

## FLAGSHIP STUDY

# ACCESS TO FINANCE FOR WOMEN-LED MSMEs IN THE CARIBBEAN



Implemented by



In partnership with



# FLAGSHIP STUDY

Access to Finance for Women-Led MSMEs in the Caribbean



**DevSolutions Consulting LLC**

**April 2025**



This Flagship Study is part of an intervention supported by the Investment Climate Reform (ICR) Facility. The ICR Facility is co-funded by the European Union (EU), the Organisation of African, Caribbean and Pacific States (OACPS) under the 11th European Development Fund (EDF), the German Federal Ministry for Economic Cooperation and Development (BMZ) and the British Council. The ICR Facility is implemented by GIZ, the British Council, Expertise France, and SNV. This specific intervention is led by DevSolutions Consulting LLC on behalf of Caribbean Development Bank.

The contents of this publication are the sole responsibility of the author and do not necessarily reflect the views of the donors or the implementing partners.

The ICR Facility supports public and private stakeholders in African, Caribbean and Pacific (ACP) countries in creating a more conducive, sustainable and inclusive business environment and investment climate.

More information: [www.icr-facility.eu](http://www.icr-facility.eu)

Implemented by



This Report was written by DevSolutions Consulting LLC.



DevSolutions Consulting, LLC

## Table of Contents

<b>Acronyms and Abbreviations .....</b>	<b>5</b>
<b>List of Tables, Figures &amp; Appendices .....</b>	<b>6</b>
<b>Flagship Study on Access to Finance for Women-Led MSMEs in the Caribbean.....</b>	<b>7</b>
About the Report .....	7
Executive Summary .....	7
<b>I. Introduction .....</b>	<b>10</b>
A. Project background and Context .....	10
B. Justification for the Study .....	11
C. Structure of the Report .....	12
<b>II. Methodology.....</b>	<b>13</b>
<b>III. Profile of MSMEs and WMSMEs in the Caribbean .....</b>	<b>13</b>
A. Brief Overview of MSME Sector in the Caribbean .....	13
B. Overview of WMSMEs.....	15
<b>IV. KEY FINDINGS: DEFINITIONS &amp; ECO-SYSTEM CHARACTERISTICS.....</b>	<b>19</b>
A. Definitions of MSMEs and WMSMEs.....	19
B. Access to Finance Ecosystem Characteristics .....	24
C. The Financing Gap.....	44
<b>V. Demand Side Analysis: Insights from Entrepreneurs .....</b>	<b>46</b>
A. Profile of the WMSME Respondents .....	47
B. Use of Financial Services.....	50
C. Challenges Faced.....	51
<b>VI. Supply-Side Analysis - Financial System and Institutional Constraints .....</b>	<b>64</b>
A. Key Stakeholders .....	64
B. Challenges and Constraints .....	69
<b>VII. The Case for Gender Finance in the Caribbean .....</b>	<b>73</b>
<b>VIII. Development of a Gender-Responsive Business Financing Index.....</b>	<b>77</b>
<b>IX. Recommendations .....</b>	<b>87</b>
<b>X. Concluding Thoughts .....</b>	<b>102</b>

## Acronyms and Abbreviations

AFI	Alliance for Financial Inclusion
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
BB	Belize Bank
BDB	Bahamas Development Bank
BIGEE	Boosting Innovation, Growth and Entrepreneurship Ecosystem project
BOJ	Bank of Jamaica
BSOs	Business Support Organisations
BZ\$	Belizean Dollar
CARICOM	Caribbean Community
CBDC	Central Bank Digital Currency
CDB	Caribbean Development Bank
DBJ	The Development Bank of Jamaica
DFC	Development Finance Corporation
DFI	Development Finance Institutions
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
FI	Financial Institutions
GF	Gender Finance
GLI	Gender Lens Investing
ICR	International Climate Reform Facility
IDB	Inter-American Development Bank
IFC	International Finance Corporation (World Bank)
J\$	Jamaican Dollar
k	thousand
KYC	Know Your Customer
LAC	Latin America and the Caribbean
Mn	Million
MSMEs	Micro, Small and Medium Enterprises
NBB	National Bank of Belize
NFIS	National Financial Inclusion Strategy
SBDC	Small Business Development Center
SIPPA	Security Interests in Personal Property Act
SLDB	St Lucia Development Bank
SMEs	Small and Medium Enterprises
TEA	Total Early-Stage Entrepreneurial Activity
TOC	Theory of Change
TOR	Terms of Reference
US\$	United States Dollar
WMSMEs	Women-Owned and Women-Led Micro, Small and Medium Enterprises
XCD	Eastern Caribbean Dollar

## List of Tables & Figures

Table 1:	MSME Sector Overview in the 4 Pilot countries
Table 2:	Definitions of MSMEs in the Pilot Countries
Table 3:	Definitions of Women-Owned Businesses
Table 4:	Mobile Money and Online Banking Usage
Table 5:	Key Government and Donor Gender Initiatives with BSOs (4 Pilot Countries)
Table 6:	Key Access to Finance Ecosystem Ratings in the 4 Pilot Countries
Table 7:	Financing Gap for MSMEs
Table 8:	Financing Gap for WMSMEs
Table 9:	Survey Sample Percentages by Country
Table 10:	Survey Sample: Age of Business Operations
Table 11:	Aligning the WE Finance Code as a Pathway for Gender Responsive Finance
Table 12:	Existing Gender Frameworks and Tools
Table 13:	Gender-Responsive Business Financing Index
Table 14:	Assessment of 4 Pilot Countries Based on Available Data
Table 15:	Recommendations and the We-FI Framework

## List of Graphics

Figure 1:	Women in Informal Employment as a Percentage of Global Employment in South Asia, Sub-Saharan Africa and Latin America and the Caribbean
Figure 2:	Percentage Usage of Financial Products & Services
Figure 3:	Business Financial Management Confidence Assessment
Figure 4:	Number of WMSME Respondents by Country
Figure 5:	Survey Sample by Business Size
Figure 6:	Profile of Survey Respondents by Sector
Figure 7:	Usage of Financial Products & Services by WMSMEs
Figure 8:	Key Challenges Facing WMSMEs
Figure 9:	Access to Finance Challenges
Figure 10:	Loan Purpose Distribution
Figure 11:	Loan Amounts Requested
Figure 12:	WMSME Loan Approval Distribution
Figure 13:	Loan Application Experience
Figure 14:	WMSMEs: Financing Methods
Figure 15:	Societal Attitudes Towards Female Entrepreneurs
Figure 16:	Proposed Framework for an Improved Access to Finance Ecosystem for WMSMEs

## List of Appendices

Appendix I-	Roadmap for Replication of the Methodology across the Caribbean
Appendix II-	Survey Questionnaires & Data Collection Tools
Appendix III-	WMSME Successes – Brief Profiles
Appendix IV-	Bibliography
Appendix V-	Stakeholders Report
Appendix VI-	Pilot Country Assessment Reports

# Flagship Study on Access to Finance for Women-Led MSMEs in the Caribbean

## About the Report

This report is part of the Investment Climate Reform (ICR) Facility's technical assistance to the Caribbean Development Bank (CDB).

The CDB, with the assistance of the ICR Facility, commissioned this study to produce relevant, high-quality knowledge and data on women-owned/led micro, small and medium-sized enterprises (WMSMEs) in the Caribbean. The study is also meant to provide evidence and recommendations on how to create an ecosystem that promotes the expansion of WMSMEs by facilitating access to economic opportunities, and to investment for additional capital and financing to grow their businesses and identify the priorities that can be supported by the Bank's SheTrades Caribbean Regional Hub. The Hub is a strategic initiative designed to increase access to markets and investment opportunities for WMSMEs while enhancing their ability to trade and export regionally and globally.

## Executive Summary

Despite the potential contribution of WMSMEs to economic growth in the Caribbean, these businesses face barriers which result in a significant financing gap, hampering their ability to scale and build economic resilience. This disparity in access to finance also exists globally in other regions, and it is rooted in issues such as traditional banking models, restrictive collateral and other requirements, and unconscious gender biases. At the same time, it has now become clear that closing this financing gap is an economic imperative, given the impact on Gross Domestic Product (GDP) of increased access to finance for women.

This study focuses on four Caribbean countries: Belize, Jamaica, Saint Lucia, and The Bahamas. The report seeks to help fill the research gap on WMSMEs in the region; identify the access to finance challenges and opportunities for these firms; and propose strategies to increase investment and growth for WMSMEs.

**Methodology.** The approach to the study has involved: a desk review, examining primary and secondary data; mapping of key stakeholders in WMSME finance; and primary data collection and analysis, and direct stakeholder engagement through interviews and focus groups. **The research findings have been affected by the lack of quantitative sex-disaggregated data available and a reluctance on the part of the financial sector and other stakeholders to provide portfolio and other information**, coupled with long delays for interviews in some cases. This challenge was mitigated to some extent through several techniques, including leveraging digital tools in administering surveys, partnering with local organisations to enhance outreach, and triangulating data sources to fill gaps where possible.<sup>1</sup>

---

<sup>1</sup> For more information on the stakeholder mobilization effort, see Stakeholder Report.

**No Common Definition.** The research highlights that there is neither a common definition of micro, small and medium-sized enterprises in the Caribbean, nor of what constitutes a women-owned or led company in the region.

**Profile of WMSMEs.** About one-third of all formally registered MSMEs in the four countries are women-owned or led firms, except for The Bahamas, which registers 58%. Most businesses are microenterprises (sole proprietorships) with progressively smaller numbers of enterprises classified in the small and medium-sized enterprise category, suggesting that WMSMEs face challenges scaling their businesses from micro to small and beyond.

**However common challenges exist with respect to access to finance.** An analysis of the access to finance ecosystem for WMSMEs in the four countries finds certain common characteristics that affect financing for these businesses.

- 1. Financial Inclusion.** Businesses face challenges in accessing financial services, particularly in rural areas where bank branches and ATM machines are limited. The use of digital financial services, including mobile payments and e-commerce platforms, is still emerging, and WMSMEs are often slow to adopt new technology. There are also persistent gaps in financial literacy. Both financial inclusion and financial literacy are further hindered by informality, which is common among WMSMEs.
- 2. Business Climate Gaps.** Burdensome regulations, and the complexity and cost of formalisation processes, are barriers to formalisation for many WMSMEs.
- 3. MSME Policy and Regulatory Frameworks.** Some of these strategies are already in use, with progress made on credit bureaus and systems that allow movable assets to be used as collateral. These measures are paving the way for improvements in access to finance for WMSMEs.
- 4. Limited Financing Options.** Few financing options exist beyond grants and loans, except for Jamaica, which has a vibrant equity investment ecosystem and an active angel investor network.
- 5. Fragmented Ecosystem.** There is limited collaboration between public and private sector stakeholders, and coordination and collaboration gaps exist among government agencies that support the MSME sector.
- 6. Severe Data Gaps.** There is a serious lack of WMSME data across the board, which is reinforced by the fragmentation in the access to finance ecosystem.

**Social and Cultural constraints.** WMSMEs also face constraints shaped by deeply rooted societal norms, cultural expectations, and gender roles that influence their ability to start, sustain, and scale businesses. Cultural factors influence women's willingness to take risks in business, and how they are perceived as business owners. Caribbean gender roles dictate that women are primarily responsible for household duties and caregiving, limiting the time they can dedicate to business ventures. This "double burden" often forces women entrepreneurs into informal, low-growth, necessity-driven businesses in sectors such as retail trade, beauty services, and food processing—rather than higher-profit, male-dominated industries like construction, manufacturing, or technology.

**Stakeholder Feedback - Factors Affecting Demand.** WMSMEs in the four countries face different financing challenges but share common issues: onerous loan terms and high collateral demands, limited financial knowledge due to a fragmented system, and few networking or mentorship opportunities.

**Stakeholder Feedback - Factors Affecting Supply.** Unlike the development banks, the commercial banks, with few exceptions, have no tailored products for MSMEs, and none specifically for WMSMEs. Factors affecting their ability to lend include lack of WMSME readiness for financing, credit risk, and lack of collateral. Many of the banks say that their lending practices are “gender neutral”, i.e. loan applications are assessed in the same way, irrespective of whether the client is a male or a female-owned company. Credit Unions and microfinance institutions operate at the community level, and as such they are missing an opportunity to offer innovative products and services, based on needs on the ground.

These findings, on both the demand and supply side, build a case for the advancement of gender finance in the Caribbean region, beginning with the four countries in this study. There are best practices from Africa, Asia Pacific and Latin America that can be replicated in the Caribbean. Gender Finance can also be advanced through the development of a gender-responsive business financing index, which draws on existing international frameworks – 2x Challenge Criteria (a set of international investment standards launched by development finance institutions (DFIs) to help identify and qualify investments that empower women), the Sweef Capital Gender ROI (a framework that measures gender equity ROI by tracking how investments improve women’s and girls’ skills, leadership, safety, and well-being beyond financial returns.), and the Women’s Economic Empowerment Index (WEEI) (An index measuring women’s economic empowerment across resources, decision-making, education, income, and financial inclusion.).

Advancing gender finance will require several suggested steps:

**On the demand side:**

- ❖ Addressing the data gap as a first step to improving access to finance for WMSMEs;
- ❖ Expanding digital financial services to increase financial inclusion;
- ❖ Strengthening and expanding capacity-building services to make WMSMEs bankable and to increase financial literacy.

**On the supply side:**

- ❖ Changing institutional perceptions of women-owned businesses;
- ❖ Creating innovative financing models to include risk-sharing;
- ❖ Fostering public-private partnerships to support a holistic approach for WMSMEs.

These steps require supporting necessity-based firms and creating policy and other frameworks to support the development of more opportunity-oriented WMSMEs. Opportunity-oriented businesses focus on innovation, a serious gap in the WMSME landscape in each of the countries studied.

Finally, the issue of lack of trust is one that is deeply engrained in the culture in the Caribbean and needs to be addressed. Lack of trust by stakeholders in each other and in the system, is a barrier to stakeholder collaboration, and ultimately works against effective support to WMSMEs. The CDB, through financial support, policy dialogue, and the advocacy of the SheTrades Caribbean Hub can facilitate the necessary changes in the ecosystem to create a cadre of regionally and globally competitive women-owned/led firms.

## I. Introduction

### A. Project background and Context

WMSMEs are a driving force in the Caribbean's economic landscape, yet they remain severely underserved by the financial sector. Despite their potential to stimulate job creation, innovation, and economic resilience, women entrepreneurs face systemic barriers that limit their access to the financial products and services essential for business growth. The result is a persistent financing gap that restricts economic opportunities for women and hinders the region's overall development.

The gender disparity in financial access is not unique to the Caribbean. It is a global challenge deeply rooted in traditional banking models, restrictive collateral requirements, and entrenched unconscious gender biases. However, there is growing evidence that closing this gap is an economic necessity. The Inter-American Development Bank (IDB) estimates that the financing gap for WMSMEs in Latin America and the Caribbean (LAC) is a staggering \$93 billion.<sup>2</sup> Addressing this gap would unlock untapped economic potential, drive inclusive growth, and strengthen financial markets across the region.

Several successful global models have demonstrated effective strategies for bridging this divide. The African Development Bank's Affirmative Finance Action for Women in Africa (AFAWA) and the Banking on Women (BOW) Initiative by the International Finance Corporation (IFC) provide valuable blueprints. These initiatives have successfully deployed risk-sharing instruments, gender-sensitive financial products, and targeted technical assistance to increase women's access to finance. Adapting such models to the Caribbean context presents an important opportunity to transform the financial landscape for women entrepreneurs.

The CDB has made gender equality a significant cross-cutting priority for the Bank, including in the area of private sector development. Its most recent Private Sector Strategy<sup>3</sup> and the 2019 Gender Equality Policy and Operational Strategy<sup>4</sup> seek to advance gender equality in the Micro, Small and Medium-Sized Enterprises (MSME) sector through: (i) fostering a business ecosystem that supports women's entrepreneurship, (ii) reducing financial and non-financial obstacles, and (iii) enhancing

---

<sup>2</sup> IDB Invest - <https://www.idbinvest.org/en/news-media/idb-invest-launches-wecode-financing-code-women-entrepreneurs>;

<sup>3</sup> <https://www.caribank.org/about-us/policies-and-strategies/private-sector-strategy-2023-2028>

<sup>4</sup> [https://issuu.com/caribank/docs/gepsos-2019-final\\_1\\_1\\_/s/14937272](https://issuu.com/caribank/docs/gepsos-2019-final_1_1_/s/14937272).

the economic impact of WMSMEs. This intersection between the thematic areas of gender and private sector development is also evident in the Bank's pursuit of new partnerships. In 2023, the Bank joined 2X Global, a leading global industry group focused on increasing the volume and impact of gender-smart capital worldwide and also established the SheTrades Caribbean Regional Hub in collaboration with the International Trade Centre (ITC). The Hub is a strategic initiative designed to increase market access and investment opportunities for WMSMEs by enhancing their ability to trade regionally and globally.

However, unlocking finance for WMSMEs requires more than targeted programmes. It demands a fundamental shift in the way financial institutions, policymakers, and development partners approach women's entrepreneurship. Measures such as evidence-based policymaking, appropriate regulatory and legislative frameworks as well as multi-stakeholder collaboration are essential to creating a financial system that works for WMSMEs. A critical ingredient is increased access to appropriate financing and investment for women entrepreneurs to grow their businesses and successfully participate in regional and global trade.

In order to help address the access to finance challenge for these firms in the region, the CDB commissioned a flagship study through the support of the Investment Climate Reform Facility (ICR or the Facility). This study focuses on four countries – Belize, Jamaica, Saint Lucia and the Bahamas, and it seeks to:

- Bridge the research gap on WMSMEs in the Caribbean,
- Identify the specific financial needs and opportunities for women entrepreneurs,
- Propose strategies to unlock investment and growth for WMSMEs, and
- Establish better measurement tools to track the impact of financial inclusion efforts.

Support for the study by the ICR aligns with the Facility's own efforts to promote business climate reform and women's economic empowerment in African, Caribbean and Pacific states. This report serves as an important step toward substantive improvements in the access to finance ecosystem for WMSMEs in the Caribbean. By leveraging international best practices, fostering innovative financing solutions, and championing gender-responsive policies, the region can catalyse economic transformation—not just for women entrepreneurs, but for the entire Caribbean economy.

## **B. Justification for the Study**

A study of this kind is needed, first, because of the importance of gathering and curating both qualitative and quantitative data on WMSMEs and other stakeholders in the access to finance ecosystem. Not only will this study expand the body of knowledge on WMSMEs in the region, but this will facilitate evidence-based policymaking by both public and private sector stakeholders to support WMSMEs. Second, the study will shape WMSME access to finance activities and advocacy to be undertaken by the CDB through the SheTrades Caribbean Hub, by validating the challenges and needs of these firms. Third, it will highlight the best practices and successful interventions, both within the four countries of focus, as well as in the international arena, that are leveling the access to finance playing field for WMSMEs, and that can be replicated in other Caribbean countries.

## C. Structure of the Report

This Flagship Study consists of 9 sections, as follows:

<b>Title</b>	<b>Content</b>
Section I: Introduction	
Section II: Methodology	Approach to the Study
Section III: Profile of MSMEs and WMSMEs in the Caribbean	An overview of MSMEs/WMSMEs in the region.
Section IV: Definitions and Ecosystem Characteristics	Definitions of MSMEs and WMSMEs used in the study, plus an overview of the financing system and the region's funding gap.
Section V: Demand-side Analysis	Primary research feedback from WMSMEs
Section VI: Supply-Side Analysis	Profile of key financial sector players and main constraints, based on feedback from financial institutions
Section VII: The Case for Gender Finance in the Caribbean	The value of the Gender Finance approach for the region
Section VIII: Development of a Gender-Responsive Business Financing Index	The development of a gender-responsive business financing index, highlighting global best practices for replication in the region
Section VIII: Recommendations	Actionable framework to improve the access to finance ecosystem to support WMSMEs
Section IX: Concluding Thoughts	

The Appendices are in a separate document. In addition, the Study includes a Country Assessment Report for each of the four pilot countries and a Stakeholder Engagement Report.

## II. Methodology

The analysis for the study has been framed within the context of a Theory of Change (TOC), which emphasises research and data collection, as well as stakeholder engagement to raise awareness about the access to finance challenge faced by WMSMEs. An indicative TOC for this assignment is in Appendix II. The Study seeks to operationalise the TOC framework by integrating quantitative and qualitative data collection and analysis techniques. The methodology aligns with best practices from global financial institutions such as the World Bank, IFC, IADB and regional development banks.

### Key Components of the Methodology

The elements of the methodology have included:

- **A Desk Review**, including a detailed analysis of national, regional, and international secondary data sources, including policy reports, financial inclusion assessments, gender finance studies, and best practices from comparable regions.
- **Stakeholder Mapping**, focusing on the key players in MSME and gender finance in the four countries selected (See Stakeholder Engagement Report)
- **Primary Data Collection** through surveys and **direct Stakeholder Engagement** in interviews and focus groups.

For a detailed description of the Methodological approach, see the Appendices document.

## III. Profile of MSMEs and WMSMEs in the Caribbean

### A. Brief Overview of MSME Sector in the Caribbean<sup>5</sup>

The Caribbean's MSME sector, particularly within the Caribbean Community (CARICOM), forms the backbone of the region's private sector, representing approximately 90% of all businesses. This predominance is particularly evident in the micro-enterprise category, where firms with fewer than 20 employees constitute about 60% of all businesses, highlighting the sector's critical role in the regional economic framework.

The sectoral distribution of MSMEs varies significantly between smaller and larger CARICOM nations, reflecting their diverse economic structures. Smaller nations' MSMEs predominantly operate in low-skilled services, particularly tourism, making them vulnerable to economic shocks. In contrast, larger nations, like Trinidad and Tobago, showcase more diversified MSME participation

---

<sup>5</sup> This section is drawn from, IFC, Caribbean Regional Private Sector Diagnostic, 2023.

across services, manufacturing, and energy sectors, demonstrating greater economic resilience and adaptability.

While MSMEs serve as crucial employment generators throughout the Caribbean, their productivity levels present a significant concern. These enterprises typically generate substantial job opportunities relative to their size, yet their productivity metrics lag considerably behind larger enterprises, often operating at just one-third to one-half the efficiency of their larger counterparts. This productivity gap represents a critical challenge for the region's economic development and competitiveness. **Table 1** below shows a brief overview of the MSME sector in the four countries being studied.

**Table 1: MSME Sector Overview in the Four Pilot Countries**

Thematic Area	The Bahamas	Belize	Jamaica	Saint Lucia
<b>Number of MSMEs</b>	~17,000 business licenses; MSMEs make up 98% of businesses	~11,346 businesses; 90% of private sector activity	97.6% of classified tax-paying enterprises are MSMEs	~6,469 registered MSMEs; 77% are micro-businesses
<b>Employment Contribution</b>	MSMEs account for ~47% of total employment	More than 50% of the labor force	~80% of jobs from MSMEs, but many are one-person enterprises	MSMEs employ ~49% of the labor force (~38,995 individuals)
<b>Sectoral Distribution</b>	Wholesale & retail trade, tourism, transport, storage, construction, personal & business services, communication, education, health, agriculture and fisheries	Agriculture (14%), accommodation & food service activities (15.6%), wholesale & retail trade (18.3%), activities of households as employers (14.9%), construction (6.7%)	Wholesale & retail trade (55.7%), community & social services (23.3%), manufacturing, services	Wholesale & retail trade (32%), tourism, agriculture, construction, manufacturing, creative industries

Sources: IADB, Private Sector Country Assessment Reports (2014-2016); Belize - SIB, Impact of COVID-19 on Business Establishments Survey, 2020.

The scale and economic significance of MSMEs varies notably across these nations. The Bahamas leads with approximately 17,000 business licenses and the highest proportion of MSMEs (98% of all businesses), followed by Jamaica (97.6% of classified tax-paying enterprises), Belize (90% of private sector activity with 11,346 businesses), and Saint Lucia (6,469 registered MSMEs). Employment contribution also shows significant variation, with Jamaica's MSMEs providing the

highest employment share (80% of jobs), followed by Belize (over 50%), Saint Lucia (49%), and The Bahamas (47%).

The sectoral distribution reveals both commonalities and distinctions. Wholesale and retail trade emerges as a dominant sector across all four nations, particularly in Jamaica where it represents 55.7% of MSMEs, and Saint Lucia with 32%. Tourism and related services feature prominently in all countries, though with varying degrees of concentration. Belize shows a more diversified distribution with significant representation in agriculture (14%), accommodation and food services (15.6%), and household activities as employers (14.9%). The Bahamas demonstrates broad diversification across multiple sectors including transport, storage, construction, and personal services.

## **B. Overview of WMSMEs**

Women play an integral role in the Caribbean's enterprise landscape, especially at the micro-business level, yet they remain underrepresented among larger SMEs. In Belize, over 55% of micro enterprise owners are women, yet women own only about one-third of small and medium enterprises.<sup>6</sup> This suggests that WMSMEs face significant obstacles in transitioning from micro to small and medium enterprises.

