analyze an economic policy. Firstly, the objectives of the intervention, particularly whether it is equity or efficiency oriented, needs to be specified.<sup>1</sup> Secondly, the methods used to achieve the objectives, within the constraints of available resources or technology, needs to be examined. Thirdly, the instruments of policy must have clear definitions. Fourthly, the objectives need to be appropriate, often using the standard axioms of welfare economics, and particularly asking whether one person can be made better off without making another person worse off. All these criteria were taken under consideration while reviewing the policies, except the cost benefit analysis which was not doable in the limited period of time.

UNDP framework also has specific suggestions for reviewing from a gender perspective. Hence policies were also reviewed against the below mentioned indicators:

- If different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the policies.
- If the policies are aware of who has access to and/or control of resources, opportunities and power.

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<sup>1</sup> Understanding of equity and efficiency also need to be as such that Horizontal equity is the identical treatment of identical people. Vertical equity is the different treatment of different people to reduce the effects of those differences. Distributional equity occurs when individuals in a given society deem the allocation of goods and services among themselves to be fair. Distributional equity clearly implies a value judgment by individuals or their representatives; as it cannot be objectively defined, it may be subject to disagreement within communities and societies. And briefly, a process can be said efficient when nothing more can be produced with the resources available.

- If the policies are aware of who is likely to benefit and/or lose from new initiatives.
- If the policies focus on gender differences in social relations.
- If different patterns and levels of involvement that women, men, girls, boys and third gender persons, have in economic, political, social, and legal structures have been considered.
- If intersectional outcomes of age, ethnicity, race and economic status have been considered.

UNDP Framework also has clear indication of labeling a policy as Gender Blind, Gender Neutral or Gender Responsive Policy. According to the framework, Gender-blind economic, legal and social policy ignores the different situations, roles, needs and interests of women, men, girls, boys and third gender persons. Gender-neutral economic and social policy is not affected by, and does not affect, the different situations, roles, needs and interests of women, men, girls, boys and third gender persons. A gender-responsive economic and social policy considers and addresses the different situations, roles, needs and interests of women, men, girls, boys and third gender persons. Such guidance was followed to identify if a policy is gender blind, gender neutral or gender responsive.

In this research the policies were chosen according to objective of the policy. That means, all the policies that have been reviewed has relevance with the promotion of women’s financial inclusion. While analyzing the policy, it was observed that what are the different instruments of the policy i.e. who were/are responsible for implementing the policy, what are different resources that were/are used, what has been achieved through this policy, how much of the goal has been achieved and how the whole system operates (who did what, why, when). From those observations, the policies are chosen and the assessment is done in the basis of effect of the policy on individuals, households, businesses and tackling overall COVID scenario, different needs and requirements of special groups, assessment of who are having control of the resources while implementing this policy, measures to ensure horizontal equity, vertical equity and distributional equity and Intersectional outcome of ethnicity, race, economic status and demographic status.

## 2.3 BACKGROUND OF POLICY DEVELOPMENT

This section discusses the background of policy development in detail.

### 2.3.1 BANGLADESH'S POLICY-MAKING REGULATORY APPROACH

The help and level of pressure and persuasion from international development partners, as well as the competence to organize and manage resources, all have a considerable impact on the formulation and implementation of public policy. Part II of the Bangladesh Constitution (Fundamental Principles of State Policy: Articles 8–25) outlines public policies and development aims, purposes, and methods. The core concepts of state policies are described across 25 articles

in Part II of the constitution. The National Economic Council (NEC) approves any major economic policies and the ministries adopt the policies accordingly. The Planning Commission includes professionals and sector specialists engaged in formulating the government's macro- and micro-economic plans and policies.

If a policy is to be implemented without the backing of a parliamentary act, the policy must be validated via legislation. The governing cabinet normally decides to forge a new policy and assigns the related ministry with the paper works. However, Bangladesh lacks a linear policymaking process, and is frequently influenced by political maneuvering. The major stakeholders in Bangladesh's policy formulation process:

**Cabinet:** Bangladesh's ultimate policymaking authority is the central cabinet. For evaluating and scrutinizing selected policies, the cabinet employs its own committees.

**Government Ministries:** These are self-contained administrative designated for Govt. works in different areas. A task force is formed by the related ministry and assigned to produce the policy blueprint. A task group like this includes senior ministry personnel (e.g., joint secretary or similar) who work under the ministry secretary's guidance. Despite its constitutional status, Bangladesh's parliament has relegated itself to the role of law approval. Most MPs readily choose their own financial interest over any policy roles (Lippert, 2009). Furthermore, there is insufficient debate in parliament on policy and legislation; many critical issues are not considered, and numerous policies devised at the ministry level are not declared in parliament. (Transparency International, Bangladesh [TIB], 2009a).

**Political Parties:** In most situations, officials are not elected based on their credibility as candidates, but rather based on their affiliation with the party symbol. Political parties are seen as safe haven for felons, terrorists, and racketeers (TIB 2009b). Public policy is defined as the result of politics favoritism-created incentives rather than the government's need to play an effective developmental role (Mahmud et al., 2008).

**Bureaucracy:** Bureaucracy is at the heart of policy development and implementation, and it strives to strike a strategic balance between political interests and set protocols. In policy formation and, to some extent, implementation, bureaucracy plays a key and tactical role in meeting and adapting donor demand, lobbying, and influence (Rahman, 2011). However, the government bureaucracy is regarded as lethargic, risk averse, and opposed to reform (Aminuzzaman, 2010; World Bank, 1996).

**NGOs:** The NGO sector has addressed state's lack of attention to policy creation and reform in regard to policy conceptual framework, particularly in social policy. NGOs have acted as accelerators in the development of environmental, information, and women's and children's rights policy (IGS, 2012). Some even assist the government in the policy-making process by doing study and consulting. (Islam, 2012).

**The Private Sector:** our primary policymakers often hail from the private sector. Almost one-third of all MPs have direct financial stakes in the country's main exporter, the clothing industry (Jahan & Amundsen, 2012). Business leaders and MPs serve an active influence in setting fiscal policy, both directly and indirectly.

**Informal Pressure Groups:** Informal pressure organizations have also been shown to play a significant effect in the implementation of various policies. Such small-scale unofficial connections try to retain strategic partnerships with the highest levels of government.

**Donor and Development Partners:** Donors take a large and visible interfering role by introducing policy ideas and making policy suggestions. Members of the bureaucracy and officials frequently express dissatisfaction with the donors' policy change goal. One displeased finance minister openly chastised the World Bank and the International Monetary Fund (Aminuzzaman, 2013).

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### 2.3.2 POLICY DEVELOPMENT FACTORS: BUREAUCRATIC ASPECTS

Prof. Aminuzzaman conducted an empirical observation of an examination of critical aspects that influenced both policymaking and execution procedures in Bangladesh. The study, conducted in 2010–2011, received responses from 76 public workers who held ranks spanning from deputy secretary to secretary. According to the participants, there is a significant lack of coordination between donor and government efforts to certain policy endeavors (Aminuzzaman, 2013). Frequent change in senior policy positions causes ministries to lose institutional memory, consistency, ownership, devotion, and policy focus.

Table 2: Factors affecting policy formulation & implementation in Bangladesh (Aminuzzaman, 2013)

Affective/influential factors	Dependent variable policy formulation process	Dependent variable policy implementation process
	Beta coefficients	
Change in leadership/regime	.113	.681***
Community/Stakeholder participation	.090	.193*
Donor conditions	.389*	.479*
Donor technical assistance	.693***	.713***
Long term vision/perspective	.090	.251*
Managerial/technical skills	.345**	.545***
Political will/direction	.602***	.597***
Supportive rules/synergy	.033	.354**
Allocation and control over resources	.241*	.414**
Adjusted $R^2$	.543	.626

### 2.3.3 POLICY INITIATION FROM ROOT LEVEL

No research or secondary information on how a policy concept is first conceived, from its very basics, has not been found throughout the study.

## 2.4 FINDINGS FROM THE REVIEW OF POLICIES

This section summarizes the findings from the review of policies.

### 2.4.1 THE EIGHTH FIVE-YEAR PLAN (JULY 2020 -JUNE 2025)

The policy identifies gender equality as a fundamental to overcome barriers to economic growth, poverty reduction, and social development. The 8thFYP's gender-specific plan is to develop a country where men and women will have equal opportunities and rights, and women will be regarded as equal contributors to economic, social, and political growth. By reforming social norms and preserving women's rights, this planning document aims to improve women's capabilities and access to resources and opportunities, as well as resolve constraints in structures and institutions. Increased access to human development opportunities; enhancing access to and control over diversified economic opportunities and resources, including promoting business development services for entrepreneurs; and ensuring access to local, national, and international markets and products, and improving financial inclusion, all are suggested action areas in the 8th FYP for women's empowerment and gender equality.



8th five year plan is drafted to guide the overall progress and development of different departments of the government. The gender strategy part aims at elimination of women and girls' extreme poverty, ensuring social security, social equity by developing them as resources and harnessing their full potential. (8FYP)

There are five strategic objectives which are improving women's human capabilities, increasing women's economic participation and benefits, enhancing women's voice and removing constraints on women's agency, strengthening the enabling environment for achieving gender equality and enhancing the mother and child benefit programme.

The second objective here is the most relevant with this research. To increase women's economic participation and benefits, the policy wants to address the areas of women's access to income, job market, economic resources, women's access to control over productive assets, resources, services, skills, property, employment, income, information, technology, financial services, work environment, entrepreneurship, community resources, and removal of barriers to women's economic participation and ensuring support services.

Five different ministries are allocated with resources to implement the 8th FYP. The provisions that are relevant to the research, those are to be implemented by the Ministry of Women and Children Affairs.

Increasing women's labour force participation, short and long-term employment opportunities, encouraging and incentivizing the private sector to support women's employment in non-traditional areas, Monitoring to enforce equal wage and benefits for women and men as per Labour laws, designing safety net programs to create employment for women, setting target for short-term employment opportunities under construction and development projects for women for ensuring equal wage are focuses in the action plan.

The whole policy is more like a wish list, and there is no specific monitoring and evaluation mechanism. Incorporating the suggested M&E mechanism that has been proposed in this research would be helpful to ensure the effective implementation of the policy.

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#### 2.4.2 NATIONAL WOMEN DEVELOPMENT POLICY (NWDP) 2011

This policy was developed to encompass almost all areas of women empowerment including the participation of women in politics, board of directors of financial institutions, equal salary, domestic workers rights, reducing violence against women, health services, workers right, education, social security, transportation, employment, girl child security, sports, nutrition, psychological health, disability care, prevention of dowry and child marriage, training, entrepreneurship promotion, access to information, worker's rights, quota system , climate change,

loan services, support services for backward and minority women, supporting women in print and digital media.

This policy aims at encompassing all areas of women empowerment and to ensure equal rights and opportunities. After the Fourth World Conference on Women (FWCW) through a wide consultative process, the first National Policy for Women's Advancement (NPWA) was adopted in 1997. This was revised several times. According to the political manifesto of the current government, the Women's Development Policy (WDP) was revised in 2011 the National Action Plan 2013 was developed for the implementation of WDP 2011.

Involving poor women in productive and the mainstream economic activities, employment of both educated and illiterate women, reforms of laws, rules and policies to increase women's employment, arrangement of training and credit facilities for women entrepreneurs and encouraging women in farming, fisheries, cattle rearing and forestry, financial inclusion through SME/Microfinance/Pro-poor Package, and social safety net programmes including skills, food security and maternity allowances, access extension services, seed, fertilizer farmer's card and credit facilities for women are some of the objectives of NWDP. The policy calls for removal of illiteracy and educating women and develop them as skilled human resources. It also indicates provisions for removing discrimination at workplace for women.

The Ministry of Women and Children's Affairs (MoWCA) will be the responsible entity for implementing this policy. To implement the provisions, which need the support of other ministries, MoWCA will engage those ministries in the implementation process. To ensure the smooth implementation, in every ministry there will be one responsible person as the 'focal point' for ensuring women empowerment.

The National Action Plan (NAP) was formulated in 2013 to implement NWDP. It covers a broad range of services for women. Among them, the goals which relates to financial inclusion of women are

1. Participation of women in the board of directors of financial institutions
2. Ensuring employment of both educated and illiterate women and equal salary in the workplace
3. Reforms of laws, rules and policies to increase women's employment
4. Arrangement of training and credit facilities for women entrepreneurs
5. Financial inclusion through SME/Microfinance/Pro-poor Package, and social safety net programmes including skills, food security and maternity allowances
6. Providing Equal emolument, workplace health and safety, health and maternity care
7. Support services for backward and minority women

NAP has a separate section to ensure the rights of the disabled women, and assigned responsibilities to ensure the provisions of NAP for the disabled women. Women who could not be a part of mainstream education because of disability, their rights to access to education have been addressed by announcing special educational facilities for them.

Women who face added difficulty for being part of minority and underprivileged communities, their needs are addressed by a separate section. The Needs of different minority groups on the basis of ethnicity, economic condition, and social position have been addressed in the NAP.

There are several gaps which were identified while reviewing this policy. It mentions adherence to Quran and Sunnah without mentioning its implication to women following other religions, does not commit towards working on legal provisions of inheritance law, non-binary, intersex are not addressed in the policy. As there has been no separate ministry, or policy to address the needs of this minority group, NWDP 2011 and NAP 2013 could have provisions to address their needs as well.

Keeping a separate section for explaining how the policy can integrate women from every background including the religious and ethnic minorities.

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#### 2.4.3 INDUSTRIAL POLICY 2015 (6TH DRAFT)

The Policy's goals include creating productive jobs, integrating women into the industrialization process, and reducing poverty. It includes provisions for women's employment, entrepreneurship/economic gain, access to finance and factors of production, as well as financial incentives and support for female entrepreneurs. It advocates for the creation of women-friendly financial services, as well as credit, equity capital, venture capital, and working capital, as well as special initiatives to encourage women to start businesses. The policy calls for identifying and removing legal barriers to women's economic and business empowerment, as well as special incentives and support measures for women entrepreneurs.

The policy aims to improve the socio-economic condition of the people by achieving industrial growth and creating employment through industrialization from public and private initiatives, increasing the contribution of industrial sector and labour forces from 29% to 35% and 18% to 25% respectively to the national income, and achieve inclusive growth through standard industrialization and income centric employment (Ministry of Industry [MOI], 2016) (Roy, 2019)

The policy has a diverse range of objectives. The relevant part for this research is the section where it has mentioned its targets for women entrepreneurs. The policy has called for supporting women entrepreneurs and has a special chapter (chapter 10) to ensure the participation and growth of women in the industrialization process

The objectives in the action plan that has relation with the women entrepreneurs are

1. To increase the participation of women in the industries, simplifying legal regulations and providing special allowance.
2. Wide spreading hand, cottage, small and medium industries to preserve and develop the skill of the local community and promote the local culture

To fulfill these objectives, this policy has provision for women's employment, entrepreneurship/economic gain, access to finance and access to factors of production, and incentives and financial support for women entrepreneurs. It calls for creating women friendly banking services, providing credit, equity capital, venture capital and working capital and special measures to develop women entrepreneurship ensuring access to land and finance and business support services. (BIGD, 2016)

40 departments and its personnel have been chosen for implementing the policies. Among them, who are responsible for implementing the provisions focusing on women entrepreneurs are

1. Board of Investment
2. BEZA
3. BSCIC
4. Tariff Commission Bangladesh
5. NBR
6. Finance Division
7. Ministry of Commerce
8. Bangladesh Bank
9. SMEF
10. Ministry of Agriculture

President of Bangladesh Women Chamber of Commerce and Industry (BWCCI), as a member of the Executive Committee of the National Council for Industrial Development (ECNCID) would review the implementation of the Policy. (BIGD Research Area 4)

The provision in the action plan which can play important roles for women empowerment

1. Supporting women entrepreneurs by giving them loans without any mortgage from the fund of Bangladesh Bank
2. Increasing the allowances for women entrepreneurs to increase their participation in the SME sector

3. Simplifying existing rules and regulations of taking loans for women industrial entrepreneurs
4. Creating a database of women industrial entrepreneurs
5. Increase the range and amount of mortgage less loans for women entrepreneurs
6. Mentoring the women entrepreneurs before investment

Apart from these provisions which directly contributes to empower the women entrepreneurs, there are other provisions in the policy which call to create women friendly bankings services, special provisions like reserve quota for women entrepreneurs in EPZ, reserving 15% of total SME lending for women entrepreneurs, at 10% interest rate, and women's employment creation in small, medium and cottage industry, and preference for women in service industries like ICT. (BIGD Research Area 4)

The policy tried to take an intersectional approach by including priority areas based on the development of industries. The regions in the country which are underdeveloped in terms of industrialization, have been pointed out to get extra priority.

Hand and cottage industries in the tourist zones have been pointed out in the policy to be included in the possible industries to work on in those areas.

Several gaps have been identified here. Enterprises having 51% or more shareholding by a woman are termed as 'women led enterprise' in the policy. Owner/shareholder of that enterprise will be eligible to get the benefit of the provisions mentioned in the policy. However, this does not ensure the participation of women in the enterprise. In the context of Bangladesh, it is highly possible for the men to list their enterprises under the name of their wife/mother/sister and get the benefit whereas in real sense, the woman listed as shareholder will have no access to the wealth and benefits generated by the enterprise.

The policy has categorized the enterprises having fixed assets of 75 lakhs or more under SME. According to this definition, most of the women led enterprises do not fall under SME, but under cottage industry. If Banks and Financial Institutions directly apply this definition while disbursing loans, many of the women entrepreneurs will not get access to the benefits. (BIGD Research Area 4)

To address this gap, in September 2019, Bangladesh Bank has published a CMSME circular which according to the definition has set the limit of loan for different kinds of enterprises and has directed the banks to disburse loans according to the category of the enterprises.

