

**MSME Digitalization in a Post-COVID World:  
Implementing a Gender Inclusive Action Agenda**

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**Abstract**

The COVID-19 pandemic has made digitalization a priority for micro, small and medium enterprises (MSMEs) in the Asia-Pacific Economic Cooperation (APEC) region. While efforts to engage MSMEs in the digital economy precede the pandemic, social distancing measures now require MSMEs to adapt from in-person to online operations. As economies prepare to assist MSMEs in digitalizing their operations, governments' policy approaches must account for the pre-existing inequalities facing underrepresented groups in entrepreneurship – especially women- and youth-led MSMEs – in order to ensure an inclusive transition to the digital economy. Drawing from the implementation experiences of the APEC-Canada Growing Business Partnership, a joint international development project between the Asia Pacific Foundation of Canada and APEC Secretariat, this paper analyzes the Partnership's on-the-ground activities promoting inclusive growth among MSMEs in Indonesia, Peru, the Philippines, and Vietnam. Based on the project's preliminary findings, this paper provides two policy recommendations on how to (1) utilize a gender-based analytical framework in MSME digitalization; and (2) build the capacity of on-the-ground partners to provide gender-based training and research concerning digitalization. We highlight both international strategies (e.g.: APEC Policy Partnership on Women in the Economy) and Canadian tools (e.g.: Canada's Feminist International Assistance Policy and gender-based analysis plus (GBA+) approach), which recognize the specific context of women-led businesses in the Partnership's implementation. We therefore recommend that government measures regarding MSME digitalization operate through an analytical gender-based lens. Ensuring an inclusive transition of

MSMEs to digital operations is crucial toward facilitating the full economic participation of underrepresented groups moving forward.

**Keywords:** MSMEs, Entrepreneurship, Gender Equality, Digitalization, COVID-19

### **Introduction**

The COVID-19 pandemic has made digitalization a priority for micro, small and medium enterprises (MSMEs) in the Asia-Pacific Economic Cooperation (APEC) region. While efforts to engage MSMEs in the digital economy precede the pandemic, social and physical distancing measures now require businesses to adapt from in-person to online operations. This is not to say that the promotion of MSME digitalization was incentivized solely by the pandemic. The APEC Secretariat, among other international bodies, has instituted a number of actions promoting MSME digitalization, such as the 2019 *APEC Workshop on Harnessing Digital Trade for SMEs* hosted by Vietnam, and the *Guidebook on SME Embracing Digital Transformation*. However, the present crisis now makes these efforts more crucial, as digitalization becomes a matter of MSMEs' survival.

As economies prepare to support and assist MSMEs in digitalizing their operations, they must ensure an inclusive transition to the digital economy for underrepresented groups like women and youth entrepreneurs, as mandated by the La Serena Roadmap for Women and Inclusive Growth. In adjusting for a long-term strategy in dealing with COVID-19, government approaches that promote MSME digitalization must recognize and account for the pre-existing inequalities that entrepreneurs face, in order to ensure that MSMEs will thrive moving forward in the post-pandemic world.

With COVID-19 significantly changing the landscape in which MSMEs operate, there has been an increasing need to focus on the challenges that these small businesses will face as they transition to the digital economy. **The purpose of this paper is to propose a gender-analytical framework and approach that can be incorporated into MSME digitalization policies and projects**, in order to ensure that these are targeted and made accessible for underrepresented groups. In the context of this paper, we focus on women entrepreneurs. In proposing this framework, we draw from the

implementation experiences of the APEC-Canada Growing Business Partnership (“the Partnership”), a joint international development initiative funded by Global Affairs Canada and implemented between the Asia Pacific Foundation of Canada (APF Canada) and APEC Secretariat. Using the Partnership’s high-level policy research and on-the-ground activities promoting gender-inclusive growth among MSMEs in Indonesia, Peru, the Philippines, and Vietnam, we review two areas of the Partnership’s work. First, we examine the research studies conducted by the Foundation and experts from Canada and APEC economies, and the on-the-ground mentorship and collaboration undertaken in the Partnership’s focus economies. Second, we assess the approaches that the Partnership has adopted toward promoting inclusive growth, and the lessons learned from implementing the project.