Data (across multiple years) indicate that around 30–40% of formal businesses in the region have some female ownership. For instance, according to the 2010 World Bank Enterprise Survey approximately 38.2% of Jamaican firms<sup>7</sup> are owned or co-owned by women, while in Belize about 30% of firms had female participation in ownership (Enterprise Survey 2010) and The Bahamas stands out with an estimated 58% of firms having a female owner or partner, suggesting women in The Bahamas have a comparatively high rate of business ownership. In Saint Lucia, about 32% of firms were women-owned as of 2010<sup>8</sup>, slightly below the Latin America & Caribbean average (~40%).

This pattern is prevalent across the region, showing high female entrepreneurship at the necessity-driven micro scale, but lower representation in the larger, growth-oriented SME segment. The Global Entrepreneurship Monitor (GEM) Jamaica 2021/2022 National Report indicates that 59% of individuals engaged in Total Early-Stage Entrepreneurial Activity (TEA) are women, while men constitute 41%. Specific data detailing the average time frames for WMSMEs transitioning from startup to growth and eventual sale stages in the Caribbean is limited. However, it is generally observed that WMSMEs face longer durations in the startup phase due to challenges such as limited access to capital and markets. These challenges can delay their progression to growth stages and potential exit or sale.

Despite women's higher tertiary education rates across the Caribbean, this educational advantage has not translated proportionally into business leadership, with research showing women tend to

---

<sup>6</sup> [https://www.beltraide.bz/uploads/6/4/9/6/64967361/msme\\_strategy\\_indesign.pdf](https://www.beltraide.bz/uploads/6/4/9/6/64967361/msme_strategy_indesign.pdf)

<sup>7</sup> <https://genderdata.worldbank.org/en/indicator/ic-wef-llco-zs>

<sup>8</sup> <https://www.competecaribbean.org/wp-content/uploads/2020/05/2014-Jamaica-Private-Sector-Assessment-Report.pdf>

operate within family business structures while men more commonly identify as independent entrepreneurs.

### Prevalence of Informality

There is a high percentage of women microbusinesses across the region that are informal, meaning they are not legally registered, lack access to formal credit, and do not benefit from legal protections. Interestingly these businesses may be in operation for over 10 years but still remain at the micro-level, which again hinders their scope for support and growth. According to UN Women, 54% of women in non-agricultural jobs in Latin America and the Caribbean are engaged in informal employment. In Jamaica, approximately 61% of women-owned firms operate in the informal sector or remain unregistered.<sup>9</sup> An estimated 43% of Jamaica's GDP is attributed to informal economic activity.<sup>10</sup>

Additionally, women are more likely to own microenterprises without employees, with 37% of such businesses led by women compared to 24% by men. This overrepresentation in micro and informal enterprises limits women's access to formal financial services and growth opportunities.

Often the main reasons WMSMEs cite for informality include:

- Complex and costly business registration processes, that all countries are working to reduce, through digitalisation to improve the ease of doing business.
- Tax burdens and regulatory compliance requirements that create additional barriers for small-scale women entrepreneurs as they are deemed as too costly versus reinvesting earnings into the business.
- Preference for flexibility, as many women balance business with unpaid household labour.

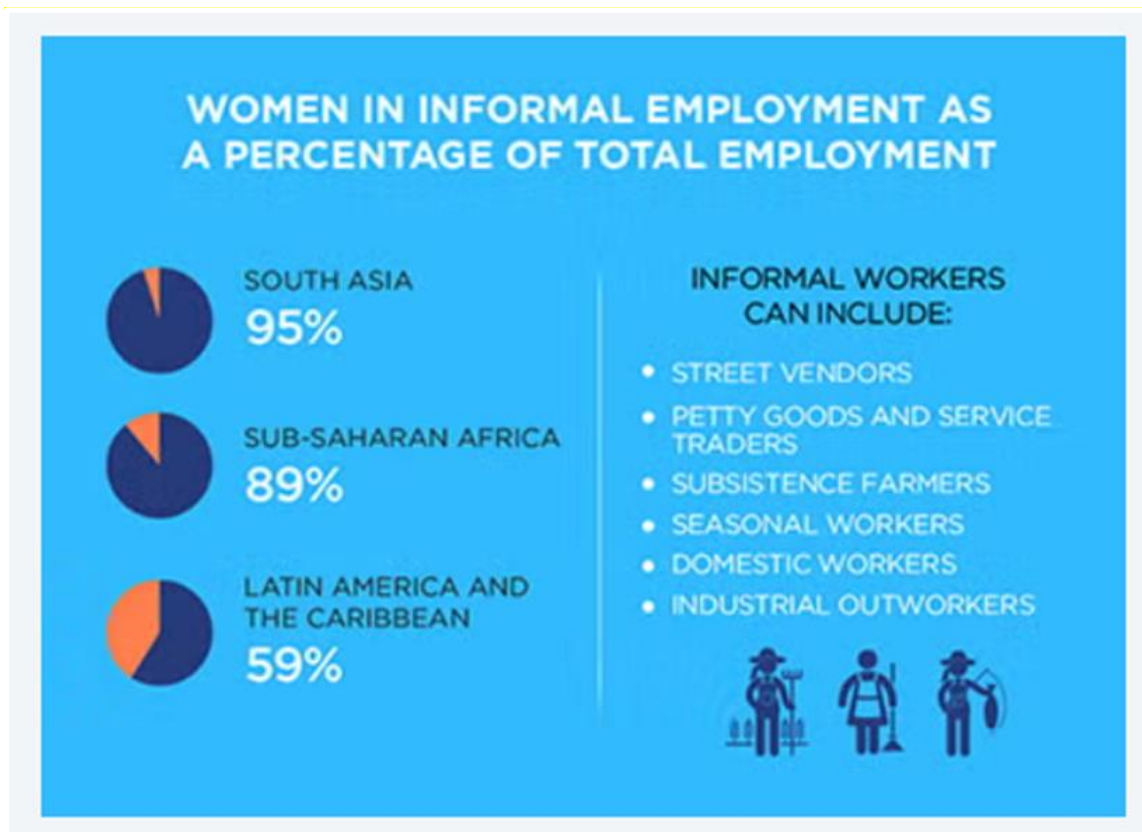
Informality prevents women entrepreneurs from scaling their businesses, obtaining bank loans, and engaging in supply chains, reinforcing gendered economic inequalities. While data is not available for the Caribbean, **Figure 1** below shows the percentage of informality in Latin America and the Caribbean, which interestingly, is significantly less than South Asia and Sub-Saharan Africa.

---

<sup>9</sup> <https://www.emerald.com/insight/content/doi/10.1108/pap-09-2019-0023/full/html>

<sup>10</sup> <https://publications.iadb.org/publications/english/document/Estimating-the-Size-of-the-Informal-Economy-in-Caribbean-States.pdf>

**Figure 1: Women In Informal Employment as a Percentage of Total Employment in South Asia, Sub-Saharan Africa and Latin America & the Caribbean**



Source: <https://www.unwomen.org/en/news/in-focus/csw61/women-in-informal-economy>

### **Impact of Societal Norms, Cultural Expectations, and Gender Roles**

Women entrepreneurs in the Caribbean face systemic constraints shaped by deeply rooted societal norms, cultural expectations, and traditional gender roles that influence their ability to start, sustain, and scale businesses. From a societal perspective, women are primarily responsible for household duties and caregiving, limiting the time they can dedicate to business ventures. This "double burden" often forces women entrepreneurs into low-growth, necessity-driven businesses in sectors such as retail trade, beauty services, and food processing—rather than higher-profit, male-dominated industries like construction, manufacturing, or technology.

As indicated in the SheTrades Focus Group feedback under this project<sup>11</sup> a majority of women business owners operate as sole proprietors or home-based businesses, citing the need to balance work and family as a key factor for the inability or unwillingness to scale.

<sup>11</sup> February 13, 2025 SheTrades Focus Group Access to Finance Study

Cultural norms influence women's risk-taking behaviour in business. Studies show that Caribbean women entrepreneurs are more risk-averse due to socialised expectations of financial prudence and family security. A 2024 survey of literature on financial inclusion in Latin America and the Caribbean noted that risk aversion among women can act as both a supply and demand constraint.<sup>12</sup> On the supply side, financial institutions may exhibit inherent gender bias, providing lower levels of financing and higher interest rates to women entrepreneurs. On the demand side, women entrepreneurs may refrain from approaching financial institutions due to fear of rejection or unfavourable credit terms.<sup>13</sup> Unlike male entrepreneurs, who may be more likely to take on high-risk, high-reward ventures, women often favour businesses with steady, low-risk income, limiting their participation in high-growth sectors such as technology and export-driven industries.

Additionally, societal gender biases in leadership affect how women entrepreneurs are perceived in business. This can inherently limit their ability to access larger clients and supply chain opportunities, reinforcing their concentration in micro-enterprises and low-revenue markets. This is counteracted by the WEConnect International<sup>14</sup> global initiative that has proven success by facilitating large corporates sourcing from women-owned businesses, enabling them to compete in the global marketplace.

These challenges are further exacerbated by intersectional barriers, including ethnicity, geography (rural vs. urban divides), and informality, particularly for women from indigenous communities and marginalised communities. For example indigenous women in Belize often operate in subsistence-based agriculture or craft production, with limited access to markets beyond their local communities. Additionally women entrepreneurs in rural areas shared in focus group sessions about the difficulties accessing formal banking services, relying instead on informal community savings groups (partner hand, sou-sou<sup>15</sup>) for business financing. As a result, these structural inequalities mean that indigenous and rural women entrepreneurs are more likely to operate in cash-based, unregistered businesses, that prevents them from benefiting from government MSME programmes, grants, and of course trade finance schemes.

Furthermore, societal perceptions of women as secondary earners can reduce their access to formal financing, as banks and investors might view women-led businesses as less viable for large-scale investment. **This leads to a cycle where women entrepreneurs rely on personal savings, family loans, or informal financial sources, keeping their businesses small and preventing expansion into larger, more capital-intensive enterprises.**

---

<sup>12</sup> Jeanelle Clarke, Economic Commission for Latin America and the Caribbean (ECLAC), *Financial Inclusion, Risk Aversion and Women's Entrepreneurship in Latin America and the Caribbean: A Survey of the Literature*, Economic Commission for Latin America and the Caribbean (ECLAC) December 30, 2024.

<sup>13</sup> <https://www.cepal.org/en/publications/81174-financial-inclusion-risk-aversion-and-womens-entrepreneurship-latin-america-and>

<sup>14</sup> <https://weconnectinternational.org/>

<sup>15</sup> An informal savings club popular in West Africa and the Caribbean, where members contribute a fixed amount on a regular basis (weekly or monthly) and take turns in receiving the entire amount contributed. Once everyone in the group has collected, the process begins again.

## IV. KEY FINDINGS: DEFINITIONS & ECO-SYSTEM CHARACTERISTICS

Any analysis of the challenges and opportunities in access to finance for WSMEs, must include a discussion of broader ecosystem factors, including the challenges surrounding MSME and WMSME definitions, key features of the ecosystem landscape and the financing gap.

### A. Definitions of MSMEs and WMSMEs

Research for this Study validates the fact that there is no definition of MSMEs which is common across the Caribbean. The current definitions of MSMEs in the four countries in this study are shown in **Table 2**.

**Table 2: Definitions of MSMEs in the Pilot countries**

Company Size	Micro	Small	Medium
<b>Belize</b>			
<b>Number of Employees</b>	1-10 employees	10-49	50-300
<b>Annual Sales/Turnover</b>	Less than BZ\$200,000 (US\$100,000)	Less than BZ\$6mn (US\$3mn)	Less than BZ\$30mn (US\$15mn)
<b>Jamaica</b>			
<b>Number of Employees</b>	Less than 5	6-20	21-50
<b>Annual Sales/Turnover</b>	Less than \$15mn (US\$95,000)	J\$15mn to less than J\$75mn (US\$478,000)	J\$75mn to less than J\$425mn (US\$2.7mn)
<b>Saint Lucia</b>			
<b>Number of Employees</b>	Less than 5	6-20	21-50
<b>Annual Sales/Turnover</b>	Less than XCD100,000 (US\$37,000)	XCD100,001 to XCD500,000 (US\$185,000)	XCD500,001- to XCD1mn (US\$370,000)
<b>Annual Net Assets</b>	Up to XCD 75,000	XCD75,001 to XCD 200,00	XCD200,001-\$500,000
<b>The Bahamas</b>			
<b>Number of Employees<sup>16</sup></b>	Under 50 employees	Under 50 employees	Under 50 employees
<b>Annual Sales/Turnover<sup>17</sup></b>	Less than US\$250,000	US\$250,000 - US\$1 mn	US\$1mn - 10mn

The four Caribbean countries exhibit notable differences in their MSME classification systems. The Bahamas employs a single employee threshold of under 50 for all categories, while Belize uses distinct tiers ranging from 1-10 for micro, 10-49 for small, and 50-300 for medium enterprises. Jamaica and Saint Lucia share similar employee tiers, categorising micro businesses as having 5

<sup>16</sup> <https://sbdcbahamas.com/news-and-updates/sbdc-data-on-micro-small-and-medium-sized-enterprises-released/>

<sup>17</sup> <https://www.accessaccelerator.org/wp-content/uploads/2019/01/SME-Policy.pdf>

or fewer employees, small businesses with 16-20 employees, and medium enterprises with 21-50 employees.

Annual sales thresholds also vary significantly across these pilot countries. The Bahamas and Belize set higher thresholds, with the former ranging from US\$250k to US\$10mn and the latter, from US\$100k to US\$15mn. In contrast, Jamaica's thresholds range from US\$95k to US\$2.7mn, while Saint Lucia has the lowest thresholds, ranging from US\$37k to US\$370k. Saint Lucia stands out as the only country that includes net asset requirements in its MSME classification.

Despite these differences, all four countries share some fundamental similarities in their MSME classification systems, using a three-tier categorisation (Micro, Small, and Medium) and employing dual criteria of employee numbers and annual sales.

This lack of a common regional definition is also complicated by the fact that within each of the countries, the official classification is not used across the board by stakeholders.

Among the CARICOM Member States, there is agreement that a common MSME definition across the region is necessary to harmonise policy approaches to private sector development. In that regard, the CARICOM defines MSMEs as including firms with 50 employees or less; capital or assets of US\$1mn or less; and annual sales of US\$3mn or less.<sup>18</sup> However, this has not been adopted by the countries across the board.

The CDB 2016 report on MSMEs proposes a simpler typology based on the number of employees that could be easily applied across the region:

- **Microenterprise: 1-5 employees**
- **Small enterprise: 6-15 employees**
- **Medium enterprise: 16-50 employees**

---

<sup>18</sup> <https://pressroom.oecs.int/oecs-commission-highlights-importance-of-msmes-to-development-in-the-region>

## Definition of WMSMEs

Proposing a standard definition for WMSMEs is an important first step towards assessing the gap in resources supporting these firms. The aim of having a commonly agreed definition as noted in the ITC International Workshop Agreement (IWA)<sup>19</sup>, is to lower entry barriers for women business owners to public and private procurement opportunities, and increase their access to capacity-building programmes, incentives schemes and certification programmes.

There are various definitions of formal WMSMEs across the world, based consistently on certain criteria:

- Number of full-time employees
- Annual sales turnover
- Amount of total assets.

However, currently there is no standard definition in the Caribbean of what constitutes a WMSME. In stakeholder consultations, most of them have not even considered a definition. The [IFC](#) has established a working definition of “Women-owned MSMEs” as formally registered firms with 51% or more women’s ownership. This definition is being used in some instances in the Caribbean by default.

**Table 3** below presents the various definitions of WMSMEs considered for this study, The selected definitions reflect international, regional, and organisational standards relevant to the Caribbean context.

---

<sup>19</sup> [https://www.sis.se/en/about\\_sis/isoiwa-34-definition-of-a-womanowned-business-and-guidance-on-its-use/](https://www.sis.se/en/about_sis/isoiwa-34-definition-of-a-womanowned-business-and-guidance-on-its-use/)

**Table 3: Definitions of Women-Owned Businesses**

Source	Definition	Criteria for Ownership & Control
World Bank	A business where women own at least 51% of the enterprise and control management and daily operations.	51% ownership, full managerial control
International Finance Corporation (IFC)	A business with at least 51% women-owned or at least 20% is women-owned and women hold key leadership roles (e.g., a woman in a top executive role and at least 30% female board representation).	51% ownership or 20% with leadership control
Caribbean Development Bank (CDB)	An enterprise where at least 51% of shares are owned by women, aligned with regional MSME classification standards.	51% ownership applies to MSMEs (1-50 employees)
Inter-American Development Bank (IDB)	Enterprises where more than 50% of the equity is held by women.	More than 50% ownership
Sweef Capital	Based on a shareholding-based framework, where businesses are scored based on the proportion of women owners, with "Role Model" businesses having over 45% women ownership.	Ownership score, with 45%+ considered high ownership
International Workshop Agreement (IWA)	SheTrades' definition of a woman-owned business is a firm that is at least 30% owned, managed, and controlled by one or more women.	30% owned, managed, and controlled by one or more women
2X Challenge	Enterprise in which at least 51% is owned by women, or if at least 20% is owned by women and there is significant representation in senior management or governance.	51% ownership or 20% with leadership representation

These definitions were considered to ensure that the study's framework reflects the diversity of approaches used in measuring MSME size and women's business ownership, balancing international standards with regional relevance. This table serves as a reference point for understanding how different institutions conceptualise these categories and informs the study's recommendations on financial inclusion for women entrepreneurs in the Caribbean.

As defined by ITC SheTrades, a women-owned MSME is defined as an enterprise that meets the ownership, management, and independence criteria set by the International Workshop Agreement (IWA)<sup>20</sup>, i.e. “**a firm that is at least 30% owned, managed, and controlled by one or more women, which is often referred to as women-led.**” This broad definition does not include formal registration as a requirement. It also falls within the MSME size classification established by the CDB<sup>21</sup>, and outlined above, thereby ensuring that the definition captures a broad range of businesses that form the backbone of the Caribbean economy.

**The IWA definition of a woman-owned/led business, combined with the CDB MSME 2016 classification, is the WMSME definition being adopted for purposes of this study. It is also being recommended as the appropriate WMSME definition for use in the region.**

Both of these definitions have been selected because they combine an internationally recognised standard for ownership and control with a regionally relevant size threshold, making the index both globally credible and locally applicable. The study uses the IWA definition of a women-led informal enterprise: a business where women make key decisions, operate independently, and may not be formally registered. This ensures informal women-owned MSMEs are included in the assessment. This recognises that a significant portion of women-owned MSMEs in the Caribbean operate informally due to regulatory barriers, administrative burdens, or the nature of their business. This approach acknowledges that while formalisation may offer benefits such as access to finance and legal protections, many informal women-owned businesses remain vital contributors to economic activity and should be included in efforts to assess and improve financial accessibility.

## **B. Access to Finance Ecosystem Characteristics**

In the four pilot countries, there are four key ecosystem elements that are access to finance constraints for WMSMEs: (a) weaknesses in financial inclusion, (b) an unfriendly business climate, (c) gaps in policy and legislative frameworks, and (d) limited financing options tailored to their needs. **Compounding these challenges are two critical cross-cutting issues: a lack of comprehensive data on women-owned companies, and inadequate coordination among ecosystem stakeholders**, both of which affect the development of appropriate policies supporting WMSMEs, but also suitable financing, as well as tailored capacity-building and business support services.

---

<sup>20</sup> <https://learning.intracen.org/mod/resource/view.php?id=16663&forceview=1>

The IWA definition also notes that several countries have proposed using more flexible terminology like “women-led businesses” “female founders” for corporate procurement, international trade, and certain public procurement contexts. The IWA states that more often than not, larger women-owned businesses have partnered with investors and no longer own 51% of their companies, hence the “success and economic impact of these women is discounted when we focus on 51% ownership.”

<sup>21</sup> <https://www.caribank.org/newsroom/news-and-events/msmes-need-more-institutional-support-greater-access-finance-cdb-study>

## 1. Financial Inclusion

Financial inclusion of MSMEs is key to their growth. It includes several aspects: access to and use of financial products and services, usage (take-up), quality (the availability of an appropriate range of financial products and financial education), and affordability.

Two of the countries in the study - Jamaica and Belize -- have national financial inclusion strategies in implementation. The Jamaica National Financial Inclusion Strategy (2017), which was built on four main pillars: Financial Access and Usage, Financial Resilience, Financing for Growth, and Responsible Finance. Belize is about to begin Phase II of the National Financial Inclusion Strategy, and a progress report in 2021, showed significant progress in terms of an increased number of access points for financial services and increasing use of mobile banking.<sup>22</sup>

**Access to and Use of Financial Products and Services:** Country Assessments of the four countries show that businesses have challenges around access to financial services specifically with bank branches and ATM machines, particularly in the rural areas.

In Belize for example, a financial inclusion survey conducted to obtain a baseline for financial inclusion improvements showed a 30 point gap between the number of branches in urban versus rural areas, and three times as many ATM machines in urban versus rural areas.<sup>23</sup> In The Bahamas, businesses in the Family Islands have serious challenges with access to financial services as banks have pulled back their presence, citing lack of profitability. However, this is being mitigated to some extent by the introduction of a digital currency, the “sand dollar” (see below). Only 27% of formal SMEs in Jamaica have bank loans or access to credit, significantly below the Latin America and Caribbean regional average of 48%.<sup>24</sup>

In the target countries, both men and women have high rates of financial account ownership, with a gender gap of less than five percentage points, according to Global Findex data. For example, Caribbean women are about as likely as men to have a bank account, thanks to widespread commercial banking networks, and microfinance and credit unions. Although, according to our WMSME survey, these are most likely business savings accounts.<sup>25</sup>

Usage of digital financial services (DFS) – such as mobile payments, online banking, and e-commerce platforms – is still emerging. Yet, women-led businesses often lag in technology adoption due to cost, digital skills gaps, or limited broadband access in rural areas. In focus group findings, women entrepreneurs were less aware of fintech solutions for small business lending or digital bookkeeping, as seen in **Figure 2** below.

### **Figure 2: Percentage Usage of Financial Products and Services**

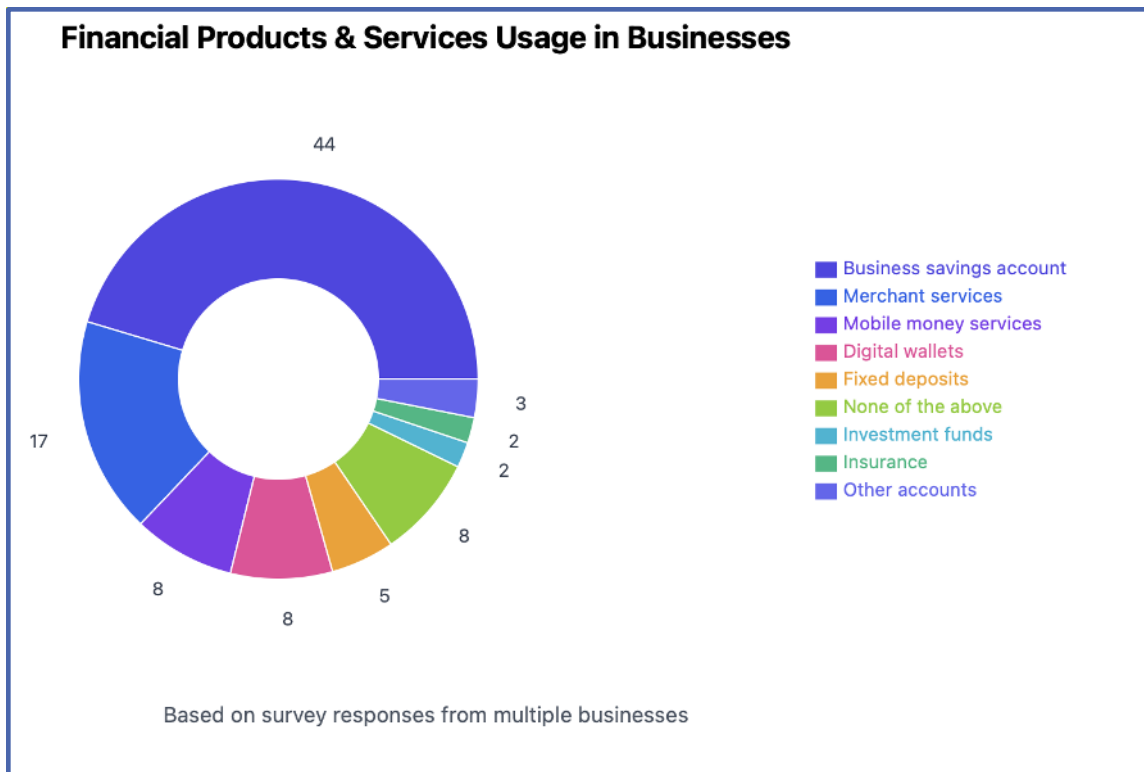
---

<sup>22</sup> Country Assessment Belize, p. 8.

<sup>23</sup> Country Assessment Belize, Table 4 page 6.

<sup>24</sup> The Jamaica National Financial Inclusion Strategy (2017).