The probable mechanism can be a time-to-time follow-up of the loan distributing agency to ensure that the women who is owner in paper is actually being included in the decision-making process of the business. If it is necessary, the loan distributor can also be held responsible for educating the female owners of the enterprises regarding different aspects of business operation.

An incentive package of BDT 20,000 crore was announced to be given to the cottage, micro, small, and medium enterprises to tackle the impacts of Covid-19.

The other sectoral policies, such as National Youth Policy 2017, national Children Policy 2011, National Social Security Strategy 2015, National Industrial Policy 2016, National Agricultural Policy 2018, National Information and Communication Technology Policy 2018, National digital Commerce Policy 2018, National Skill Development Policy 2012, Expatriate Welfare and Overseas Employment Policy 2016, National Education Policy 2010, SME Policy 2019, and National Financial Inclusions Strategy (NFIS) also include policy commitments on gender equality and women's economic empowerment.

To counter the effect of COVID-19 in the CMSME sector in Bangladesh, the honorable prime minister announced a stimulus package of 20,000 crore BDT. The circular aims at directing and guiding the banks and financial institutions on how to disperse this stimulus.

Though this circular does not mention especially about women entrepreneurs anywhere except one place, women entrepreneurs being a big part of the CMSME sector of Bangladesh, is directly impacted by the following objectives of the circular, which are-setting up a guideline on bank and enterprise category wise disbursement limit of the loans, setting up the eligibility criteria to access this benefit, directing how the amount received under this stimulus package can be spent, time limit and interest rate of the loan, management of the disbursement process, monitoring and evaluation criteria and process.

All the banks and financial institutions operating in Bangladesh, SME and Special Programmes Department of Bangladesh Bank, Accounts and Budgeting Department of Bangladesh Bank and Special Monitoring Cell of each bank operating under the respective head quarter are the responsible entities to implement the policy.

15% of the total disbursement will go to rural areas, 70% to be disbursed in cottage, micro and small industry, 5% of the total is dedicatedly to women entrepreneurs, the maximum interest rate can be 9%, 5% of which would be covered by the government.

Several gaps were identified while reviewing the policy from the intersectional approach. The amount of paperwork and official documents the policy requires for accessing the loans might hinder the rural women SME owners. Furthermore, It would be really tough to cover more than 1 crore of SMEs across the rural regions with the proposed 20,000 crore BDT. Being under a big umbrella of CMSME, the whole process can take time which is a crucial problem in the current scenario as the SMEs require the assistance right now for their survival. This problem is evident from the two circulars regarding the disbursement process of this incentive. Bangladesh Bank found out that many banks were not able to disburse the proposed amount, and their deadline was extended twice in November 2020, and December 2020. Also, the circular does not mention region

wise extra emphasis, which is important, because there are several regions in Bangladesh, which were more affected by COVID situation than others and they require extra support. Ethnic communities in the tourist zones were one of the worst sufferers and the circular needed to have some special focus in that area.

A third party or a separate department can be assigned for assisting the rural women entrepreneurs in a subsidized and affordable rate to help them with paperwork. Apart from the SME, the cottage and micro industry can come under focus with separate clauses on how to support them specifically and time-to-time follow-up of the loan distributing agency to ensure that the woman who is owner in paper is actually being included in the decision-making process of the business.

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#### 2.4.5 CMSMES CIRCULARS FROM BANGLADESH BANK

Bangladesh Bank identified Cottage, Micro, Small & Medium Enterprises (CMSMEs) as a top priority sector for rapid industrialization, employment generation, poverty reduction, gender equality & overall economic growth of Bangladesh. To develop the sector, this department provides refinance facilities to Banks & Financial Institutions at a relatively cheap rate against their financing to CMSMEs. A target based lending to CMSMEs has been initiated since the inception of this department. This intervention for engendering SME finance has been declared as international best practice for SME financing by Alliance for Financial Inclusion (AFI) in 2014. All banks and financial institutions have been disbursing credit to CMSMEs following their indicative target set on a calendar year (Jan-Dec) basis.

The CMSME circular is a step to implement the National Industrial Policy 2016. Its aim is to direct and guide the banks and financial institutions to support the cottage, small and medium industries with loans.

There were several aims behind this policy. According to the National Industrial Policy 2016, Cottage, Small and Medium industries were defined, but how those enterprises will get access to loans or how much they can get access to was not clear. CMSME circular's objective is to make the loan disbursement process systematic and structured. Also, ensuring that cottage, micro, small and medium enterprises get access to loan facilities and women entrepreneurs especially can get access to such facilities is another objective.

All the banks operating in Bangladesh will remain responsible to implement this circular.

There are several focuses in the action plan. Increasing the amount of loan financing in CMSME sector and making the amount of CMSME loan at least 25% of the total disbursed loan within the end of 2024, and ensuring that at least 15% of it goes to women entrepreneurs is one of the objectives. Another one is ensuring that cottage, micro and small enterprises gets 50% of the total CMSME loan

After the categorization of CMSME by National Industrial Policy 2016, many of the women led enterprises fell under Cottage and Micro industry which previously had no provision of getting access to bank loans. This circular has provided a structured plan for the cottage, micro and small industries to get loan financing.

According to the national industrial policy, these circular mentions areas that are underdeveloped in terms of industrialization. This circular also has addressed the communities which do not have enough branches of banks, and has directed the banks to ensure the access of those areas in this loan facility by either agent banking, or digital finance or through microfinance provider institutions.

Several gaps were identified here. Just like the national industrial policy, without considering the participation of women in the decision making procedure of the enterprise, it focuses only on the shareholding aspect, in the context of Bangladesh which is not enough to ensure financial inclusion for women. Also, the procedure that has to be followed to get a loan under this circular is quite long. *Usually rural women entrepreneurs struggle with filling up loan forms and find it difficult (assumption of the researcher)*, which might hamper the target of the circular.

Assigning a third party to assist the rural women entrepreneurs in a subsidized and affordable rate to help them with paperwork would be a good way forward in this regard. A time-to-time follow-up of the loan distributing agency can ensure that the woman who is owner in paper is actually being included in the decision-making process of the business.

Table 3: Policy Review at a glance



	If different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the policies.	If the policies are aware of who has access to and/or control of resources, opportunities and power.	If the policies are aware of who is likely to benefit and/or lose from new initiatives.	If the policies focus on gender differences in social relations	If different patterns and levels of involvement that women, men, girls, boys and third gender persons, have in economic, political, social, and legal structures have been considered	If intersectional outcomes of age, ethnicity, race and economic status have been considered.
The Eighth Five-Year Plan (July 2020-June 2025)	Many aspects regarding the needs and priorities of women have been addressed but the third genders' perspective was missing. Moreover, the needs of women and girls addressed here needed to have more specification with proper timeline-based action plan.	The policy does not mention clearly who would be responsible to control the resources necessary to implement the policy	The policy states who would benefit from the implementation but the possible backlashes are not well thought-out, and it is not sure if there is any.	The policy admits the unequitable stance of women in the society and aims to address the differences.	The patterns and level of involvement addressed in the policy is very linear which is not the reality.	Intersectional lens is not very much evident.
National Women Development policy (NWDP) 2011 and NAP 2013	Reflection of women's experience is evident from the implementation of mortgage less loan facilities for women entrepreneurs and financial inclusion through SME/Microfinance/Pro-poor Package, and social safety net programmes including skills, food security and maternity allowances	The clauses of the policy and action plan are clear to a great extent about the social dynamics which needs to be addressed to ensure the control of the resources in favor of the target group	The women in general are the target group of the policy	The policy admits the unequitable stance of women in the society and aims to address the differences.	Different social, legal and bureaucratic structures have been considered in different clauses.	In some instances, the policy has not totally addressed the special issues that religious and ethnic minorities have to face.
Industrial Policy 2015 (6th draft)	The policy aims at simplifying legal regulations for women which reflects women's experience in general	In the context of Bangladesh, it is highly possible for the men to list their enterprises under the name of their wife/mother/sister and get the benefit whereas in real sense, the woman listed as shareholder will have no access to the wealth and benefits generated by the enterprises	The policy mentions clearly who are to be benefitted from the implementation	The policy focuses on special needs of women. However, third genders are not mentioned anywhere.	The political, social and legal structure in the context of Bangladesh is not totally reflected while designing the loan disbursement policy	The policy tried to take an intersectional approach by including priority areas based on the development of industries. The regions in the country which are underdeveloped in terms of industrialization, have been pointed out to get extra priority.
SMESPD Circular Letter No. 01	Experience of SME entrepreneurs especially of women has not been considered enough which is evident from the required amount of paperwork without the mention of any support system.	The policy reserves 5% of the fund for women entrepreneur but most of the women led SMEs in paper are controlled by male members of the family.	The policy mentions clearly who are to be benefitted from the implementation	Addresses the gender difference with a special focus on women	The political, social and legal structure in the context of Bangladesh is not totally reflected while designing the loan disbursement policy	The circular does not mention region wise extra emphasis, which is important, because there are several regions in Bangladesh, which were more affected by COVID situation than others and they require extra support. Ethnic communities in the tourist zones were one of the worst sufferers and the circular needed to have some special focus in that area.

	If different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the policies.	If the policies are aware of who has access to and/or control of resources, opportunities and power.	If the policies are aware of who is likely to benefit and/or lose from new initiatives.	If the policies focus on gender differences in social relations	If different patterns and levels of involvement that women, men, girls, boys and third gender persons, have in economic, political, social, and legal structures have been considered	If intersectional outcomes of age, ethnicity, race and economic status have been considered.
CMSMEs Circulars from Bangladesh Bank	The SMEs targeted by the plan have no separate mentions regarding customized needs and priorities of different groups. However, small and cottage industry got special attention which indirectly addresses the need of women and third gender.	The policy is clear on the control over provider part. However, in the receiver end, there is a power dynamics present which creates a hindrance in the path of financial empowerment of women which has not been addressed yet.	The policy is designed to benefit the cottage, small and micro enterprises. This policy for the first time has introduced a strong definition of cottage and micro industry clearly. Thus the policy is well aware of the beneficiary in this context	The policy has mentioned special consideration for women entrepreneurs reserving 15% of the fund for women. However, in the social context of Bangladesh most of the women led SMEs are not run by women but the male members of their families which policy does not focus on.	The political, social and legal structure in the context of Bangladesh is not totally reflected while designing the loan disbursement policy	According to the national industrial policy, this circular mentions areas that are underdeveloped in terms of industrialization. This circular also has addressed the communities which do not have enough branches of banks, and has directed the banks to ensure the access of those areas in this loan facility by either agent banking, or digital finance or through microfinance provider institutions.

It is a positive practice that though all the policies are not women-centric as a whole, most of them have special provisions for women. It is an emancipating trend that acknowledges women's perspectives. It reflects that the stakeholders are aware of women's age-long suffering that women have been discriminated in economic, political, and social spheres and women need positive discrimination through special provisions in the mainstream to overcome the hurdles. The interview of the beneficiaries also reveals that the authority is now aware of the rights and struggles of women.

One of the positive aspects that this policy analysis revealed is the awareness and positive intention of the government and policymakers to uphold gender equity and their attempt to reflect that in policymaking. Policies that have been analyzed in this research have clear aims and goals like women empowerment and ensuring equal rights and opportunities (NWDP 2011 and NAP 2013), direct and guide the banks and financial institutions to support the cottage, small and medium industries with loans (CMSME Circular-Bangladesh Bank), supporting women entrepreneurs and ensuring the participation and growth of women in the industrialization process (National Industrial Policy 2016), improving women's human capabilities, increasing women's economic participation and benefits, enhancing women's voice and remove constraints on women's agency, strengthening the enabling environment for achieving gender equality, enhancing mother and child benefit program (8th Five Year Plan) etc. Keeping special provisions for supporting women entrepreneurs while designing a policy is found to be a very common practice which proves the vision of the policymakers in favor of removing the gender barrier and ensuring equality. Legal requirements and administrative regulations are one of the major barriers for women to access the financial incentives that are available from government bodies or private banks. Several policies are also in place to address those issues which is proof that the policymakers at least have the idea and awareness of the hurdles in the path of women's financial inclusion.

Some of the policies did a good job to address this aspect as an intersectional approach. National Industrial Policy is a good example. The policies were formulated taking an intersectional approach by including priority areas based on the development of industries. The regions in the country which are underdeveloped in terms of industrialization have been pointed out to get extra priority. Hand and cottage industries in the tourist zones have been pointed out in the policy to be included in the possible industries to work on in those areas.

CMSME circular mentions areas that are underdeveloped in terms of industrialization. This circular also has addressed the communities which do not have enough branches of banks and has directed the banks to ensure the access to those areas in this loan facility by either agent banking/digital finance or through microfinance provider institutions.

SPESPD Circular of Bangladesh Bank also has shown demographic inclusiveness by preserving 15% of the total disbursement for the rural area.

### 3 CHAPTER THREE: REVIEW OF FINANCIAL ORGANIZATIONS RELATED TO WOMEN'S INCLUSION IN FINANCIAL ACTIVITIES

#### 3.1 CHAPTER INTRODUCTION

Despite the fact that women's access to finance has improved over time, the total amount of credit disbursed to them annually from 2010 to 2017 was just 3% of the amount disbursed to men entrepreneurs (Nazly, 2021). In 2016-17, 65% of adult males (15 years and older) had a bank or other financial institution account, whereas just 36% of adult females (15 years and older) had an account. One of the most essential criteria in ensuring the sustainability of enterprises/businesses and increasing women's engagement in the local economy as employees and entrepreneurs is access to financial resources. The purposes of different policies for women's inclusion in financial resources are served through different public and private financial organizations. Analysis from a gender perspective and an intersectional approach can be very useful to understand these organizations. No doubt that such analysis will open the door to better financial products and services in the future, ensuring the advancement of women from all walks of life. As a result, a number of financial organizations have been examined in this chapter, which is critical in guaranteeing women's financial inclusion in Bangladesh.

#### 3.2 SELECTION CRITERIA OF THE ORGANIZATIONS FOR REVIEW

The study was done based on quantitative and qualitative data gathered mostly from secondary sources. For this aim, many relevant documents, office orders/circulars, and citizen's charters of financial institutions that are available on the internet have been evaluated. Various research reports and newspapers have been scanned as well.

The organizations that were picked for this study were chosen based on the study's goal. All of the groups examined have relevance with women's financial inclusion. While analyzing the organizations, it was observed that what are the available financial services, is there any women focused specialized loan or savings schemes, what are the eligibility criteria for women entrepreneurs to avail those products and services, is there any service available for women who want to start a new business, or who are new in the business, are the services available countrywide, what is the interest rate for women focused loan/savings products and services, what is the impact of the women focused initiatives among the women, is there any training program available for women arranged by the organizations, what is the total amount of disbursed loan of the organization, and what is the current status of the loan program. The organizations were selected based on these observations, and the assessment was done based on the organization's services' impact on individuals, households, businesses, and the entire Covid-19 scenario, as well as various demands and requirements of particular groups, race, and ethnicity.

### 3.3 ANALYTICAL FRAMEWORK

The loan products that have been considered for analysis as part of this report include most of the products available for SMEs in public and private banks, NGOs and NBFIs.

To analyze loan products for identifying women's financial inclusion, a few things need to be taken under consideration according to "Gender Responsive Policy Analysis UNDP Framework" It has been taken under consideration that if different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the loan products.

As, UNDP Framework also has clear indication of labeling a policy as Gender Blind, Gender Neutral or Gender Responsive Policy, efforts have been made to identify the products under that criteria and the loan products which have proved to be most gender-responsive have been pointed out at the end of the chapter.

### 3.4 FINDINGS

There are several government financial institutions, specialized organizations, NGOs, public and private banks, and non-banking financial institutions that provide financial services such as micro-credit, credit for small entrepreneurs, savings, and grants through different agencies. Some organizations also offer non-financial services such as training, equipment support, and entrepreneurship courses to educate women about financial management. Several financial institutions have paved the path for Bangladesh's progress toward gender equality by providing women with unique financial services.

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#### 3.4.1 GOVERNMENT FINANCIAL INSTITUTIONS

Several government financial institutions provide financial services to different stakeholders. This section discusses those in details.

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##### 3.4.1.1 BANGLADESH SMALL AND COTTAGE INDUSTRIES CORPORATION (BSCIC)

Among the government organizations Bangladesh Small and Cottage Industries Corporation (BSCIC) provides collateral free maximum of 10 lac taka loan to its registered men and women entrepreneurs with 9% and 10% interest rate respectively, under its 'BINIT' loan program. These entrepreneurs need 3 to 5 guarantors for the loan. The service is available all across the country, in district offices of BSCIC. BSCIC also provides entrepreneur and skill development training to its entrepreneurs. In FY 2016-2017 and in FY 2017-2018 (up to February 2018), BSCIC has

disbursed BDT 1071.80 crore and BDT 401.34 crore respectively under BINIT loan program (BSCIC, 2021).

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#### 3.4.1.2 BANGLADESH RURAL DEVELOPMENT BOARD (BRDB)

Bangladesh Rural Development Board (BRDB) also provides loan at 11% interest rate. In FY 2020-2021 BRDB received BDT 150 crore as Covid-19 stimulus package to help its small, micro and medium entrepreneurs. The interest rate during the loan tenor (2 years) of the stimulus package is 4% (BRDB, 2021).