By assessing the Partnership’s work, we will provide two policy recommendations derived from the Partnership’s best practises learned in promoting inclusive growth among women entrepreneurs, and show their applicability in policy approaches for MSME digitalization. These recommendations discuss how to utilize a gender-based analytical framework in MSME digitalization policies and projects, and secondly, how to build the capacity of on-the-ground partners to provide gender-based training and research concerning digitalization.

### **MSME Digitalization and Challenges Prior to COVID-19**

The term ‘digitalization’ refers to the ongoing transition of physical business operations into digital ones, utilizing a robust information and communications technology (ICT) infrastructure, online applications, innovative technology, and other digital tools. This encompasses several areas of MSME operations, from payment systems and e-wallets, to online shopping platforms like Shopee used in Southeast Asia. Typically, the process of digitalization will involve MSMEs’ hybrid usage of physical and digital processes, depending on entrepreneurs’ needs and adaptation to digital interfaces.

Prior to the COVID-19 pandemic, entrepreneurs were already encouraged to digitalize their MSMEs due to its numerous benefits in both domestic and international

business. For example, the Association of Southeast Asian Nations (ASEAN) conducted a 2012 study on MSMEs' adoption of digital technologies within the region. This study found that digitalization facilitated the expansion and optimization of business operations by enabling entrepreneurs to reach more clients and reduce operation costs.<sup>153</sup> In 2015, the APEC Secretariat passed the Boracay Action Agenda to Globalize MSMEs, which promoted the usage of ICT and e-commerce platforms to expand MSMEs' participation in international markets. The Boracay Action Agenda recognized that digitalization would allow MSMEs to more easily and inexpensively reach wider markets, engage with more clients, and network with partners around the world. APEC soon followed this agenda with further actions including the 2019 *APEC Workshop on Harnessing Digital Trade for SMEs* hosted by Vietnam, the 2020 *Guidebook on SME Embracing Digital Transformation*, and recent publications like the APEC Policy Support Unit's policy brief titled *Supporting MSMEs' Digitalization amid COVID-19*.

While digitalization was seen as an advantageous option for MSMEs prior to the pandemic, the COVID-19 crisis now requires MSMEs to digitalize in order to survive. As physical distancing measures and national lockdowns are enforced worldwide, one crucial way for MSMEs to continue doing business is by taking advantage of the digital economy.

However, MSMEs confront difficulties in reaching the digital stage, especially those owned and led by women entrepreneurs. Emerging research shows that women entrepreneurs and their MSMEs are especially impacted by the COVID-19 pandemic. Preliminary data from the World Bank, the OECD and Facebook show that women-owned businesses are more likely to shut down than male-owned enterprises as a result of the pandemic's negative economic effects.<sup>154</sup> The specific issues faced by women-led MSMEs include difficulties with product distribution, service offerings,

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<sup>153</sup> ASEAN, *Study on MSME Participation in the Digital Economy in ASEAN* (ASEAN, 2012), p.7.

<sup>154</sup> Women Entrepreneurs Finance Initiative, "Research and Data on the Impact of the coronavirus on women-led SMEs," We-Fi, 2020, <https://we-fi.org/research-and-data-on-the-impact-of-the-coronavirus-on-women-led-smes/>.

and increased unpaid care duties in the home, as shown by a UN Women report on the gendered dimensions of COVID-19 in the Philippines.<sup>155</sup>

Moreover, women entrepreneurs contend with structural challenges that precede the pandemic. A 2018 OECD study argues that some of the main barriers preventing women entrepreneurs' full participation in the digital economy include affordability and access to technology, education, digital literacy, and inherent societal biases toward women.<sup>156</sup> The Partnership has found similar results in its own research by conducting national survey studies of entrepreneurs and MSMEs in Indonesia, Peru, the Philippines and Vietnam. Gender-disaggregated data collected through these surveys show that financing and a lack of access to business support services are consistent barriers for women-owned businesses across these four economies.<sup>157</sup> More specifically, many women entrepreneurs reported a difficulty in accessing financing, and a lack of knowledge of key support services meant to assist MSMEs in their home economy. These barriers then impede women entrepreneurs from obtaining the resources and help they need to digitalize their MSME.