<sup>25</sup> 70% of respondents say they have a business savings account versus 1.5% with a business checking account



Source: WMSME Survey Results: 4 Pilot Countries

**The Bahamas:** The country has been a regional leader in DFS innovation with its Central Bank Digital Currency (CBDC)’s “Sand Dollar”,<sup>26</sup> which has the potential to improve financial inclusion on remote islands. While not gender-specific, such digital channels can particularly benefit women by lowering transaction costs and reaching those far from bank branches. Similarly, mobile money and electronic wallets (more common in other developing regions) are nascent in these Caribbean countries but could help women separate business and personal finances and build transaction histories. Thirteen percent (13%) of respondents in the WMSME survey say that they use mobile money solutions and 11.8% use digital wallets.

**Belize:** The Central Bank is establishing a framework for digital financial services, and legislation has been passed that took effect in May 2025. The National Payment Infrastructure will facilitate direct debits, expand the use of instant systems, create an interface to expand local e-commerce, and enable card credit interoperability, linking the Mastercard network with another non-proprietary system. This will be supported by a digital financial literacy and awareness programme for the new digital products, supported by the World Bank.<sup>27</sup>

**Jamaica:** In fact, digital literacy programmes targeting women in business – teaching online marketing, digital payments, and fintech tools – are beginning to appear as a new trend in the

<sup>26</sup> The sand dollar is a **digital version of the Bahamian dollar (BSD)**, which is pegged 1:1 to the US dollar.

<sup>27</sup> Interview - Central Bank of Belize, August 27, 2024.

Caribbean through donor initiatives. For example, Jamaica's National Financial Inclusion Strategy includes actions to increase uptake of digital financial services among women and youth. Overall, there is recognition that leveraging digital finance can reduce some traditional barriers (like collateral), though it requires parallel efforts to ensure women have the connectivity, skills, and trust to use these new services.

**Saint Lucia:** In the Eastern Caribbean Currency Union (ECCU), which includes Saint Lucia, only 41.6% of survey respondents used accounts for electronic or debit card transactions in the past year. This limited uptake exists despite widespread awareness of financial products, suggesting a gap between knowledge and the actual use of digital financial services. According to the survey, the low adoption rate can be attributed to several factors, including a strong preference for cash transactions (with 89.0% of respondents primarily using cash for regular payments), potential limitations in understanding specific digital services like DCash<sup>28</sup> and online banking, and socio-economic factors affecting access to technology. These findings indicate that while digital financial awareness exists, practical barriers continue to impede wider adoption, highlighting the need for targeted interventions to boost financial literacy and demonstrate the advantages of digital financial services in the region.

---

<sup>28</sup> DCash is the Eastern Caribbean Central Bank's (ECCB) digital currency. Only 25% of respondents reported awareness of DCash, indicating a need for increased promotion and education around this digital currency.

**Table 4** below illustrates available data points for mobile money and online banking in the four countries.

**Table 4: Mobile Money and Online Banking Usage**

Country	Mobile Phone Penetration	Mobile Money Awareness	Online Banking Usage
<b>Jamaica</b>	103 subscriptions per 100 people (2021)	62.21% of firms aware (2023)	82% internet usage; adoption influenced by security perceptions
<b>The Bahamas</b>	Data not readily available	49.04% of firms aware (2023)	High internet penetration; specific online banking data limited
<b>Belize</b>	Data not readily available	93.63% of firms aware (2023)	Growing fintech solutions; specific online banking data limited
<b>Saint Lucia</b>	115 subscriptions per 100 people (2023) <sup>29</sup>	44.08% of firms aware (2023)	Increasing digital financial services adoption

**Quality of Financial products and Access:** If financial products and services are expensive and not appropriate to needs i.e. of low quality, individuals will not use them, even if they have easy access to financial institutions. Micro and small businesses, in particular, in the region cite high service fees and interest rates charged by the financial institutions. In Jamaica, for example the Bank of Jamaica has expressed concern about the reluctance of the commercial banks to reduce interest rates in line with the Central Bank.<sup>30</sup> In the four pilot countries, high interest rates result in many smaller firms applying for personal loans and using them for business in part because of lower rates.

<sup>29</sup> <https://datareportal.com/reports/digital-2023-saint-lucia>

<sup>30</sup> “Byes: BOJ Could Turn to Law for Banks to Adjust Interest rates. Loop news, January 22, 2025

**Financial Education:** The Global Financial Literacy Excellence Center (GFLEC) highlights that only 43% of Caribbean adults are financially literate.<sup>31</sup> This is significantly lower than the global average of 57%.<sup>32</sup> Many entrepreneurs lack access to comprehensive financial education, leaving them vulnerable to financial challenges when starting and managing their businesses. In a 2022 financial literacy survey conducted by the Eastern Caribbean Central Bank (ECCB), the overall financial score for Saint Lucia was 4.1 out of the highest score of 7.0.<sup>33</sup> Overall in the region, the survey saw variations in socio-economic groups and education levels, with higher income earners recording the highest levels of financial literacy and those without internet access recording the lowest levels of financial literacy. Of note, there is very little or no gender gap in financial literacy across the countries. In a 2019 S&P Report, only an estimated 33% of the population in Jamaica said they were familiar with basic financial principles.<sup>34</sup> Interestingly, as seen in **Figure 3** below, 57% of WMSMEs in our survey rated themselves as either very confident or confident in their understanding of financial concepts to run a business.

**Figure 3: Business Financial Management Confidence Assessment**



Source: WMSME Survey Results: 4 Pilot Countries

<sup>31</sup> Financially literate means having the knowledge, skills and confidence to make informed and effective decisions about money and money management.

<sup>32</sup> <https://www.linkedin.com/pulse/empowering-minds-ventures-financial-literacy-johnathan-j-johannes/>.

<sup>33</sup> <https://www.eccb-centralbank.org/financial-literacy-and-financial-inclusion>.

<sup>34</sup> <https://www.jamaicaobserver.com/2024/09/01/back-basics-improve-financial-literacy-grow-wealth/>.

However, in interviews, the Chamber of Commerce in Saint Lucia highlighted "a lack of financial education" that undermines women entrepreneurs' confidence when engaging with financial institutions. Similarly, CIBC First Caribbean International Bank noted that many women struggle to understand financing processes and financial management practices, limiting their ability to access formal financial services.

Without high levels of financial literacy, women entrepreneurs are reluctant to tackle cumbersome loan documentation processes, try to understand credit terms, or negotiate with banks, especially without a receptive banking relationship officer. Expanding financial education programmes and one-on-one mentoring (through chambers of commerce, women's business associations, or bank outreach) are critical steps to bridge this gap.

## 2. Business Climate

In spite of business climate reforms spearheaded by donors, bureaucratic hurdles remain for many businesses.

**Jamaica:** Regarding the ease of starting a business, the World Bank's Doing Business 2020 Report ranked Jamaica 6<sup>th</sup> globally in this category. However, Jamaica continues to face challenges in other areas, ranking 124<sup>th</sup> in paying taxes, 134<sup>th</sup> in trading across borders, 119<sup>th</sup> in enforcing contracts, and 125<sup>th</sup> in registering property.

The Jamaica MSME & Entrepreneurship Policy (2018) found that micro enterprises typically meet only 36% of legal registration requirements, highlighting significant gaps in formalisation. The complexity and cost of formalisation processes remain prohibitive for many small entrepreneurs across the region, particularly for women-owned businesses that often operate with smaller capital bases and in service sectors with less visibility. Jamaica is exploring simplified tax frameworks for microenterprises to promote registration and compliance, potentially using amnesty periods to encourage formalisation.

**Belize:** MSMEs continue to face challenges. In 2020, Belize ranked 130<sup>th</sup> out of 190 countries in the World Bank's Doing Business Survey.<sup>35</sup> The major agencies involved in formalising a business – the Companies Registry, Social Security Board and the Tax Department -- are not all in the same location and do not share MSME data. This means that businesses must present the same information to each agency. However, individual agencies are making progress in making their operations more efficient. The Companies Registry, for example, has been online since December 2022 and uses social security numbers to verify business registrations. Additionally, since 2021, businesses have been able to pay their taxes online. Belize has introduced tax reform measures to reduce the compliance burden on small businesses, aiming to expand the formal MSME sector.

**Saint Lucia:** Businesses in Saint Lucia have identified access to finance as the biggest constraint to their development. While Saint Lucia was ranked 93<sup>rd</sup> overall in the World Bank Ease of Doing Business Report 2020, it scored poorly in access to credit, placing 165<sup>th</sup> (down from 152<sup>nd</sup> in 2017

---

<sup>35</sup> World Bank Doing Business Report 2020.

out of a total of 190 countries).<sup>36</sup> Commercial lending to small businesses in Saint Lucia has remained challenging due to high collateral requirements and interest rates, with banks showing little innovation in developing small business-friendly lending facilities<sup>37</sup>. Even when new lending options have been introduced, traditional collateral requirements and high interest rates have been maintained, resulting in limited access to credit. Like Jamaica and Belize, Saint Lucia has adopted an online registration system, improving MSME accessibility to formal business structures, as well as online platforms for licensing and compliance, which has somewhat reduced administrative burdens.

**The Bahamas:** Regulatory compliance is burdensome for small businesses, with licensing, taxation, and reporting requirements often viewed as unnecessarily complex. Many businesses also report prolonged delays in acquiring licenses and permits, increasing the cost and complexity of compliance and reducing incentives for formalisation.<sup>38</sup> The situation is even more complicated for MSMEs in the Family Islands. The SBDC has proposed tax incentives for early-stage MSMEs to encourage business formalisation.

### 3. Policy and Legislative Frameworks

Governments have had a key facilitating role to play in developing the Caribbean ecosystem for access to finance for MSMEs, through measures relating to policy, legislation and procurement. With respect to the policy and legislative environment, we see a mixed picture. Policies include national MSMEs strategies for the sector, as well as legislation to improve access to credit (credit bureaus, collateral registries, procurement), all focusing on the MSME sector overall.

Public Sector agencies across the four countries have acknowledged significant policy gaps in supporting women entrepreneurs. There is no specific 'regulatory framework' in any of the four countries that addresses the unique challenges faced by women-led businesses, even though all the four countries have a commitment to gender equality and have in place national gender policies. The current legislative and policy environment for MSMEs will be discussed below.

#### **MSME Policies**

The four countries have shown some progress in terms of the policy, regulatory and legislative environment, but gaps still remain. Belize, Jamaica and Saint Lucia have MSME policies in place.

---

<sup>36</sup> Ibid.

<sup>37</sup> The Private Sector Assessment Report – Saint Lucia <https://www.ceintelligence.com/files/documents/2014-St.-Lucia-PSAR.pdf>

<sup>38</sup> <https://www.offshore-protection.com/offshore-articles/how-to-set-up-a-company-in-the-bahamas>

## **Belize**

The National MSME Policy and Roadmap (NMPR) in Belize is the primary framework guiding support for the MSME sector.<sup>39</sup> Several other policies complement the NMPR, including the National Investment Policy and Strategy (2022), Plan Belize – Medium-Term Development Strategy (2022-2026), and the National Financial Inclusion Strategy (2019-2022). While there are no specific policies targeting WMSMEs, the Revised National Gender Policy (2024-2030), approved in 2024, includes women’s economic empowerment as a core pillar, with a focus on increasing women’s entrepreneurship.

In Belize, the MSME policy is complemented by legislative support for the MSME sector, including the Fiscal Incentives Act (2023), which grants registered MSMEs exemptions from import and excise duties on goods valued up to BZ\$1 million for an initial period of four years, extendable up to a maximum of eight years. Additionally, 20% of government procurement is now allocated to MSMEs.

## **Jamaica**

Jamaica's MSME & Entrepreneurship Policy, updated in 2018, emphasises enhancing access to finance and creating a culture of innovation and entrepreneurship. A significant focus is placed on integrating gender equality into MSME activities, aligning with the National Policy for Gender Equality (NPGE).<sup>40</sup> The MSME Policy is undergoing a revision that will ensure consistency with the objectives of the National Financial Inclusion Strategy (NFIS). The updated MSME policy aims to tackle financial inclusion challenges by introducing strategies to expand access to credit, enhance financial literacy, and increase the use of formal financial services. This alignment is expected to create a more supportive environment for MSMEs, fostering economic growth and development that will also benefit women businesses.

As part of support to the MSME sector, governments have also been a source of grants and low-cost funding for the sector, via public development banks in the region for example. 43% of Menti survey respondents for this Study have received a grant from the Government for their business.

This funding role of the Government became especially critical during the COVID-19 pandemic, when governments in all four pilot countries put in place relief programmes for MSMEs, with international support. These included small grants to both formal and informal microenterprises; low interest loans to MSMEs for working capital and to assist with re-opening and/or retaining employees; and through the central banks, facilitating grace periods, waivers on loan repayments and refinancing, particularly in tourism and other sectors most affected by the pandemic. These

---

<sup>39</sup> The NMPR is structured around six key pillars: improving access to markets, fostering innovation, facilitating access to finance, creating a conducive business environment, enhancing coordination (including MSME data collection and analysis), and establishing an institutional and governance structure for policy implementation.

<sup>40</sup> <https://www.miic.gov.jm/content/miicmcges-target-women-owned-msme%E2%80%9Fs-growth-development>

COVID-19 relief programmes have now ended, reducing financing options from the Government for MSMEs, except for funds provided through a few donor programs.

### **Credit Bureaus and Collateral Registries**

Recently, Caribbean Governments have been taking steps, with donor support, to put in place policy frameworks to support credit bureaus to facilitate credit reporting and credit assessments. In addition, legislation has been approved in three of the four countries, allowing for more flexible collateral requirements in the financial sector.

**Jamaica:** A credit bureau was established in 2014 and a secured transactions framework - the Security Interests in Personal Property Act (SIPPA) in the same year. The SIPPA also provides for the creation of a collateral registry, allowing movable assets — including intellectual property — to be used as collateral. Despite this legislative framework, implementation has been limited, with the Companies Office of Jamaica reporting minimal uptake of moveable collateral for MSME financing.<sup>41</sup>

In Jamaica, its ranking in the World Bank’s Ease of Doing Business Report significantly improved since the launch of a credit bureau. The Bank of Jamaica, however, does not have data to correlate the establishment of the credit bureau with improved access to finance for MSMEs. Following Jamaica’s lead, Belize, The Bahamas and Saint Lucia<sup>42</sup>, through the ECCB have all developed similar legislation.

**Belize:** In December 2024, the Moveable Property Secured Transactions Law was enacted, enabling the use of moveable assets as collateral and establishing the Secured Transactions and Collateral Registry. This legislation allows businesses to leverage assets such as inventory, equipment, and livestock to secure financing. Credit bureau legislation is still pending

**Saint Lucia:** Saint Lucia’s Security Interest in Movable Property Registry (SIMPR) launched on November 29, 2023, after enabling legislation passed in November 2022. In its first year, this major financial-sector reform recorded over 4,500 registrants using the system to secure loans with movable assets—vehicles, equipment, inventory, and accounts receivable. The initiative, developed with substantial input from the Saint Lucia Banker's Association, enhances the legal framework governing credit transactions through four key features: (1) public access, (2) robust legal framework, (3) enhanced transparency, and (4) improved efficiency. The registry has established itself as a crucial platform for enhancing lending processes, with expanding collateral types now including aircraft, crops, and company shares, fostering a more dynamic lending environment by increasing credit accessibility and reducing borrowing costs.

---

<sup>41</sup> Interview, Companies Office Jamaica, Jan. 24, 2025.

<sup>42</sup> With respect to Saint Lucia, a credit bureau has been established by the Eastern Caribbean Central Bank. Eastern Caribbean Central Bank (ECCB) has licensed CreditInfo ECCU to operate a credit bureau in the Eastern Caribbean Currency Union (ECCU).

**The Bahamas:** The secured transactions framework in The Bahamas is outdated. Creditors remain cautious about lending to MSMEs in the absence of enforceable security interests. As a result, it is contributing to The Bahamas' region-leading MSME loan rejection rate of 85% compared to 35% in Barbados, 42% in Belize, and 55% in Jamaica.<sup>43</sup> The launch of a collateral registry is still pending legislative enactment, according to the Central Bank. This a deficit in the enabling environment for access to finance for MSMEs as a whole.

## **Procurement**

Government procurement represents a significant opportunity for MSME growth in the Caribbean but remains underutilised. Public procurement accounts for approximately 17% of GDP in Jamaica, based on estimates from the Jamaica Ministry of Finance and Public Service (2022), below the regional average of 20-22%. While Jamaica has implemented e-procurement systems and passed the Public Procurement Act (2015) with provisions for "Special and Differential Treatment" for MSMEs, implementation, as set-aside programmes and preferential terms for contracts containing qualified MSMEs remains incomplete.

A study by the Government of Jamaica and the Inter-American Network on Government Procurement has highlighted significant barriers to MSME participation in procurement, including:

- 30-50% of MSMEs operate informally and cannot meet registration requirements
- 50-75% of MSMEs find procurement processes too lengthy, costly, and lacking transparency
- Bid security requirements pose significant barriers to participation
- Tax compliance requirements act as deterrents
- Inadequate advance payment provisions limit working capital

Women-owned businesses face additional barriers in accessing government procurement opportunities due to underrepresentation in sectors traditionally favoured in procurement spending (such as construction and technical services) and limited access to information networks about procurement opportunities. In Jamaica, inclusive procurement and encouraging inclusive financing are indicated as strategic interventions to support MSMEs to achieve a stronger prosperous economy — the third national goal in Jamaica's Vision 2030.

The Government of Belize is also encouraging procurement of MSME products and services by the public sector, both through the Fiscal Incentives Act (revision) 2023, and through two successive iterations of BELTRAIDE's MSME roadshow in 2022 and 2024.<sup>44</sup>

**Innovation and Technology Policy:** The Caribbean region lags vis-à-vis Latin America, in policy frameworks that support innovation and technology adoption among MSMEs. Recent data from the

---

<sup>43</sup> <https://www.accessaccelerator.org/wp-content/uploads/2019/01/SME-Policy.pdf>

<sup>44</sup> <https://www.thereporter.bz/post/belize-launches-2nd-national-msme-roadshow-to-boost-small-business-growth>; Fiscal Incentives Act Belize (revised) Nov. 2023.

Global Innovation Index (GII) and Global Entrepreneurship Monitor (GEM) provide insights into the innovation capacities of key Caribbean nations included in this study as follows:

### **Jamaica**

- GII 2022 indicates that **Jamaica was ranked 76th out of 132 economies**, maintaining its position as one of the more innovative countries in the Caribbean region.
- GEM 2021/2022 report highlighted that **59% of Total early-stage Entrepreneurial Activity (TEA) in Jamaica involved women**. Additionally, Jamaican entrepreneurs exhibited high confidence in their capabilities, with younger entrepreneurs showing increased awareness of available opportunities despite the prolonged impact of the COVID-19 pandemic.

Venture Capital Constraints: **Jamaica ranked 121 out of 139 countries for ease of access to venture capital**, indicating significant constraints in the innovation financing ecosystem.

### **The Bahamas, Saint Lucia, and Belize**

- GII 2022 indicates rankings for **The Bahamas at 77<sup>th</sup>, Saint Lucia 85<sup>th</sup>, and Belize 91<sup>st</sup>**, indicating relatively weaker innovation frameworks compared to Jamaica.
- Unlike Jamaica, limited data is available on early-stage entrepreneurial activity in these countries due to gaps in MSME ecosystem research.
- The lack of comprehensive national surveys on MSME innovation limits comparative analysis and policy intervention effectiveness indicating a need for more comprehensive data collection.

The GII 2022 report notes that Jamaica is similar to countries like Brazil and Peru which are outperforming relative to their development levels in innovation. However, Belize, The Bahamas and Saint Lucia face significant challenges in fostering innovation, including limited access to venture capital for MSMEs, inadequate digital infrastructure, low levels of Research & Development (R&D) investments, and insufficient policy support for technology adoption among MSMEs.

## **4. Limited Financing Options**

In the Caribbean overall, and in the four countries specifically, very few financing options exist besides grants and loans. Only one percent of women entrepreneurs have access to angel investors, seed capital and venture capital funds.<sup>45</sup> Alternative financing mechanisms, such as crowdfunding, peer-to-peer lending, revenue-based financing, and blended finance, are either underdeveloped or nonexistent, further restricting options for MSMEs. Required legislative frameworks do not exist to support these financing options. The Eastern Caribbean Securities Regulatory Commission has developed a regulatory framework for equity crowdfunding. However, a robust public awareness programme is required to spark interest on the part of both entrepreneurs and prospective investors as well as training in the asset class for these groups, and interest from companies willing to test a crowdfunding platform in a sandbox environment.

---

<sup>45</sup> <https://republicsmetoolkit.com/why-women-entrepreneurship-boosts-caribbean-economic-growth/>

Jamaica has the most vibrant entrepreneurial ecosystem, and through a combination of government policies, facilitating efforts of the Development Bank of Jamaica (DBJ) and the financial support of the IDB, equity financing as an option for small businesses is now more widely accepted by stakeholders. The foundation for strengthening the ecosystem for entrepreneurship was established with the Jamaica Venture Capital Programme (JVCapital) implemented by the DBJ. The programme provided a combination of capacity-building, financing and mentoring for MSMEs, as well as training for other stakeholders – e.g. Business Support Organisations, equity fund managers. A follow-on programme, Boosting Innovation, Growth and Entrepreneurial Ecosystems (BIGEE) provided a suite of financing instruments for MSMEs – grants, loans, equity investment (Angel and VC funds), vouchers. Legislation has been put in place to support equity investments and the Government provided incentives for small businesses to list on the junior market, providing an exit option for equity investors. Additionally, there is an active angel investor network – First Angels Caribbean - which has expanded to include the region. **In 2016, 33 companies had raised over J\$5.179 billion in capital. By 2023 that number grew to 45 companies that raised over J\$8.2 billion in capital.** Yet this represents only a small fraction of formal SMEs. A few women-owned companies have raised angel investments. As of the end of 2023, WMSMEs accounted for 37% of the First Angels portfolio.<sup>46</sup>

Targeted financial support is available through the four development banks for the productive sector, particularly in areas vital to the economies, such as tourism, agriculture and renewable energy. However, there remains a pressing need for more innovative financial products.<sup>47</sup> Blended finance, leveraging grants with concessional loans, and targeted financing programmes for early-stage enterprises or high-risk sectors such as agriculture and tourism, that are vulnerable to climate and other shocks, could provide the tailored support WMSMEs require to scale and thrive.

## 5. Deficiencies in Capacity-Building

Business Support organisations - Small Business Development Centers (SBDCs) and Chambers of Commerce provide specialised training, one-on-one coaching and in some instances, financing to WMSMEs across the four countries. Under an OAS-funded programme all four countries have adopted the U.S. SBDC model, which emphasises a tripartite relationship between the government, academia and the private sector to support capacity-building for MSMEs. The Bahamas, Belize, Jamaica and Saint Lucia are following this model to some extent, although coordination between the stakeholder groups in the ecosystem could be improved. This would close some of the fragmentation and information gaps which currently exist in the ecosystem.

Over the past five years these BSO activities include business training, mentorship, networking, and in some cases direct funding or facilitated financing. A few programmes explicitly target female entrepreneurs, and some emphasise financial inclusion, aiming to improve women entrepreneurs' access to capital and financial services. It is notable however, that many of these programmes are

---

<sup>46</sup> Interview, First Angels – October 15, 2024.

<sup>47</sup> Beuermann et al., Are We There Yet: The Path to Sustainable Private Sector Development in the Caribbean, Compete Caribbean 2024. Chapter 6.

either funded by international donors or implemented on their behalf. As a result, training initiatives are not designed in the context of overall institutional strategies to deliver capacity-building overall, but they are often geared to topics for which funding is available.

**Saint Lucia:** While SBDC Saint Lucia offers training and access to financing, these programmes are not specifically tailored to the needs of women entrepreneurs, and there is a lack of gender-disaggregated data to measure their impact.

**Belize:** BELTRAIDE is the umbrella organisation charged by the Government to provide capacity-building through SBDC Belize and Export Belize, two of the three entities falling under its umbrella. Both SBDC Belize and Export Belize offer one-on-one coaching and group training, but there are limits to their reach due to lack of a presence throughout the country particularly in the rural areas, and a lack of staff to adequately service clients. Both organisations partner with donors to execute projects directly benefiting women entrepreneurs (IDB and Taiwan).

**Jamaica:** A business support network, coordinated by the Jamaica Business Development Corporation (JBDC), follows a "hub and spoke" model inspired by the U.S. SBDC approach. The JBDC serves as the hub, while a network of ten universities, financial institutions, and business support organisations act as spokes, delivering training, mentorship, market research, and financing support to MSMEs nationwide. Key partners include the University of the West Indies (UWI), The University of Technology, Jamaica (UTech), Northern Caribbean University (UNC), Rural Agricultural Development Authority (RADA), and Sagicor Bank, among others. The network has implemented capacity-building programmes, legislative frameworks, and digital management systems (like NeoSerra) to track MSME growth. Since 2015, the initiative has expanded its reach and impact, strengthening entrepreneurship and business resilience in Jamaica. However, JBDC admits to reaching only a fraction of businesses needing assistance.