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#### 3.4.1.3 PALLIDARIDROBIMOCHON FOUNDATION (PDBF)

Palli Daridro Bimochon Foundation (PDBF) provides collateral free Women Entrepreneurs Loan size of 50,000 to 150,000 at 12% interest rate (Nazly, 2021). PDBF has its offices in Upazillas. Apart from micro credit and training programs PDBF provides its entrepreneurs a platform “Palli Rong” in their district offices and in head office to showcase and promote their products (PDBF, 2021).

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#### 3.4.1.4 DEPARTMENT OF WOMEN AFFAIRS (DWA) AND JATIYOMOHILASANGSTHA (JMS)

Department of Women Affairs (DWA) and Jatiyo Mohila Sangstha (JMS) provide collateral free micro-credit of BDT 5000 to BDT 15000 for self-employment of women at 5% interest rate. Also, DWA and JMS provide different training such as computer training, dressmaking, block, boutique, farming and fisheries training to the new and existing women entrepreneurs in upazilla and district offices of DWA and JMS (DWA, 2021), (JMS, 2021).

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#### 3.4.1.5 DEPARTMENT OF SOCIAL SERVICES (DSS)

Among all the government organizations Department of Social Services (DSS) has special program for bohemian (Bede) people and the non-binary people (Hijra). In order to educate and develop the school-going students of Bede and Hijra communities, stipends are being provided at 4 levels; Primary level (monthly BDT 700), Secondary level (monthly BDT 800), Higher Secondary Level (monthly BDT 1000), and Higher Level (monthly BDT 1100). Provision of BDT 500 and 600 special old-age allowance for disabled and indigent Bede and Hijra respectively aged 50 years and above. To bring the working Bede and Hijra people into the mainstream of the society by increasing their skills and involving them in income-generating activities by providing vocational training and post-training financial assistance of 10,000 Taka per beneficiary (DSS, 2021).

Table 4: Summary Table for Government Financial Institutions

Name of the Organization	Name of the Program	Features
Bangladesh Small and Cottage Industries Corporation (BSCIC)	BINIT Loan Program	<p>Loan Size: Maximum BDT 10 lac</p> <p>Loan Tenor: 2 years</p> <p>Interest Rate: 9% for women, 10% for men</p> <p>Collateral/Guarantor: 3 to 5 personal guarantors</p> <p>Eligibility: Entrepreneurs registered with BSCIC</p>
	Training Program	Entrepreneur and Skill development Training
Bangladesh Rural Development Board (BRDB)	Credit	<p>Loan Size: BDT 15,000-50,000</p> <p>Loan Tenor: 1 year</p> <p>Interest Rate: 11%</p> <p>Collateral/Guarantor: N/A</p> <p>Eligibility: Group members of BRDB</p>
	Covid-19 Stimulus Package	<p>In FY 2020-2021 BRDB received BDT 150 crore for its SMEs.</p> <p>Interest Rate: 4%</p> <p>Loan Tenor: 2 years</p>
PalliDaridroBimochon Foundation (PDBF)	Micro Credit	<p>Loan Size: BDT 10,000-30,000 at first, then up to BDT 1 lac</p> <p>Loan Tenor: 1 year</p> <p>Interest Rate: 12% in declining mode</p> <p>Collateral/Guarantor: N/A</p> <p>Eligibility: Group members</p>
	Women Entrepreneur Loan	<p>Loan Size: BDT 50,000-150,000</p> <p>Loan Tenor: 1 year</p> <p>Interest Rate: 12%</p> <p>Collateral/Guarantor: N/A</p>

Name of the Organization	Name of the Program	Features
		Eligibility: Members of PDBF
	Polli Rong	Platform to showcase and promote the entrepreneurs' products
Department of Women Affairs (DWA)	Micro Credit	Loan Size: BDT 5,000-15,000 Loan Tenor: 1-2 years Interest Rate: 5% Collateral/Guarantor: Free Eligibility: Individual owning a house or a permanent resident of the area. Aged between 18 to 55 years.
JatiyoMohilaSangstha (JMS)	Micro Credit	Loan Size: BDT 5,000-15,000 Loan Tenor: 1-2 years Interest Rate: 5% Collateral/Guarantor: Free Eligibility: Individual owning a house or a permanent resident of the area. Aged between 18 to 55 years.
Department of Social Services (DSS)	Special Program for Bohemian (Bede) and Non-binary (Hijra) People	<b>Monthly Stipends for Students:</b> Primary Level: BDT 700 Secondary Level: BDT 800 Higher Secondary Level: BDT 1000 Higher Level: BDT 1100 <b>Provision for Old (age above 50 years) People:</b> Bede: BDT 500 Hijra: BDT 600 <b>For working Bede and Hijra People:</b> Vocational and Skill development Training



Name of the Organization	Name of the Program	Features
		BDT 10,000 financial assistance after training for each beneficiary

### 3.4.2 SPECIALIZED ORGANIZATION

This section discusses the financial services provided by specialized organizations in details.

#### 3.4.2.1 PALLI KARMA-SAHAYAK FOUNDATION (PKSF)

Among the specialized organization Palli Karma-Sahayak Foundation (PKSF) does not lend money directly to the program participants at the field level. It chooses appropriate pro-poor institutions as Partner Organizations (POs) to channelize its funds to the end recipients. Core programs of PKSF are, Jagoron, Agrosor, Sufolon, Buniad, Sahos, and Enrich. Jagoron and Agrosor provide special priority to women entrepreneurs as 90%-95% credit receivers under Jagoron are women. During the current FY 2020-21 (from July to December) loan disbursement of PKSF's POs to its borrowers is BDT 111.03 billion and in December 2020, the average loan size under this program stood at BDT 38,322 (PKSF, 2021). During the FY 2019-20, amount of loan disbursement of PKSF's POs to its borrowers is BDT 195.32 billion under Agrosor, and in December 2020, the average loan size under this program is BDT 1,46,596 (PKSF, 2021). Buniad loan program is for ultra-poor people and gives priority to widowed, divorced, abandoned, and female headed household dependent on others assistance. Each ultra-poor borrower can take a maximum loan amounting to taka 10,000/- in the 1st year at 10% interest rate. The 2nd and subsequent loans are sanctioned depending on the income generating activity, capacity of using the first loan and repayment of the first loan. Through 'Buniad', PKSF is providing financial support to the income generating activities of the ultra-poor with lower service charge and considerable flexibilities. With this support, ultra-poor members are now getting involved in sharecropping, small enterprise, food processing, tailoring and various types of income generating activities, resulting in secured income and improved livelihood (PKSF, 2021). Another loan program under PKSF is the KGF program. In response to the Bangladesh government's expressed interest, the Kuwait Fund for Arab Economic Development (KFAED), through its program known as the Kuwait Goodwill Fund for Promotion of Food Security in Islamic Countries (in short, Kuwait Goodwill Fund or KGF), provided a grant of US\$ 10 million to fund microcredit and small loans for farming and small business activities in the areas of food production, as well as related supporting services. On January 30, 2011, the Government of Bangladesh, the KFAED, and the Palli Karma-Sahayak Foundation (PKSF) signed a tripartite grant agreement. A total of 6,36,716 members, 79% of them are female, have been organized in 12,767 groups since the KGF initiative

began. A maximum amount of BDT 3,00,000 in the form of microcredit and from BDT 3,00,001 to BDT 15,00,000 as Small Loan can be approved under this program. Up to January 2020, 38 POs have disbursed BDT 18,682 million to nearly 637,000 members (PKSF, 2021). PKSF received the BDT 500 crore covid-19 stimulus fund in two installments, with the help of the Ministry of Finance's Financial Institutions Division: BDT 250 crore on August 23, 2020, and BDT 250 crore on February 4, 2021. The fund was quickly disbursed by PKSF to 127 designated POs, who had already finished disbursement to the afflicted impoverished individuals in their respective working regions. Because PKSF has excellent links with its POs across the country, the loan aid was disbursed quickly to individuals who were actually affected by Covid-19 (PKSF, 2021).

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#### 3.4.2.2 SMALL & MEDIUM ENTERPRISE FOUNDATION (SMEF)

Small & Medium Enterprise Foundation (SMEF), another specialized organization, along with its Credit Wholesaling Program arranges fair for SMEs at national and regional level, SME's get an opportunity to promote their products and interact with customers at local and international level to enhance sales and product quality (SMEF, 2021). Government has declared a new Covid-19 stimulus package of BDT 1500 crore to help the SMEs and women entrepreneurs. Under which BDT 300 crore was allotted for Small & Medium Enterprise Foundation (SMEF) and in FY 2020-21 SMEF received BDT 100 crore and successfully disbursed it among the entrepreneurs. SMEF has already received the remaining BDT 200 crore, and to disburse it in the FY 2021-22 SMEF has already signed contracts with 16 banks and 3 NBFIs (SMEF, 2021).

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#### 3.4.2.3 GRAMEEN BANK (GB)

Grameen Bank (GB) has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. As of October, 2021, it has 9.44 million members, 97% of whom are women. With 2,568 branches, GB provides services in 81,678 villages, covering more than 93 percent of the total villages in Bangladesh (Grameen Bank, 2021). As of September 2021, the cumulative amount disbursed since the inception of GB is BDT 243,855.82 million (Grameen Bank, 2021). Grameen Bank is based on the voluntary formation of small groups of five people to provide mutual, morally binding group guarantees instead of the collateral required by conventional banks. The success of GB demonstrates that if careful monitoring and management are provided, a lot of barriers to lending to the poor may be overcome. It was often considered, for example, that the poor would be unable to find work that paid well. In reality, Grameen borrowers have done so successfully. The poor were supposed to be unable to repay; nonetheless, payback rates reached 97%. Poor rural women, in particular, were assumed to be unbanked; nonetheless, they accounted for 94% of borrowers in early 1992. It was also assumed that the poor could not save; yet, group savings have proven to be effective. Rural power dynamics were expected to ensure that such a bank would fail, but the Grameen Bank has been able to swiftly expand. Grameen Bank members' average household income is estimated to be roughly 50% greater than that of the target group in the control village,

and 25% higher than that of non-members in Grameen Bank villages. The landless, followed by marginal landowners, have benefited the most. As a result, the number of Grameen Bank members living below poverty has decreased dramatically, from 56% for non-Grameen Bank members to 20% for Grameen Bank members. There has also been a shift from agricultural wage labor (which is deemed socially inferior) to petty trading self-employment. The employment and pay of other agricultural paid laborers benefit indirectly from such a shift in occupational patterns. What began as an original local project, “a small bubble of hope,” has now grown to the point where it has had a nationwide impact on poverty reduction (Grameen Bank, 2021)

Table 5: Summary Table for Specialized Financial Institutions

Name of the Organization	Name of the Program	Features
Palli Karma-Sahayak Foundation (PKSF)	Jagoron	<p>90%-95% credit receivers under Jagoron are women.</p> <p>In FY 2020-21 (from July to December) loan disbursement of PKSF’s POs to its borrowers is BDT 111.03 billion under jagoron.</p> <p>In December 2020, the average loan size under Jagoron stood at BDT 38,322</p>
	Agrosor	<p>Most beneficiaries are women.</p> <p>In FY 2019-20, amount of loan disbursement of PKSF’s POs to its borrowers is BDT 195.32 billion under Agrosor. In December 2020, the average loan size under Agrosor is BDT 1,46,596</p>
	Buniad	<p>Buniadis for ultra-poor people.</p> <p>Priority to widowed, divorced, abandoned, and female headed household dependent on others assistance.</p> <p>Loan Size: Maximum BDT 10,000 in the 1st year.</p> <p>Interest rate: 10%</p>
	Kuwait Goodwill Fund (KGF)	<p>A total of 6,36,716 members, 79% of them are female.</p> <p>Loan Size: Maximum BDT 300,000 as Micro Credit, and BDT 300,001-15,00,000 as Small Loan</p>

Name of the Organization	Name of the Program	Features
	Covid-19 Stimulus Package	PKSF received the BDT 500 crore covid-19 stimulus fund in two installments. The fund was quickly disbursed by PKSF to 127 designated POs, who had already finished disbursement to the afflicted impoverished individuals in their respective working regions.
Small & Medium Enterprise Foundation (SMEF)	SME Fair	Arranges SME fair for SMEs at national and regional level to promote their products.
	Covid-19 Stimulus Package	In FY 2020-21 SMEF received BDT 100 crore and successfully disbursed it among the entrepreneurs. SMEF has already received another BDT 200 crore, and to disburse it in the FY 2021-22 SMEF has already signed contracts with 16 banks and 3 NBFIs
Grameen Bank (GB)		GB provides collateral free micro credit following group approach. As of October, 2021, 97% of GB members are women. As of September 2021, the cumulative amount of loan disbursed since the inception of GB is BDT 243,855.82 million.

### 3.4.3 NON-GOVERNMENT ORGANIZATIONS

This section discusses the financial services provided by NGOs.

#### 3.4.3.1 BRAC

Among the NGOs, BRAC, the largest development organization in the world, has 6 million active borrowers in all 64 districts of Bangladesh, and 87% of them are women, and in 2020 BRAC disbursed 4.5 million USD loan in Bangladesh (BRAC, 2021). BRAC provides micro finance loan, Progoti, to both male and female entrepreneurs to invest in existing small enterprises, which are too small to qualify for credit from mainstream banks, and collateral free special micro-loans, Dabi, exclusively to women through women's group (BRAC, 2021). BRAC is also reaching RMG

workers with two types of financial services; Empowering the Readymade Garment Project (ERMG), and Client Interaction Point (CIP). The ERMG initiative worked with 29 RMG factories to offer holistic services through three one-stop service centers in partnership with the Urban Development Programme. For both male and female RMG workers, BRAC offers long-term savings through deposit premium schemes (DPS), and Client Interaction Points serve as a one-stop shop for both male and female RMG employees seeking financial assistance. Clients can use CIPs to get loans, deposit installments and savings in cash or bKash, as well as get help opening a bKash account (BRAC, 2021).

To ensure safer financial service during Covid-19 BRAC transferred USD 17 million as emergency cash to 700,000 households through mobile wallets, and 525,944 clients refinanced with USD 600 million to recover from financial shocks caused by COVID-19 (BRAC, 2021). Also, a day before the lockdown, BRAC announced a stop to loan classifications until June 30, 2020 as per the decree issued by the regulatory body in Bangladesh. This meant that default clients would not be classified as a defaulter and their borrower status would not change. Clients did not have to pay any installments for the next two months and worry about interest accumulation. They could pay installments only if they wanted to with no restrictions on disbursing new loans. They also halted all field activities concerning loan and savings collection from 24 March 2020 to 2 April 2020, later extended up to April 9, but disbursed previously authorized loans and kept the branches open so that clients can withdraw their savings (BRAC, 2021).

#### 3.4.3.2 ASA

Presently, ASA, another NGO, caters two types of micro-credit, these are: Primary Loan and Special Loan at 24% interest rate. Primary loan, ranging from BDT 5,000-99,000, is issued to economically active poor to undertake or strengthen income generating activities, and Special loan, ranging from BDT 1,00,000-10,00,000, is issued to informal or formal small/micro enterprises or entrepreneurs and traders to promote and scale up production, business activity and employment generation. ASA also provides MSME loans to Micro, small and medium enterprises ranging from BDT 3,00,000-20,00,000, at 22% interest rate. These three loans are collateral and guarantors free. Women are given priority, but no special program for women (ASA, 2021).

Table 6: Summary Table for Non-Government Organizations (NGO)

Name of the Organization	Name of the Program	Features
BRAC	Progoti	Collateral free micro loans for male and female entrepreneurs to invest in existing small enterprises
	Dabi	Collateral free loan exclusively to women through women group

Name of the Organization	Name of the Program	Features
	Empowering the Readymade Garment Project (ERMG)	Long-term savings program for both male and female RMG workers through Deposit Premium Schemes (DPS)
	Client Interaction Point (CIP)	Client Interaction Points serve as a one-stop shop for both male and female RMG employees seeking financial assistance such as getting loans, deposit installments and savings in cash or bKash, as well as getting help opening a bKash account
ASA	Micro Credit (Primary Loan)	<p>Loan Size: BDT 5000-99,000</p> <p>Interest Rate: Maximum 24% in declining mode</p> <p>Collateral/Guarantor: Free</p> <p>Eligibility: Economically active poor to undertake or strengthen income generating activities. Priority given to women.</p>
	Micro Credit (Special Loan)	<p>Loan Size: BDT 1,00,000-10,00,000</p> <p>Interest Rate: Maximum 24% in declining mode</p> <p>Collateral/Guarantor: Free</p> <p>Eligibility: Informal or formal small/micro enterprises or entrepreneurs and traders to promote and scale up production, business activity and employment generation. Priority given to women.</p>
	MSME Loan	<p>Loan Size: BDT 3,00,000-20,00,000</p> <p>Interest Rate: 22%</p> <p>Collateral/Guarantor: Free</p> <p>Eligibility: Micro, small and medium enterprises. Priority given to women.</p>

3.4.4 PUBLIC BANKS

This section discusses the financial services provided by public banks.

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#### 3.4.4.1 BANGLADESH KRISHI BANK

Among the public banks, along with SME loan and savings schemes, on the occasion of Mujib year Bangladesh Krishi Bank has set a target of BDT 300 crore loan from the bank's fund at 7% interest. Poor Farmers/females are eligible for the loan. The loan is collateral free and ranges from BDT 20,000-1,00,000 with a loan term of 1 year (Krishi Bank, 2021). Bangladesh Krishi Bank also provides a maximum loan of BDT 20 lac for women entrepreneurs with 8% interest rate and without collateral up to BDT 3 lac (Nazly, 2021). Furthermore, Bangladesh Krishi Bank has set a goal of BDT 4000 crore for SMEs for the FY 2021-22, of which BDT 600 crore is allotted for women entrepreneurs (Krishi Bank, 2021).