The need to support women-led MSMEs' digitalization is timely and crucial. There is evidence showing that women entrepreneurs, like others, are actively engaging in setting up online businesses during the pandemic.<sup>158</sup> It is therefore vital that resources and support for MSME digitalization is targeted toward women-owned enterprises, and is made accessible, available, and well-known among women entrepreneurs. In recognition of this context, a gender-analytical framework and approach to the issue of MSME digitalization policies can help recognize and account for the distinct experiences and challenges that women entrepreneurs face.

### **Gender-Inclusive Approaches to International Development**

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<sup>155</sup> UN Women Philippines, *Gendered Dimensions of COVID-19 in the Philippines* (UN Women, 2020), p.4.

<sup>156</sup> OECD, *Bridging the Digital Gender Divide* (OECD, 2018), p.22.

<sup>157</sup> For more information, please view the national survey reports at [apfcanda-msme.ca/research](http://apfcanda-msme.ca/research)

<sup>158</sup> UN Women Philippines, *Gendered Dimensions of COVID-19 in the Philippines* (UN Women, 2020), p.4.

The APEC-Canada Growing Business Partnership's primary mission is to help build the potential of MSMEs in APEC developing economies to foster sustainable inclusive growth and poverty reduction. To achieve this goal, the Partnership provides tailored research and mentoring to MSMEs, entrepreneurs, and other underrepresented communities in their respective economies, drawing upon Canadian expertise and best practices on MSME capacity development from the APEC Secretariat and member economies. This section elaborates on the institutional context of the Partnership by identifying its collaboration with APEC and highlighting the overall strategy and design of the Partnership. This knowledge network is informed by existing frameworks and guidelines geared toward inclusive growth, most notably APEC's Policy Partnership on Women and the Economy, the La Serena Roadmap for Women and Inclusive Growth, the United Nations Sustainable Development Goals, and Canada's Feminist International Assistance Policy.

Since its inception in 2016, the Partnership has executed a strategy of research, action and dialogue by creating an on-the-ground network that connects government officials, policy-makers, academics, MSMEs, entrepreneurs and members of civil society. These best practices, tools, ideas, knowledge and critical connections are shaped by the Canadian experience of MSME champions and are tailored to local APEC markets, especially the economies of focus for the project. Thematically, the Partnership aims to address key challenges faced by MSMEs and aspiring entrepreneurs from APEC developing economies in the areas of technology and innovation, market access, human capital, and social entrepreneurship, with an overall emphasis on cross-cutting themes of women empowerment, youth, governance, and the environment.

In accomplishing its goals, the Partnership has sought to forge closer ties with not only APEC, its sub-committees and working groups, but also with government officials, policymakers, industry experts, entrepreneurship ecosystem organizations, and aspiring entrepreneurs in the APEC region. The Partnership takes advantage of this opportunity to consult the expertise of this extensive network to create a robust project strategy. Overall, a key foundational principle of the Partnership is connection, consultation and collaboration with a set of diverse actors, from government bodies to

on-the-ground practitioners and MSMEs. These partners are engaged early on in the process to ensure a robust and lasting dialogue throughout the Partnership’s work that ultimately informs better decision-making and more effective policy solutions.

Another foundational principle and strategy that guides the Partnership’s work is the belief that empowering women entrepreneurs is essential to achieving sustainable inclusive growth. Evidence from the International Monetary Fund and other international organizations demonstrates that promoting women’s economic empowerment is one of the most effective ways to reduce poverty and promote inclusive growth.<sup>159</sup> Women and girls can be powerful agents of change and improve not only their own lives, but also those of their communities and countries. For the Partnership, this involves the integration of a gender-based analytical framework throughout its work, starting from its alignment with high-level policy mechanisms, including international and domestic approaches. In doing so, the project draws its gender-based approach from four main sources.