**The Bahamas:** The SBDC (branded as "Access Accelerator") plays a leading role in providing business support services and financing to MSMEs. It is a public-private partnership with support from the University of The Bahamas and the Bahamas Chamber of Commerce. The SBDC does try to cater to the needs of women-owned businesses and in 2023 conducted a Gender Equality Survey, that also sought to identify the challenges faced by WMSMEs in accessing finance.

Several regional and national capacity-building programmes supported by governments and/or international donors support are underway in the four pilot countries, and these are outlined below.

**Table 5: Key Government and Donor Gender Initiatives with BSOs (4 pilot countries)**

Organisation / Programme	Type	Programmes Offered	Financial Inclusion Focus?	Gender-Specific?	Sources
<b>BELIZE</b>					
Small Business Development Centre (SBDC) Belize – BELTRAIDE	Government SBDC (Belize)	General MSME support with tailored programmes for women entrepreneurs.	No	Yes	BELTRAIDE
Belize Women’s Economic Development Programme (WEDP)	Government/Donor or Microfinance	Providing affordable micro-loans and financial literacy training to women entrepreneurs.	Yes	Yes	BELTRAIDE
International Network of Women in Business (NIME) – Belize	Non-Profit Network/BSO	A membership association for Belizean businesswomen focusing on networking and mentorship.	No	Yes	NIME
Small Business Development Centre (SBDC) Belize – BELTRAIDE	Government SBDC (Belize)	Business Training programme for MSMEs under the Livelihoods Capacity Development Strategy and Action Plan (LSAP)	Yes	Yes	Funded by the CDB & UK Infrastructure Fund, in collaboration with the Social investment Fund.
Small Business Development Centre (SBDC) Belize – BELTRAIDE	Government SBDC (Belize)	Beltraide Female Entrepreneurship Programme – to improve leadership and business skills.	Yes	Yes	Funded by Taiwan/ICDF

Organisation / Programme	Type	Programmes Offered	Financial Inclusion Focus?	Gender-Specific?	Sources
<b>JAMAICA</b>					
DBJ Boosting Innovation, Growth & Entrepreneurship Ecosystems (BIGEE) – Jamaica	Development Bank (Gov/Donor)	Comprehensive MSME/startup support including loans/grants for innovation, technical assistance, and accelerator programmes.	Yes	Yes	DBJ, IADB
DBJ ‘Boost HerBiz’ Initiative – Jamaica	Development Bank (Accelerator Grant)	Competitive acceleration award, mentorship, grants of J\$1 million for selected women-led businesses.	No	Yes	DBJ
Academy for Women Entrepreneurs (AWE) – Regional	Donor/US Embassy Incubator	Entrepreneurship training, mentorship, pitch competitions, networking events.	No	Yes	USAID
<b>THE BAHAMAS</b>					
‘Women Entrepreneurs Initiative’ – Access Accelerator SBDC Bahamas	Government SBDC Programme	Offers training, mentorship, and grant funding for women-led MSMEs.	Yes	Yes	SBDC Bahamas
Bahamas Development Bank “Building Back Equal” Programme	Development Bank/Donor	Gender-inclusive finance pilot providing support and grants for women-led businesses.	Yes	Yes	Bahamas Development Bank
<b>SAINT LUCIA</b>					
USAID INVEST – OECS Women-Focused Lending Pilot – Saint Lucia	Donor Pilot (Inclusive Finance)	Developed women-centric loan products and business advisory support.	Yes	Yes	USAID, SLUDTERA

Organisation / Programme	Type	Programmes Offered	Financial Inclusion Focus?	Gender-Specific?	Sources
<b>REGIONAL</b>					
SheTrades Caribbean Hub (ITC/CDB – Regional)	Multilateral/IFI Programme	Connecting women entrepreneurs to resources and markets with training and capacity-building workshops.	Yes	Yes	SheTrades
SheTrades Caribbean Hub (ITC/CDB – Regional)	Multilateral/IFI Programme	Grow and Go \$500,000 grant fund	Yes	Yes	SheTrades
Caribbean Export Development Agency - Global Affairs Canada (GAC)	Regional Export Agency Programme	“Generating Resilient & Inclusive Trade (GRIT)” project supporting women’s economic empowerment.	No	Yes	Caribbean Export

## 6. Data and Information Gaps

Lack of current and comprehensive MSME data is a challenge across the Caribbean. There are three elements of MSME data that are important to provide an accurate picture of the state of the sector.

- Demand-side data – profile information that MSMEs provide on their businesses and their ability to secure funding, obtained through surveys conducted by BSOs and other agencies;
- Supply-side data – Know Your Customer (KYC), and disaggregated data on various MSME segments, like gender, sector, business size, across financial institutions’ loan portfolios, some of which is reported to regulatory authorities for the financial sector;
- Administrative data – collected by government departments and private sector associations largely for internal purposes (necessary registrations or membership data)

There are gaps in all three dimensions in the four countries, and particularly with respect to data on women-owned firms, there is a severe lack of sex-disaggregated data readily available. One exception is the SBDC Bahamas, that collects sex-disaggregated data annually. These data gaps have affected the quantitative aspects of the research for this study and have resulted in very few responses to data requests. A case in point, **only one financial institution across the four countries responded to our request for data.**

**Demand Side Data:** With exception to the SBDC Bahamas and satisfaction surveys from other SBDCs in Jamaica and Belize, very few surveys specifically focusing on MSMEs are conducted in the four countries on a regular basis. The latest country-wide surveys were done to examine the impact of the COVID-19 pandemic on households and businesses in the Caribbean, both by governments and international donors. Even within these surveys, there is very little information to be obtained on WMSMEs.

**Supply Side Data:** Financial institutions point out that their core banking systems are not set up to capture sex-disaggregated data, and that loans are classified by loan size – “small” versus “corporate”, rather than by size of company, or gender of the borrower. In addition, none of the financial institutions interviewed has a working definition of a WMSME, except for the general distinction of 51% ownership. One exception is the DFC in Belize, which has adopted the International Finance Corporation (IFC) definition. This lack of clarity complicates the classification process as well. One bank in Belize noted that account ownership by sex is hard to track, since women often open the accounts even though the businesses are actually owned by men.<sup>48</sup>

**Administrative Data:** The various government departments in the four countries – tax, social security, company registration – each collect their own data, and there is limited data sharing taking place between them. This means that businesses have to register with each of these departments individually. For the past two years, the Statistical Institute of Belize (SIB) has been working to finalise MOUs with the Companies Registry, the Belize Tax Service, and the Social Security Board, with limited success. Part of the issue is the need to synchronise data systems.<sup>49</sup>

The Jamaica MSME policy acknowledges the data gap and the importance of data for evidence-based decision-making. However, there is no regulatory requirement from the Government for gender-disaggregated information on business ownership, performance, and growth constraints. In The Bahamas, Saint Lucia and Belize, national statistics on MSMEs remain scarce, no gender-specific MSME performance indicators are regularly collected and the limited data on MSME and WMSME performance and financial access makes it difficult to assess the effectiveness of business support initiatives. Donor-funded access to finance and capacity-building programmes do require data to be captured on WMSME beneficiaries, however stakeholders implementing these programmes are hesitant to share this data.

According to the SheTrades Outlook Caribbean<sup>50</sup>, gender-disaggregated financial data remains sparse across the region, making it difficult to track the impact of policies on women-led enterprises. Indeed, the Dominican Republic is the only country in the SheTrades Outlook Caribbean which mandates financial institutions to collect gender-disaggregated data, highlighting a regional need to improve and rationalise data collection.

---

<sup>48</sup> Interview - Belize Bank – January 28, 2025. In these instances, women are managing the administrative aspects of the business.

<sup>49</sup> Interview – SIB, Feb. 3, 2025.

<sup>50</sup>

[https://outlook.shetrades.com/admin/upload/publications/documents/SheTrades%20Outlook%20Policy%20Brief\\_Caribbean\\_Digital.pdf](https://outlook.shetrades.com/admin/upload/publications/documents/SheTrades%20Outlook%20Policy%20Brief_Caribbean_Digital.pdf)

## 7. Inadequate Stakeholder Coordination













Supporting MSMEs effectively requires coordination across numerous public and private institutions in the ecosystem, including tax authorities, export promotion agencies, standards bodies, financial regulators, and BSOs. A common weakness across the region is insufficient coordination between these stakeholders that have a role in MSME development. This results in silos, duplication of effort and lack of communication, which has a negative impact on support to MSMEs. The issue is noticeable in the countries at the level of MSME policy. In Jamaica, institutional responsibility for MSME policy has been traditionally fragmented. However, in 2016, Jamaica established an MSME Division within the Ministry of Industry, Commerce, Agriculture and Fisheries (now the Ministry of Industry, Investment & Commerce – MIIC) to coordinate implementation of the MSME policy, reflecting an important step toward coherent institutional oversight. Nevertheless, coordination and communication between the MIIC and BSOs is inadequate.

Similar dedicated MSME coordination bodies are not as well-developed in Belize, Saint Lucia, and The Bahamas, resulting in duplication of efforts, policy misalignment, and inefficiencies in MSME support programmes. For instance, in The Bahamas, MSME support is spread across multiple entities, including the Ministry of Economic Affairs, the Bahamas Development Bank, and the Access Accelerator SBDC, with no singular coordinating body for MSME development.









While in Saint Lucia, the Ministry of Commerce, Manufacturing, Business Development, Cooperatives, and Consumer Affairs oversees MSME policy, but institutional linkages between financial institutions and MSME support agencies remain weak. In Belize, the Belize Trade and Investment Development Service (BELTRAIDE) plays a key role in MSME promotion, but coordination challenges between financial institutions, and regulatory agencies remain.

**Table 6** below highlights the mixed picture in the key ecosystem dimensions discussed<sup>51</sup>, including policy frameworks, female entrepreneurship rates, and financial infrastructure.


**Table 6: Key Access to Finance Ecosystem Ratings in the 4 Pilot Countries**

Ecosystem Feature	Jamaica	Belize	The Bahamas	Saint Lucia
MSME Policy	 Developing MSME policy exists but lacks strong gender targeting.	 Developing MSME policy in place, but gender considerations are weak.	 Weak No standalone MSME policy; gender inclusion is minimal.	 Developing MSME policy exists with modest gender considerations. It recognises the need for targeted interventions to address gender inequalities that could impede WMSME development and growth.
Financial Inclusion Strategy	 Strong National Financial Inclusion Strategy recognises MSMEs and women entrepreneurs.	 Strong Financial inclusion strategy launched in 2020, targeting digital and credit access for women. Phase II is about to begin later in 2025.	 Weak No formal financial inclusion strategy; fintech initiatives drive access.	 Weak No specific financial inclusion strategy; Financial Literacy and Financial Inclusion (FLFI) Survey completed in 2023 by OECS Commission and ECCB.
Gender-Focused Finance Initiatives	 Developing Banks and development finance institutions offer targeted programmes but no major dedicated fund for women-led SMEs.	 Developing State-backed loans set a quota for women, but tailored banking products remain scarce.	 Developing Some gender-focused lending initiatives exist, but commercial banks have limited women-specific products.	 Strong SLDB has a gender policy aimed at adopting a gender-lens approach in accessing financial products and services. The policy was supported by CDB as part of a pilot project.

<sup>51</sup> <https://www.competecaribbean.org/wp-content/uploads/2020/05/2014-Jamaica-Private-Sector-Assessment-Report.pdf>

Credit Infrastructure	 Strong Strong framework with collateral registry, credit bureau, and SME credit guarantee schemes.	 Developing Developing system with a new credit bureau; secured transactions act in place, but impact is unclear.	 Weak Mixed system; lacks a collateral registry for movable assets, and lending is mainly secured by real estate.	 Developing The regional credit bureau and secured transactions framework are being implemented.
Business Climate for Women MSMEs	 Developing Moderate: Strong financial infrastructure but limited gender-focused policies and financial products. High informality and collateral constraints persist.	 Weak Challenging: High informality, weak access to credit, and lack of gender-focused finance products limit women's business growth.	 Developing Improving: Women's business ownership is high, but access to credit remains a challenge due to lack of dedicated policies and gender-responsive financial instruments.	 Weak Restrictive: Weak gender-focused MSME policies, limited financial products, and limited targeted business support services hinder WMSME growth.

Legend:

-  Strong
-  Developing
-  Weak

**Overall, the region demonstrates incremental progress toward gender-sensitive MSME development, but still faces significant gaps in policy implementation, financial inclusion, credit infrastructure, and the business climate.** Addressing the lack of WMSME data and improving coordination among key stakeholders — government agencies, financial institutions, and BSOs — will be crucial for building a supportive ecosystem. This will ensure that women entrepreneurs can move beyond subsistence-level enterprises toward sustainable growth and market expansion.

### C. The Financing Gap

Another feature of the access to landscape for MSMSEs and WMSMEs is the financing gap. The IFC estimates that 87% of the potential financing needs of MSMEs in Latin America and the Caribbean remains unmet. The situation is particularly evident in the contrast between potential demand and current credit supply, creating a financial landscape that inhibits innovation and economic growth.<sup>52</sup>

<sup>52</sup><https://www.worldbank.org/en/topic/sme/finance>.

While the precise dimension of the problem in the Caribbean is not known due to lack of current data, reporting from the SME Finance Forum can be used as a proxy. **Table 7** shows the estimated financing gap in the four pilot countries.

**Table 7: Financing Gap for MSMEs**

Country	Total Pop.	Total # of registered MSMEs	Supply of Credit (US\$ mil)	Formal Potential Demand (US\$ mil)	Financing Gap (US\$ mil)	Financing Gap as a % of Supply of Credit	Financing Gap as a % of GDP	Informal Potential Demand (US\$ mil)
Belize	441,471	11,346 (2021)	137.1	600.1	463	338%	26%	434.5
Bahamas	412,623	6,258	2,283	2,343	60.5	3%	1%	831.8
Jamaica	2.8 mil	10,438	432.1	3,150	2,717	629%	19%	1,516
Saint Lucia	179,285	4869	154	346	192		13%	434.5

Source: SME Finance Forum, MSME Finance Database (updated 2018). Population Data Belize, - Statistical Institute of Belize, Mid-year Estimates by Age Group and Sex 2011-2024.

**Table 8: Financing Gap for WMSMEs**

Country	% of WMSMEs Credit Constrained <sup>53</sup>	% of WMSMEs Not Credit Constrained	Financing Gap (US\$m)	Financing Gap for WMSMEs (US\$ mn)	% Share of Financing Gap by WMSMEs
Belize	45%	55%	463	64.03	14%
Bahamas	34%	66%	60.5	16.1	26%
Jamaica	16%	84%	2,717	300	11%
Saint Lucia	32%	68%	192	47	25%

Source: SME Finance Forum, MSME Finance Database (updated 2018).

For WSMSE registration: Companies Registry data. Female Population Data Belize, - Statistical Institute of Belize, Mid-year Estimates by Age Group and Sex 2011-2024.

<sup>53</sup> Includes Partially Credit Constrained Businesses. Fully Credit Constrained, means that it is difficult to obtain credit. This includes businesses that have been rejected for a loan or did not apply for one, either because of unfavorable loan terms or they assumed they would be rejected. Partially Credit Constrained businesses have been somewhat successful in getting a loan i.e. were approved from a smaller amount than requested. Non Credit Constrained businesses either have not applied for a loan because they have their own resources or they have received a loan. These classifications do not take into account the creditworthiness of the business. See World Bank-IFC SME Finance Forum, MSME Finance Gap Report – Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets, 2017 p. 18.

Analysis of the four Caribbean nations reveals varying degrees of MSME financing challenges. Jamaica has the highest levels of both formal and informal potential demand, the largest financing gap in absolute US dollar terms (US\$2.717 billion), and the second highest financing gap as a percentage of GDP (19%). Belize has the largest financing gap as a percentage of GDP (26%), while the Bahamas has the lowest at 1%. The Bahamas in fact stands out for its equally low financing gap as a percentage of the supply of credit. This suggests that MSMEs in the country are either obtaining the financing they need, or businesses are applying for financing. This appears contrary to the findings of the WMSME surveys, as we will see later on.

In terms of the financing gap for WMSMEs shown in Table 8, Jamaica has the lowest percentage (16%) of credit-constrained women businesses, despite having the largest absolute financing gap. Belize presents a concerning scenario with 45% of women-owned businesses being credit constrained, the highest among the pilot countries, while Saint Lucia and the Bahamas show lower levels of credit constraint at 32% and 34% respectively. Nevertheless, the very high percentages shown across all four countries for WMSMEs not credit constrained is telling, given the fact that this classification includes businesses that have not applied for a loan. As our research shows later, this introduces **the issue of lack of demand from businesses – due to factors such as reluctance to take on debt, and lack of understanding of the loan process.**

The distinct patterns in women-owned business financing gaps across these nations highlight the complexity of the challenge. Overall, the low percentage of the financing gap attributable to WMSMEs, relative to the total financing gap is partly due to the lower level of engagement of WMSMEs in the formal financial system i.e. the significant percentage of WMSMEs relying on informal sources of financing. These variations suggest that **targeted financial strategies, including both traditional banking solutions and innovative/digital financial approaches, are needed to address the unique challenges faced by WMSMEs in each Caribbean country.**

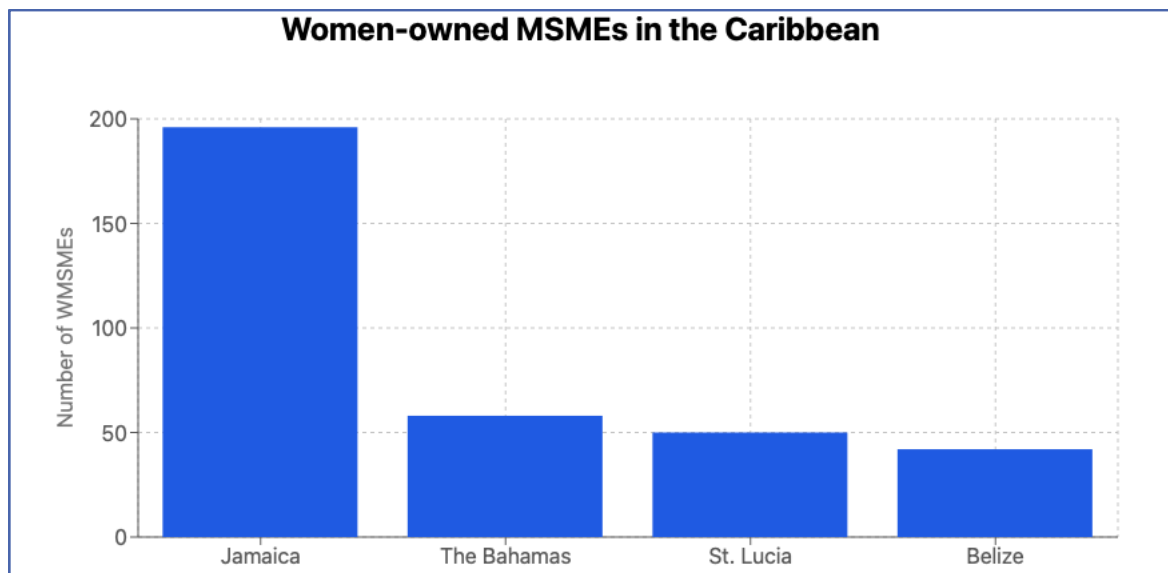
## V. Demand Side Analysis: Insights from Entrepreneurs

This section of the study captures the feedback received from WMSMEs focus groups, and via two types of surveys -- a Menti Survey administered during the focus groups and a WMSME online survey using Google --- soliciting feedback about the access to finance ecosystem challenges they face. First, a profile of the respondents is presented, followed by a brief discussion of the use of financial products and services by WMSMEs. This is followed by respondents' insights on key challenges they identified: **Collateral, Lending Terms and Failure to Meet Requirements; the Loan Application Experience; Knowledge Gaps; Limited Access to Digital Financial Services; Cultural/Social Barriers and Gender Bias.**

## A. Profile of the WMSME Respondents

Two hundred and twenty-six (226) women-owned companies responded to the Menti survey; 87 business owners responded to the WMSME survey; and five focus groups were held, involving 52 entrepreneurs, totaling 365 WMSMEs. This represents 67.5% of the 540 participants across the four pilot countries originally envisaged for the stakeholder engagement process.<sup>54</sup> A profile of respondents from the pilot countries provides an interesting picture both in terms of geographic representation, business size and sector representation. More than half the respondents (196) are MSMEs in Jamaica, with the least number (42) coming from Belize. (See **Figure 4**). This reflects not only country size, but also WMSMEs' willingness to participate in the research.

**Figure 4: Number of WMSME respondents by Country**



Source: 2025 WMSME Survey & Menti Poll: 4 Pilot Countries

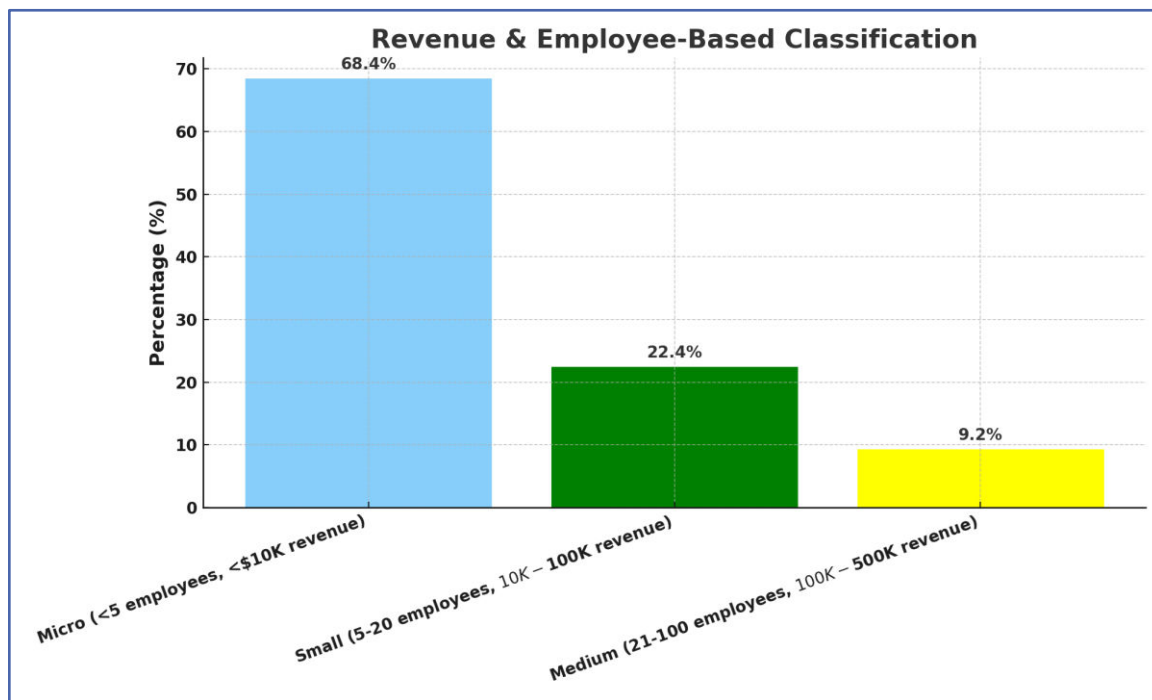
<sup>54</sup> For further details, see Stakeholder Engagement Report.

**Table 9: Survey Sample Percentages by Country**

Country	Number of WMSMEs	Survey Sample Percentage
Jamaica	196	50.5%
The Bahamas	58	14.9%
St. Lucia	50	12.9%
Belize	42	10.8%
<b>Total</b>	<b>388</b>	<b>100%</b>

Source: 2025 WSME Survey & Menti Poll: 4 Pilot Countries

**Figure 5: Survey Sample by Business Size**



Source: 2025 WMSME Survey: 4 Pilot Countries

Looking at the survey sample by business size,<sup>55</sup> the overwhelming number of businesses are micro, as would be expected, based on broader trends in the region. (See **Figure 5**). Also of note is the significant gap in percentage between micro and medium-sized enterprises, validating the presence of barriers to WMSME business expansion and scaling. Most businesses surveyed have been in existence for four years or more – representing almost 67% of the sample. Start-up companies represent only 6% of respondents as seen in **Table 9** below. This suggests that WMSMEs are in many instances able to sustain their businesses beyond the early stage, in spite of challenges.