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#### 3.4.4.2 RUPALI BANK

Rupali Bank has five different CMSME loan products; Babsahi Rin, Majhari Rin, Peshajibi Rin, Sohoj Rin, and Sulob Rin each at 9% variable interest rate, with collateral, but none of the loan products has priority for women, or no special loan product for women is available in the website of Rupali Bank (Rupali Bank, 2021).

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#### 3.4.4.3 AGRANI BANK

Along with SME and Short Term SME Loan, Agrani bank provides Small Credit Program for Women (SCPW), maximum BDT 100,000 and up to BDT 50,000 is collateral free, available in all the branches of Agrani Bank. This loan is granted for a large number of income generating activities such as tailoring, printing and dying, readymade garments, laundry, poultry, mini dairy, goat rearing, beef fattening, nursery etc. (Agrani Bank, 2021). Agrani Bank also introduced a Loan for Disable Person (LDP), a maximum loan of BDT 25,000 to a disable person and BDT 50,000 for the second time (Agrani Bank, 2021). NariAgrani is a credit program designed specifically for women by Agrani Bank. It is Agrani Bank Limited's newest and most popular credit program. It was created in 2010 as part of SME funding with the goal of integrating women into development activities. An eligible woman can get SME loan with a 9% interest rate under this scheme up to BDT 1.00 million, no collateral is required, and one can borrow up to Tk. 10.00 million with the requisite collaterals. The program's activities are extended to all of Agrani Bank Limited's branches (Agrani Bank, 2021).

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#### 3.4.4.4 SONALI BANK

Along with SME financing to make the self-dependency especially for the women, micro credit division of Sonali Bank introduced a special Loan program from the year 2010 named "JagoNaree Grameen Rin" through 250 Rural branches all over the country with a provision of collateral free up to BDT. 25,000. Also, Credit for Urban Women Micro Enterprise Development (CUMED) project without collateral up to BDT 5 lac operating in 92 branches including all district branches of all over the country (Sonali Bank, 2021).

Table 7: Summary Table for Public Banks

Name of the Organization	Name of the Program	Features
Bangladesh Krishi Bank	Loan for Women Entrepreneurs	Loan Size: Maximum BDT 20 lac Loan Tenor: 1 year Interest Rate: 8% Collateral: Free up to BDT 3 lac
	Mujib Barsho Credit Scheme	Loan Size: BDT 10,000-1,00,000 Loan Tenor: 1 year Interest Rate: 7% Collateral: Free Eligibility: Poor farmer/female
Agrani Bank	Small Credit Program for Women (SCPW)	Loan Size: Maximum BDT 100,000 Interest Rate: 9% Collateral: Free up to BDT 50,000 Eligibility: Women. Granted for a large number of income generating activities such as tailoring, printing and dying, readymade garments, laundry, poultry, mini dairy, goat rearing, beef fattening, nursery etc.
	Loan for Disable Person (LDP)	Loan Size: Maximum BDT 25,000 for the 1st time, and BDT 50,000 for the second time Interest Rate: 9% Collateral: Free Eligibility: Any physically disable but mentally sound person.
	NariAgrani	Loan Size: Maximum BDT 1.00 million Interest Rate: 9% Collateral: Free up to BDT 1 million.



Name of the Organization	Name of the Program	Features
		Eligibility: Women SMEs of Agrani Bank
Sonali Bank	JagoNaree Grameen Rin	Loan Size: Maximum BDT 25,000 Interest Rate: 9% Collateral: Free Eligibility: Rural women
	Credit for Urban Women Micro Enterprise Development (CUMED)	Loan Size: Maximum BDT 5 lac Interest Rate: 9% Collateral: Free Eligibility: Women living in urban areas

#### 3.4.5 PRIVATE BANKS

This section discusses the financial services provided by private commercial banks.

##### 3.4.5.1 IFIC BANK

Among the private banks, IFIC Bank has 11 different loan programs and two of them are specific women entrepreneur loans. IFIC - Prantonari (Women Entrepreneur's Loan) program is for grassroots women entrepreneurs. Grassroots Women Entrepreneurs having at least 2 years of experience in the same line of business and monthly cash flow to support loan repayment are eligible for the loan. Under this loan program the range for collateral free loan is from BDT 100,000 to BDT 500,000, and the range for collateralized loan is from above BDT 500,000 to BDT 20,00,000 and the loan period ranges from 2 years to 5 years at 9% interest rate (IFIC Bank, 2021). IFIC-Prottyasha (Women Entrepreneur's Loan) is a program for Women Entrepreneurs who have business enterprises (other than Public Limited Company) incorporated in Bangladesh. The business must be owned and run by women entrepreneurs (at least 51% share of a business held by women), engaged in manufacturing/ trading/ service business having minimum 2 years successful business experience in the same line of business. The loan limit for collateral free loan is up to BDT 25,00,000 and the limit for collateralized loan is above 25,00,000 up to BDT 50,00,000 at 9% interest rate. The loan period varies from 2 years to 5 years (IFIC Bank, 2021).

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#### 3.4.5.2 PRIME BANK

Like IFIC Bank, Prime Bank also has women focused loan program aside from different MSME loan programs. Prime bank provides Anchol Rin women entrepreneurs' loan of BDT 1 Lac to BDT 50 Lac with maximum loan tenure of 5 years at 5% interest rate. Women aged from 21 years to 70 years (during loan expiry) having the experience of successfully managing the business for at least two years are eligible for the loan. Documentation details of the loan program is clearly stated in the website of Prime Bank (Prime Bank, 2021).

Prime bank also introduced "Neera" an initiative for women, to ensure financial inclusion, financial independence and complete wellness of women at all levels of their journey. Along with savings and deposit schemes "Neera" provides loans such as SHORNALI - LOAN AGAINST GOLD, PERSONAL LOAN; offered for legitimate personal financial requirements with 50% discount on loan processing fee, and MOTORCYCLE FINANCING for women (Prime Bank, 2021). There are no visible special loan program or training programs available under Neera.

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#### 3.4.5.3 DUTCH-BANGLA BANK (DBBL)

Dutch-Bangla Bank (DBBL), along with CMSME and SME loan schemes, also has special loan programs for women entrepreneurs. DBBL Women Entrepreneurs Financing (Term loan) "Uthsaho" is for expansion of existing business or procurement of machinery/other fixed assets, seasonal requirements and any other valid business requirement set by the women entrepreneurs. The maximum loan amount BDT 5 million at 9% interest rate with 1 to 5 years loan tenure under this program (Dutch-Bangla Bank, 2021). DBBL Women Financing (Cash Credit) "Shofolota" is provided to meet up working capital requirement of business set by the women entrepreneurs. Up to BDT 5 million is provided at 9% interest rate with 1 year loan tenure under this program (Dutch-Bangla Bank, 2021). Dutch Bangla Bank Smart Women Entrepreneurs Financing is provided to meet the fund requirement of business set up by the women entrepreneurs. Under this loan program minimum BDT 100,000 to maximum BDT 10,000,000 is provided at 10% interest rate with loan tenure of 1 year to 5 years (Dutch-Bangla Bank, 2021).

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#### 3.4.5.4 CITY BANK

City Bank introduced City Alo, the dedicated women banking division of City Bank, with a mission to create a one of its kind banking services with a complete banking experience specially designed for women customers. Along with several savings account and business account City Alo provides women SME loan, Personal loan, Auto loan, Home loan, and City Bike loan. City bank collaborated with North South University and developed an entrepreneurship course for potential and existing women entrepreneurs. Women receive exclusive entrepreneurial training and networking opportunities which help them to gain skills that will elevate their personal and professional life. Apart from the formal certification courses, City Alo also arranges day long sessions where women are provided with advisor and consultancy services about financing, business, and product promotion. Furthermore, women entrepreneurs who only have a City Alo

business account, are provided a free opportunity to promote their products in fairs arranged by City Bank (City Alo, 2021).

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#### 3.4.5.5 BRAC BANK

BRAC Bank provides both unsecured and secured SME loans to its customers. The unsecured SME loan, "ANONNO" provides collateral free loans ranging from BDT 4 lac to BDT 50 lac. And the secured SME loan, "APURBO" provides collateralized loans starting from BDT 25 lac to any amount depending on the business needs. Another secured loan "SHOMRIDDHI", a loan facility to meet one's import-export related expenses, post import expenses, tax/duty payment, local bill purchase, working capital, and fixed asset finance starting from BDT 10 Lac to any amount depending on the business needs. BRAC bank also provides easy efficient and effective loan processing so that customers do not need to wait in queues or make multiple visits to the bank. The bank's capable resources are there to assist the customers and to take care of all the requirements to ensure faster loan processing (BRAC Bank, 2021).

BRAC Bank introduced an initiative TARA to improve women's self-esteem and decision-making power by providing improved access to banking knowledge and financial products that match the lifestyle needs of women in various segments. Along with several attractive deposit and lending products, TARA provides women four different SME loans; Term Loan, Overdraft, Single Installment Loan, and Revolving Loan.

##### **TERM LOAN FEATURE**

Businesses can apply for the unsecured loan if a quick and straightforward way to finance the business is needed, or can apply for the secured loan if a larger amount of finance and flexible repayment options is needed.

##### Unsecured Loan

Loan Limit: BDT 2 lac – 25 lac

Tenure: 12 months to 18 months

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

##### Partially Secured Loan

Loan Limit: BDT 5 lac – 50 lac

Tenure: 12 months to 60 months

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

##### Secured Loan

Loan Limit: BDT 10 lac – 5.0 Crore

Tenure: 12 months to 60 months

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years. Mortgage able property (for secured loan)

***OVERDRAFT LOAN FEATURE***

Business overdraft gives one the flexibility of liquidity and access to cash when one needs it. It helps one manage changes to cash flow.

Loan Feature

Loan Limit: BDT 10 lac – 5.0 Crore

Tenure: 12 months with quarterly interest payment

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years and mortgage able property

***SINGLE INSTALLMENT LOAN***

One can avail single installment loan facility if one's business cash flow is based on specific business cycle or festival oriented.

Loan Feature

Unsecured Loan

Loan Limit: BDT 2 lac – 15 lac

Tenure: 3 months - 9 months

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

Secured Loan

Loan Limit: BDT 10 lac – 5.0 Crore

Tenure: 3 months - 9 months

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years, and mortgage able property (for secured loan)

## **REVOLVING LOAN**

Revolving loans allow one to use the money up to an agreed credit limit whenever one needs it. Once one repays the amount owed, the credit becomes available to draw on again.

Loan Feature

Loan Limit: BDT 10 lac – 5.0 Crore

Tenure:

Manufacturing Business: Maximum 120 days

Trading Business: Maximum 90 days

Agriculture: Based on cash conversion cycle

Interest Rate: 7% (up to BDT 50 lac)

Processing Fee: Nil

Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years, and mortgageable property (for secured loan) (BRAC Bank, 2021).

Apart from the SME loans for women, TARA also provide TARA SME ENTREPRENEURIAL SUPPORT SERVICES to women to reduce their burden of managing their business and family. With TARA SME entrepreneurial support service one can get the following work done through their expert service agents; Company Registration, Trade license, Partnership Deed preparation, IRC and ERC, E- TIN preparation, Tax return, VAT registration, Trade mark, BSTI certification, Business Consultancy, and Facebook Marketing (BRAC Bank, 2021)

Table 8: Summary Table for Private Banks

Name of the Organization	Name of the Program	Features
IFIC Bank	IFIC-Prantonari (Women Entrepreneur's Loan)	Loan Size: BDT 100,000 to BDT 500,000 (Collateral free), and BDT 500,001 to BDT 20,00,000 (collateralized) Loan Tenor: 2 to 5 years Interest Rate: 9% Eligibility: Grassroots Women Entrepreneurs having at least 2 years of experience in the same line of business and monthly cash flow to support loan repayment are eligible for the loan.

Name of the Organization	Name of the Program	Features
	IFIC-Protyasha (Women Entrepreneur's Loan)	<p>Loan Size: Up to BDT 25,00,000 (collateral free), and 25,00,001-50,00,000 (collateralized)</p> <p>Loan tenor: Varies from 1 to 5 years</p> <p>Interest rate: 9%</p> <p>Eligibility: Women Entrepreneurs who have business enterprises (other than Public Limited Company) incorporated in Bangladesh. The business must be owned and run by women entrepreneurs (at least 51% share of a business hold by women), engaged in manufacturing/ trading/ service business having minimum 2 years successful business experience in the same line of business.</p>
Prime Bank	Anchol Rin	<p>Loan size: BDT 1 lac-BDT 50 lac</p> <p>Loan Tenor: Maximum 5 years</p> <p>Interest rate: 5%</p> <p>Eligibility: Women aged from 21 years to 70 years (during loan expiry) having the experience of successfully managing the business for at least two years are eligible for the loan.</p>
	Neera (Women Banking Segment)	Neera provides loans such as SHORNALI-LOAN, Agains gold, PERSONAL LOAN; offered for legitimate personal financial requirements with 50% discount on loan processing fee, and MOTORCYCLE FINANCING for women.
Dutch-Bangla Bank (DBBL)	DBBL Women Entrepreneurs Financing (Term loan) “Uthsaho”	<p>Loan Size: Maximum BDT 5 million</p> <p>Loan tenor: 1 to 5 years</p> <p>Interest Rate: 9%</p> <p>Eligibility: Minimum 3 months experience as an entrepreneur with a valid trade license.</p>
	DBBL Women Financing (Cash)	Loan Size: Up to BDT 5 million

Name of the Organization	Name of the Program	Features
	Credit) “Shofolota”	Loan Tenor: 1 year Interest Rate: 9% Eligibility: Minimum 3 months experience as an entrepreneur with a valid trade license. Aged from 21 years to 65 years.
	Dutch Bangla Bank Smart Women Entrepreneurs Financing	Loan Size: BDT 100,000 to maximum BDT 10,000,000 Loan tenor: 1 to 5 years Interest Rate: 10% Eligibility: Minimum 3 months experience as an entrepreneur with a valid trade license. Aged from 21 years to 65 years.
City Bank	City Alo (Women Segment)	City Alo provides women SME loan, Personal loan, Auto loan, Home loan, and City Bike loan. Entrepreneurship course for potential and existing women entrepreneurs. Day long sessions where women are provided with advisor and consultancy services about financing, business, and product promotion. Women entrepreneurs who only have a City Alo business account, are provided a free opportunity to promote their products in fairs arranged by City Bank
BRAC Bank (TARA, Women Segment)	Term Loan	Unsecured Loan Loan Limit: BDT 2 lac – 25 lac Tenure: 12 months to 18 months Interest Rate: 7% (up to BDT 50 lac) Processing Fee: Nil  Partially Secured Loan

Name of the Organization	Name of the Program	Features
		<p>Loan Limit: BDT 5 lac – 50 lac</p> <p>Tenure: 12 months to 60 months</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Secured Loan</p> <p>Loan Limit: BDT 10 lac – 5.0 Crore</p> <p>Tenure: 12 months to 60 months</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years. Mortgage able property (for secured loan)</p>
	Overdraft Loan	<p>Loan Limit: BDT 10 lac – 5.0 Crore</p> <p>Tenure: 12 months with quarterly interest payment</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years and mortgage able property</p>
	Single Installment Loan	<p>Unsecured Loan</p> <p>Loan Limit: BDT 2 lac – 15 lac</p> <p>Tenure: 3 months - 9 months</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Secured Loan</p>



Name of the Organization	Name of the Program	Features
		<p>Loan Limit: BDT 10 lac – 5.0 Crore</p> <p>Tenure: 3 months - 9 months</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years, and mortgage able property (for secured loan)</p>
	Revolving Loan	<p>Loan Limit: BDT 10 lac – 5.0 Crore</p> <p>Tenure:</p> <p>Manufacturing Business: Maximum 120 days</p> <p>Trading Business: Maximum 90 days</p> <p>Agriculture: Based on cash conversion cycle</p> <p>Interest Rate: 7% (up to BDT 50 lac)</p> <p>Processing Fee: Nil</p> <p>Eligibility: Any kind of business having valid trade license, which has been operating at least 1 or more years, and mortgage able property (for secured loan) (BRAC Bank, 2021).</p>
	TARA SME Entrepreneurial Support Service	<p>TARA SME ENTREPRENEURIAL SUPPORT SERVICES to women to reduce their burden of managing their business and family. With TARA SME entrepreneurial support service one can get the following work done through their expert service agents; Company Registration, Trade license, Partnership Deed preparation, IRC and ERC, E- TIN preparation, Tax return, VAT registration, Trade mark, BSTI certification, Business Consultancy, and Facebook Marketing (BRAC Bank, 2021)</p>

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### 3.4.6 NON-BANKING FINANCIAL INSTITUTIONS (NBFIs)

This section discusses the financial services provided by NBFIs.

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#### 3.4.6.1 LANKA BANGLA FINANCE

Among the NBFIs, Lanka Bangla Finance provides different SME loans for Small and Emerging & Medium businesses. Among the Small Business loans “AHONA”, “SOMPORKO”, “BISHWAS”, “ASTHA”, and “ANONNYA” are significant. For Emerging & Medium businesses it has “TERM LOAN FINANCING”, “LEASE/ASSET BACKED FINANCING”, and “WORKING CAPITAL SOLUTION”. ANONNYA is their women entrepreneur focused loan scheme.

##### **ANONNYA**

Loan Feature

Loan Amount: Loan amount up to BDT 5.0 million.

- 1) Unsecured up to BDT 2.5 million
- 2) Partial secured/Fully secured above BDT 2.5 million

Loan Term: Up to 60 months

Interest: Lower rate of interest

Payment mode: Equal monthly installment in case of Term Loan

Advisory Services: Provide different types of Advisory services

Dedicated Desk: Each branch has dedicated Desk to support the product

Eligibility

Business experience: Minimum 1 year experience in the same line of business

Age: Minimum 21 years & maximum 60 years

Involvement: Must be actively involved in business

The detail loan schemes are available on the official website of Lanka Bangla Finance (Lanka Bangla Finance, 2021).