First, the Partnership’s methodology is guided by [APEC’s Gender Inclusion](#) guidelines developed by the [Policy Partnership on Women and the Economy \(PPWE\)](#). The PPWE aims to “advance the economic integration of women in the APEC region for the benefit of all members and to coordinate gender activities across other APEC working groups.”<sup>160</sup> APEC’s Gender Inclusion guidelines are consolidated through five foundational pillars: Access to capital and assets; Access to markets; Skills, capacity building and health; Leadership, voice and agency; and Innovation and technology. An area that demonstrates the application of APEC’s Gender Inclusion guidelines in the Partnership can be seen in the Partnership’s choice of thematic areas in its focus economies, such as technology and innovation in Vietnam, and market access in the Philippines.

Second, the Partnership aligns itself with the [La Serena Roadmap for Women and Inclusive Growth \(2019-2030\)](#), which seeks to ensure the greater integration and

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<sup>159</sup> International Monetary Fund, *Pursuing Women’s Economic Empowerment* (IMF, 2018).

<sup>160</sup> APEC, “Policy Partnership on Women and the Economy,” APEC, 2020, <https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Policy-Partnership-on-Women-and-the-Economy>.

empowerment of women in the Asia Pacific region by building on APEC's previous gender equality efforts. Founded on APEC's Gender Inclusion guidelines, this roadmap aims to encourage action in empowering women through reinforcing their access to capital and markets, strengthening women's labour force participation, improving access of women to leadership positions in all levels of decision-making, supporting women's education and skills development, and advancing women's economic empowerment through data collection and analysis. The Partnership continues to stay informed of the Roadmap's short-term and long-term goals to help complement APEC's current efforts, as well as to contribute toward advancing gender equality.

Third, the Partnership uses the United Nations (UN) Sustainable Development Goals (SDGs) as reference for its work. The Partnership particularly pays close attention to [SDG #5](#) which focuses on achieving gender equality and empowering all women and girls. Against the backdrop of a global pandemic, the UN has published updates on the adverse effects of COVID-19, particularly toward women and girls. The Partnership ensures to follow the steps of the UN in mitigating the impact of COVID-19 on women and girls to aid in their recovery and protect their long-term benefits.

Finally, the Partnership's strategy and work are also derived from domestic Canadian approaches, most notably [Canada's Feminist International Assistance Policy \(FIAP\)](#). The FIAP is a response toward protecting and promoting the human rights of all vulnerable and marginalized groups as well as increasing equitable access of resources for economic and social equality. In practice, it involves 95% of Canada's total aid budget going toward helping "advance gender equality and the empowerment of women and girls"<sup>161</sup> by 2022. This policy set a new international standard on a gender-based approach to aid, and cemented Canada's commitment to put gender equality and women empowerment at the forefront of its international development and humanitarian agenda. Aligning with the FIAP, the Partnership follows its [Gender Equality Toolkit for Projects](#) as guidance for designing and implementing

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<sup>161</sup> Government of Canada, "Canada's Feminist International Assistance Policy," Government of Canada, 2020, [https://www.international.gc.ca/world-monde/issues\\_development-enjeux\\_developpement/priorities-priorites/policy-politique.aspx?lang=eng](https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/policy-politique.aspx?lang=eng).

international assistance programming – the core of the Partnership’s work. As of September 2020, 14 different tools are included in the Gender Equality Toolkit.

The Partnership especially utilizes [Tool 4: Gender-based Analysis Plus \(GBA+\)](#). This analytical approach is used to inform the overall project design process by assessing how diverse groups of women, men, and non-binary people experience policies, programs, and initiatives. The GBA+ process requires meaningful consultations before a project begins to ensure that all programming is based on evidence and analysis as opposed to assumptions. For example, the Partnership ensures that it reviews national and local gender equality commitments as well as government policies and efforts in each of its focus economies to identify how it can complement and support the work already being done. GBA+ also governs the Partnership’s measurement and data collection framework, such as using gender- and age-disaggregated research and methods.