**Table 9: Survey Sample: Age of Business Operations**

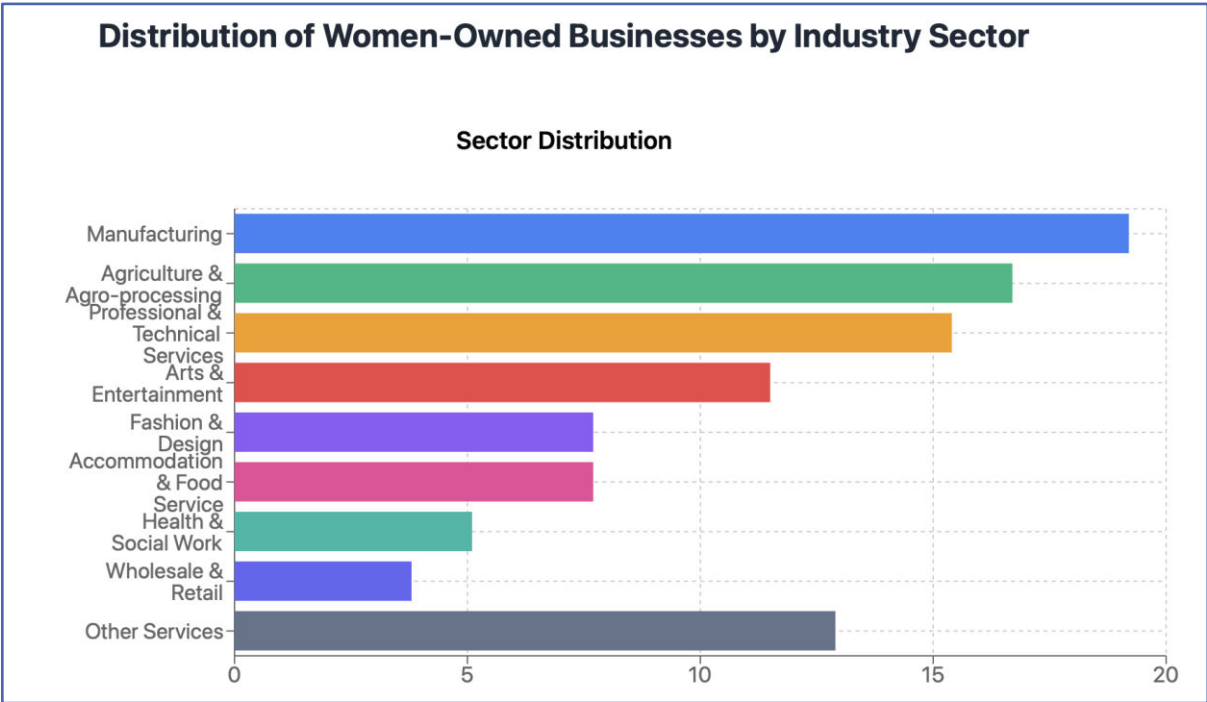
<b>Operating Period</b>	<b>Count</b>	<b>Percentage</b>
<b>Less than 1 year</b>	<b>5</b>	<b>6.2%</b>
<b>1-3 years</b>	<b>22</b>	<b>27.2%</b>
<b>4-5 years</b>	<b>15</b>	<b>18.5%</b>
<b>6-10 years</b>	<b>22</b>	<b>27.2%</b>
<b>More than 10 years</b>	<b>17</b>	<b>21%</b>

Source: 2025 WMSME Survey: 4 Pilot Countries

In terms of the sector allocation of respondents, most businesses are in manufacturing (19.2%), agriculture (16.7%) and services (32%) [technical services – 15.4% and traditional services – 16.6%]. (See **Figure 6** below) This again supports broader trends in the region, where the majority of MSMEs are in economically vulnerable sectors such as services and agriculture.

<sup>55</sup> This is based on the classification used in the survey.

**Figure 6: Profile of Survey Respondents By Sector**

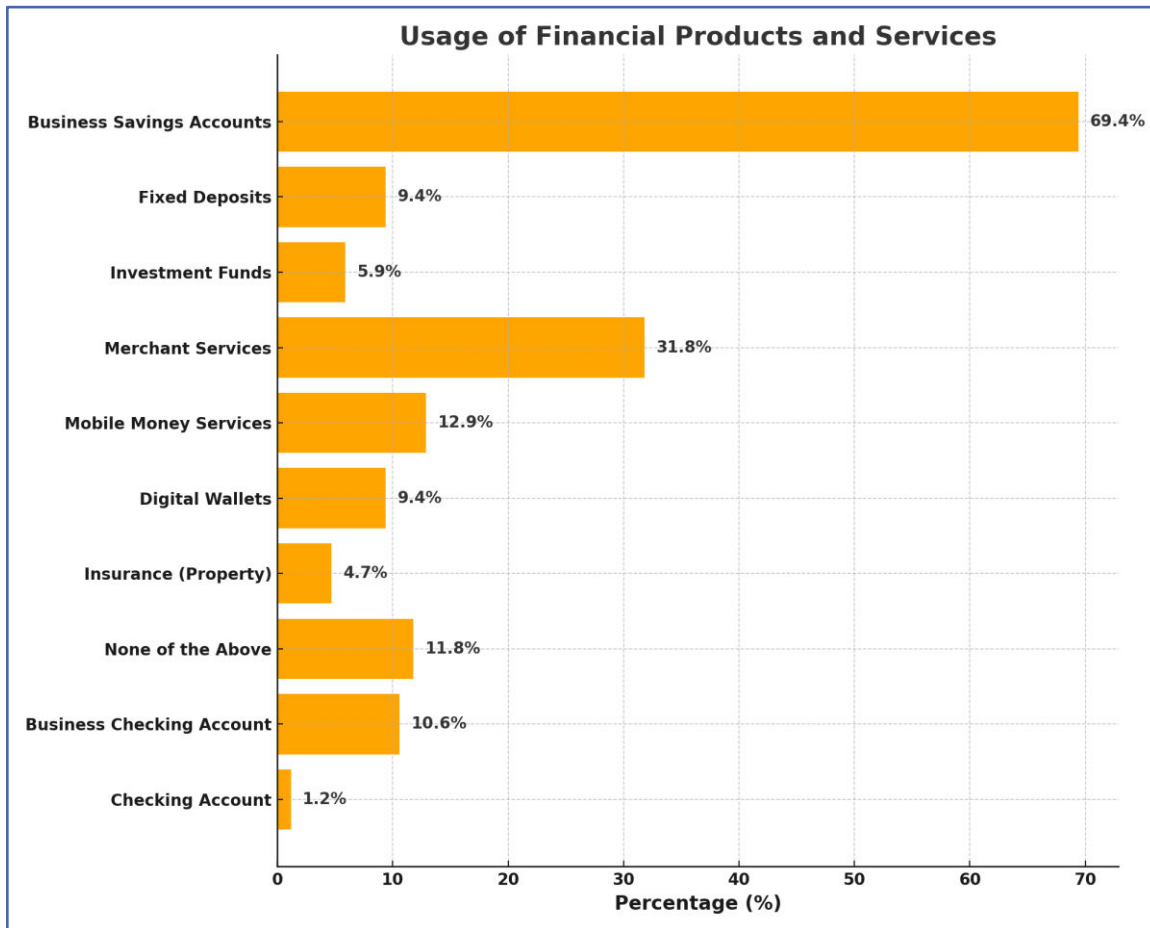


Source: 2025 WMSME Survey: 4 Pilot Countries

**B. Use of Financial Services**

Survey respondents are familiar with a range of banking products and services; however the majority (69%) use business savings accounts, and credit/debit cards. Barely 10% of respondents have business checking accounts, as **Figure 7** below shows. Several focus group participants in both Jamaica and Belize, as well as SheTrades Caribbean members, commented on the difficulties in obtaining this type of account. This is a common experience throughout the region, which partly explains the use of personal accounts for business by MSMEs, as well as their perception of banks as unfriendly.

**Figure 7: Usage of Financial Products and Services by WMSMEs**

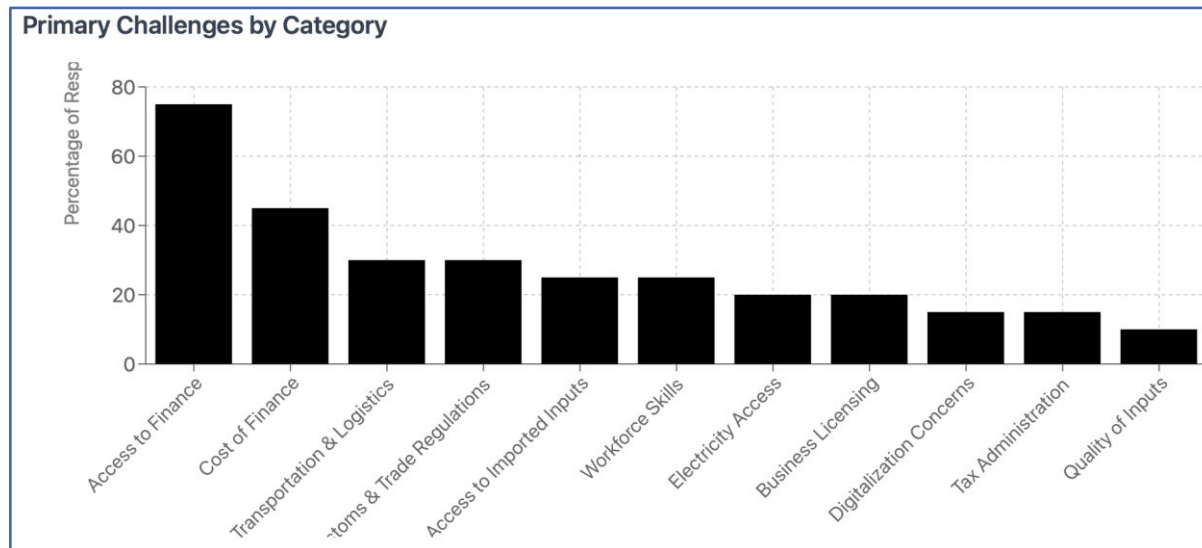


Source: WMSME Survey: 4 Pilot Countries

### **C. Challenges Faced**

Access to finance is cited as the most critical “pain point” for almost 75% of the respondents in the WMSME surveys and Menti polls, with the cost of finance ranking as the second major challenge by 45% of respondents. (See **Figure 8** below)

**Figure 8: Key Challenges Facing MSMEs**



Source: WMSME Survey: 4 Pilot Countries

Several factors affect women's ability to secure loans, particularly for MSMEs. Through stakeholder interviews and discussions, key challenges emerged, with specific examples illustrating real-world impacts. This suggests structural and other barriers in accessing capital and managing financial costs.

### **1. Collateral, Lending Terms and Failure to Meet Requirements**

The primary barriers for access to finance cited by WMSMEs include lack of collateral, unfavourable lending terms, and lack of credit history as seen in **Figure 9** below. Several respondents noted that the collateral demands were too high, which effectively excluded businesses with limited assets. In Jamaica,<sup>56</sup> Belize, and The Bahamas,<sup>57</sup> SMEs commonly face collateral requirements ranging from approximately 190% to 240% of the loan value, presenting a major barrier to accessing finance. While in Saint Lucia, collateral requirements are notably lower, generally ranging between 20% and 25%<sup>58</sup> under targeted guaranteed programmes such as the Eastern Caribbean Partial Credit Risk Guarantee Corporation initiative in partnership with the commercial banks.

<sup>56</sup> <https://documents1.worldbank.org/curated/en/598931517454038216/pdf/Jamaica-Access-to-Finance-for-Micro-Small-and-Medium-Enterprises-Project.pdf>

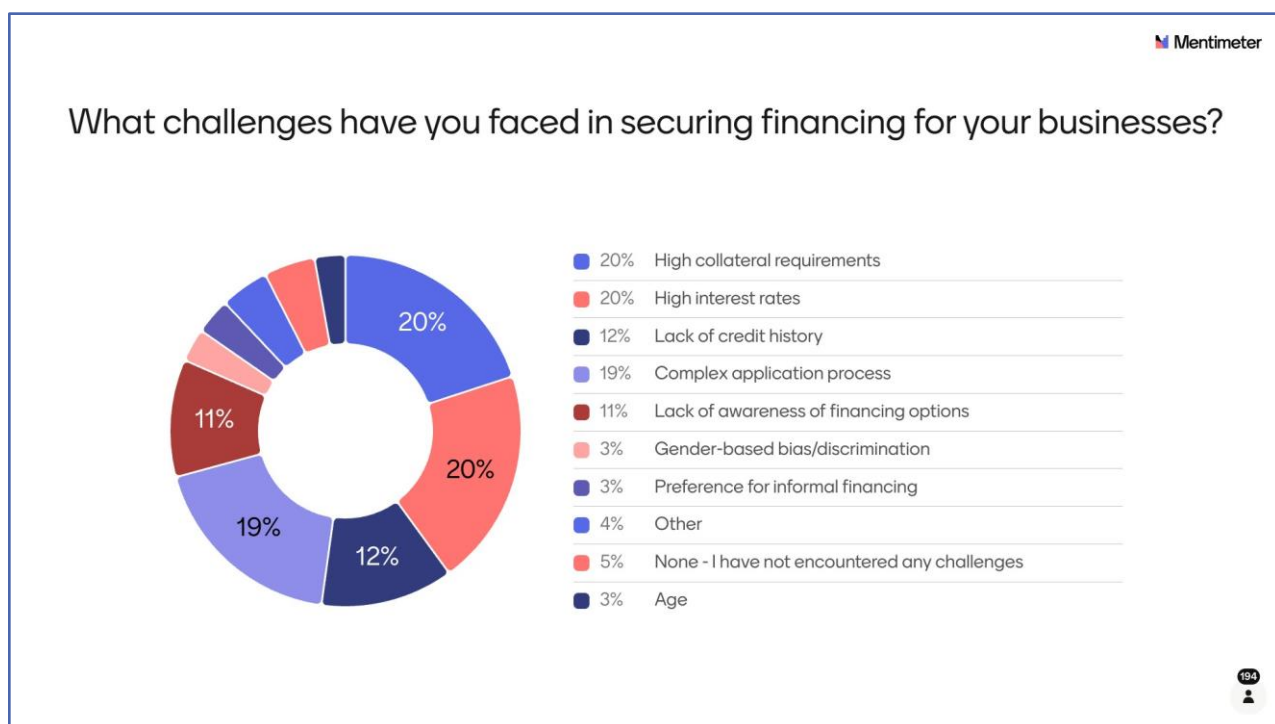
<sup>57</sup> <https://www.centralbankbahamas.com/viewPDF/documents/2022-07-01-19-03-46-CBB-Consultation-Paper---Bahamas-Moveable-Collateral-Registry.pdf>

<sup>58</sup> <https://www.bankofsaintlucia.com/services/bosl-ecpcgc-guaranteed-loans>

Research shows that women tend to have either insufficient or no traditional collateral – e.g. real estate – compared to their male counterparts. In Jamaica for example, only an estimated 2% of women own land titles.<sup>59</sup>

This is complicated by credit history constraints, particularly for new businesses, and microenterprises that are often cash-based, with revenues kept outside the formal banking system. Twenty-six (26) percent of respondents to the Menti poll cite lack of a credit history as a barrier to not receiving a loan from a commercial bank.

**Figure 9: Access to Finance Challenges**



Source: Menti Poll: 4 Pilot Countries

Survey findings were supported by comments in focus groups. One focus group participant describes having to have 50% of the value of the loan requested in cash in the commercial bank to secure the loan, since she had insufficient collateral. Microfinance institutions (specifically credit unions) interviewed often allow members to use their savings to secure the loan, in cases where there is no collateral. Another women-business owner stressed that even if women entrepreneurs have collateral, they often still struggle to convince banks of their business viability due to inadequate financial records. Furthermore, a third individual observed that *"Even if they have a business plan, they are unable to present it effectively to secure financing."*

<sup>59</sup> <https://jamaica-gleaner.com/article/focus/20160313/imani-duncan-price-towards-gender-equality-agriculture>

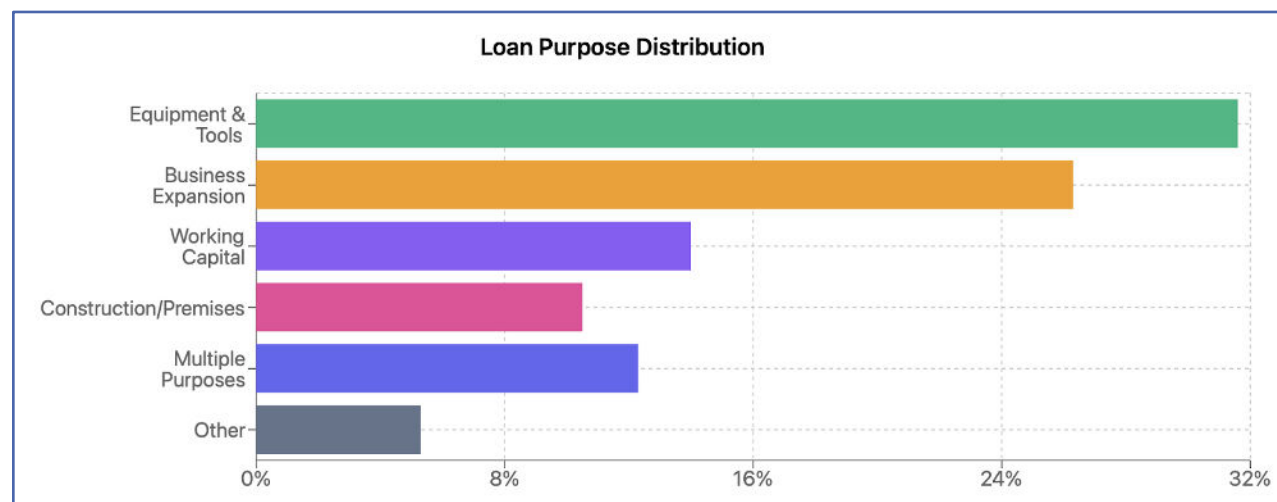
In terms of the cost of financing, Menti poll respondents cite high interest rates and other unfavourable loan terms from financial institutions as major financing barriers, and this ultimately affects demand for credit. The implication is also that even if loans are available, the cost is prohibitive. For WMSME survey respondents, rates of 3% to 5% with an average tenure of five years, are viewed as ideal. This highlights the mismatch between the desired cost of financing on the part of WMSMEs and the interest rates actually being offered by financial institutions in the pilot countries – 8% or 9% on average for commercial banks and 12% to 15% on average for microfinance institutions, according to stakeholder interviews.

## 2. Loan Application Experience

WMSMEs see the loan application as lengthy and complex, and this acts as a disincentive to seeking financing. The surveys provide valuable insights into key aspects of their experience, including loan application rates, amounts requested, and approval rates.

**Loan Application Rates and Purpose:** Fifty-two percent (52%) of WSME survey respondents have applied for a loan in the past three years, largely for equipment, working capital, or business expansion.

**Figure 10: Loan Purpose Distribution**

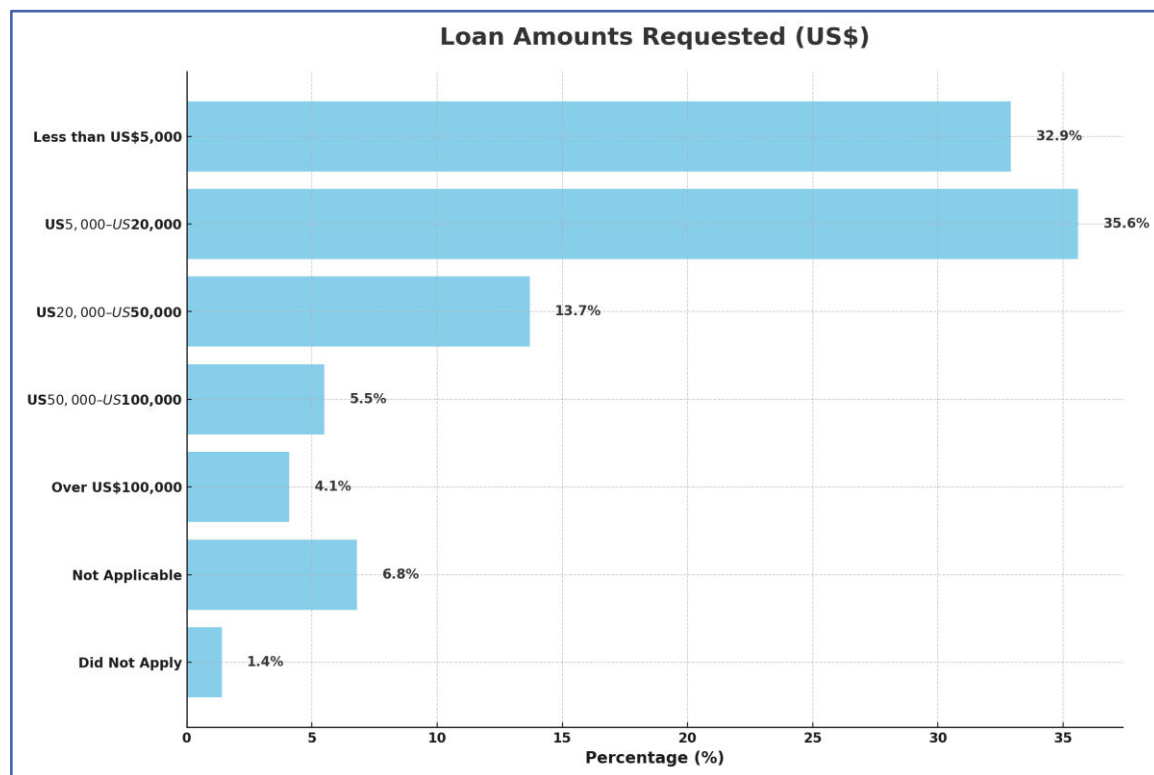


Source: WMSME survey

The focus on equipment and working capital underscores the need for short-term financing, particularly for microbusinesses, which frequently experience cash flow as a major challenge. We can assume that this is the case for a significant number of respondents, as 58% of these business owners have annual revenues of US\$10,000 or less.

**Loan Amounts Requested:** Based on the WSME survey, business owners are requesting relatively small loans. As seen in **Figure 11**, about one third of respondents have applied for loans below US\$5,000, and just over one third for loans up to US\$20,000.

**Figure 11: Loan Amounts Requested**



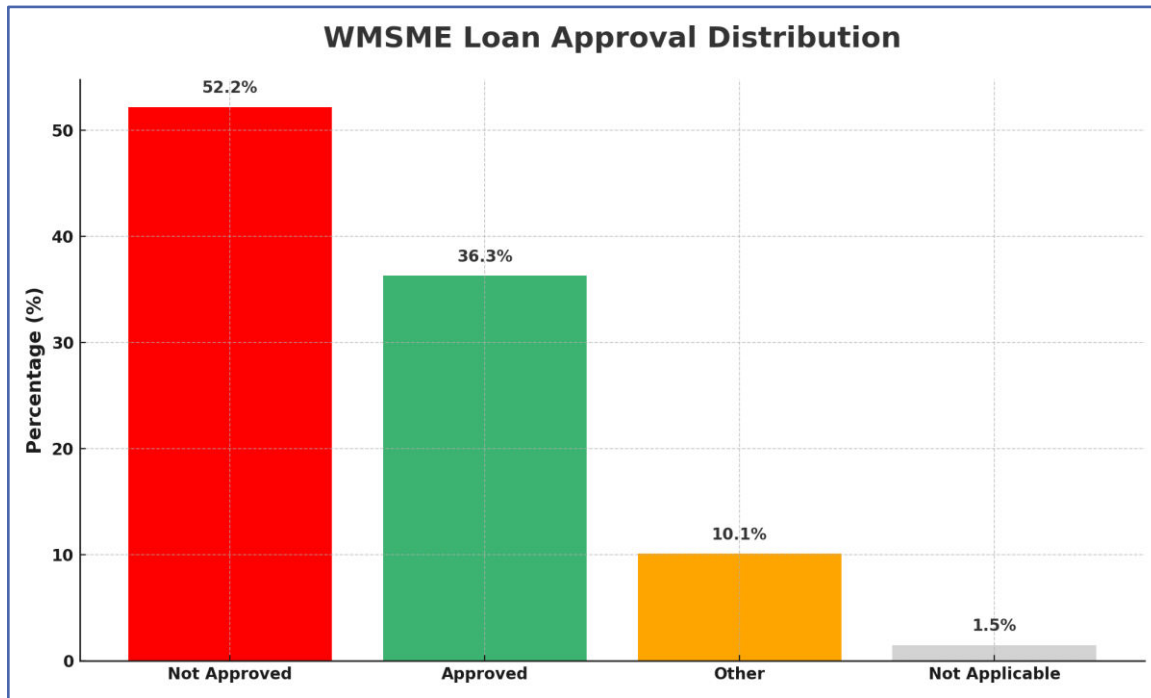
Source: MSME Survey: 4 Pilot Countries

Some respondents mentioned that the amounts they were seeking were either too high for what financial institutions were willing to support based on their collateral or revenues or mismatched with the available products. This may reflect both a lack of tailored financial products and a knowledge gap in determining realistic funding needs.

**Loan Application Experience:** Application experiences reveal significant challenges in the financial institution lending process, with complexity emerging as the dominant concern among 40% of Menti poll respondents. Applicants consistently report struggles with lengthy application procedures, extensive documentation requirements, and complex bureaucratic processes. Direct comments highlight these challenges, with one entrepreneur noting: *“It was a long process - took a year to get the funds and the disbursement process was also challenging.”* Another described the experience as *“invasive and fraught with gender disparity.”* A third respondent commented, *“The lengthy time it takes to process loan put us at a disadvantage as by the time the loan came through it was no longer sufficient for its intended purpose.”*

**Loan Approval Outcomes:** Analysis of the data shows that of the respondents indicating they had applied for a loan show that there is a highly significant difference between those receiving a loan approval and those who did not.