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#### 3.4.6.2 IDLC

Among different financial services, IDLC has SME Term Loan, SME Shombhabona, and Purnota (Women Entrepreneur Loan). Under Purnota, IDLC provides BDT 2 lac to maximum BDT 35 lac collateral free loans at 7% interest rate. Women who have a minimum 1 year of business experience and age between 20 to 60 years, can avail this loan.

Apart from financial services, IDLC Purnotaprovides assistance in obtaining Regulatory Documents and Licenses such as Trade License, Tax Identification Number (TIN) Certificate, Environmental Clearance Certificate (ECC), Import Realization Certificate (IRC), Export

Realization Certificate (ERC), License from relevant authorities (BSTI Certificate, Chemical License, Fire Service and Civil Defense Clearance Certificate, etc.) that a business may require. Also, through Purnota Helpline, IDLC provides information and guidance on: IDLC Purnotaloan related information, guidance on accounts and book keeping, deposit related information, information on basic banking rules and regulation, information on various training facilities to its customers. IDLC Purnota also provides capacity and skill development, business management, and vocational trainings to its customers about book-keeping, working capital management, marketing, human resource management, production management, product development and quality control, vocational training on various SME businesses such as boutiques, sewing, beauty salon, handicraft etc. Purnota Digital Marketing provides advisory service and guidance on marketing and promotional strategy through social networking tools such as Facebook, Twitter, and E-mail marketing. Purnota Club, a platform for women entrepreneurs to share their skills, ideas and experiences, and form network of support (IDLC, 2021).

Table 9: Summary Table for Non-Banking Financial Institutions (NBFI)

Name of the Organization	Name of the Program	Features
Lanka Bangla Finance	ANONNYA (Women Entrepreneur Installment Loan)	<p>Loan Amount: Up to BDT 5.0 million.</p> <p>1) Unsecured up to BDT 2.5 million</p> <p>2) Partial secured/Fully secured above BDT 2.5 million</p> <p>Loan Term: Up to 60 months</p> <p>Interest: Lower rate of interest</p> <p>Payment mode: Equal monthly installment in case of Term Loan</p> <p>Advisory Services: Provide different types of Advisory services</p> <p>Dedicated Desk: Each branch has dedicated Desk to support the product.</p> <p>Eligibility</p> <p>Business experience: Minimum 1 year experience in the same line of business</p>

Name of the Organization	Name of the Program	Features
		<p>Age: Minimum 21 years &amp; maximum 60 years</p> <p>Involvement: Must be actively involved in business</p>
IDLC Finance	Purnota (Women Entrepreneur Loan)	Purnota, IDLC provides BDT 2 lac to maximum BDT 35 lac collateral free loans at 7% interest rate. Women who have a minimum 1 year of business experience and age between 20 to 60 years, can avail this loan
	Purnota Business Facilitation Service	IDLC Purnotaprovides assistance in obtaining Regulatory Documents and Licenses such as Trade License, Tax Identification Number (TIN) Certificate, Environmental Clearance Certificate (ECC), Import Realization Certificate (IRC), Export Realization Certificate (ERC), License from relevant authorities (BSTI Certificate, Chemical License, Fire Service and Civil Defense Clearance Certificate, etc.) that a business may require.
	Purnota Helpline	Purnota Helpline provides information and guidance on: IDLC Purnotaloan related information, guidance on accounts and book keeping, deposit related information, information on basic banking rules and regulation, information on various training facilities to its customers.
	Purnota Trainings	Provides capacity and skill development, business management, and vocational trainings to its customers about book-keeping, working capital management, marketing, human resource management, production management, product development and quality control, vocational training on various SME businesses suchas boutiques, sewing, beauty salon, handicraft etc.
	Purnota Digital Marketing	Provides advisory service and guidance on marketing and promotional strategy through socialnetworking tools such as Facebook, Twitter, and E-mail marketing.

Name of the Organization	Name of the Program	Features
	Purnota Club	A platform for women entrepreneurs to share their skills, ideas and experiences, and form network of support.

From the review, the following ones seem the best schemes for women led CMSMEs in Bangladesh.

### **Government Organizations**

Bangladesh Small and Cottage Industries Corporation (BSCIC)'s BINIT loan program is suitable for women SMEs.

Palli Daridro Bimochon Foundation (PDBF)'s Women Entrepreneurs Loan is suitable for women SMEs.

### **Specialized Financial Institutions**

Palli Karma-Sahayak Foundation (PKSF)'s Agrosor and Kuwait Goodwill Fund (KGF) for Small Loan are suitable for women SMEs.

### **Non-Government Organizations**

BRAC's Small Enterprise Loan Progoti is suitable for women SMEs.

ASA's Micro Credit (Special Loan) and MSME Loan are suitable for women SMEs

### **Public Banks**

Bangladesh Krishi Bank's Loan for Women Entrepreneurs, Agrani Bank's Small Credit Program for Women (SCPW), Nari Agrani, and Sonali Bank's Credit for Urban Women Micro Enterprise Development (CUMED) are suitable for women SMEs.

### **Private Banks**

IFIC Bank's IFIC-Prantonari (Women Entrepreneur's Loan) and IFIC-Protyasha (Women Entrepreneur's Loan) are suitable for women SMEs.

Prime Bank's Anchol Rin is suitable for women SMEs.

Dutch-Bangla Bank (DBBL)’s DBBL Women Entrepreneurs Financing (Term loan) “Uthsaho”, DBBL Women Financing (Cash Credit) “Shofolota”, and Dutch Bangla Bank Smart Women Entrepreneurs Financing are suitable for women SMEs.

BRAC Bank’s TARA women segment’s four different loan programs Term Loan, Overdraft Loan, Single Installment Loan and Revolving Loan all are for women SMEs.

### **Non-Banking Financial Institutions**

Lanka Bangla Financial Institution’s “AHONA”, “SOMPORKO”, “BISHWAS”, “ASTHA”, and “ANONNYA” (Women Entrepreneur Installment Loan) are suitable for women SMEs.

IDLC Finances Purnota (Women Entrepreneur Loan) is suitable for women SMEs.

Table 10: Review of financial programs at a glance

	If different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the loan features
<i>Government Financial Institutions</i>	Bangladesh Small and Cottage Industries Corporation (BSCIC), Bangladesh Rural Development Board (BRDB), Palli Daridro Bimochon Foundation (PDBF) address the needs and interests of men and women by providing necessary loans and training. PDBF addresses the need of promoting its entrepreneur’s product by providing a platform “Palli Rong” in their district offices and in head office. Department of Women Affairs (DWA) and Jatiyo Mohila Sangstha (JMS) only address the need of women by providing and training to them. Only Department of Social Services (DSS) has special program for bohemian (Bede) people and the third gender people (Hijra), but the financial assistance is so low that it can barely make an impact
<i>Specialized Organization</i>	Palli Karma-Sahayak Foundation (PKSF), Small & Medium Enterprise Foundation (SMEF), and Grameen Bank (GB) address the needs and interests of men and women by providing necessary loans, and only SMEF address the needs of their SMEs to promote their products by arranging SME fair. And none of them address the needs and interests of third gender people.
<i>Non-Government Organizations</i>	Both BRAC and ASA address the financial needs of men and women by providing different loans but there is no specific mention for third gender people
<i>Public Banks</i>	Bangladesh Krishi Bank addresses the financial needs of both men and women, no priorities for women. On the other hand, Rupali bank does not mention any specific loan programs or features for women. Along with addressing the financial needs of men and women, Agrani Bank also addresses the needs of disable person. Sonali bank prioritizes the financial needs of women with two special loan programs, “Jago Naree Grameen Rin” and Credit for Urban Women Micro Enterprise Development (CUMED). B7

	If different needs, priorities, capacities, experiences, interests, and views of women, men, girls, boys and third gender persons were considered and reflected in the loan features
<b><i>Private Banks</i></b>	<p>In general, private banks address the financial needs of both men and women. Along with that IFIC bank prioritizes women needs with two special loan programs, IFIC-Prantonari (Women Entrepreneur's Loan) and IFIC-Protyasha (Women Entrepreneur's Loan). Prime bank, City bank, and BRAC bank introduced women segments such as Neera, City Alo and TARA respectively to address women's financial and entrepreneur needs by providing various loans and training programs. BRAC bank's TARA also provide TARA SME ENTREPRENEURIAL SUPPORT SERVICES such as Company Registration, Trade license etc. to women to reduce their burden of managing their business. Dutch-Bangla Bank (DBBL) also prioritizes women needs with three special programs, (DBBL Women Entrepreneurs Financing (Term loan) "Uthsaho", DBBL Women Financing (Cash Credit) "Shofolota" and Dutch Bangla Bank Smart Women Entrepreneurs Financing. But none of the private banks mention any specific priority for third gender people</p>
<b><i>Non-Banking Financial Institutions</i></b>	<p>Both Lanka Bangla Finance and IDLC Finance address the financial needs of men and women and give special priorities to women with special loan programs designed for them. Apart from loans IDLC Finance also addresses women's different needs regarding businesses by providing assistance in documentation and training. But NBFIs too do not mention any specific priority for third gender people</p>



### 3.5 CHAPTER CONCLUSION

Like the policies as discussed in the previous chapters, banks are working too towards women's economic inclusion. Among those Prime bank, City bank, and BRAC bank introduced separate banking segments for women entrepreneurs named "Neera", "City Alo", and "TARA" respectively. Although products and services of Prime bank's Neera are limited in comparison with City Alo of City bank and TARA of BRAC bank. City Alo is an exemplary banking segment and should be followed by other organizations. At first for the unique experience purpose, and to give women comfort, the City Alo flagship branch is decorated with a vibe of comfort, like a coffee shop lounge. As part of its non-financial services, City Alo collaborated with North South University to provide entrepreneurship courses to the potential and existing women entrepreneurs. Women receive exclusive entrepreneurial training and networking opportunities which help them to gain skills that can elevate their personal and professional life. Informally, City Alo arranges a lot of day long sessions for women to provide them with advisor and consultancy services about financing, business, and product promotion. And by providing these formal and informal courses and sessions, a healthy pipeline of women entrepreneurs is being created. Furthermore, women entrepreneurs who only have City Alo business account, are provided a free opportunity to promote their products in fairs arranged by City Bank. BRAC bank's TARA, another exemplary women segment, which not only provides different SME loans to women but also provides SME entrepreneurial support services such as company registration, trade license etc.

BRAC has become an exemplary financial institution during the Covid-19 pandemic, because of how BRAC handled the situation favoring their beneficiaries. On the other hand, for an entrepreneur to be eligible for Covid-19 stimulus package loan under BRDB, he/she must repay any previous loan received from BRDB. And for any case of defaulting, he/she must pay an interest rate of 11% after the loan tenor in case of defaulting.

The Mujib Year special loan program introduced by Bangladesh Krishi Bank, stated that poor farmer/female are eligible for the loan. The definition of poor is not being cleared in the website, or how the women candidates will be selected that too is not clearly stated in the website of Krishi Bank. Whether the targeted amount of BDT 300 crore loan has been disbursed totally or not that information also is not available in the website of Krishi Bank. Bangladesh Krishi Bank has set a goal of BDT 4000 crore for SMEs for the FY 2021-22, of which BDT 600 crore is allotted for women entrepreneurs, but how the targeted amount was fixed, by following top down or bottom-up approach, that was not available in the website.

## 4 CHAPTER FOUR: EXPERIENCES OF THE TARGET COMMUNITIES

### 4.1 CHAPTER INTRODUCTION

Next to analyzing policies and loans for women, it is required to know the effectiveness of those through empirical data. This chapter explores the experiences of women while accessing the policies and loans. In search of the information, from visiting women entrepreneurs, different offices of banks, other financial institutions, NGOs, and government offices in person and browsing their websites, some crucial concerns regarding the implementation of the policies and financial programmes were identified which are highlighted in this chapter.

### 4.2 FIELD LEVEL EXPERIENCES OF WOMEN WHILE ACCESSING FINANCIAL POLICIES/PROGRAMS

While gathering information about small and medium enterprises for women, particularly about their loan schemes along with the process of disbursement, a wider picture of this sector was found. Though there are many well-written policies and programs, still women are facing challenges to get the benefit of those due to the loopholes. In most cases, designing of policies seems to be done through a top-down approach, and due to a lack of need assessment, the realities and requirements of the women entrepreneurs are not reflected in those as a whole.

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#### 4.2.1 CONTRADICTION DESIGNING

The awareness of the policy makers is visible. But to achieve these aims, it was important to understand the current state of the target communities and assess their actual needs. The policy analysis revealed that most of the time the field reality or requirement was not reflected in the proposed policy. National Industrial Policy 2016 is a good example of such gaps. The policy has categorized the enterprises having fixed assets of 75 lakhs or more under SME. According to this definition, most of the women led enterprises do not fall under SME, but under cottage industry. If Banks and Financial Institutions directly apply this definition while disbursing loans, many of the women entrepreneurs will not get access to the benefits. (BIGD Research Area 4).

One of the most recent examples can be the stimulus package of 20000 crore credit line support and Special Working Capital Facility for Cottage, Micro, Small and Medium Enterprises (CMSME) during COVID pandemic. The package was declared by the central bank with circulars on 13 April, 26 April and 12 May 2020 (Bangladesh Bank, 2020 e) (Bangladesh Bank, 2020 f) (Bangladesh Bank, 2020 g). Loans from this package were to be used only as working capital to ensure smooth continuation of usual business operations and not to repay existing loans or establish new businesses. Any medium, small, micro or cottage enterprise was considered eligible

for loans under this package, including a business enterprise which has an internal credit risk rating of “Unacceptable” and is defined by the central bank as having “no capacity or inclination to repay” loans, as long as the commercial bank offering the loan deems the business enterprise to be creditworthy based on bank-client relationship (CPD,2020).<sup>2</sup> The maximum amount of loan provided to any single borrower was to vary depending on whether the enterprise is production and service based or trade based and whether the enterprise has already received working capital facility from banks. Loans under this package were provided at 9 percent interest, whereby the borrower would pay 4 percent interest, while the government would pay the remaining 5 percent interest as subsidy, as long as the loan is repaid with one year. If the borrower fails to pay interest during the one year tenure of the loan or fails to complete repayment of the loan within one year, then government would no longer subsidize the interest payments. Half of the loans under this package, or BDT 10,000 crore, would be provided as a Revolving Refinance Scheme which the commercial banks may avail from the central bank for a period of three years and repay on quarterly basis at a fixed interest rate of 4 per cent. Regarding this, there were necessary guidelines and circulars issues from Bangladesh Bank. With few changes in the rules, a revised SMESPD Circular Letter 8 was published in September. In the previous circular there were different targets for rural and urban area but in the revised circular, uniform target was introduced for both Urban and Rural areas. And the time for disbursing loan was extended till 31<sup>st</sup> October, 2020. According to them, 7000 crore taka was disbursed till 30<sup>th</sup> October 2020.

According to SMESPD Circular Letter no 13, published on November 1, 2020 and SMESPD Circular Letter no 16, published on November 26, 2020, the initiative to disburse the twenty thousand crore incentive for the CMSMEs affected by COVID-19 was not successful. Here comes the question of why the banks were not able to disburse the loan, even though many people including women entrepreneurs were in dire need of financial support.

The circular aimed at directing and guiding the banks and financial institutions on how to disburse this stimulus. While this was a big amount and could help out a good number of cottage, micro, small and medium enterprises led by women who are struggling to support their livelihood because of pandemic, the lack of need assessment and the lack of idea of the actual condition of them resulted in big failure of the incentive package. The policy brought banks as an important

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<sup>2</sup> CPD(2020). *Responding to COVID-19 A Rapid Assessment of Stimulus Packages and Relief Measures: Will the Target Groups Get the Benefits?* retrieved from

<https://cpd.org.bd/wp-content/uploads/2020/06/Paper-on-Responding-to-COVID-19-A-Rapid-Assessment-of-Stimulus-Packages-and-Relief-Measures.pdf>

instrument of the execution as they got the responsibility to disburse loans to the COVID affected enterprises and the incentive was kept for paying out 5% interest over the disbursed loan. The burden of repaying the actual amount and 4% interest was upon the enterprise who would receive the loan. As the banks most certainly would focus on the easy repayment of the loan, the worst affected enterprises could not receive any assistance from this circular.

And another issue is that, external researches suggest that urban and rural areas as well as different communities have particular needs and requires particular focus and interventions. Hence what was the basis of revised circular which introduced uniform targets for both rural and urban areas is not clear. This also assumes that there were lack of need assessment which consequently lead to failure to grasp diverse experiences of different areas and communities.

The interview under this research also revealed that several conditions were applied while disbursing the loan. To receive the amount, people were required to have lands in the area of the banks they applied for loan, they were required to be native of that area, and they required a guarantor. It was not possible for most of the people in the target group to fulfill such condition. So, the overall incentive could not be of much help as Bangladesh Bank found out that many banks were not able to disburse the proposed amount, and their deadline was extended twice in November 2020, and December 2020.

These examples reflect that, there is a gap between the policymakers and the target communities. Bottom-up approach is either absent in designing the policies, or the structure of the need assessment is not adequate enough to connect the policy makers and the communities effectively.

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#### 4.2.2 ABSENCE OF REGULATION IN PROTECTING PRODUCT COPYRIGHT

Many women are producing innovative products with their own skills and creativities, but other can easily replicate and sell these products in the market because of the absence of proper regulations for product copyright.