Another notable tool for the Partnership’s work is [Tool 12: Monitoring Performance on Gender Equality](#). Similar to GBA+, this tool highlights how gender-sensitive monitoring helps to understand how the Partnership is progressing toward the achievement of gender equality outcomes while also identifying areas for improvement. The Partnership applies this tool in its project reporting, again utilizing and analyzing gender- and age-disaggregated data, tracking gender equality performance, and carrying out capacity-building activities for staff on monitoring gender equality outcomes, to name a few.

From high-level approaches such as APEC’s La Serena Roadmap, to more specific policy tools like FIAP’s GBA+, international and domestic approaches comprise of the institutional foundation of the Partnership and inform its work. Accordingly, the Partnership applies lessons from these approaches into its high-level policy research and on-the-ground collaboration with local partners, as will be discussed by the following section.

Overall, despite staying informed of all the work that is currently being done to advance gender equality, the Partnership recognizes how imperative it is to also

remain abreast of existing efforts in response to COVID-19. By exacerbating existing inequalities for women entrepreneurs, the global pandemic has stifled and potentially reversed the progress made thus far in women's economic equality. Evidence clearly illustrates how the consequences of COVID-19 disproportionately affect women, such as gender imbalances among frontline healthcare workers, over-exhaustion for caregivers at home, and steep increases in violence against women that is amplified by quarantine and shelter-in-place measures. It is clear that digitalization is a key step in moving forward amid the current capricious global context, particularly given that MSMEs which are a key component of economic growth around the world. The Partnership remains mindful of including and focusing on women-led and youth-led businesses in building a strong foundation to help recover from the detrimental effects of COVID-19.

### **The Partnership's Gender-Based Research and On-the-Ground Collaboration**

In achieving its goal of building MSMEs' capacity in developing APEC economies, the Partnership's work serves a dual purpose of informing high-level policymakers in the APEC region and directly providing research and training for MSMEs in the project's focus economies. This section will discuss the Partnership's work in relation to the topic of MSME digitalization, and how its gender-based analytical framework is embedded throughout its research and on-the-ground collaborations.

The Partnership's deliverables include the national surveys of entrepreneurs and MSMEs, which examine the experiences of MSMEs in each economy's entrepreneurial ecosystem; tailored research studies on key issues that MSMEs face in each focus economy, conducted by Canadian and local APEC experts and practitioners; thematic toolkits that provide practical advice to MSMEs in each focus economy; training sessions and policy workshops for entrepreneurs and policymakers in each focus economy; and a virtual mentorship program for women entrepreneurs, hosted by the Cherie Blair Foundation for Women. The Partnership also periodically reports on its activities to the APEC Small and Medium Enterprises Working Group (SMEWG).

In relation to MSME digitalization, the Partnership's work has touched on the topic of digitalization in various ways throughout its thematic work in the four focus economies. In the first year of the project, the Partnership used the theme of technology and innovation for its work in Vietnam, where it investigated MSMEs' usage of mobile technologies in their business operations. In the Philippines, where the thematic area was market access, the Partnership focused on the usage of e-commerce and digital trade in broadening Filipino MSMEs' reach into domestic and international markets. In Indonesia, the Partnership looked at the theme of human capital, and how Indonesian MSMEs sought to maximize their workforce capacity given the government focus on strengthening the Indonesian digital economy. Lastly, in Peru, the Partnership focused on the theme of social entrepreneurship, where part of its research looked at social enterprises' usage of digital tools to accomplish their social mandates.