**Figure 12: WMSME Loan Approval Distribution**



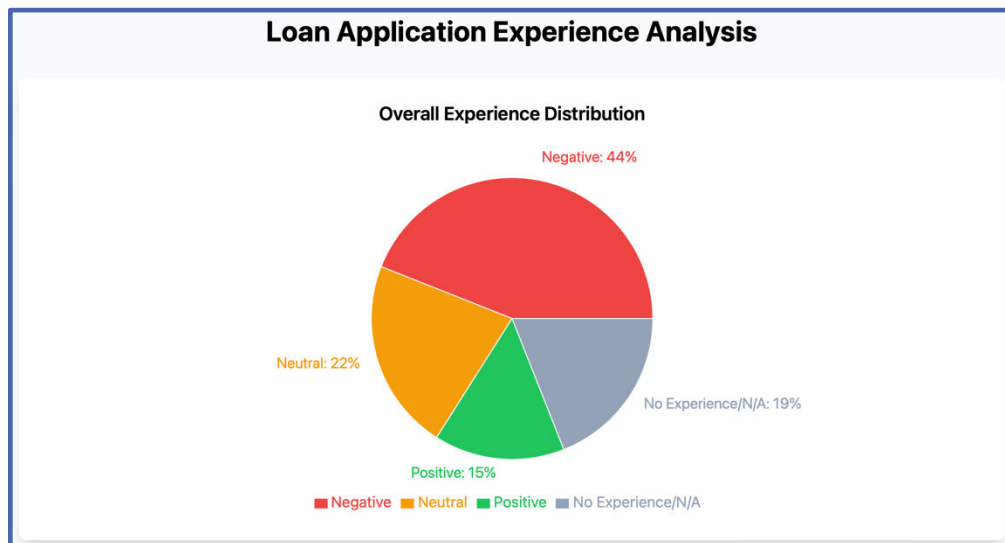
Source: WSME Survey: 4 Pilot Countries

Crosstab analyses show distinctions between those whose loans were approved versus those that were not. Examples include the influence of gender and cultural/societal norms, which underscore the importance of non-financial factors in loan outcomes beyond just creditworthiness or business performance. Interestingly there is evidence to show that applications that align closely with established loan requirements, including financial records and business viability tend to be approved.<sup>60</sup>

Overall, the loan analysis here also shows that 44% percent of WMSME respondents have a negative perception of financial institutions, based on the loan application experience, as seen in **Figure 13**. This is substantiated by comments in focus groups about institutions' lack of understanding on business models, and of the peculiarities of women-owned firms, as well as rules requiring countersignatures from spouses, even though they are not involved in the business, etc.

<sup>60</sup> For example, Saint Lucia SBDC has noted, "out of 976 applications for their MSME loan-grant facility, approximately 604 were approved, and 176 were not approved, resulting in a roughly 62% approval rate". Interview, Saint Lucia SBDC, Jan 28, 2025.

**Figure 13: Loan Application Experience**

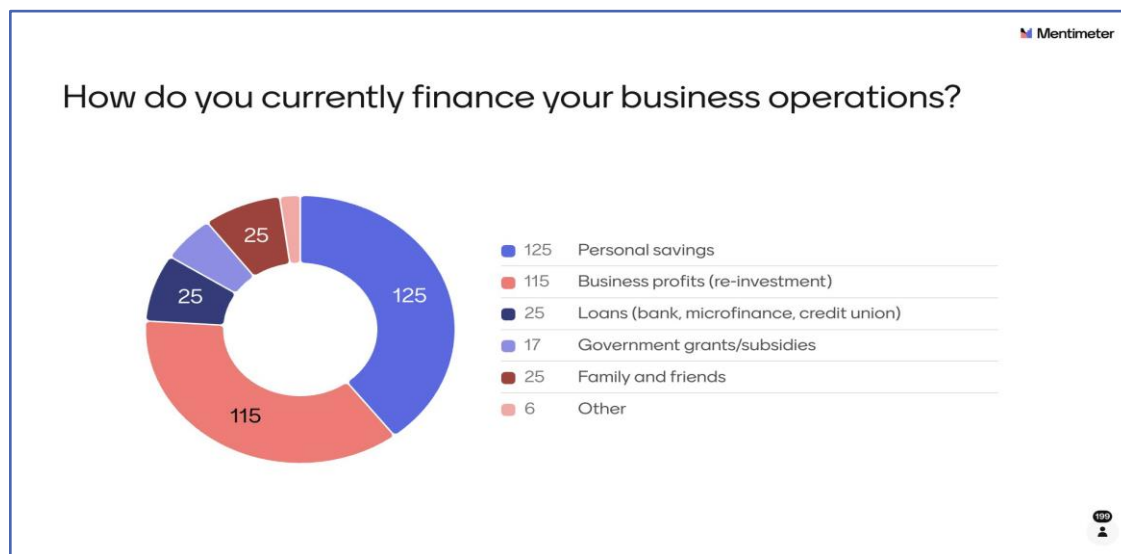


Source: WMSME Survey: 4 Pilot Countries

While the access to finance barriers discussed perpetuate the access to finance gap for WMSMEs, the net result as well is that they also dampen demand for financing. This, coupled with a hesitancy to take on debt,<sup>61</sup> or a lack of understanding of the potential benefits of debt, seen previously in the number of WSMEs in the four countries that are “not credit constrained”, many women business owners rely on their own resources to finance their business – either bootstrapping, or re-investing any profits made for working capital and expansion. Many women business owners hesitate to take on debt or do not fully understand its potential benefits. As seen in the number of WSMEs in the four countries that are ‘not credit constrained,’ they often rely on their own resources — either bootstrapping or reinvesting profits — to finance working capital and business expansion. (See **Figure 14**).

<sup>61</sup> Almost 50% of the 206 responses to financing preferences in the Menti poll state that they prefer grants and subsidies to finance their business as they do not want to take on debt.

**Figure 14: WMSMEs: Financing Methods**



Source: Menti Poll: 4 Pilot countries

Key findings from the loan application analysis include inadequate documentation among women entrepreneurs, business planning and financial statements, understanding loan requirements, biases and stereotypes, and approval and rejection rates within the lending ecosystem. For example, Saint Lucia SBDC noted, “out of 976 applications for their MSME loan-grant facility, approximately 604 were approved, and 176 were not approved, resulting in a roughly 62% approval rate”. Applications that align closely with established bank loan criteria tend to be approved.

### 3. Knowledge Gaps

Knowledge gaps and ecosystem fragmentation emerge as significant barriers for women entrepreneurs in the Caribbean, as evidenced by direct feedback from stakeholders. Multiple entrepreneurs reported feeling overwhelmed by financial institutions' requirements, with one noting that as a result, “Many women operate their businesses through personal accounts rather than dedicated business accounts,” highlighting a fundamental gap in financial management knowledge.

The fragmented support landscape creates additional challenges, particularly in accessing coordinated services. As one business support provider explained, “Even when programmes exist to assist entrepreneurs, the knowledge about these resources fails to reach the potential beneficiaries.” This disconnect is further complicated by insufficient data collection on women-led businesses, making it difficult to tailor support effectively. A financial sector representative observed that workshops aimed at facilitating access to banks often struggle “because of gaps in understanding the application processes due to ineffective communication and outreach.”

The networking and mentorship gap is particularly acute with women entrepreneurs in The Bahamas expressing frustration at the lack of female role models in their industries. One focus group participant noted, *"Existing networks are often male dominated, making it difficult for women to build connections and access opportunities."* While organisations like the SBDC have implemented initiatives such as capacity-building "tea parties" and digital courses, entrepreneurs continue to face challenges in accessing sector-specific training and networking opportunities, especially in high-growth sectors like technology and renewable energy. As another focus group participant observed, *"Many women still struggle to secure funding and connect with investors, particularly in higher productive and male-dominated industries,"* despite the availability of business incubators and mentorship programmes.

#### **4. Limited access to digital financial services**

The landscape of digital financial services (DFS) presents both opportunities and challenges for women entrepreneurs in the Caribbean. Interview data reveals how digital platforms could potentially overcome traditional barriers. One financial sector expert noted that *"digital financial services can provide a significant opportunity for women-owned businesses to access financing without the stringent requirements of traditional banks."* This is particularly relevant for bypassing conventional collateral requirements and documentation processes that often disadvantage women entrepreneurs.

However, the implementation and adoption of DFS faces significant practical challenges. A business support provider highlighted that *"many women entrepreneurs might struggle with using digital tools due to inadequate training or familiarity with technology."* This challenge is compounded in rural areas where *"internet access can be inconsistent, limiting the ability of women-owned businesses to engage fully with online financial services."* One entrepreneur pointedly observed that there's a risk of DFS *"inadvertently excluding women who are not tech-savvy or who do not have access to the latest technology,"* potentially perpetuating existing inequalities.

In The Bahamas, digital transformation is advancing rapidly, though with mixed results. One fintech provider reported, *"While mobile banking adoption is high in urban areas, many small business owners still prefer traditional banking methods."* The SBDC's digital initiatives have shown promise, with a representative noting, *"Our online grant application platform has increased women's participation by 40%, particularly from Family Islands where physical bank access is limited."* However, challenges persist, as one entrepreneur shared: *"Even with digital banking, you still need to physically go to the bank for major loans - the system isn't fully digital yet."*

Belize presents a different picture, with more fundamental challenges. A rural entrepreneur shared, *"Internet connectivity is unreliable, making digital banking difficult. We often have to travel to town just to complete basic transactions."* However, there are promising initiatives, as one support organization reported: *"Our digital financial literacy programmes, particularly targeting women in rural areas, have helped over 200 entrepreneurs transition to digital payment systems."* NIME Belize's experience shows success in combining digital tools with traditional support: *"We provide*

*both digital platforms for financial management and in-person training, which helps build confidence in using these tools.*

Jamaica demonstrates more advanced DFS integration, particularly in mobile money solutions. A financial sector stakeholder highlighted, *"The success of JamDex and mobile wallet solutions has been transformative for small businesses, especially in informal sectors where women predominate."* One women entrepreneur's experience illustrates this impact: *"I can now accept payments through my phone and manage my business finances without ever visiting a bank branch."* However, another business owner cautioned: *"Digital literacy remains a barrier - many of us need training to fully utilize these services, especially the older generation."*

The situation in Saint Lucia exemplifies these broader regional challenges, where despite the availability of mobile banking and digital wallets, adoption remains relatively low. As one stakeholder noted, *"Socio-economic barriers, such as lower financial literacy and limited access to technology, can hinder engagement with digital platforms."* Success stories exist, particularly with mobile money platforms and community-based lending systems, but significant barriers remain. A financial institution representative emphasised that *"expanding digital literacy programmes targeted at different demographic groups is essential,"* highlighting the need for comprehensive support systems that combine technological access with education and training. Without addressing these fundamental issues, the potential benefits of DFS for women entrepreneurs may remain unrealised.

## **5. Cultural/Social Barriers and Gender Bias**

Cultural norms, social barriers, and gender bias emerge as significant obstacles for Caribbean women entrepreneurs seeking financing, as evidenced by direct stakeholder feedback in the Perception survey. The impact of these barriers manifests differently across sectors and countries.

As indicated in the SheTrades Caribbean Focus Group feedback<sup>62</sup> a majority of women business owners operate as sole proprietors or home-based businesses, citing the need to balance work and family as a key factor for the inability or unwillingness to scale.

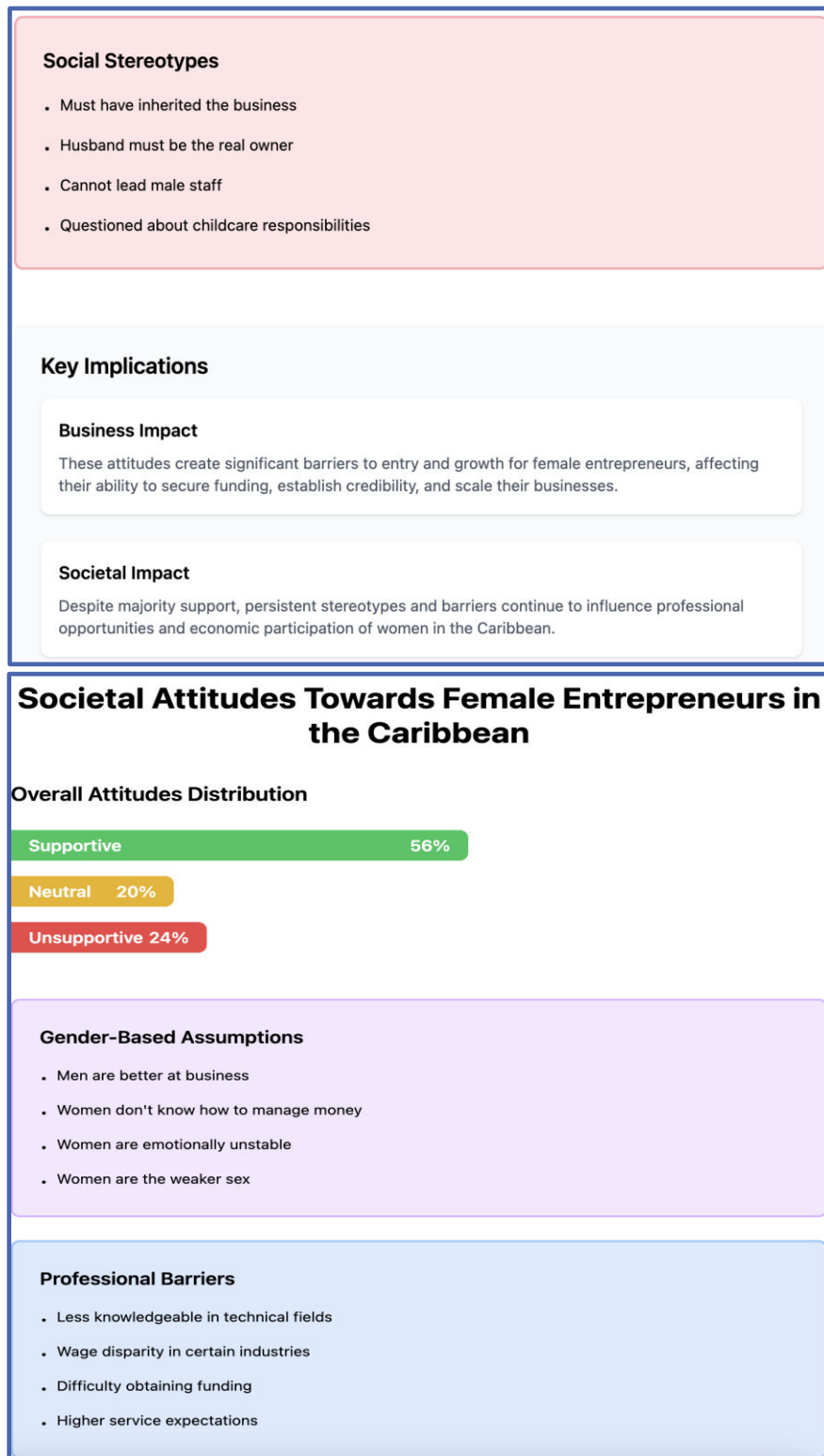
The challenges extend to unconscious bias and business scale issues, with one banker noting that while lending requirements are standardised, women face unique challenges due to family obligations that may affect their business operations: *"Women may face unique challenges due to responsibilities at home, such as childcare or family obligations. These factors may affect their ability to run their businesses as effectively as men."*

Testimonials indeed reveal the perception of deeply ingrained biases in financial institutions. One entrepreneur shared, *"I felt I was being evaluated more harshly than my male counterparts. They asked for additional documentation that wasn't required from male applicants."* Another noted, *"During loan interviews, they focused more on my family responsibilities than my business plan, questioning how I would balance both."*

---

<sup>62</sup> February 13, 2025 SheTrades Caribbean Focus Group - Access to Finance Study

**Figure 15: Societal Attitudes Towards Female Entrepreneurs**



Source: Perception Survey: 4 Pilot Countries

A focused examination of gender-based differences in accessing finance in the Perception survey administered for this research, revealed diverse perspectives. A significant number of respondents (42.3%) believe that female-owned businesses face greater challenges than their male counterparts, while 26.9% perceive no gender-based disparities. While these findings indicate a lack of consensus on gender-based financial access barriers, the majority of respondents perceive that female business owners encounter more difficulties in securing financial resources, suggesting potential gender-based disparities in the Caribbean business environment.

Women business owners frequently face credibility challenges when negotiating issues such as pricing and contracts, particularly in male-dominated environments. During a SheTrades Caribbean Focus Group session, a female farmer shared that she had been encouraged to “leave the negotiation of pricing” to her husband..

In male-dominated sectors, the challenges are particularly acute. A technology entrepreneur in the SheTrades Caribbean Focus Group reported, *"In investor meetings, I'm often the only woman in the room. There's an automatic assumption that I don't understand the technical aspects as well as men."*<sup>63</sup> This sentiment was echoed by another respondent in construction who stated, *"People assume I'm representing my husband's business, not my own."*<sup>64</sup>

Social expectations create additional pressure. *"When my business requires late hours, society questions my commitment to family, but male entrepreneurs don't face the same scrutiny,"*<sup>65</sup> shared one business owner. Another mentioned, *"Family members discourage taking business loans, suggesting it's too risky for a woman."*<sup>66</sup>

Sector-specific challenges compound these issues. A woman in the renewable energy industry noted, *"This industry is seen as a 'male domain'. I've had potential clients request to speak with a male engineer instead."* In agriculture, one entrepreneur shared, *"Banks are hesitant to finance women-led farms, despite our proven track record in agro-processing."*

However, some positive changes are emerging. A participant in a business development programme reported, *"When women support women, we create our own networks and opportunities. The mentorship I received from successful female entrepreneurs helped me navigate these challenges."* Another noted, *"Some financial institutions are starting to recognise the potential of women-led businesses, offering specialised products and more flexible terms."*

In Jamaica, feedback from focus groups highlight that women entrepreneurs often lack crucial social capital networks for accessing financial resources and exhibit greater caution toward business expansion. This manifests in a notable preference for securing loans through informal channels - personal and family connections - rather than commercial banks, coupled with lower

---

<sup>63</sup> SheTrade Focus Group, Feb 17, 2025

<sup>64</sup> SheTrade Focus Group, Feb 20, 2025

<sup>65</sup> Belize Focus Group, February 6, 2025.

<sup>66</sup> Belize Focus Group, February 6, 2025

self-confidence levels, higher fear of failure rates.<sup>67</sup> Other issues are at play, such as hesitancy toward taking on debt, with women citing risk aversion and concerns about financial instability, especially in sectors with unpredictable returns. This reluctance to engage with formal financial institutions, combined with inability to provide traditional collateral like property or substantial cash deposits, creates a self-reinforcing cycle that keeps many women entrepreneurs operating at a smaller scale.

In response to these challenges, various organisations across the four countries have developed targeted interventions to address both practical and psychological barriers. The SBDC Bahamas for example, has implemented a comprehensive proach combining social networking through "tea parties" with practical digital skills training and business mentorship, alongside financial support through grants and credit guarantees. Similarly, International Network of Women in Business: NIME Belize focuses on financial readiness, training and seed capital to facilitate the transition from informal to formal business operations; while Saint Lucia's SBDC offers capacity-building workshops paired with an innovative MSME Loan Grant Facility that combines grant funding (70%) with traditional loans (30%) to make financing more accessible and less intimidating for women entrepreneurs.

### **Success in the Face of Challenges**

Even in the face of constraints, some women entrepreneurs across the Caribbean are redefining business landscapes, transforming industries, and driving economic development at various stages of the business lifecycle. Women-owned businesses — from startups pioneering digital payments to established enterprises exporting globally — are making a significant impact at the local, regional, and national levels. Their journey, however, is shaped by unique challenges and opportunities

These firms represent a diverse array of women-led businesses, spanning multiple sectors and development phases. The operations of women-led businesses span multiple sectors and development phases. These enterprises often demonstrate resilience, innovation, taking advantage of opportunities presented and an increasing ability to scale within and beyond national borders. The snapshot in **Appendix III** of the Appendices document profiles four women-owned companies in four key business development stages—Startup, Growth, Expansion, and Maturity—across different Caribbean countries.

---

<sup>67</sup> This is substantiated in the research. See, Into The Minds, Entrepreneurship: 7 Key Differences Between Women and Men. <https://www.intotheminds.com/blog/en/entrepreneurship-differences-women-men/>; OECD, Policy Brief on Womens' Entrepreneurship. <https://www.oecd.org/cfe/smes/Policy-Brief-on-Womens-Entrepreneurship.pdf>.

## VI. Supply-Side Analysis - Financial System and Institutional Constraints

The supply of finance for WMSMEs in the four target countries is heavily shaped by longstanding structural and institutional constraints within the financial system. Commercial banks continue to operate under traditional banking models that prioritise conservative, collateral-backed lending, favouring low-risk credit such as mortgages and consumer loans over more flexible business financing. These risk-averse practices have been further entrenched by the regional loss of correspondent banking relationships, which heightened compliance requirements related to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) standards. In response, many financial institutions have tightened credit risk assessments, frequently categorising MSMEs—and particularly women-led enterprises—as high-risk clients, thus reinforcing high collateral demands and limiting access to diversified financial products.

Despite these systemic barriers, central banks and key financial institutions are increasingly recognising the need to foster financial inclusion and broaden access to finance. Leadership by institutions such as the Bank of Jamaica and the Central Bank of Belize has driven important reforms. These include developing national financial inclusion strategies, promoting simplified due diligence frameworks, implementing secured transactions regimes to support movable asset collateral, and stimulating alternative financing options beyond traditional secured loans. These initiatives signal a gradual shift toward building a more inclusive, responsive supply-side financial ecosystem, although significant institutional rigidities remain that continue to constrain the financing opportunities available to WMSMEs.

The following section examines the roles of key supply-side stakeholders, including central banks and financial institutions, in addressing barriers to finance for WMSMEs. It also identifies the persistent institutional and operational challenges that continue to limit the inclusivity of the financial ecosystem.

### A. Key Stakeholders

#### 1. Central Banks

**Central Banks in the Caribbean**, notably the Bank of Jamaica (BOJ) and the Central Bank of Belize, **are central to shaping the access-to-finance ecosystem for WMSMEs**. Their mandates extend beyond traditional monetary policy to include regulatory oversight of commercial banks and, in some cases like Belize, credit unions. Central Banks influence access to finance through multiple levers, as highlighted below:

**Data Collection and Financial Inclusion Monitoring:** The BOJ plays a leading role in collecting and analysing financial sector data. Although sex-disaggregated data reporting is not yet mandatory, the BOJ is actively working to integrate gender-based metrics into its financial inclusion frameworks and future surveys. Similarly, Belize's Central Bank supports studies and frameworks

to better capture women's access to financial services, and is now requiring as of 2025, sex-disaggregated reporting by the commercial banks and credit unions on loan portfolios.

**Leadership in Financial Inclusion Strategy:** In Jamaica and Belize, the BOJ and the Central Bank of Belize have been instrumental in designing and implementing National Financial Inclusion Strategies (NFIS), which include initiatives such as simplified due diligence (CDD) for low-risk accounts, credit bureau reforms, and the promotion of digital financial services. These reforms seek to lower barriers for underserved groups, including women entrepreneurs.

**Promotion of Policy and Regulatory Innovations to Expand Collateral Options:** Recognising collateral constraints faced by WMSMEs, both the BOJ and the Central Bank of Belize have championed frameworks like the Security Interests in Personal Property Act (SIPPA), which enables the use of movable assets as collateral. This secured transactions framework, paired with the National Security Interests in Personal Property Registry (NSIPP), supports broader access to secured credit.

**Promotion of Alternative Financing Models:** The BOJ has advocated for the diversification of MSME financing options beyond traditional bank loans. Strategies such as microfinance, leasing, and factoring are being promoted to better align with the financing needs of MSMEs, including women-owned firms.

**Financial Literacy and Public Education:** In both Belize and Jamaica, Central Banks recognise that financial literacy is fundamental to increasing effective financial access. The BOJ is investing in national literacy campaigns and integration of financial education into broader MSME development strategies.

Thus, Central Banks play a pivotal but evolving role in improving WMSMEs' access to finance, not only as regulators, but also as enablers of financial innovation and inclusion.

## 2. Commercial Banks

**Commercial banks have the potential to be significant players in the access to finance landscape for MSMEs**, but their business portfolios are small relative to other lending activities – less than 10% in many instances. Predominantly, banks in the four countries take a traditional banking approach with respect to risk and collateral, partly due to the fact that many are subsidiaries of foreign banks. Secondly, there is a need to fulfill Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) requirements amidst fears of a repeat of the “blacklisting” by correspondent banks that took place a few years ago.<sup>68</sup> This contributes to shaping the high-risk perception of MSMEs and WMSMEs. Banks in the Caribbean have had high levels of liquidity for a number of years - including the four countries being studied. This has not resulted in significant increases in lending to the private sector, including small businesses.

---

<sup>68</sup> In 2019, several Belize Banks had their correspondent banking relationships severed, over fears of AML/CFT violations,

Collateral is a major pain point for MSMEs and a non-negotiable requirement for a business loan from financial institutions in the region. Banks accept traditional collateral i.e. real estate, or personal guarantees. Some financial institutions will also accept bills of sale, equipment, floating debentures that go over personal assets, or cross guarantees.<sup>69</sup> One bank in Belize plans to use insurance as well. The focus is on asset-backed lending - mortgages and consumer loans. With a few exceptions, commercial banks in the four countries under study offer the standard menu of credit products to MSMEs: loans, mortgages, consumer loans, car loans, credit lines, credit cards – an emphasis on asset-backed lending.<sup>70</sup> Except for Jamaica, there are few tailored loan programmes in the commercial banks specifically targeting WMSMEs.