Another major gap in the policy level is the absence of clear indication of the monitoring and evaluation mechanism of the policies. There are many well written policies but it is doubtful if there is any follow up mechanism. After developing policies, action plans are coming into force gradually where different ministries are being responsible for achieving different targets. In most of the cases, there are two types of responsible bodies, one is the Prime Implementing Agency, and the other is associate. The responsibilities are well written in the action plans but there seems to be no mechanism for follow up. It was not known from anywhere that how far the targets have

been achieved, who are benefited, what are the overall outcomes, what have been the challenges, what changes are required and so on. It is not even clear if there are relevant academic researches to follow up these policies in a regular basis. When a policy is accessible and available to all, it requires that the progress and updates should also be made available to all. For some policies, the review found them to be more like wish lists with no specific action plan or M&E mechanism. (For example: 8<sup>th</sup> Five Year Plan). In most of the policies, there is an action plan which follows the policy and the action plan mentions specific goals for specific departments.

Though the interview of the government officials mentioned about the presence of the monitoring and evaluation framework, this mechanism was not present anywhere to be reviewed by the researchers. So even if there had been an M&E mechanism, it is not available for academics to review and to give feedback on that for further improvement.

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#### 4.2.3 COMPLICATION WITH PAPER WORK

When any provision is made for women, women are finding it very complicated to access. Applying for a loan requires supporting documents like certificates, bank statements which also require to ensure a good transaction etc. But as known from the filed level data, women in general are not used to handle these, they are not capable enough to manage the certificates, to transect through banks and consequently they are failing to access the loans. So, it reflects again that more attention is needed to understand women's actual condition to design effective policies and programs. It is found that registration has to be done and specified criteria has to be fulfilled for the SME loan with a lot of paper work with a mandatory guarantor. In many cases paper work becomes difficult, amount of disbursement is inadequate, and guarantor is not managed. Specially receiving of a lower amount loan becomes a burden as it terribly fails to meet the need of the borrower. Along with the banks, there could be supporting agencies who could assist women to arrange all these.

Potential borrowers get to know about different loan schemes from going to the Upazila office by themselves and from the field officers or from the neighbors who already are entitled to these loans. The training offices of these institutions are located in Upazilas and the transportation is not well and secured for the females.

It was also observed that, during COVID donation came to the ultra-poor people directly from Prime Ministers Relief and Welfare fund. The local government officials listed the ultra poor people and they received financial aid through Bkash/Nogod accounts or their any other bank

accounts. Bank were not required to interrupt. So, if Bangladesh Bank had the database of CMSME, they could connect them directly without the banks as mediator.

CMSME circular is an example of a gap between policy design level and the target group. The procedure that has to be followed to get a loan under this circular is quite long. Usually rural women entrepreneurs struggle with filling up loans forms and find it difficult which might hamper the target of the circular.

Interviews under this research revealed that paper-works and complex regulations are one of the major reasons why bank loans are not accessible by the rural women entrepreneurs.

However, this specific gap has been identified by the policymakers and the policy review got evidence of attempts to improve the condition. Simplifying existing rules and regulations of taking loans for women industrial entrepreneurs is mentioned as one of the aims of National Industrial Policy. Reforms of laws, rules and policies to increase women's employment is one of the major aims of NWDP 2011 and NAP 2013.

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#### 4.2.4 INFORMATION GAP BETWEEN WOMEN ENTREPRENEURS AND FINANCIAL ORGANIZATIONS

Most prominent of the drawbacks is the under developed, less updated websites of these institutions. Data found by reviewing literature but not available in the website provides the evidence of a less updated website. It would be difficult for a borrower with the intention of choosing the suitable loan scheme among diversified ones for him or her by merely visiting the website as in most case inadequacy of information is traced. For example, what are the criteria of a loan program of BSCIC called BINIT is not mentioned in their website. The process of registration is not stated either and this is what the case for most of the institutions. The borrower ration of male-female, their success rate or inspiring stories of successful borrowers is not highlighted either. Any special package for the disabled women and ethnic minority group is also not mentioned. BSCIC has reportedly provided a weeklong training program in March 2021 for female entrepreneurs to improve their ability to adapt to changing business conditions. It is also reported that entrepreneurs who will complete the course successfully will be provided loans from BSCIC's own fund as well as the Karmasangsthan Bank, but whether the loan was provided or not was found on the website of BSCIC (Bangladesh Post, 2021). Also, there is no information on how BSCIC's loan program has influenced women entrepreneurs, their success rate, or their success story on the organization's official website. Another piece of information about the BSCIC loan disbursement program came from Chapter 33 of the Ministry of Industries, which stated that by December 2018, the Bangladesh Small and Cottage Industries Corporation (BSCIC) had

disbursed 2,347 loans totaling BDT 2539.48 lakhs with a 9% interest rate to women entrepreneurs through the BSCIC's 'BINIT' Loan Program. In the report or on the BSCIC website, there is no information about the loan disbursement time or the loan amount per borrower (Chapter 33, Ministry of Industries). On the other hand, most private banks such as City Bank, BRAC bank, and NBFIS like Lanka Bangla Finance and IDLC have details information about different loan schemes, non-financial services available on their websites.

One of leading government banks of the country, Agrani bank, for instance, has not well defined the criteria for loan application in their website though the rate of interest is specified as 3% and a three years' experience is a must.

One major reason behind the lack of information in line with the investigation experience is the absence of skilled website developer and their less dedication to provide time and effort for this cause. This often happens because the borrowers of the SME sector are generally less educated and not at all tech-savvy. The odds of browsing the website for loan related terms and conditions tends to zero for them. Moreover, they do not have the access to electronic device and internet which is expected for rural uneducated borrowers of these institutions.

Information and circulars about different loan programs in the website of different financial organizations and NGOs are less visible. This ineffective communication leads to market failure and underutilization of incentives.

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#### 4.2.5 PRACTICE OF PROCRASTINATION AND INCONSISTENCY

There are specific action plans against different policies, but there seems to practice of procrastination and inconsistency. For example, Women Development Policy was designed on 2011, but the action plan came into force after several years and it is still not clear how the work is going on. So, the procrastination was damaging the objective of women's development and empowerment. Another example is that the Industrial policy 2015 has categorized the enterprises having fixed assets of 75 lakhs or more under SME. According to this definition, most of the women led enterprises do not fall under SME, but under cottage industry. If Banks and Financial Institutions directly applied this definition while disbursing loans, many of the women entrepreneurs would not get access to the benefits. (BIGD Research Area 4). To address this gap, in September 2019, Bangladesh Bank has published a CMSME circular which according to the definition has set the limit of loan for different kinds of enterprises and has directed the banks to disburse loans according to the category of the enterprises. But the time duration between these two was really long.

One striking thing that has been noted is that the definition of SME is not précised. Different organizations have their own definition or have generalized it for their ease. Hard and fast rules for or definition of SME is not set by most of the financial institutions. Banks are generally reluctant to SME schemes as they seem less profitable. Even the definition of “poor”, etc. is not well defined anywhere.

One exception in this field is PKSF ( Palli Karma Sohayok Foundation) which has different programs as Sohayok, Jagoron, Ogroshor, Buniad – has mentioned the amount of loan disbursed to clients of different category in their website.

Grameen bank and BRAC are to pioneers in SME sector. Surprisingly their website enrich one with necessary information. One possible cause may be the process of their work. Physical interaction is the main tool of both of these organizations which demotivated to update their website from time to time.

It is also remarkable as another good practice that, SME policy was developed on 2015 but revised on 2016 to incorporate the newly emerged needs. Thus if policies can be kept under continuous follow up, that would be helpful to reach the goals.

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#### 4.2.6 LACK OF LEADERSHIP OF WOMEN IN “WOMEN-LED” ENTERPRISES

The policies also have a lack towards ensuring the participation of women in the economic activities. For financial inclusion of women, in the National Industrial Policy 2016 Enterprises having 51% or more shareholding by a woman is termed as ‘women led enterprise’ in the policy. Owner/shareholder of that enterprise will be eligible to get the benefit of the provisions mentioned in the policy. However, this does not ensure the participation of women in the enterprise. In the context of Bangladesh, it is highly possible for the men to list their enterprises under the name of their wife/mother/sister and get the benefit whereas in real sense, the woman listed as shareholder will have no access to the wealth and benefits generated by the enterprise. CMSME Circular-Bangladesh Bank also has the same provision. Without considering the participation of women in the decision-making procedure of the enterprise, it focuses only on the shareholding aspect, in the context of Bangladesh which is not enough to ensure financial inclusion for women.

The interview of the concerned authority reveals that the authority is aware of the context. But there is currently no strategy in place which can improve this condition. It is true that, it is better to have such incentive to promote the women as owners of enterprises. But this is not enough.



Without ensuring the participation of women in the decision-making process of the business, it is not possible to ensure their socio-economic improvement.

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#### 4.2.7 NEED OF REDESIGNING TRAINING PROGRAM

Government organizations like BSCIC, DWA, JMS arrange different training programs for their men and women entrepreneurs. But the training programs are outdated and concentrated in block, boutique, tailoring, beef fattening etc. Innovation in training programs is absent. Also, BSCIC's financial and training services are only available in the district offices, which is a constraint for women as they have to travel for to avail those services, so concerns about safety and security, and convenience arise. On the bright side, organizations like City bank and IDLC provide women exclusive entrepreneurial, capacity, and skill development training.

On the other hand, when a day laborer is targeted for a training, there is hardly any budget for the compensation of his/her daily wages. Hence, target audience is unwilling to join the trainings.

And there is no checklist for ensuring the quality of the training programs.

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#### 4.2.8 ABSENCE OF NETWORKING AND COMMUNICATION SKILL BUILDING TRAINING FOR ENTREPRENEURS

Networking and communication skills with financial organizations are the key factors for an entrepreneur to be successful, which are absent among most of the rural, less educated entrepreneurs. To enhance their networking and communication skill special training program is required but currently is absent.

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#### 4.2.9 SELECTION PROCESS OF BENEFICIARIES FOR LOANS IS NOT TRANSPARENT FOR CULTURAL BARRIER, DUPLICATION AND NEPOTISM

Many needy women who actually need the loans or special services cannot get access to those in most cases because of influential people of administrations grab those for their favorable persons. There are cases that same person is getting loan from different bodies when others cannot access any. Nepotism seems to be present in almost every level of administration. In most cases rural entrepreneurs who actually need the loans cannot get access to the facilities because of the existence of Nepotism among the Chairman, Members Union Council, Upazillas and other level of administrations. Even in some cases the bank officials remain reluctant to pay loans to women as they presume that women will not be able to repay. And banks offer loan to those who are already able to repay the loans. Consequently, those are getting loan who indeed do not need that.

It is remarkable here that in different policies, specific regions are found to have special focuses, but the justification is absent about the special treatment for those regions.

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#### 4.2.10 NO SHAREHOLDING OPTION FROM THE GOVERNMENT

The only financial services women entrepreneurs and CMSME owners can avail from the government organizations, NGOs and banks are through loan schemes. But loans are a burden for anyone. The continuous pressure of regular instalments and loan repayment demotivate women to take loans. No form of equity investment for women is available in terms of shareholding option from the government.

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#### 4.2.11 ABSENCE OF REGULATION IN THE INFORMAL AND DIGITAL ECONOMY

Informal businesses like businesses done by street hawkers and online based business on Facebook, Instagram etc. have a good number of women entrepreneurs. These businesses are not regulated and product quality is not verified by any regulatory body. This can pose as a problem for those who are trying to generate through ethical business practices, because of the absence of proper regulation and quality control, unregulated business may hamper the business environment by having access to abundant low-quality products.

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#### 4.2.12 ABSENCE OF START-UP COACHING FOR RURAL, LESS EDUCATED SMES

There are training opportunities available for the young educated entrepreneurs on marketing, digital marketing, financing, HR management and supply chain management. But such start-up training opportunities are not available for the rural SMEs.

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#### 4.2.13 INADEQUATE LOAN AMOUNT

Many loan schemes provide loan amounting BDT 10,000 or BDT 25,000, without assessing the actual need of the entrepreneurs, and this amount may not be adequate for the entrepreneur. He/she might not be able to do anything with the small amount of loan. Ultimately there has been misuse of resources.

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#### 4.2.14 SMALL REPAYMENT PERIOD

Some loans have loan terms of 2/3 months or 6 months, but it's not possible for most of the beneficiaries to pay back the loan within this short-term period.

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#### 4.2.15 SEPARATION OF SME SECTOR FROM THE MAINSTREAM POLICY FRAMEWORK

As the SME sector is separated from the mainstream policy framework, most of the women led SMEs are conducted informally often without proper trade license. Because of which banks and other financial organizations do not find it safe to issue loan to SMEs.

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#### 4.2.16 LACK OF INTERSECTIONAL APPROACH

The policies in many places lacked intersectional approach. For example-

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##### 4.2.16.1 LACK OF RELIGIOUS INCLUSIVENESS

NWDP 2011 and NAP 2013 mentions about adherence to Quran and Sunnah without mentioning its implication to women having other religious belief except Islam.

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##### 4.2.16.2 LESS INCLUSION OF BOHEMIAN PEOPLE (BEDE), NON-BINARY PEOPLE, AND DISABLE PERSONS

Another example of the lack of intersectional approach is that the need of non-binary and intersex people is not addressed in the policies adequately. As there has been no separate ministry, or policy to address the needs of this minority group, NWDP 2011 and NAP 2013 could have provisions to address their needs as well. It was really important as in a country like Bangladesh stereotypical behavior is largely against the healthy economic opportunities of the non-binary and intersex people.

Interview of an intersex entrepreneur under this research revealed that because of fear and previous experience of being excluded from opportunities, intersex people do not reach out to the government bodies and financial institutions, remedy of which is not addressed in any of the policies. However, the interview also revealed the respectful behavior of the current government bodies towards the intersex and assistance in many administrative procedure which is a sign of awareness towards gender sensitization of the government officials discussed at the start of this chapter. But these assistances were mostly from the personal level. To ensure inclusiveness, specific provisions in the policies addressing their need is required which is yet to be developed.

Among the govt organizations only DSS provides special program for Bede and Hijra people apart from men and women. But the amount of stipends, old-age allowance and the financial assistance is so low that it can barely make an impact. Although the initiative is admirable, the Loan for Disable Person (LDP) introduced by Agrani bank is controversial, as in the website it is mentioned that a physically disable but mentally sound “man” can avail this loan. But “Loan for Disable Person”, says person. A person can be can be a man or a woman or can be a non-binary person.

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#### 4.2.16.3 LACK OF DEMOGRAPHIC INCLUSIVENESS

For example, SMESPD Circular 1 does not mention region wise extra emphasis, which is important, because there are several regions in Bangladesh, which were more affected by COVID situation than others and they require extra support. Ethnic communities in the tourist zones were one of the worst sufferers and the circular needed to have some special focus in that area. Because of demographic difference it is important for the policy makers to look out for the regions which needs extra emphasis in the policies. While designing policies for women's economic inclusion, it is important not to ignore this demographic differences and customized needs because of those differences.

There are several policies which try to promote micro and cottage industries. These provisions are very relevant for our indigenous communities as they are rich in tradition and heritage. But as they still belong to the margin, they deserve special attention and support to come forward. A provision which is suitable for a woman living in Dhaka, may not be applicable or sound for a woman living in the hill tracts. Unfortunately, no effort to bring them in mainstream was reflected in the policies.

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#### 4.2.16.4 NOT ADDRESSING NEED OF COTTAGE AND MICRO INDUSTRY

A large portion of the economic activities of women in Bangladesh is related to cottage and micro industry. Thus, policies which promotes the growth of the cottage and micro industry can play a vital role to ensure financial inclusion of women. One such kind of impactful circular could have been the SMESPD Circular of Bangladesh Bank, which aims at directing and guiding the banks and financial institutions on how to disburse stimulus package of 20,000 crore BDT announced by the honorable prime minister to counter the effect of COVID-19 in the CMSME sector in Bangladesh. Unfortunately, the circular put Cottage and Micro industry under the big umbrella of CMSME. This makes the disbursement process lengthy and tough for the cottage and micro industry to access it.

### 4.3 CHAPTER CONCLUSION

Women are facing a wide range of challenges to access financial support, though there are several women-centric policies and programs. There have been gaps in designing the implementation work, and socio-cultural values of ignoring women's perspectives and concerns are also reflected in practice. Due to lack of need assessment, many ambitious policies or programs are fall ineffective; the conditions for accessing those are turning out to be contradictory to the core objectives. There is an absence of regulation in protecting product copyright for which women are failing in the competitive field of business. Women are finding the process very complicated due

to their lack of orientation with documentation and paper works. Women fail to avail proper updated information. In several cases, there are practices of procrastination and inconsistency as data collected from women for their betterment are getting old and invalid before initiating any program. In the social context of Bangladesh, there are many enterprises in the name of women which are actually led by their male counterparts and there is no monitoring of this. Training designs seem to be ineffective as the timing, venue, and opportunity cost may not be women-friendly. And there is insufficient training on enhancing networking and marketing skills. The selection of beneficiaries is also questionable as it highly depends on the decision of influential people in any area. Though women are entering the online business, any holistic guideline for the regulation is yet to be made. The loan that women are getting is very small in amount to alter their condition and the loan repayment period is also not supportive. And as a whole lack of an intersectional lens to address different diversity is another concern that hinders economic empowerment.

## 5 CHAPTER FIVE: VIEW OF THE LOAN LENDERS

### 5.1 CHAPTER INTRODUCTION

In the previous chapter women's perspective were discussed and it was found that despite many women friendly policies and programs, women are facing challenges to access those. To grab an inner view, loan lenders were asked why women entrepreneurs are facing challenges to take loan. In this regard they have shared their own views which are discussed in this chapter.