Some of the Partnership's deliverables that specifically tackle the issue of MSME digitalization include research studies in the Philippines and Indonesia, and the virtual mentorship program for women entrepreneurs. First, MSME digitization-related research papers published by the Partnership include *Entrepreneurial Drivers of Agtech in the Philippines*, *A Case Study for the Use of Blockchain Technology for Philippine Coffee*, and *Micro and Small Businesses in Indonesia's Digital Economy*. In the Philippines, researchers investigated the growing usage of technology and digital tools in the agricultural and coffee industries. The study on Filipino MSMEs' usage of AgTech (Agriculture Technology) analyses the usage of drones and agriculture-smart mobile applications as recent innovations that are now benefitting agricultural businesses. Meanwhile, the study on blockchain in the Philippine coffee industry analyses how technology can help address three key issues for MSMEs in the industry, namely data quality and transparency, financial literacy for coffee farmers, and access to bank loans. In Indonesia, experts looked at the government-led effort on building the digital capacity of Indonesian MSMEs, and how businesses can leverage technology to gain better access to the digital economy. This paper also considers the needs of women entrepreneurs in adapting to the digital economy.

Second, in attempting to maximize the potential of women entrepreneurs, the Partnership created an online female mentorship program which provided mentoring, knowledge facilitation and best practices for women who wish to grow their businesses. The Partnership worked with the Cherie Blair Foundation for Women to operate this mentorship program, wherein mentors and mentees met online twice a month for one year to work on a personalized business action plan. The mentees included women from the four focus economies who hoped to gain a variety of skills such as how to expand and grow their business, financial planning and accounting, marketing and communications processes, and networking and partnership building abilities. In turn, the mentors were Canadian professionals and entrepreneurs who were matched to their mentee based on an alignment between the expertise and interest of both parties. An important design feature of the mentorship program is the use of online platforms, such as Bespoke Access Platform, which allowed for a fully customized training platform. The online training resources created not only an opportunity for the mentor and mentee to meet on an online platform but also gave the mentorship participants access to various training resources such as an e-library, business planning templates and webinar series.

In the current context of the pandemic, the creation of mentorship programs across various economies can create opportunities for uninterrupted programming due the online format which eliminates issues like social distancing and the logistical challenges of in-person meetings. In the context of the Partnership, the mentorship program was a particularly impactful component, with 86% of mentees reporting an increase in business to consumer sales during their time in the program, and 67% of mentees directly attributing their business revenue growth to the program. Thus, the wealth of benefits of such programs for women entrepreneurs, which encourage the expansion of their networks, the growth of business teams and the further development of their skill sets, should also be re-examined in the context of COVID-19 to further encourage and replicate networks that have been disrupted due to social distancing and limitations placed on in-person gatherings.

In relation to the mentorship program, the Partnership also provided a platform for feminist entrepreneurial researchers and trainers through the active involvement and

participation of women in business networks like the Indonesian Business Coalition for Women's Empowerment (IBCWE) and the Business Professional Women Makati and Network for Enterprising Women in the Philippines to better guide discussions around the existing resources that women empowerment networks provide to local women-led MSMEs and entrepreneurs. In turn, the Partnership also expanded and complemented these activities by integrating these actors into the training and policy workshops that were conducted in these two economies.

Throughout these activities, the Partnership ensures that there is a consistent strategy that incorporates a gender-based analysis and captures the distinct experiences of women entrepreneurs. At a local level, the Partnership attempted to address barriers specific to women entrepreneurs through the compilation and analysis of gender-disaggregated data in its national surveys. The questions for the national survey studies were also created through consultations with in-country government representatives and ministries that have a specific gender focus. The Indonesian Ministry of Empowerment and Child Protection and the Peruvian Ministry of Women and Vulnerable Populations were two examples of government ministries that were consulted in order to understand the full landscape of national gender issues that currently exist. This consultation enabled the Partnership to more fully capture economy-specific gender issues in its work. For example, the theme of human capital drew upon consultations with the Indonesian government to understand how issues of violence and sexual harassment in the workplace affect women entrepreneurs.

Overall, the Partnership ensures that its local partners in each economy have input on the design of the national surveys, as well as the training sessions, policy workshops, and MSME toolkits. To further ensure transparency, the Partnership then reports its findings to partners through report publications and events like the policy workshops.

