

A Community Where Ideas, Innovation, Empowerment, and Opportunity are Shared

TECHNOLOGY EDITION

Our second issue jumps into the world of digitalization, hackathons, and other tech-enabled innovation that can give the private sector more reasons to finance women-owned businesses in the Asia-Pacific region. And as the International Women's Month comes to a close, we are humbled to share with you one of the awards that the Women's Finance Exchange recently received -- the Shireen Lateef Gender Awards, the highest awards in ADB for gender work ► (Shireen was one of the early pioneers at ADB in supporting women). This inspires us more to help you empower women in concrete ways.

LATEST FROM WFX

**MIBANK SIGNS DEAL TO HELP
WOMEN-OWNED SMES IN PNG WITH
DIGITAL PRODUCT**

HACKATHON CHALLENGE

**ADB GENDER MAINSTREAMING
INITIATIVES JOIN 2X NETWORK**

EYES ON THE PRIZE

IMPLEMENTATION BUMPS AND REWARDS OF ACS

Implementing an alternative credit scoring (ACS) in a financial institution produces a larger ROI and improves the approval rating for women borrowers, according to a fintech expert during WFX's webinar on ACS implementation challenges in February 2022.

The session was the last of a three-part series, "Digitalization and Credit Scoring for Women SMEs." It focused on gender, alternative data, and insights on credit scoring for financial institutions, with credit scoring specialist Dean Caire and fintech expert Steven Landman.

PROS AND CONS

Landman said that while the pros of ACS include ROIs, the cons revolve around the lack of standards or regulation in the industry.

“It’s new, and when we talk about doing things differently, it’s difficult for risk departments and other individuals within the organization to accept change. The ROI for the financial institutions will go up, and I think it just is all about good in the end, though there will be pitfalls.”

“But, I think in the long run, it’s about the pros, because people who weren’t able to access loans before will actually have the ability to apply and be approved for loans.”

PANDEMIC OPTIMISM

As well as availability of gender-disaggregated data, the pandemic remains an issue in building ACS models now.

Caire said “there are so many more delinquent borrowers in most financial institutions than there were pre-pandemic. The current situation will undoubtedly require further analysis of current scoring models and the need for ACS.

“The signals or the information about borrower characteristics and behaviors that are associated with risk is a lot less clear than two years ago with lower risk borrowers.”

Recordings are free to view here:

► <https://events.development.asia/learning-events/digitalization-and-credit-scoring-women-smes-webinar-series>

FLIPPING STANDARD MECHANISMS

The whole process of implementing ACS, said Caire, could take minimum three months: gathering requirements, designing, mapping requirements, customizing the solution, testing, making modifications based on feedback, training, and going live.

“Is there acceptance that the organization wants to move forward with a transformation like this? What is the readiness of that organization?” were additional questions raised during the webinar.

VENDORS

The speakers also spotlighted the roles of vendors in building the ACS model, especially if financial institutions do not have the resources and/or skills to do all the development internally.

Landman noted that “when you’re selecting a vendor, it’s not just about the price or the cost. It’s about the people – the experts and the work that they have done.

Just selling a solution and leaving is never going to work. That’s a failed project. And it’s really important that you’re in it together. There’s going to be problems and challenges that need to be worked out together and to find solutions for. So, it’s about being in it together until it works correctly”.

The webinar’s first installment in December 2021 explored the basics of credit scoring, while the second in January tackled the technical challenges.

MIBANK SIGNS DEAL TO HELP WOMEN-OWNED SMES IN PNG WITH DIGITAL PRODUCT

ADB has signed a technical assistance agreement with MiBank to boost lending to women-owned small- and medium-sized enterprises (SMEs) in Papua New Guinea.

ADB’s WFX, together with the Women Entrepreneurs Finance Initiative (WeFi), is supporting MiBank, Papua New Guinea (PNG) in reaching out to women-owned SMEs with a digital financial product. This is a target market segment that has been untapped by MiBank, according to MiBank CEO Tony Westaway in this ► exclusive interview.

“ADB will support the identification of cutting-edge technologies, piloting and implementation of a solution which supports the digitalization efforts of MiBank and facilitates the increased access to finance for women SMEs,” said Sabine Spohn, principal investment specialist at ADB.



“As a first step, we conducted two scoping studies about the constraints for women SMEs (in PNG) to access financial services and use technologies. Then, we’re going to do an institutional assessment of the bank before we can look for potential solutions,” she said.

Market research, technology assessments, piloting of the solution and capacity building will be part of the support.

ADB GENDER MAINSTREAMING INITIATIVES JOIN 2X NETWORK

ADB recently partnered with the 2X Network, a global initiative by development finance institutions.

The 2X Network aims for “greater mobilization of capital, resources and market intelligence” to advance financing for gender equality.

As part of the 2X network, ADB is a member of the new 2X Collaborative, a one-stop-shop for organizations interested in gender-lens financing.

“Our private sector financing aims to increase women’s engagement across economic sectors and in many of these investments, we are co-financing with several 2X Collaborative members across the Asia and Pacific region,” said Suzanne Gaboury, director general of Private Sector Operations Department at ADB.

By joining the 2X Network, ADB also contributes to the 2X Challenge, a common goal to collectively mobilize about \$15 billion of capital commitments invested in companies that provide women with improved leadership and management roles, access to resources and economic opportunities.

Learn more on the 2X work, criteria and members at <https://www.2xcollaborative.org>

HACKATHON CHALLENGE

A mobile app that collects business data has won the hackathon during ADB’s signature digital event, Driving Digital Development across Asia and the Pacific.

The theme was Using Digitalization to Support Financing of Women-owned Businesses in the Pacific Islands.

“Our tool can gather as little or as many relevant data necessary to help banks and financial institutions make informed lending decisions that are gender considerate,” according to the team that won ADB’s Private Sector Operations Department challenge.

The jury consisted of ADB’s IT Director General Shirin Hamid and ADB’s Private Sector Financial Institutions Division Director Christine Engstrom, as well as MiBank CEO Tony Westaway, Active.AI COO Shankar Narayanan, and Kiu Global CEO Steven Landman. WFX hosted the hackathon in partnership with WeFi.

WFX COLLABORATIONS AND RESOURCES FOR YOU

- ▶ ADB pours concrete plans into women’s dreams of housing in India with a \$60 million loan to Aavas ([read more](#))
- ▶ ADB’s partner in women empowerment, WeFi, has just published its 2021 annual report. ([read more](#))
- ▶ This year, ADB is contributing to the B20 Indonesia Women in Business Action Council Taskforce ([read more](#))
- ▶ With banks under pressure to respond to the pandemic, ADB thinks about How Banks in Viet Nam can Empower Women’s Businesses ([read more](#))
- ▶ Over a Quarter of Banks Report Improved Revenue After Implementing AI ([read more](#))

VIDEO SPECIAL

At the height of the pandemic, ADB launched the Women’s Finance Exchange, an online portal, to create a community for financial institutions that can help women thrive in the crisis and support addressing impacts of climate change.

Watch the woman behind this initiative in this 1-minute video (Women’s Finance Exchange: Gender Equality through Digitalization)

([view here](#))