**Jamaica:** There is a clear effort by most banks to offer non-financial initiatives<sup>71</sup> that support women entrepreneurs. Sagicor Bank Jamaica's primary initiative supporting women entrepreneurs is the SAGE Network. This platform features the "Women in Business" series, which highlights the experiences, challenges, and successes of leading female entrepreneurs. Sagicor also operates the SME Business Banking Resource Centre. While it does not yet offer financial products or loan programmes specifically tailored for women-owned or women-led businesses, programme enhancements to better serve women entrepreneurs are currently underway. JN Bank provides business loans accessible to women and supports women entrepreneurs through initiatives such as the "Fund Her" programme.

By contrast, Jamaica Money Market Brokers (JMMB) and CIBC First Caribbean have introduced formalised women-focused initiatives. JMMB's PowHERful Women in Business programme offers mentorship, business development services, and access to financing specifically for women-led SMEs. CIBC FirstCaribbean also provides targeted financing benefits for women entrepreneurs under its Women in Business programme, including concessional loans, fee waivers, and marketing support.

Among the major banks, Scotiabank<sup>72</sup> Jamaica offers the most comprehensive and largest dedicated financial programme, with a loan fund earmarked exclusively for women entrepreneurs through the Scotiabank Women's Initiative (SWI). To date this SWI loan fund, has disbursed approximately J\$3.6 billion over the past three years, offering eligible women-led businesses loans of up to J\$50 million for SMEs and up to J\$350 million for corporate clients, along with a preferential 8% interest rate, a 50% reduction in commitment and application fees, and integrated mentorship, advisory, and business education services.

**Saint Lucia:** An innovative project with Bank of Saint Lucia (BOSL), Laborie Credit Union and the Small Business Development Center (SBDC) under the USAID INVEST project, in collaboration

---

<sup>69</sup> A subsidiary of one company can guarantee the loan for the parent (National Bank of Belize).

<sup>70</sup> Between 2001 and 2023, household borrowing grew fivefold as public sector demand for credit declined in The Bahamas. Consumer lending now represents more than half of total commercial bank lending. Beuermann, Dohnert, Mooney & Sierra, Are We There Yet: the Path Towards Sustainable Development in the Caribbean, Chapter 6, p.125.

<sup>71</sup> These include discounts on non-financial products such as insurance, training in resilience, access to experts such as accountants and lawyers at special rates.

<sup>72</sup> <https://jm.scotiabank.com/swi/special-loan-fund.htm>

with Making Cents International, successfully designed tailored lending products for women-owned small and medium-sized enterprises (SMEs). Utilizing a consultative client design process, the initiative brought together women entrepreneurs and financial institutions, ensuring that the financial products and advisory services met both the operational needs of the institutions and the specific investment requirements of the women entrepreneurs.

This pilot led to the WMSMEs securing their first business loan through the BOSL, marking a pivotal turning point for the businesses. Sludtera Inc., as a key Business Support Organisation partner, provided comprehensive non-financial services which led to a high success rate among the women in securing loans. This underscores the importance of designing inclusive financial products and support services that address the unique challenges faced by women entrepreneurs, thereby fostering economic empowerment.<sup>73</sup> Similar efforts do not yet exist in The Bahamas or Belize. **This is the only such initiative taking a holistic approach to delivering a tailored financial product specifically designed for women in the Caribbean. This is proof of concept and a best practice for replication.**

### 3. Credit Unions and Microfinance Institutions

**Credit Unions and microfinance institutions operate at the community level, and as such they have the opportunity to offer innovative products and services, based on needs on the ground.** In countries such as Belize, the eight credit unions are associated with key districts in the country. As such, they have few branches and cater to distinct types of businesses in certain sectors, such as sugar or cattle-rearing. In some instances, they therefore offer tailored products. Blue Creek Credit Union in Northern Belize, for example, has one specialized product – an agricultural loan to finance the growing of crops. As a result, their female membership has increased significantly.

In Jamaica, LASCO Financial Services (Microfinance) provides accessible financing to micro and small businesses, with over 70% of its loan portfolio directed toward women entrepreneurs. Through LASCO Biz, tailored non-financial services — including training, technical assistance, and financial solutions — provide business development support to help informal enterprises transition into the formal sector.

Additionally, LASCO is launching an MSME Hub to provide transaction services, financial literacy programmes, and lower-cost financing options, reinforcing its role in fostering financial inclusion and business growth for women-led enterprises. In The Bahamas and Belize microfinance institutions and credit unions are not yet seeking to develop innovative loan products and specifically those tailored for women.

---

<sup>73</sup> Sludtera

#### 4. Public Development Banks

Unlike the commercial banks, the development banks - the Development Finance Corporation Belize (DFC) and The Bahamas Development Bank (BDB) - **have special lending programmes either specifically funding women or that have established gender targets**. These programmes are linked to the institutions' gender strategies.

**Belize:** The DFC has a targeted financing programme for women which is in line with its goal to mainstream gender throughout the institution. The US\$15 million “Empowered Business Loan” programme, funded by the IDB is flexible in terms of collateral, with a longer grace period, and lower interest rates for borrowers (7.5% to 9.5%), in line with a supportive project-based risk rating approach.<sup>74</sup> In 2024, the DFC signed a MOU with NIME, to provide business development support and financing to the NIME members.<sup>75</sup> The DFC has also signed an agreement with the CDB in 2025 – the 9th Consolidated Line of Credit – that will include US\$9 million to support MSMEs.

**The Bahamas:** At the BDB, women represent a significant portion of the overall loan portfolio, accounting for 42.9% of female-only loans, compared to 54.4% for male-only loans. However, in BDB-specific programmes, female participation drops to 33.0%, while male participation at 63.8%, indicating that women are underrepresented in BDB-specific initiatives.<sup>76</sup>

**Jamaica:** The DBJ Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) programme has specifically targeted women for funding with a suite of financing instruments (vouchers, grants, loans and equity) and capacity-building to WMSMEs. Further, women-owned firms and those with women in management positions benefit from a 10-point reduction in co-financing requirements within the Innovation and Cluster Funds. In addition, the newly launched annual BOOST HerBiz<sup>77</sup> initiative aimed at accelerating business growth, offers two women-led businesses a financial award of J\$1 million, each to scale their operations, with a focus on innovation, social impact, and alignment with the Sustainable Development Goals (SDGs).

This aligns with the DBJ's gender mainstreaming strategy, supported by the ICR Facility. The strategy focuses on promoting gender-inclusive financing products, strengthening internal gender capacities within financial institutions, enhancing outreach to women entrepreneurs, and embedding a gender lens into risk management and operations. However, awareness and participation among women entrepreneurs remains limited, with only 28% aware of the programme and 20% having participated.<sup>78</sup> Challenges such as restrictive collateral requirements and a

---

<sup>74</sup> The loan can finance up to 90% of financing needs for new and existing businesses. The loan tenure is up to 72 months, with a 12-month grace period. Loans fees can be financed as well. Collateral requirements are flexible in that a bill of sale or receivables can be accepted to secure the loan. Interview - DFC - Dec. 19, 2024.

<sup>75</sup> BSO Interview Belize Jan. 8, 2025 [1] <https://www.dfcbelize.org/dfc-and-cdb-launches-nine-consolidated-line-of-credit/>

<sup>76</sup> Portfolio data provided by The Bahamas Development Bank.

<sup>77</sup> [DBJ Boost HERBiz](#) December 2024 - J\$1 million (USD\$6,450)

<sup>78</sup> Final Report and Recommendations- BIGEE Women Entrepreneurship Assessment.pdf

misalignment between BIGEE's sectoral focus and the industries where most women operate, also continues to hinder broader financial inclusion. DBJ also provides credit guarantee programmes and financial literacy training, but currently these initiatives lack a gender-specific focus.

**Saint Lucia:** At the Saint Lucia Development Bank (SLDB), although there are no dedicated programmes exclusively for women entrepreneurs, SLDB seeks to facilitate access for women through broader MSME initiatives and supportive measures that consider gender dynamics. For example, loan data on the MSME grant-loan facility disbursed via SLDB shows women represent 48% of the overall loan portfolio and 51% of the applicants. By sectors, WMSME loans are concentrated in manufacturing (\$488,713), beauty and wellness (\$459,137), and other services (\$484,342), followed by creative industries (\$316,785) and professional services (\$261,689).<sup>79</sup>

Albeit, while levels of female participation in these development bank programmes are encouraging, it is important to note that these gender finance initiatives are all donor-driven, which creates challenges for programme sustainability.

Unfortunately, quantitative data collection from the financial institutions in the four countries – proved to be extremely difficult – much more than anticipated. Information could not be obtained from individual institutions on basic data points such as the total business loan portfolio, the number of business loans, the average business loan size, the average interest rate on business loans and NPL rates. As a result, the true extent of lending to WMSMEs in the four countries cannot be determined.

Nevertheless, several common themes have emerged as challenges to the supply of financing for WMSMEs in interviews with financial institutions. These constraints in the access to finance ecosystem are already known in that they are common challenges across the region. They are briefly summarised below.

## **B. Challenges and Constraints**

### **1. WMSME Lack of Readiness for Financing**

In all the interviews with financial institutions, the same rationale for low levels of lending to WMSMEs was given consistently - lack of readiness for financing and the fact that the majority of WMSMEs that approach them for loans are not bankable. Overall, these prospective clients lack the required financial records, and even when these documents are presented, most business owners cannot clearly present the business's financial disclosure. Other WMSMEs operate only on a cash basis, and even when they have a personal bank account, these funds are not systematically deposited to demonstrate that revenues are being generated from the business. While women business owners tend to request smaller loans than their male counterparts, these amounts are often still beyond their ability to repay. WMSMEs also tend to have poorly conceptualised business models that do not consider needs in the market and whether the business can generate enough revenues to be sustainable. Some business owners, particularly necessity-based sole

---

<sup>79</sup> SBDC (2025) dataset on beneficiaries of MSME loan-grant facility.

proprietorships that are home-based, do not understand how to use financial management tools to track receipts and document cash flows, and the importance of separating personal and business finances. One bank in Saint Lucia pointed out that WMSMEs applying for funding are weaker than their male counterparts in terms of business management skills, most likely due to multi-tasking on family obligations with less time on the business systems.<sup>80</sup> Interestingly, half of the respondents in the SheTrades poll expressed the view that family responsibilities reduced the time they could dedicate to their business.

Credit Unions and microfinance institutions are working with clients, providing coaching in financial literacy and other training, either on their own, or in partnership with business support organisations (BSOs). In Jamaica, Access Financial Services, the leading institution serving microenterprises in the country, is partnering with the largest BSO – the Jamaica Business Development Corporation (JBDC) to improve the readiness of prospective businesses.

## 2. Credit Risk

Stakeholder interviews conducted confirmed that many financial institutions continue to describe their lending practices as “gender neutral,” applying standard credit criteria regardless of gender. In spite of these claims, some implicit bias persists, according to the feedback from some women entrepreneurs. WMSMEs highlight that they face greater scrutiny during loan approvals, with some lenders expressing doubts about their leadership and risk-taking ability. This bias affects loan approval rates, interest rates, and access to business networks.

Credit risk posed by MSMEs is a major issue for financial institutions, with varying interest rates depending on the level of risk. Those banks in our study use the traditional framework to assess credit risk based on the 5-C approach,<sup>81</sup> focusing in particular on the client’s ability to repay the loan and on collateral, without taking into account any factors relating to gender. Commercial banks state that there are no mechanisms to de-risk the businesses, as WMSMEs often apply for loans with inadequate requisite evidence of corresponding revenues, and insufficient collateral. Lack of collateral is coupled frequently with insufficient cash flows, and this results in a rejected loan application.

Female entrepreneurs tend to have fewer traditional collateral assets – land and property – that remains low depending on the type of land across the target countries. Land ownership rates vary across the region. In Jamaica<sup>82</sup> they range from 2% to 11% - lower for titled private land, and slightly higher for productive agricultural land. In Belize,<sup>83</sup> ownership of agricultural land is about 8%. In Saint Lucia<sup>84</sup>, the rate is approximately 29%, mainly for agricultural landholdings. Formal ownership data for The Bahamas<sup>85</sup> remains limited but is generally recognised as low due to

---

<sup>80</sup> Bank Interview Saint Lucia, January 15, 2025.

<sup>81</sup> <https://www.investopedia.com/terms/f/five-c-credit.asp> (Character, Capacity, Capital, Collateral, Conditions)

<sup>82</sup> <https://jamaica-gleaner.com/article/focus/20160313/imani-duncan-price-towards-gender-equality-agriculture>

<sup>83</sup> <https://www.fao.org/3/i4862e/i4862e.pdf>

<sup>84</sup> <https://www.fao.org/3/i4862e/i4862e.pdf>

<sup>85</sup> <https://www.nesst.org/nesst/guest-feature-mainstreaming-gender>

systemic barriers. The Jamaica Bankers Association highlighted that a significant number of women do not individually own sufficient tangible collateral, restricting their ability to qualify for larger, secured loans. In many cases, assets are jointly owned with a spouse, requiring the consent or signature of the co-owner to finalize credit agreements.

In some instances, such as in the Toledo district (Belize), Mayan women are not heads of households, or owners of property or land, so they must rely on their husbands for decisions about taking a loan or as loan agreement signatories, on their behalf. This also means that they cannot rely on these fixed assets for collateral. It is part of a larger collateral problem in Toledo, where most of the district is communal land, and where, as a result, no land titles are given.<sup>86</sup>

In spite of the lack of collateral and insufficient cash flows which contribute to the difficulties in obtaining credit, research shows that women are in fact better clients in terms of loan repayment, once they do get a loan.<sup>87</sup> The lack of gender-disaggregated data further reinforces a high-risk profile, making it difficult for financial institutions to accurately assess the viability of women-owned businesses. In Belize, credit unions use membership shares as collateral, particularly in cases where nothing else is available. In some cases, as much as 85% of the portfolio is unsecured for loans of US\$5,000 and below, with loans above that amount backed by shares and co-signers or real estate.<sup>88</sup>

### **3. Limited Understanding of the WMSME Market**

Interviews with commercial banks in particular show that with very few exceptions, there is limited understanding of the nuances of the WMSME segment, and of the potential business opportunity. Part of the problem is the lack of comprehensive data on these businesses on a national basis, and more directly, the lack of segmentation in business loan portfolios according to gender. Anecdotally, bankers can cite few high-profile examples of individual female-owned companies receiving loans, or the bank's noted contribution to the significant growth of a particular WMSME. However, no data is available to determine trends in lending, or where there might be opportunities to cater to firms in a certain industry. This means essentially that WMSMEs are offered the same menu of products as their male counterparts.

Some banks in Jamaica have developed special non-financial service programmes targeting women. For example, First Global Bank has flexible payment schemes and loan moratoriums on principal payments during pregnancy. The bank is a DBJ Credit Enhancement Facility approved financial institution (AFI), allowing for reduced collateral requirements for small businesses. They have also adopted the simplified due diligence (SDD) measures to facilitate easier access to formal banking services as part of the financial inclusion strategy in Jamaica.<sup>89</sup> The framework of a national financial inclusion strategy in both Belize and Jamaica has driven the leadership of their respective

---

<sup>86</sup> Credit Union Focus Group Belize #1, March 3, 2025.

<sup>87</sup> DFC 2019 data shows non-performing loans to women registering only 3%, versus 11% for men.

<sup>88</sup> Credit Union focus Group #2, March 5, 2025.

<sup>89</sup> Bank Interview Jamaica – Nov. 5, 2024.

development finance institutions - DFC Belize and the DBJ - to be more proactive in designing inclusive financial and non-financial programmes.

Through initiatives such as Jamaica's Security Interests in Personal Property Act (SIPPA) and Belize's Secured Transactions and Collateral Registry (STCR), both countries are advancing secured transactions frameworks that enable the use of movable assets as collateral. These reforms are intended to expand access to credit by allowing a broader range of businesses, including WMSMEs, to leverage non-traditional assets. Complementary efforts, such as low-interest loan programmes and partnerships with business support organisations, further seek to promote financial inclusion for women entrepreneurs. However, participation by WMSMEs in these mechanisms remains concentrated among a relatively narrow group of firms, limiting the broader impact.

Credit unions in Belize are also increasingly recognising and addressing the specific financing constraints faced by WMSMEs. Notably, La Inmaculada Credit Union (LICU) has launched a new loan programme under the Climate Resilient Sustainable Agriculture Project (CRESAP), funded by the World Bank, which specifically targets early-stage, women-owned agribusinesses. This initiative reflects a growing effort among credit unions to expand access to tailored financing solutions for women entrepreneurs in priority sectors like agriculture.<sup>90</sup>

#### **4. Lack of Ecosystem Support**

Feedback from the commercial banks suggests that the governments need to be doing more to support MSMEs and WMSMEs, specifically with respect to financial literacy. These efforts should be more broad-based to expand the pool of firms that can be considered for financing. One bank in Belize commented on the mismatch between the capacity-building training being offered to businesses and what is needed to make a prospective client "bankable".<sup>91</sup> Across the pilot countries, the ecosystem is fragmented, with little coordination between the public and private sectors on policies to benefit MSMEs as well as the conditions necessary to achieve financial inclusion.

Some institutions in the financial sector are filling the gap. On the capacity-building front, some financial institutions are working with both clients and prospective clients to improve financial literacy. One credit union in Belize for example has made financial education training a pre-requisite for a loan approval. In addition, the JJMMB 6-month PowerHERful Women in Business Programme for small and medium-sized enterprises, combines capacity-building (coaching and workshops), with business support services, and special terms and conditions on financial products and services.<sup>92</sup> Scotiabank Women's Initiative (SWI) combines access to capital with financial education and leadership training.<sup>93</sup>

---

<sup>90</sup> Credit Union Focus Group Belize #2, March 5, 2024.

<sup>91</sup> Bank Interview Belize – Oct. 21, 2024.

<sup>92</sup> Bank Interview Jamaica – Nov. 1, 2024.

<sup>93</sup> Bank Interview Jamaica – Oct, 25, 2024.

## 5. Structural and Institutional Barriers to Financial Access

Despite the significant efforts of the Central Banks, several key constraints continue to limit the impact on WMSMEs' access to finance. In Jamaica, the collection of gender-disaggregated data by financial institutions remains voluntary rather than mandatory. This undermines the ability to systematically measure and address gender gaps in access to finance. In Belize, although new initiatives have been introduced, awareness and participation by women entrepreneurs remain relatively low, constrained by cultural norms, limited financial literacy, and the dominance of informality in the MSME sector. Across both countries, collateral-based lending practices still prevail, and there is limited adoption of alternative credit assessment models. Additionally, the low rates of property ownership by women impedes their ability to qualify for secured loans despite frameworks such as SIPPA and STCR. Coordination gaps among financial institutions, credit unions, development banks, and supporting organisations reduce the reach and effectiveness of targeted programmes, limiting their potential to scale and sustain improvements in access for WMSMEs.

## VII. The Case for Gender Finance in the Caribbean

The previous analysis highlights the need for a systematic approach to support WMSMEs and improve their access to finance. More broadly, this supports the case for advancing gender finance in the Caribbean, beginning with the four countries in this study.

### A. Brief overview of Gender Finance and Gender Lens Investing

**Gender Finance (GF)** is emerging in global significance, fueled by the recognition of the wide-scale economic and social benefits from investing in WMSMEs and initiatives that promote gender equality. GF is a subset of finance, viewed through a gender lens and aligned with gender-smart investing principles. This approach incorporates gender considerations at every stage of the financing process, aiming to address and reduce gender disparities within financial services. By focusing on the economic and social impacts of gender inclusion, this framework promotes equitable access to capital and support for women-led or women-focused enterprises, emphasising data collection, policy advocacy, and the development of gender-sensitive financial products and services. As such, it seeks to address some of the key supply side challenges in access to finance for MSMEs.

**Gender Lens Investing (GLI)** is a broader strategic approach to investment that aims to generate financial returns while simultaneously advancing gender equality. This growing global trend recognises the value of wide-scale economic and social benefits from investing in WMSMEs, taking into account how investments impact women and girls, whether through the workforce, leadership roles, or products and services that benefit women. According to the Global Impact Investing Network (GIIN), this requires intentionally incorporating gender analysis into financial analysis to make better investment decisions, through three main strategies: investing in WMSMEs, investing

in companies that promote workplace equity, and investing in companies that offer products or services that substantially improve the lives of women and girls<sup>94</sup>.

This innovation in the global finance sector involves integrating gender analysis into investment decisions to support WMSMEs. The global impact investing community has seen a significant increase in gender lens funds, with total assets under management rising five-fold to US\$561 million since 2014.<sup>95</sup>

Investing with a gender lens includes investments in companies run by women that encourage gender equality in the workplace and develop products and services that positively impact women. Mainstreaming GLI practices to boost the growth of WMSMEs, which account for about 40% of all MSMEs in the Caribbean region,<sup>96</sup> must be coupled with the engagement of financial entities on the future gains to be achieved by incorporating gender considerations into their investment strategies. This in turn, will enhance the economic empowerment of women entrepreneurs.

In the Caribbean, gender finance practices are still emerging. Development finance institutions (DFIs) like the DBJ, DFC of Belize, and Saint Lucia Development Bank have begun integrating gender lens frameworks into their operations. However, there are few gender lens products and investment vehicles that currently exist in Latin America and the Caribbean.<sup>97</sup>

Compared to global practices, the Caribbean's gender finance is underdeveloped in the following ways:<sup>98</sup>

- **Limited GLI Infrastructure:** Globally, there is a well-established ecosystem of gender-focused investment funds and networks (e.g., the 2X Challenge and IFC-Goldman Sachs Women Entrepreneurs Opportunity Facility), channeling billions of dollars into WMSMEs. The Caribbean region, by contrast, lacks similarly scaled GLI infrastructure, which impacts the ability to mobilise significant capital for gender-based initiatives.
- **Underutilization of Sex-Disaggregated Data:** Globally, best practices for GLI emphasise systematic collection and use of sex-disaggregated data to inform financial decisions and assess gender impact. In the Caribbean, this approach is inconsistent, with limited integration of sex-disaggregated metrics in loan portfolios, e.g. loan size, repayment rates, and other key indicators.
- **Absence of Tailored Financial Products:** Global models in GLI often provide innovative, low-collateral, and flexible financial products specifically designed for women entrepreneurs, making capital more accessible. By contrast, Caribbean DFIs remain constrained by gender-neutral loan products that inadequately meet the specific needs of WMSMEs.

---

<sup>94</sup> <https://thegiin.org/gender-lens-investing-initiative/>

<sup>95</sup> [https://www.esade.edu/itemsweb/wi/research/iis/publicacions/171100\\_gender-lens-investing-opportunity-social-enterprise-ecosystem.pdf&sa=D&source=docs&ust=1718349691868577&usg=AOvVaw10gr6v7VU7xXbgulBekIKp](https://www.esade.edu/itemsweb/wi/research/iis/publicacions/171100_gender-lens-investing-opportunity-social-enterprise-ecosystem.pdf&sa=D&source=docs&ust=1718349691868577&usg=AOvVaw10gr6v7VU7xXbgulBekIKp)

<sup>96</sup> <https://www.idbinvest.org/en/blog/gender/reigniting-women-led-businesses-caribbean-better-access-finance>

<sup>97</sup> <https://www.idbinvest.org/en/publications/report-gender-lens-investing-how-finance-can-accelerate-gender-equality-latin-america>

<sup>98</sup> CDB - Engendering Capital for Sustainable Development: Good Practices for Gender Lens Investing in the Caribbean - Background Paper, May 2020

## B. Building a Gender-Responsive Financial Ecosystem in the Caribbean

The Caribbean's financial landscape presents a paradox. While banks and financial institutions exhibit high levels of liquidity, lending to MSMEs and WMSMEs remains constrained. This financing gap is particularly striking given that women entrepreneurs in the Caribbean are overrepresented in necessity-driven microbusinesses, yet severely underrepresented in high-growth SMEs that require formal financing to scale. As the previous analysis has shown there are ecosystem challenges on both the demand and supply side.

Despite these challenges, there is significant economic opportunity to close the gender financing gap in the region. In this regard, the Caribbean can learn from successful interventions in Africa, Latin America, and the Pacific, where targeted efforts have transformed women's access to finance. Examples from these regions are integrated into our recommendations below.

## C. Pathways to Gender Responsive Financing: WE Finance Code as a Model for the Caribbean

One of the most impactful frameworks to develop responsive gender financing is the WE Finance Code,<sup>99</sup> a global standard that encourages financial institutions, central banks, and regulators to commit to gender-responsive financing. The WE Finance Code is a voluntary commitment framework that brings financial entities together to publicly declare their intention to improve women's access to financial services through:

- **Sex-Disaggregated Data Collection** – Signatory banks and financial institutions commit to tracking and reporting on loan disbursements, repayment rates, and financial product usage by gender.
- **Gender-Sensitive Risk Assessment Models** – Banks pledge to refine their risk assessment tools to better account for non-traditional indicators of creditworthiness, such as business cash flows, digital transaction histories, and group-based lending models.
- **Financial Product Innovation** – Institutions work towards developing tailored financial products that align with the needs of women entrepreneurs, including low-collateral loans, revenue-based financing, and insurance-backed credit products.
- **Capacity Building for Financial Institutions** – The framework emphasises training for bank staff on unconscious bias in lending decisions, the business case for women's financial inclusion, and best practices in gender-smart financial services.