### **Policy Recommendations**

Given that MSMEs are particularly vulnerable to the effects of the COVID-19 pandemic, especially due to social and physical distancing measures, government policies to support and assist their adaptation to the new digital economy are being

discussed around the world. In the current phase of the pandemic, the use of digital technology has become one of the more viable solutions to maintain the sustainability of MSMEs until traditional in-person businesses are able to operate again. At this time, a critical component of policy interventions moving forward will need to address pre-existing gender inequalities, such as a lack of access to financing and lack of knowledge of business support programs. Moreover, we recognize that it is also important to continue fostering a culture that supports women in STEM (science, technology, engineering and math), in addition to efforts to assist women in accessing technologies to become part of digital MSME ecosystems. It must also consider methods in implementing, educating, monitoring, and evaluating workforces across APEC economies that use these assistance programs. **Based on the project's preliminary findings, this paper provides two policy recommendations on how to (1) utilize a gender-based analytical framework in MSME digitalization; and (2) build the capacity of on-the-ground partners to provide gender-based training and research concerning digitalization.**

**First, policies and projects related to MSME digitalization must have an effective implementation framework that addresses gender equality issues, by providing a reliable, evidence-grounded perspective to barriers in digitalization as well as generally in the workplace for women in MSMEs.** The broad model for this framework should follow three key principles - research, action, and dialogue - wherein each component happens simultaneously to inform one another. Furthermore, this framework must have four parts, namely research and the collection of gender-disaggregated data; policy or project planning, with an intentional gender-based analytical and theoretical foundation, consultation with key local partners and in particular the participation of women actors in each local ecosystem, as well as setting of defined goals to achieve; policy or project implementation and monitoring with ongoing consultation and feedback; and policy or project wrap-up, with reflections and lessons learned.

As the first step of a gender-based analytical framework, the collection of gender-disaggregated data would provide the necessary evidence, information, and analysis about women in entrepreneurship that is needed in order to understand the power and

gender dynamics in this industry. Like the Partnership's national surveys, this data collection would help policymakers have a clearer picture of women's experiences in entrepreneurship, such as the barriers and opportunities they perceive for their MSME. The Partnership in particular uses Canada's GBA+ approach to inform its gender-disaggregated research and data collection, and we recommend that a similar method be used in APEC economies. More specific to the topic of MSME digitalization, this data collection should seek to understand the policy landscape related to MSMEs in a given economy, and in doing so, bring to light whether there are gender-specific policies in place and the reasons why they may or may not be present. Overall, gender-disaggregated data should be utilized to inform policies and laws of the multiple gender factors involved when providing support to MSMEs in digitalization.

The second step of a gender-based analytical framework is policy and project planning that incorporates a gender analysis into the core of the project. Initiatives to assist MSME digitalization should strive to integrate and target gender equality and women's participation in the process of MSME capacity building. This step must therefore consider how immediate, intermediate and ultimate outcomes of the project incorporate a gendered component. Accordingly, policies or projects must set goals that clearly define the expectations these outcomes, and hold these goals accountable through reporting and the collection of statistics and feedback throughout policy or project implementation. For example, the Partnership uses a results-based management framework for its international development programming, drawing from guidelines provided by Global Affairs Canada. The goals of the Partnership, including the gender-based components, are built into both a Logic Model (which acts as a roadmap that highlights connections between key project outputs) and the Performance Measurement Framework (which specifies the systematic collection of data for the entire lifetime of the project). This framework outlines the expected deliverables and goals of the project with the required statistics and evidence to confirm that these have been achieved.

In this step, it is crucial to base policy and project planning onto an analytical and theoretical foundation that references international approaches such as Canada's Feminist International Assistance Policy, APEC's Policy Partnership on Women and

the Economy, the La Serena Roadmap, and the UN's Sustainable Development Goal #5 on Gender Equality. In the case of the Partnership, these guiding principles allowed it to refine its on-the-ground approach by working in specific target areas that furthered the understanding of working towards gender equality, such as through the national surveys.