### 5.2 VIEWS AND JUSTIFICATION OF THE LOAN LENDERS

While conducting interview of the bank officials, it was revealed that they have their own justifications for not distributing loans among women massively.

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#### 5.2.1 BANKS DO NOT WANT TO TAKE RISK WITH DEPOSITORS' MONEY

Interview of the bank officials reveal that, before distributing loan they ensure that the borrower has the capacity to repay the loan as they do not want to keep depositors' money at risk. And it is obvious. The basic business model of a bank is disbursing loans with the money of the depositors. The interest that is earned from the disbursed loans is used to pay the interest to the depositors and bear the operational and other costs of the bank. Thus, it is evident that, banks usually should be interested to disburse their loans to the entities who are more likely to repay those loans. Now, the chances of getting the repayment of loans is more likely for the medium enterprises than the cottage and micro enterprises. Women-led businesses are mostly cottage, micro and small businesses which banks don't find lucrative for loans. We have also seen that in time of post COVID economic recovery phase. A twenty thousand crore stimulus package was announced and 70% was preserved for cottage, micro and small industry. But the incentive was in the form of a loan from the banks. And the COVID affected such businesses had a little chance to recover during the repayment period of the stimulus. Thus, the banks avoided the businesses while distributing loans under this package. They rather searched for the medium enterprises, who were less affected in COVID period as they are more likely to repay the amount. Thus, the loan was disbursed to those who had little need of it and who were in dire need, got avoided. A bank official clearly stated that -

“Though the circular preserves 70% of the stimulus for cottage, micro and small industry, it has been tough for the banks to choose them over medium enterprises. Because the incentive was disbursed in the form of loan, and repayment of the loan is more ensured from the medium enterprises than from the highly COVID affected cottage and micro enterprises.”

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#### 5.2.2 AS WOMEN REQUIRE MORE CLARIFICATION AND SUPPORT, BANKS SEEMS RELUCTANT TO SPEND TIME FOR THAT

According to the interviews in the social context of Bangladesh women in general have less financial literacy and require more explanations of paper work and clarifications, there needs to be someone from the banks to spend time. But the opportunity cost of spending this time, as per calculation of the bank officials, is very high. A bank has to keep an employee engaged for supporting women which hampers other “important” tasks. That’s why banks in general are not interested in giving loan to women.

It is also the perspective of Bangladesh bank that, owners of cottage and micro industry, who are mainly women, are less likely to keep their necessary documents like trade license, financial statements organized. Thus, they feel it difficult to process any loan as all the papers are required to be submitted. According to Bangladesh Bank, such paperwork is non-negotiable and for that reason, it is tough for the banks to sanction the loans to women entrepreneurs.

Though this experience might be the reality to some extent and it is possible that these notions are derived from some personal experiences, this creates stereotypes which cause the women entrepreneur not having the expected service from the officials even if they do not fall under the mentioned criteria.

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#### 5.2.3 BANKS CAN HARDLY RELY ON WOMEN’S PROGRESS

Similar to the previous concerns, banks in general foresee that women won’t be able to make profit out of their business and hence will find it difficult to repay the loans. This is another form of stereotype that is present in the society and bank officials are not out of having such stereotypical idea. It is true, in our social context, people are not habituated to see women as successful entrepreneurs. Though the scenario is changing rapidly now and more and more women are establishing them as successful businesspersons, social notion still has not changed that much. These stereotypical ideas that is present in the bank environment, hampers the service of them towards women.

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#### 5.2.4 WOMEN SEEMS TO BE LESS INTERESTED IN BANKING

When women have complained against banks, banks have their own observation in this regard. According to the bank officials interviewed in this study, due to the rules and regulations women cannot keep their interest, they visit banks for the first few days but gradually they get disconnected. It might be possible that because of the ideas that prevails in the bank environment,

the women do not feel welcome in the banks which demotivates them to have further visit. This further strengthens the prevailing notion of the bank officials and increases the distance between women entrepreneurs and bank services.

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#### 5.2.5 HIGHER INTEREST RATE IN NBF AND MICRO-CREDIT ORGANIZATIONS

If the regulations and environment of the traditional banks are not suitable for women, a possible alternative could have been the NBFs and Micro-credit organizations. And the statistic shows that women are more likely to accept loans from such organizations. But the interest rate in NBFs and in the micro-credit organizations are higher than the traditional banks. This high interest rate sometimes becomes a burden for the women which is another reason for the women entrepreneurs to get demotivated. And most of the micro-finance based organizations, which is convenient for women to have access into, proposes a loan which is lower than the amount one needs to start a business.

Now the micro-credit organizations and NBFs have their justifications of keeping their interest rate higher. The interview with a microfinance-based organization reveals that, to maintain the operational cost of the huge field level operation of a microfinance-based organization and to ensure the quality of a collateral free loan, their margin needs to remain high. This is the reason for which their interest rate is nearly 24% which is much higher than the traditional banks. And a micro-finance based organization looks for having a long term business with one customer and have dealings with him throughout several years. That is how they ensure their profit. With a big amount loan from the first time would increase the defaulter rates and would reduce their profit per client over the years.

#### 5.3 CHAPTER CONCLUSION

Through discussions with both women and bank officials it became clear that both parties have their own concerns and due to lack of proper bridging and support mechanism the gaps cannot be minimized. As banks, NBFs and NGOs with microfinance services, all are here for business, for them, ensuring their own profit becomes the first priority which is natural. There had to be support from government here to bridge these gaps and ensuring services from banks for women without causing the banks to sacrifice their profit, or there needed to be proper incentive for them to focus on the women clients. Such regulation is not present. Holistic planning is needed if women's inclusion is to be ensured in a proper way. The next chapter would suggest a few practical solutions which are expected to improve the present situation.



## 6 CHAPTER SIX: CONCLUSION AND WAY FORWARD

### 6.1 CONCLUSION

Throughout the study it has been found that policy makers, loan lenders and other stakeholders from both government and nongovernment bodies have good will to contribute towards women's economic empowerment and they are working hard in this regard and coming up with excellent ideas and initiatives. Different policies were reviewed using "Gender Responsive Policy Analysis UNDP Framework"; strengths of different policies in regard to women's financial inclusion were identified; different loopholes and scopes for improvements were also found; and also loan and other relevant programs of different public and private banks, non-bank organizations were reviewed. After reviewing the secondary literature, the study attempted to collect first hand empirical data to have a wider view and found that due to lack of bridging and regular monitoring, many of the initiatives are failing to support women. Women are having multidimensional issues which the policies or programs cannot grasp as a whole. At the same time policy makers and the loan renders also have certain stake for not responding to all the women issues. While looking for a comprehensive and effective M&E mechanism, it was found that the government of Bangladesh already has a national machinery for the advancement of women which is well organized to connect relevant stakeholders. So, this study focuses on keeping that machinery active, in addition to that, based on the findings, this study proposes several SMART indicators that the National Machinery would require to follow in order to minimize the gaps. This study also suggest few more recommendations which are expected to be considered for future planning in the long run for a sustainable alteration.

### 6.2 WAY FORWARD

This section discusses the way forward as it suggests relevant M&E mechanism and SMART indicators and a few more Policy Advocacy issues for future planning.

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#### 6.2.1 POLICY ADVOCACY ISSUES

Based on the reviews and interviews, this study has identified few policy advocacy issues. In the below mentioned table those are presented along with suggestion on whom to approach:

Table 11: Policy Advocacy Issues

Policy Advocacy Issues	Background	Whom to Approach
<p><b>1. Definition of SME should be flexible or should have easier conditions so that women can fall under this category for approaching SME loans. The National Industrial Policy should incorporate a flexible definition of SME or all banks should follow a separate uniform definition of small and cottage industry so that small entrepreneurs can also be benefited.</b></p> <p><b>2. Special attention to Cottage and Micro industry is also needed</b></p>	<ul style="list-style-type: none"> <li>National Industrial Policy 2016 is a good example of such gaps. The policy has categorized the enterprises having fixed assets of 75 lakhs or more under SMEs. According to this definition, most women-led enterprises do not fall under SME, but under cottage industry. If Banks and Financial Institutions directly apply this definition while disbursing loans, many women entrepreneurs will not get access to the benefits. (BIGD Research Area 4).</li> <li>Unfortunately, the SMESPD circular put the Cottage and Micro industry under the big umbrella of CMSME. This makes the disbursement process lengthy and tough for the cottage and micro-industry to access it.</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh Bank</li> <li>Ministry of Industry</li> <li>Ministry of Commerce</li> </ul>
<p><b>3. For women entrepreneurs, especially those owning micro-enterprises conditions should be made easier to apply for loans. There should not be any tough conditions of having land etc.</b></p>	<ul style="list-style-type: none"> <li>Several conditions were applied while disbursing the loan against the SMESPD circular. To receive the amount, women require to own land in the area of the banks they applied for a loan, being a native of that area, and a guarantor. It was very difficult for most of the women to fulfill such conditions.</li> </ul>	<p>Bangladesh Bank</p>
<p><b>4. To minimize the complication with paperwork while approaching loans, one-stop support centers and/or help desks should be set up at the union level.</b></p>	<ul style="list-style-type: none"> <li>Applying for a loan requires supporting documents like certificates, bank statements with satisfactory transaction records, etc. But as known from the filed level data, women, in general, failed to fulfill these conditions. They could not manage the certificates, have</li> </ul>	<ul style="list-style-type: none"> <li>The Ministry of Local Government, Rural Development and Co-operatives</li> <li>Bangladesh Bank</li> <li>Different Banks</li> </ul>

Policy Advocacy Issues	Background	Whom to Approach
	<p>good transaction records with the banks and, consequently, they are failing to access the loans.</p>	
<p><b>5. Trainings on entrepreneurship development needs to be redesigned. Venue and time should be women friendly. In order to attract from lower economic strata, there should be remuneration to compensate the value of their time.</b></p> <p><b>6. Training curriculum should be updated, new ideas other than block, batik etc. should be integrated.</b></p> <p><b>7. There must be a checklist to ensure the quality of the trainings.</b></p> <p><b>8. Particular training on networking and communication skill is needed.</b></p> <p><b>9. There must be start up coaching for rural, less educated SMEs.</b></p>	<ul style="list-style-type: none"> <li>• Most of the training programs are outdated and concentrated in block, boutique, tailoring, beef fattening etc. Innovation in training programs for women is urgently needed.</li> <li>• Also, BSCIC’s financial and training services are only available in the district offices, which is a constraint for women in the periphery as they have to travel for to avail those services, so concerns about safety and security, and convenience arise.</li> <li>• On the other hand, when a day laborer is targeted for a training, there is hardly any budget for the compensation of his/her daily wages. Hence, target audience is unwilling to join the trainings.</li> <li>• There is no checklist for ensuring the quality of the training programs.</li> <li>• Networking and communication skills with financial organizations are the key factors for an entrepreneur to be successful, which are absent among most of the rural, less educated entrepreneurs.</li> </ul>	<ul style="list-style-type: none"> <li>• National Skills Development Authority, Prime Minister’s Office</li> <li>• Bangladesh Investment Development Authority (BIDA)</li> <li>• Prime Minister’s Office</li> <li>• Ministry of Commerce</li> <li>• Bangladesh Small and Cottage Industries Corporation</li> <li>• Department of Women Affairs</li> <li>• Jatiya Mohila Songstha</li> </ul>
<p><b>10. There should have specific guideline for informal and digital economy.</b></p>	<ul style="list-style-type: none"> <li>• Informal businesses like businesses done by street hawkers and online based business on Facebook, Instagram etc. have a good number of women entrepreneurs. These businesses are not regulated and product quality is not verified by any</li> </ul>	<p>Ministry of Commerce</p>

Policy Advocacy Issues	Background	Whom to Approach
	<p>regulatory body. This can pose as a problem for those who are trying to generate through ethical business practices, because of the absence of proper regulation and quality control, unregulated business may hamper the business environment by having access to abundant low-quality products.</p>	
<p><b>11. Loan amount and repayment period should be increased</b></p>	<ul style="list-style-type: none"> <li>• Many loan schemes provide loan amounting BDT 10,000 or BDT 25,000, without assessing the actual need of the entrepreneurs, and this amount may not be adequate for the entrepreneur. He/she might not be able to do anything with the small amount of loan. Ultimately there has been misuse of resources.</li> <li>• Some loans have loan terms of 2/3 months or 6 months, but it's not possible for most of the beneficiaries to pay back the loan within this short-term period.</li> </ul>	<p>Bangladesh Bank</p>
<p><b>12. Gender Trainings for the Bank officials so that they show interest to give loans to women.</b></p>	<ul style="list-style-type: none"> <li>• According to the interviews in the social context of Bangladesh women in general have less financial literacy and require more explanations of paper work and clarifications, there needs to be someone from the banks to spend time. But the opportunity cost of spending this time, as per calculation of the bank officials, is very high. A bank has to keep an employee engaged for supporting women which hampers other "important" tasks. That's why banks in general are not interested in giving</li> </ul>	<ul style="list-style-type: none"> <li>• Bangladesh Bank</li> <li>• Different Banks</li> </ul>

Policy Advocacy Issues	Background	Whom to Approach
	loan to women. Moreover, there should be gender sensitive mind set of the employee.	

#### 6.2.2 KEEPING NATIONAL MACHINERY AND WID FOCAL POINT MECHANISM FUNCTIONAL

As a way forward towards women’s development, National Machinery WID (Women in Development) Focal Point mechanism has been created by the government of Bangladesh. Keeping the National Machinery and WID focal points functional is a core recommendation for ensuring women’s financial inclusion. Since the Fourth Five Year Plan, all sectors and ministries are responsible for incorporating WID issues into their programs. Each ministry selects an official at the rank of joint secretary to function as the WID focal point. This mechanism is expected to ensure that gender concerns are included in the policies, plans, and programs of all line ministries. They are also assigned with the duty of submitting the reports to the Policy Leadership Advocacy unit for further development of women empowerment at policy level. To ensure the better implementation of financial policies related to women and the loan products targeted towards women’s financial inclusion, this WID Focal Point mechanism can act as the best kind of M&E framework with a little change. In addition to that, if WID focal can be created within Bangladesh Bank and other private/public banks and non-bank financial organizations, that can strengthen the whole process. By doing this, the M&E mechanism can effectively monitor the process and evaluate the progress of the financial policies related to women, and the loan products and incentives targeted towards women’s financial inclusion.

Here it is important to integrate stories, and not only data. Only focusing on quantitative data will have severe lacking in the overall framework. For example, while promoting women-led businesses, policies included those enterprises having 51% share of women would get special support as ‘women-led enterprise’. But that only created a loop where women in the families were only shown as owners in papers for getting those benefits and decision-making authority were never bestowed upon the women. To prevent these shortcomings of numerical data, case-studies of the beneficiaries should be included in the national and mid-level monitoring reports. It would be helpful for ensuring that the progress is in the right direction. M&E mechanism should be designed and published along with the policy. It will allow the academia to study the impacts of the policy, creating a door for academia-government collaboration. The monitoring team should -



The following flow chart can be followed for M&E mechanism.

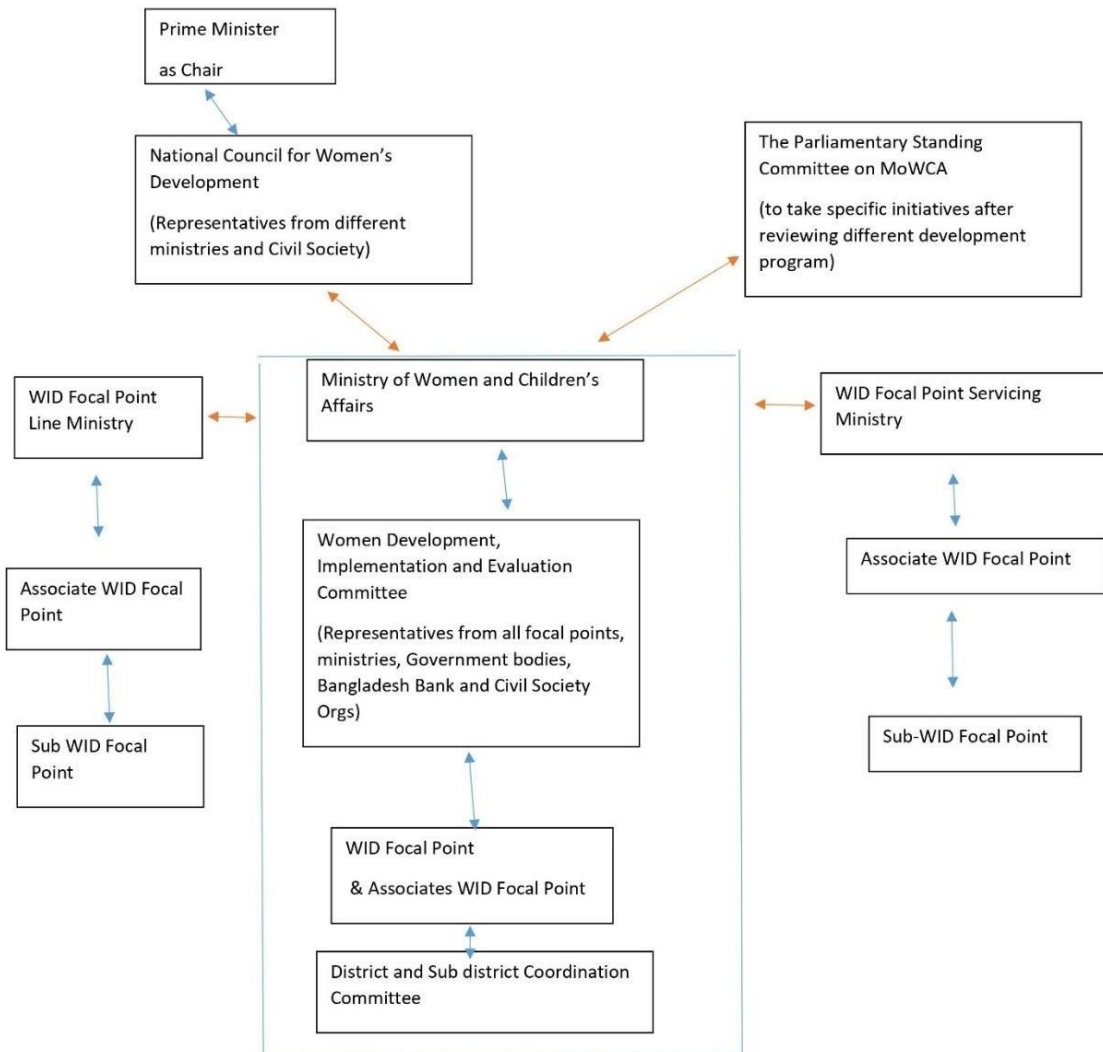


Figure 3: M&E Framework

The Ministry of Women and Children's Affairs is already responsible for coordination of the implementation of the national policies on women. A National Council for Women's Development under the chairmanship of the Prime Minister has been formed at the highest level and consists of representatives of various ministries and also of the civil society. A Parliamentary Standing Committee is formed to advise the government to take specific initiatives for women's development after reviewing different development programs for women. Women and Development (WID) focal points are established in different ministries of the government for overseeing the concerns of women in the programs of the government. An implementation and evaluation committee comprising of representatives from all focal points, ministries and divisions of the government as well as entities like Bangladesh Bank and civil society organizations will be set up and will be chaired by the Minister in charge of the Ministry of Women and Children's Affairs. The main responsibility will be to coordinate and evaluate programs relating to the advancement of women and to suggest guidance for future implementation. A district level coordination committee will be formed to review all empowerment and advancement related activities on behalf of women at the levels of the district administration, the district council, pourashava, the lowest tier of urban government and the local government (Pandey in Khan et al, 2005).

