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SUPPORTING FINANCING FOR WOMEN ENTREPRENEURS

CONTEXT

As the pandemic subsided and the need for available commercial credit for suppliers and clinics to keep medical supplies and services flowing decreased, the support has been extended to women entrepreneur borrowers. The United States is providing innovative financing to help address the challenges that women entrepreneurs face in developing their business.

Women entrepreneurs play a vital role in Indonesia's economic resilience and recovery, comprising almost half of the small and medium enterprise owners. However, women face barriers in entrepreneurship, where they are less likely to receive financial training and financial services and loans from banks to invest in their businesses.

LOANS TO WOMEN ENTREPRENEURS AND HEALTH CARE PROVIDERS

To help bridge the gap in financing for businesses on the frontlines of the pandemic, the United States Agency for International Development (USAID), the United States International Development Finance Corporation (DFC), and Australia's Department of Foreign Affairs and Trade (DFAT) partnered with

Impact Credit Solution (ICS) to mobilize a \$40 million fund to provide short-term financing to Indonesia's healthcare providers, clinics, and essential goods transportation companies. These short-term loans helped companies maintain operations during the pandemic, which made them more important than ever while stretching their financial capacity. The partnership also invested in ways that advance gender equality, given that Indonesia's health sector employs mostly women.

With the COVID-19 outbreak receding, in early 2023 the program pivoted to providing financing to women entrepreneurs. These loans help women to develop and expand their businesses.

RESULTS

To date, the program has disbursed \$45.3 million in revolving loans to 41,280 healthcare and essential goods delivery companies, benefitting more than 1,900,000 patients. Since the program pivoted from COVID-19 mitigation to support for women entrepreneurs in early 2023, it has disbursed \$19.4 million to women-owned SMEs.

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