The third step is then ongoing monitoring during the policy or project's implementation. Similar to the planning phase of a gender-based analytical framework, implementation and monitoring must be conducted with an ongoing consultative and feedback-based process, with periodic review by the implementing body or an external auditor. One important component of this step is the periodic collection of survey data and statistics from stakeholders. For example, the Partnership has collected survey data from entrepreneurs during its training sessions in each economy. This survey data collected specific information in relation to the Partnership's thematic areas. For instance, during the Partnership's events in Indonesia related to the theme of human capital, event attendees were asked about their plans to increase female employment in their businesses. These statistics were collected both during the event and after a period of 6-to-8 months, to see how entrepreneurs' views and practises change over time.

Another crucial component in this third step is ongoing consultation with local stakeholders and partners in an economy's entrepreneurial ecosystem on a policy or project's goals and activities. The implementing body must work in coordination with on-the-ground actors, to ensure that its research and events fit the self-stated needs of women-led MSMEs. Other vital components include external policy or project audits, commissioned as required by the implementing body, and capacity building activities for policy or project staff in relation to gender-based analysis. Together, these components should ensure that there is a transparent feedback process with the project's stakeholders and partners.

Lastly, the fourth step of a gender-based analytical framework is to conduct institutional reflections on the successes and failures of the policy or project in question. These policy or project-end reflections should be conducted by both the

participating government or implementing body and their respective partners, and then be applied to inform future reiterations of the present policy or project. This step of a gender-based analytical framework includes tasks such as reviewing the policy or project's achievement of its framework and defined goals, through the collection of statistics and feedback throughout the lifecycle of the project. Another important task is policy or project-end reporting for accountability. Finally, for transparency, these statistics and reports must be made available and accessible to local stakeholders upon their request.

**Our second recommendation is to complement a policy or project's top-down framework with on-the-ground capacity building for local partners, including MSMEs, on providing gender-based training and research.** In addition to the technical hard skills that are required to operate and digitalize MSMEs, we want to highlight the importance of gender-inclusive sensitivity training for entrepreneurs and other local partners. The Partnership has learned that gender-inclusive sensitivity training is an effective and sustainable way to tackle the issues that women entrepreneurs face, by directly confronting entrepreneurs' gender biases and incorporating gender-inclusive strategies into their MSMEs' business models. Moreover, this training has been well received by the MSME owners that participated in the Partnership's events. For instance, the Partnership's MSME training event in Da Nang, Vietnam included bias training hosted by Dr. Sarah Saska, a leading diversity and inclusion expert who leads the organization [Feminuity](#). Dr. Saska's presentation used an interactive format with situational questions that prompted the audience of their own unconscious biases in entrepreneurship and the workplace, with an emphasis on gender biases. Dr. Saska also presented case studies demonstrating that companies that embed diversity and inclusion strategies into the core of their businesses have a better chance of succeeding long term. Following entrepreneurs' positive feedback of this session, among other events, we recommend for similar training sessions to be conducted in conjunction with gender-inclusive policies and projects.

## **Conclusion**

Throughout its five years of operation, the Partnership learned that the best way to ensure that its activities follow a gender-based analytical framework is to build it into

the planning and implementation of the project, with defined goals set at the project's onset. Put differently, the project's gender-based analysis must be a core mandate of the project, with reporting and accountability measures to ensure that the project achieves its goals. For instance, though the Partnership has a broad focus on building the capacity of MSMEs in the APEC regions, one of its key components is the economic empowerment of women entrepreneurs. The Partnership has accordingly set defined goals and mechanisms to ensure that it realizes this component. Moreover, the Partnership learned that this framework is most effective when there is consistent follow up with on-the-ground partners, not just through reporting but also through building their own capacity to provide gender-specific research and services. In other words, the high-level research component of the Partnership must be complemented by on-the-ground gender-based training for and by the project's local partners. The basis of this research also forms some important next-steps for policymakers moving forward. This includes not only the encouragement of a gender-inclusive action agenda can be applied to other projects and policies but also the ability to scale-up these initiatives so that these models can be replicated across developing APEC region.

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