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### 6.2.3 SMART INDICATORS FOR MONITORING AND CONTROL

As the indicators of gender performance are by design highly detailed and comprehensive, there should be some SMART indicators which would be the benchmark of progress. For each of the aforementioned indicators, if a baseline can be established, it would be effective to monitor over the period to assess the changes and progress. Such indicators can be divided in three categories

1. Client-Centric Focus
2. Institutional Focus
3. Financial and Social Outcomes

Under these three categories, this research has suggested 14 different SMART indicators which the proposed M&E mechanism can use to track the progress and impact of the related financial policies and the incentives and loan products designed for women's financial inclusion.



Table 12: SMART Indicators

Client-Centric Focus	Institutional Focus	Financial and Social Outcomes Focus
<ol style="list-style-type: none"> <li>1. NID Integrated Database of the SME entrepreneurs</li> <li>2. Central Data of The Valuation and Growth of the SME</li> <li>3. Number of Beneficiaries of Indigenous Communities, Inter-Sex Community, and Religious and Ethnic Minorities</li> <li>4. First Time Borrower</li> <li>5. Product Diversity</li> <li>6. Retaining Women Clients</li> </ol>	<ol style="list-style-type: none"> <li>1. Available Information in the Website for Different Loans and Incentives</li> <li>2. Budget and Number of Initiatives Taken to Train the Women Entrepreneurs and Equip Them with the Assets to Conduct Businesses</li> <li>3. Participation of Women in the Loan Disbursing Processes of Banks</li> <li>4. Advancing Women Managers</li> </ol>	<ol style="list-style-type: none"> <li>1. Developing Alternative Credit Rating System</li> <li>2. Updated Case-Studies in The Website and Number of Reviews of the Beneficiaries</li> <li>3. Amount of Growth in the Export and Import of Products Sold by SMEs</li> <li>4. Contribution in The GDP by The SME And Women-led SMEs</li> </ol>

**CLIENT-CENTRIC FOCUSED INDICATORS**

Women as clients provide a number of SMART indicators to be monitored.

**NID integrated database of the SME entrepreneurs**

Increased application of NID integrated database of the SME entrepreneurs who have got the support of different policies and financial organizations would indicate about the implementation of policies and transparency of the financial organizations.

**Central data of the valuation and growth of the SME**

Updating central data of the valuation and growth of the SMEs and women SMEs who have been connected to the authorities like BSCIC, SME Foundation etc. every year, and comparing the growth of each year would be an indicator about the overall growth of this sector.

### **Number of beneficiaries of indigenous communities, inter-sex community, and religious and ethnic minorities**

Comparing the number of beneficiaries of indigenous communities, inter-sex community, and religious and ethnic minorities of different organizations will indicate which organization is friendlier towards these communities.

### **First time borrower**

Women as first-time borrowers of an institution can be an indicator of a successful policy implementation as it measures further financial inclusion. It can be measured by checking new client records against the previous NID integrated database.

### **Product diversity**

As women have various gender roles in the current context and defined by current societal norms, they might require variety of financial products at different age ranging from childhood to education, marriage, motherhood and even divorce/widowhood.

### **Retaining women clients**

With the data of retention of the women clients, the effectivity of the service and policy implementation can be measured

## **INSTITUTIONAL FOCUSED INDICATORS**

The institutional focused indicators are as follows.

### **Available information in the website for different loans and incentives**

Availability of details information about different loans and incentive programs in an organization's website will be an indicator about their effort to comply with the policies and action plans.

### **Budget and number of initiatives taken to train the women entrepreneurs and equip them with the assets to conduct businesses**

Comparing allocation of budget and number officials for women entrepreneurs, number of initiatives taken to train and equip women entrepreneurs, and the amount of honorarium paid to each entrepreneur who are attending the training sessions of different organizations will indicate which organization is more women friendly. Also, comparing the same indicators for an organization with its different year results will also indicate the organization's progress.

### **Participation of women in the loan disbursing processes of banks**

Comparing the number of women participants or beneficiaries in the loan disbursement processes of banks will indicate how banks are progressing in servicing women entrepreneurs.

### **Advancing women managers**

Tracking the number of women in the senior management can be a very crucial SMART indicator which gives an idea of the satisfaction of women employees, training provided to them, flexible working hours and promotion opportunities.

### **OUTCOME FOCUSED INDICATORS**

The outcome focused indicators are as follows.

#### **Developing alternative credit rating system**

Developing alternative credit rating system can be considered by the financial analysts as the process offers banks or other financial institutions the ability to expand the range of data that they use to assess an entity's creditworthiness. Utilizing alternative data as a substitute for traditional asset-based data to determine the creditworthiness of an SME is an emerging approach for credit scoring. It takes the advantage of new technology to light up unexplored sides of the borrower such as an entity's trade payments, sales transaction records and behavioral traits of its business principals which will ease the complication of paper works.

#### **Updated case-studies in the website and number of reviews of the beneficiaries**

Updating the number of women beneficiaries and their reviews about the services received by them every year in each organizations website will indicate how the organization is following the policy action plans and progressing.

#### **Amount of growth in the export and import of products sold by SMEs**

SME products are exported in different countries. Comparing the growth of SME and women led SME products' exports in consecutive years will indicate progress in this sector.

#### **Contribution in the GDP by the SME and women-led SMEs**

SMEs and women-led SMEs have a contribution in the country's GDP. Consecutive year's growth percentage of SMEs and women-led SMEs will be a good indicator.

Table 13: SMART Indicators with responsible authorities

Categories	SMART Indicators	Implementing Body	Reporting Body	Monitoring Authority
<b>Client-Centric Focus</b>	NID Integrated Database of the SME entrepreneurs	Bangladesh Bank (Data base set up by Bangladesh Bank)	City Council/District Council who approves trade license. As soon as a new trade license will be given, data will be updated automatically in the database.  Enlisted entrepreneurs will be responsible to report to the DC yearly. DC will then develop report on growth of the SMEs	Bangladesh Bank
	Central Data of The Valuation and Growth of the SME			
	Number of Beneficiaries of Indigenous Communities, Inter-Sex Community, and Religious and Ethnic Minorities			
	First Time Borrower			
	Product Diversity			
	Retaining Women Clients			
	<b>Institutional Focus</b>			
Budget and Number of Initiatives Taken to Train the Women Entrepreneurs and Equip Them with the Assets to Conduct Businesses				
Participation of Women in the Loan Disbursing Processes of Banks				
Advancing Women Managers				

Categories	SMART Indicators	Implementing Body	Reporting Body	Monitoring Authority
<b>Financial and Social Outcomes Focus</b>	Updated Case-Studies in The Website and Number of Reviews of the Beneficiaries	Banks, NBFIs, NGOs	Banks, NBFIs, NGOs	Bangladesh Bank
	Amount of Growth in the Export and Import of Products Sold by SMEs	Bangladesh Bank	Bangladesh Bank	Ministry of Finance
	Contribution in The GDP by The SME And Women-led SMEs	Bangladesh Bank	Bangladesh Bank	Ministry of finance

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***CHECKLIST FOR THE BANK OFFICIALS***

1. What are the special schemes that you offer to women? How did you design those?
2. Have you been able to disburse the full amount of schemes? If yes, then among whom did you disburse? If not, then why couldn't you?
3. How do you find the target beneficiaries? Do you announce any circular? What are the channels through which you publish about your offers?
4. If someone wants to take your schemes, what steps need to be followed? What information/papers do you require?
5. After disbursing the schemes, how do you monitor the beneficiaries? How many of them have been defaulters?
6. Have you ever compared the before and after condition of the beneficiaries? Do you have any documentation of such comparison?
7. Do you have more particular schemes for women of special needs, such as indigenous women, women from religious minorities, disabled women, and widowed /divorced women? If yes, then what are those? If not, then how do you address such special cases in your mainstreamed schemes?
8. Have you observed any changes in loan claiming due to COVID 19?
9. Have you ever gone beyond the policies to meet the need of women?
10. What changes do you want in policies to make those more inclusive and effective?

***CHECKLIST FOR THE BENEFICIARIES WHO HAVE TAKEN LOANS***

Name:

Age:

Education:

Occupation:

Marital Status:

Location:

1. Have you ever needed loans/schemes from any bank?
2. Why did you wanted to take the loan/scheme? What was your plan to do with the loan?
3. From where did you come to know about the loan/schemes?
4. Were you able to take any loan? If yes, then what was the whole process? What papers/ information were required? How did you manage to do that?
5. If you have taken the loan, how are you utilizing that? Was the loan enough to fulfill your desired plan?
6. What was the terms and conditions of the loan/scheme?
7. Does the loan providing institution monitor your business?
9. How do you plan to return the loan?
10. How COVID affected your venture?
11. In the whole journey, what challenges have you faced? Were your family members supportive towards you? If not, then how did you negotiate with them?
12. Do you think that these loan/schemes programmes are women-friendly? What is the best part? What is the worst part of the process? What would you recommend to improve the process?

***CHECKLIST FOR THE RESPONDENTS WHO FAILED TAKEN LOANS***

Name:

Age:

Education:

Occupation:

Marital Status:

Location:

1. Have you ever needed loans/schemes from any bank?
2. Why did you wanted to take the loan/scheme? What was your plan to do with the loan?

3. From where did you come to know about the loan/schemes?
4. What documents were required to take the loan?
5. Why did you fail to take the loan?
6. Have you filed any complaint for not receiving the loan? Has your complaint been taken care of?
7. Have you taken any alternative plan to continue your entrepreneurship?
8. How COVID 19 affected your venture?
9. In the whole journey, what challenges have you faced? Were your family members supportive towards you? If not, then how did you negotiate with them?
10. Do you think that these loan/schemes programmes are women-friendly? What is the best part? What is the worst part of the process? What would you recommend to improve the process?

***CHECKLIST FOR SME AND SPECIAL PROGRAMS DEPARTMENT, BANGLADESH BANK***

1. According to SMESPD Circular Letter no 13, published on November 1, 2020 and SMESPD Circular Letter no 16, published on November 26, 2020, the initiative to disburse the twenty thousand crore incentive for the CMSMEs affected by COVID-19 was not successful. What are the reasons behind it? What are the most prominent challenges the banks faced?
2. From the field interviews, we have found out that, a major portion of the target group of this incentive lack the necessary paper works required for the disbursement. Even in that scenario, why measure was not taken to directly disburse those incentive to the bank accounts/baksh accounts of SMEs? Why banks as mediator was necessary? And there are more than 1 crore SMEs throughout the country. Most of them had outstanding loans to the banks and NGOs when COVID hit. Though they got extended timeline from most of the NGOs to repay those loans, that was not enough to support them. Even if the 20 thousand crore incentive was timely disbursed, could it provide the support that those CMSMEs actually needed at that point?
3. After reviewing The Eighth Five-Year Plan (July 2020-June 2025), National Women Development Policy (NWDP) 2011 and NAP 2013, SME Policy 2019, National Industrial Policy 2016, SMESPD Circular Letter No. 01, and CMSMEs Circulars from Bangladesh Bank, we could not find any information regarding the process on how the loan policies are designed. We are interested to know if the process is top-down or bottom-up. That means are the loan

disbursing mechanism is set after field study and need analysis, or the mechanism is set from the higher authority?

4. In the industrial policy 2016, there were provisions to support local cottage industries. Cottage industries in the hill tracts and in other regions having ethnic groups are rich in resources. How much support these groups could receive under the policy?

5. Which are the banks and FIs who could perform better than others in terms of supporting rural SME and cottage industries? And which are the ones that performed poorly? What could be the possible reasons behind them?

6. In the industrial policy there was a gap in defining CMSMEs which is addressed in the CMSME circular recently. That gap which was prevailing in that period, how much impact it had while disbursing loans? After it was addressed, how much it could help in supporting cottage industries and especially women entrepreneurs?

#### ***CHECKLIST FOR SECRETARY, FINANCE DIVISION, MINISTRY OF FINANCE***

1. A strategic tool of SME Policy 2019 is to provide collateral free single digit interest rate loans for potential women entrepreneurs including the clusters. The Finance Division had the responsibility to expand cluster financing through increasing SME financing within July 2021. What is the progress? What are the different challenges that the Finance Division faced?

2. Another strategic tool of the SME Policy 2019 was to increase credit flow for women entrepreneurs and arrange specialized loans for them. Finance division was an associate implementor to expand the scope of specialized loan programs offered by SMEF for female entrepreneurs. How many specialized loan schemes have been passed under this strategic tool? Who are the responsible entities to disburse these loans? How is progress being monitored? And who are the different groups who benefited from this? ( This last question is to understand if an intersectional approach was taken while disbursing these loans. Probing questions can come in the form of - How many ethnic women got such benefits? What is the percentage of religious minorities who could access these loans? What is the rural-urban-semi urban ratio of the beneficiaries?)

3. After reviewing The Eighth Five-Year Plan (July 2020-June 2025), National Women Development Policy (NWDP) 2011 and NAP 2013, SME Policy 2019, National Industrial Policy 2016, SMESPD Circular Letter No. 01, and CMSMEs Circulars from Bangladesh Bank, we could not find any information regarding the process on how the loan policies are designed. We are interested to know if the process is top-down or bottom-up. That means are the loan

disbursing mechanism is set after field study and need analysis, or the mechanism is set from the higher authority?

4. Has the Women Entrepreneur Development Fund got launched to meet the needs of women entrepreneurs? It was another strategic tool of the policy for which the Finance Division was jointly responsible with the Ministry of Industries and the MoWCA.

5. The Finance Division is assigned with the responsibility to simplify procedures to access funding from Entrepreneurship Support Fund (ESF) for SMEs within June 2024. What are the procedures that the Finance Division has found most complicated? What are the procedures that the Finance Division has already simplified, or currently working to simplify and what are the procedures that the Finance Division has identified so far that needs to be simplified?

6. To ensure the strategic goal 8 of SME Policy 2019 (extending programs for women entrepreneurship development and provide specialized services), what are other significant measures that the Finance Division has taken? What are some significant achievements and what are the toughest challenges? How are those successes and failures being monitored and evaluated?

#### ***CHECKLIST FOR DEPARTMENT OF WOMEN'S AFFAIRS***

1. After reviewing The Eighth Five-Year Plan (July 2020-June 2025), National Women Development Policy (NWDP) 2011 and NAP 2013, SME Policy 2019, National Industrial Policy 2016, SMESPD Circular Letter No. 01, and CMSMEs Circulars from Bangladesh Bank, we could not find any information regarding the process on how the loan policies are designed. We are interested to know if the process is top-down or bottom-up. That means are the loan disbursing mechanism is set after field study and need analysis, or the mechanism is set from the higher authority?

2. Has the Women Entrepreneur Development Fund got launched to meet the needs of women entrepreneurs? It was another strategic tool of the policy for which the Finance Division was jointly responsible with the Ministry of Industries and the MoWCA.

3. What ways would you suggest for better implementation of the policies?



### ***CHECKLIST FOR UNOS***

1. After reviewing The Eighth Five-Year Plan (July 2020-June 2025), National Women Development Policy (NWDP) 2011 and NAP 2013, SME Policy 2019, National Industrial Policy 2016, SMESPD Circular Letter No. 01, and CMSMEs Circulars from Bangladesh Bank, we could not find any information regarding the process on how the loan policies are designed. We are interested to know if the process is top-down or bottom-up. That means are the loan disbursing mechanism is set after field study and need analysis, or the mechanism is set from the higher authority?
2. How particular need of any union is reflected in national planning? How the need is assessed and how the beneficiaries are selected?
3. What ways would you suggest for better implementation of the policies?