---

<sup>99</sup> <https://www.we-fi.org/we-finance-code/>

**Table 11: Aligning the WE Finance Code as a Pathway for Gender Responsive Finance**

We-Fi Programme Phase	WE Finance Code Core Element	How It Aligns	Sample Interventions
<b>Phase 1: Foundation</b> – Enabling Environment & Data	Sex-Disaggregated Data Collection	Foundation for gender-responsive policymaking, product design, inclusion outcomes.	Set targets for regulatory sex-disaggregated bank data reporting; Launch inclusive public awareness campaigns; Develop financial inclusion KPIs
<b>Phase 2: Access</b> – Inclusive Product & Service Design	Financial Product Innovation	Tailored products enable access to financing for WMSMEs.	Develop WMSME loan products; Enhance credit guarantee schemes; Flexible collateral; Digital onboarding
<b>Phase 3: Capacity</b> – Skills, Literacy & Networks	Capacity-Building for Financial Institutions	Training banks and entrepreneurs builds capacity for gender-smart finance.	Financial literacy programmes; Mentorship platforms; Strengthen non-financial services
<b>Phase 4: Growth</b> – Capital Access & Financial Innovation	Gender-Sensitive Risk Assessment Models	Innovative risk models expand financing streams.	Expand micro/meso-finance; Promote fintech; Digital tools access
<b>Phase 5: Leadership</b> – Markets, Equity & Policy Reform	<i>Indirect Support Across All Elements</i>	Comprehensive reforms drive leadership and market policy change.	Build angel, equity and women-led investment networks; Inclusive public procurement; Crowdfunding & peer lending regulation

This structured alignment demonstrates how the WE Finance Code's core elements systematically advance each of the We-Fi programmatic phases: Foundation, Access, Capacity, Growth, and Leadership. By seeking to implement corresponding sample interventions, there can be a sequenced, impact-oriented pathway to build a gender-responsive financing ecosystem in the region.

This also provides a concrete roadmap for stakeholders to structure interventions, measure progress, and drive systemic change toward inclusive financial markets for women entrepreneurs. Further, cross-cutting actions should integrate gender-responsive customer experience design across financial institutions; institutionalise non-financial services with financial products; and scale proven pilots through blended finance models and public-private-donor coalitions.

## VIII. Development of a Gender-Responsive Business Financing Index

### A Business Financing Index in the Caribbean Context: Advancing access to finance for WMSMEs.

The development of a Gender-Responsive Business Financing Index is proposed as a tool to assess the inclusiveness and responsiveness of financial systems in supporting WMSMEs. This initiative is particularly relevant given the significant disparity in financial access between male and female entrepreneurs in the region. However, based on stakeholder discussions and global best practices, rather than designing a full-fledged index at this stage, this study focuses on identifying the necessary conditions, data availability, and key indicators that could inform the eventual creation of such an index.

The idea of using a structured index to measure gender disparities in business financing is not new. The Mastercard Index of Women Entrepreneurs (MIWE) ranks economies based on women's advancement in business, access to financial resources, and enabling conditions, offering a comparative perspective across multiple economies. Similarly, Sustainable Stock Exchanges (SSE) Initiative has provided updated guidance on how stock exchanges can promote gender equality by requiring gender-related disclosure, integrating gender-lens financial products, and tracking the representation of women at leadership levels. These and other initiatives are highlighted in **Table 12** below. They illustrate the power of structured assessment tools to drive financial inclusion and gender equality in markets.

**Table 12. Existing Gender Frameworks and Tools**

Framework/Tool	Organisation	Description	Applicable Dimension(s)
<b>WE Finance Code Framework</b>	Women Entrepreneurs Finance Initiative (We-Fi), World Bank Group	Provides a commitment framework for financial institutions to advance women's access to finance through data collection, gender-responsive products, risk models, and capacity building.	Access to Finance, Financial Products and Services, Institutional Capacity and Engagement, Policy and Regulatory Environment

Framework/Tool	Organisation	Description	Applicable Dimension(s)
<b>Women's Economic Empowerment Index (WEEI)</b>	UN Women	Provides a methodology to assess the extent to which financial systems, markets, and policies support women's economic empowerment.	Policy and Regulatory Environment, Institutional Capacity and Engagement
<b>Gender-Smart Green Financing Toolkit</b>	Inter-American Development Bank (IDB Lab), Value for Women	Provides financial institutions with tools and guidelines for mainstreaming gender-smart solutions in their green finance operations.	Financial Products and Services, Institutional Capacity and Engagement
<b>2X Challenge Criteria</b>	2X Challenge (G7 Development Finance Institutions)	Defines criteria for gender-lens investing, including financial inclusion, leadership, and entrepreneurship. Used as a benchmark by investors and DFIs.	Access to Finance, Financial Products and Services
<b>Sweef Capital Gender ROI™</b>	Sweef Capital	A diagnostic tool measuring an enterprise's diversity, equity, and inclusion (DEI) performance through a structured framework at the company/organisation level.	Financial Products and Services, Institutional Capacity and Engagement
<b>Women, Business and the Law (WBL) Dataset</b>	World Bank	Assesses legal and regulatory barriers affecting women's economic participation across multiple dimensions.	Policy and Regulatory Environment
<b>Financial Alliance for Women Tools</b>	Financial Alliance for Women	Provides financial institutions with toolkits to develop gender-inclusive financial products and services.	Access to Finance, Financial Products and Services

Framework/Tool	Organisation	Description	Applicable Dimension(s)
<b>Women's Empowerment Principles (WEPs) Gender Gap Analysis Tool</b>	UN Women, UN Global Compact	Helps businesses assess and improve gender equality policies and practices.	Institutional Capacity and Engagement
<b>Global Gender Smart Financing Toolkit</b>	Global Steering Group for Impact Investment (GSG)	Offers strategies for financial institutions and investors to integrate gender considerations into their portfolios.	Financial Products and Services, Institutional Capacity and Engagement
<b>OECD/INFE International Survey on Financial Literacy</b>	OECD	Measures financial literacy and inclusion among different demographic groups, including women entrepreneurs.	Access to Finance
<b>IFC Banking on Women Programme</b>	International Finance Corporation (IFC)	Supports financial institutions in developing financial services tailored to women entrepreneurs.	Financial Products and Services, Access to Finance
<b>Gender Lens Investing (GLI) Toolkit</b>	GenderSmart, Impact Investment Exchange (IIX)	Provides investors with guidelines and strategies to integrate a gender lens into investment decision-making.	Financial Products and Services
<b>SME Finance Forum - MSME Finance Gap Database</b>	International Finance Corporation (IFC)	Tracks the global financing gap for MSMEs, including women-owned businesses.	Access to Finance
<b>GSMA Gender and Financial Inclusion Toolkit</b>	GSMA Mobile for Development	Focuses on leveraging mobile technology for women's financial inclusion.	Access to Finance

In the Caribbean, the implementation of a financing index could take inspiration from these models while being adapted to reflect local economic structures, high rates of informality among women-owned businesses, and the limited availability of disaggregated financial data. Lessons from the SSE Initiative suggest that gender-focused data collection and reporting requirements can incentivise financial institutions to adopt more inclusive lending practices.

To create a strong foundation for a future index, key dimensions must be identified based on existing data sources and stakeholder priorities. Drawing from frameworks like Sweef Capital's Gender ROI™, the World Bank Global Findex, and the 2X Challenge Criteria, the following dimensions have been identified in **Table 13** as priorities for assessment:

**Table 13: Gender-Responsive Business Financing Index Dimensions**

Dimension	Potential Indicator	Data Source	Implementation Strategy
<b>1. Access to Finance</b>	Percentage of WMSMEs with access to formal credit	Account, female (percentage age 15+) (World Bank), financial institution reporting	Track the percentage of women with financial accounts as a proxy for credit access. Financial institutions will report annually.
	Percentage of WMSMEs applying for and receiving loans	Financial institution reporting, regulatory banking data	Identify discrepancies in loan approvals by gender and track financial institution reporting.
	Percentage of WMSMEs participating in financial literacy programmes	OECD/INFE 2023 International Survey of Adult Financial Literacy, national business surveys	Monitor participation rates through institutional reports and entrepreneurship support programmes.
	Number of entrepreneurial support programmes that offer programming specifically tailored to women	Survey and interview data from business development organisations	Track new programmes launched and their reach among women entrepreneurs.
<b>2. Financial Products and Services</b>	Number of financial products tailored to women entrepreneurs	Financial institution disclosures	Financial institutions will be required to disclose the range of products available. Surveys and audits will track diversity.

Dimension	Potential Indicator	Data Source	Implementation Strategy
	Aggregate Gender ROI™ Financial Module score for top five banks in each country	Financial institution self-reporting, survey audits	Evaluate financial institution engagement with gender-responsive finance initiatives.
	Presence of innovative financial instruments targeting women	Regulatory filings, development finance institution reports	Assess the availability and impact of instruments like blended finance, gender bonds, and digital financial services.
<b>3. Policy and Regulatory Environment</b>	Number of gender-specific financial policies enacted	Women, Business and the Law dataset (World Bank), national policy databases	Monitor implementation of policies that promote gender-disaggregated reporting and incentives for gender-lens products.
	Existence of legal frameworks supporting women's ownership rights	Qualitative assessments through legal reviews, Women, Business and the Law dataset (World Bank)	Conduct regular legal reviews to assess frameworks and their impact on women's financial access.
	Percentage of financial institutions required to report gender-disaggregated lending data	National regulatory reporting requirements	Track compliance with gender-based reporting obligations and encourage broader adoption.
<b>4. Institutional Capacity and Engagement</b>	Percentage of financial institutions trained in gender-responsive products	Industry training reports, financial institution surveys	Implement and track training programmes through attendance records and post-training assessments.
	Number of partnerships between financial institutions and	Institutional self-reporting, ecosystem mapping surveys	Track partnership formation and outcomes through institutional reports and case studies.

Dimension	Potential Indicator	Data Source	Implementation Strategy
	women's networks		
<b>5. Systemic Indicators</b>	Percentage increase in women accessing formal financial services	Account, female (percentage age 15+) (World Bank), financial institution data	Monitor increases through regular updates from financial institutions and comparison with baseline data.
	Year-over-year revenue growth of WMSMEs	Business registries, tax filings, SME finance data	Financial institutions and business registries will report revenue growth annually.
	Reduction in the financing gap between male-owned and WMSMEs	Comparative analysis using financial account data, financial institution reporting	Annual reviews will compare financing access between genders, identifying progress and remaining gaps.

Each of these dimensions address the key ecosystem features previously highlighted and rated for the four pilot countries (**Table 13** above), as follows:

### 1. Access to Finance

The "Access to Finance" dimension directly strengthens the *Financial Inclusion Strategy* and *Business Climate for WMSMEs* ecosystem features. By increasing women's access to formal credit, tracking loan approvals by gender, and promoting financial literacy, it lays the foundation for broader participation of women entrepreneurs in the financial system. This ensures that financial services are not only available but equitably distributed, creating the baseline conditions for a gender-inclusive ecosystem.

### 2. Financial Products and Services

The "Financial Products and Services" dimension advances the *Gender-Focused Finance Initiatives* feature by encouraging the development and offering of women-specific financial products and innovative instruments such as blended finance, digital services, and gender bonds. These targeted solutions bridge the gap between availability and usability of finance for women entrepreneurs, fostering a financial ecosystem where products are responsive to the diverse needs of WMSMEs.

### **3. Policy and Regulatory Environment**

The "Policy and Regulatory Environment" dimension addresses the *MSME Policy and Financial Inclusion Strategy* ecosystem features by promoting the enactment of gender-specific financial policies and legal frameworks that safeguard women's ownership and financial rights. Strengthening these regulatory foundations creates an enabling environment that institutionalises gender equality goals, ensuring that financial inclusion strategies are not just aspirational but actionable and enforceable.

### **4. Institutional Capacity and Engagement**

The "Institutional Capacity and Engagement" dimension is critical to building the *Gender-Focused Finance Initiatives* and improving the *Business Climate for WMSMEs*. Training financial institutions in gender-responsive practices and fostering partnerships with women's networks enhances the delivery and design of financial services, ensuring institutions are both capable and committed to supporting women entrepreneurs systematically across their portfolios.

### **5. Systemic Indicators**

The "Systemic Indicators" dimension reinforces the *Business Climate for WMSMEs* by measuring tangible outcomes such as increased financial access, revenue growth of women-led businesses, and the narrowing of gender financing gaps. Tracking these systemic shifts ensures that the ecosystem evolves beyond isolated initiatives to sustained, inclusive economic participation and growth, cementing gender-responsive finance as a core feature of the national financial architecture.

However, a key challenge in designing an index for the Caribbean is the lack of gender-disaggregated financial data, as many financial institutions do not systematically track lending by gender. As observed in the SSE Initiative's research, financial market actors often lack incentives to collect and disclose gender-related financing data, limiting the ability to assess disparities.

Furthermore, cultural sensitivities around gender bias in lending practices require a trust-building approach with financial sector stakeholders. A gradual strategy, starting with voluntary gender-lens assessments (such as the Sweef Gender ROI™) before progressing toward formal reporting requirements, may be a viable approach.

Additionally, given the high levels of informality among women entrepreneurs in the region, excluding unregistered businesses from consideration could distort findings, as many women-led businesses operate outside formal regulatory frameworks. The inclusion of women-led informal enterprises, as defined in the IWA standard, is therefore crucial to ensuring a holistic understanding of gender-based financing gaps.

Rather than launching an index prematurely, this study recommends piloting the proposed indicators through voluntary financial institution participation. By leveraging Sweef Capital's Gender ROI™ as a diagnostic tool, financial institutions can obtain actionable insights while contributing to a broader regional data set. Over time, as data availability improves and financial institutions gain

familiarity with gender-responsive financing principles, the feasibility of a full-scale Gender-Responsive Business Financing Index can be re-evaluated. This approach aligns with international best practices and could position the Caribbean as a leader in gender-focused financial transparency and inclusion.

Using these suggested indicators, **Table 14** below assesses the four pilot countries based on their current gender finance landscape.

**Table 14. Assessment of 4 Pilot Countries Based on Available Data**

Dimension	Indicator	Belize	Jamaica	Saint Lucia	The Bahamas
1. Access to Finance	% of WMSMEs with access to formal credit	Weak	Developing	Weak	Developing
	% of WMSMEs applying for and receiving loans	Weak	Developing	Weak	Developing
	% of WMSMEs in financial literacy programmes	Developing	Developing	Weak	Developing
	Entrepreneurial support programmes tailored to women	Developing	Strong	Developing	Strong
2. Financial Products and Services	Number of financial products tailored to women entrepreneurs	Weak	Developing	Weak	Developing
	Aggregate Gender ROI™ Financial Module score for banks	Weak	Developing	Weak	Developing

	Innovative financial instruments targeting women	<b>Weak</b>	<b>Developing</b>	<b>Weak</b>	<b>Weak</b>
<b>3. Policy and Regulatory Environment</b>	Gender-specific financial policies enacted	<b>Weak</b>	<b>Developing</b>	<b>Weak</b>	<b>Weak</b>
	Legal frameworks supporting women's ownership rights	<b>Developing</b>	<b>Developing</b>	<b>Developing</b>	<b>Developing</b>
	Financial institutions reporting gender-disaggregated data	<b>Weak</b>	<b>Weak</b>	<b>Weak</b>	<b>Weak</b>
<b>4. Institutional Capacity and Engagement</b>	Financial institutions trained in gender-responsive products	<b>Weak</b>	<b>Developing</b>	<b>Weak</b>	<b>Weak</b>
	Partnerships between financial institutions & women's networks	<b>Developing</b>	<b>Strong</b>	<b>Developing</b>	<b>Developing</b>
<b>5. Systemic Indicators</b>	Increase in women accessing formal financial services	<b>Developing</b>	<b>Developing</b>	<b>Weak</b>	<b>Developing</b>
	Revenue growth of WMSMEs	<b>Weak</b>	<b>Developing</b>	<b>Weak</b>	<b>Weak</b>

	Reduction in financing gap (male vs. female-owned MSMEs)	Weak	Weak	Weak	Weak
--	--	------	------	------	------

## Justification for Ratings

### Belize:

- **Access to Finance:** Generally weak. High levels of informality, significant collateral constraints, and limited tailored-lending products for WMSMEs. Participation in financial literacy programmes is improving but remains moderate.
- **Financial Products & Services:** Limited tailored products; innovative instruments are notably absent.
- **Policy & Regulatory Environment:** MSME policy exists but lacks a strong gender-specific approach.
- **Institutional Capacity & Engagement:** Limited training programmes and few partnerships.
- **Systemic Indicators:** Significant financing gap remains, with limited evidence of revenue growth or meaningful narrowing of the gender finance gap.

### Jamaica:

- **Access to Finance:** Developing. Some initiatives (e.g., DBJ programmes, commercial bank initiatives like JMJB PowHerful) indicate moderate support, though collateral and credit constraints persist.
- **Financial Products & Services:** Several banks have begun to introduce women-tailored products, although innovation in financial instruments remains nascent.
- **Policy & Regulatory Environment:** MSME policy recognises gender considerations; however, implementation remains incomplete.
- **Institutional Capacity & Engagement:** Strong ecosystem, including First Angels Jamaica and robust networks like WENC and CWIT.
- **Systemic Indicators:** Modest improvements are seen, but the financing gap remains large and persistent.

### Saint Lucia:

- **Access to Finance:** Weak. Significant collateral constraints and limited success in loan applications.
- **Financial Products & Services:** Few tailored financial products or innovative instruments exist for women entrepreneurs.
- **Policy & Regulatory Environment:** Limited gender-specific financial policies, though basic legal frameworks supporting women exist.

- **Institutional Capacity & Engagement:** Limited partnerships and training in gender-responsive financing.
- **Systemic Indicators:** Little to no evidence of systemic improvements in gender-based financial inclusion.

#### The Bahamas:

- **Access to Finance:** Developing. SBDC programmes (such as Women Entrepreneurs Initiative) provide moderate support, although structural barriers persist.
- **Financial Products & Services:** Some developing products, though mostly from the public development bank and international initiatives.
- **Policy & Regulatory Environment:** Limited gender-specific policy, with limited progress toward gender-disaggregated data reporting.
- **Institutional Capacity & Engagement:** Moderate engagement, driven primarily by donor-supported programmes (e.g., ElevateHER, Women Entrepreneurs Initiative).
- **Systemic Indicators:** Small improvements noted, but significant financing gap and limited revenue growth for WMSMEs indicate persistent challenges.

Benchmarking tools play a crucial role in advancing gender-responsive business financing by providing standardised frameworks to assess, compare, and improve financial inclusion for WMSMEs. These tools enable financial institutions, policymakers, and investors to measure their progress against globally recognised criteria, such as the 2X Challenge Criteria, Sweef Capital's Gender ROI™, and Women's Economic Empowerment Index (WEEI). By establishing clear performance indicators, benchmarking tools help identify gaps in financial access, evaluate the effectiveness of gender-lens financial products, and track institutional commitments to gender-inclusive practices. They also create accountability mechanisms by encouraging transparency and data-driven decision-making. Moreover, these tools facilitate cross-regional comparisons, allowing stakeholders in the Caribbean to draw insights from best practices in other markets. In turn, this supports the development of targeted interventions that align with international standards, while addressing the unique structural and cultural barriers facing women entrepreneurs in the region.

## IX. Recommendations

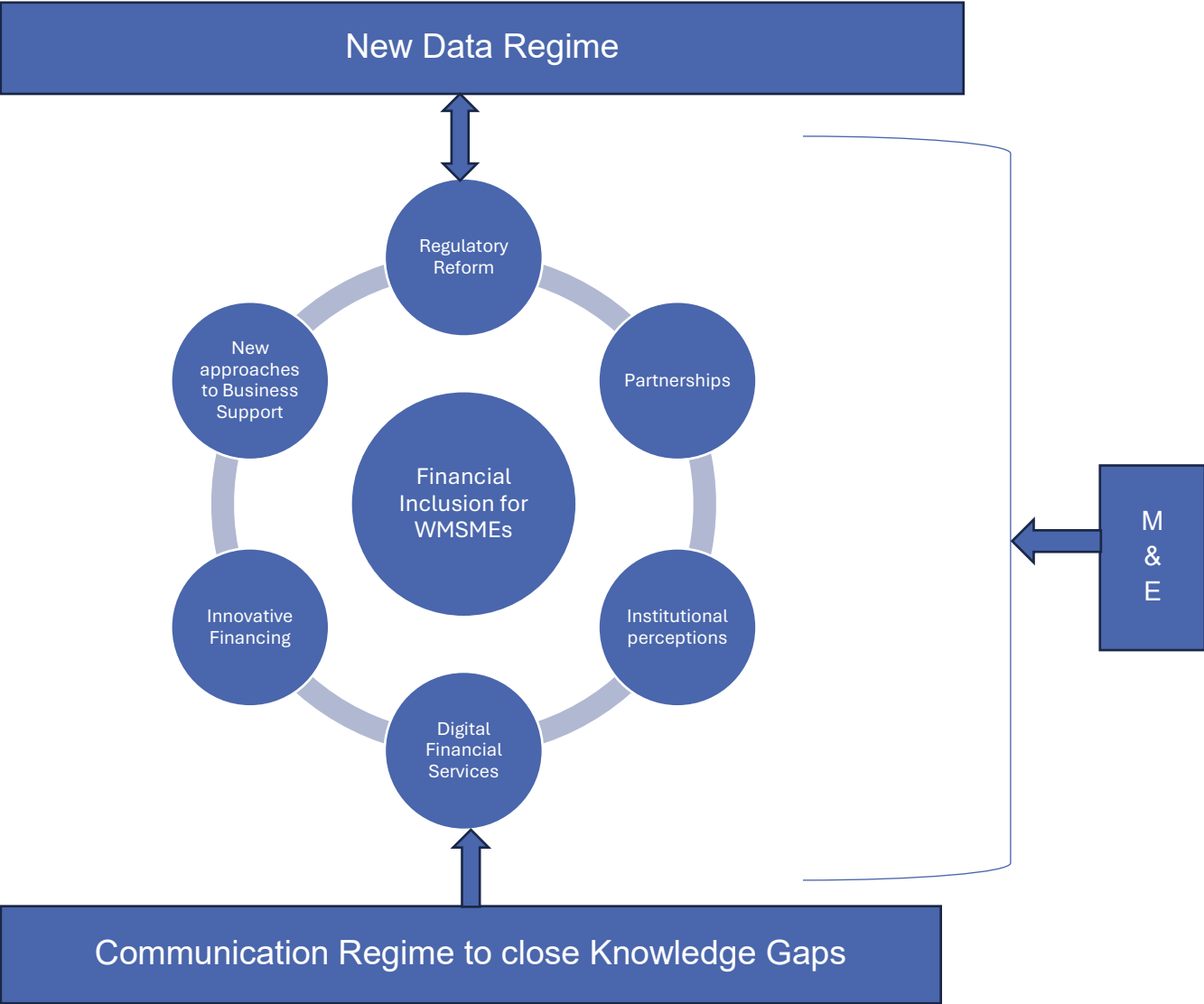
This study and the individual country assessments have highlighted the main access to finance challenges currently facing WMSMEs in the four pilot countries, shining a light on key issues and gaps that need to be addressed to effectively support the growth of these firms. As seen in the analysis and in **Table 14**, the four pilot countries are in various stages of development in terms of a gender-responsive access to finance environment. The series of recommendations below are meant to significantly “move the needle” in terms of GF and GLI. The proposals below are not new, in that they have either been proposed in other studies to address MSME access to finance challenges or in those reports specifically relating to these issues being faced by WMSMEs in the region. Nevertheless, progress has been uneven and slow.

The study takes a different approach in that these recommendations are being proposed in the context of a framework that is applicable across the board in each of the countries, and which situates improved access to finance for WMSMEs in the context of increased financial inclusion for

these businesses. The Framework highlights recommendations for improving both demand and supply side challenges and it also proposes a monitoring and evaluation structure to track progress in the context of the indicators previously suggested as key elements of a gender-responsive business financing index. This Framework is captured below in **Figure 16**.

**Figure 16: Proposed Framework for an Improved Access to Finance Ecosystem for WMSMEs**

**Proposed Framework for an Improved Access to Finance Ecosystem for WMSMEs**



The Framework includes six elements: (1) Regulatory Reform, (2) New Approaches to Business Support, (3) Innovative Financing, (4) Expansion of Digital Financial Services, (5) Institutional Perceptions, and (6) Fostering Partnerships. These success factors are mutually reinforcing and

must be pursued as part of a holistic approach to gender finance. They are further supported by two cross-cutting recommendations: establishing a new WMSME data regime and creating a communications structure to close stakeholder knowledge gaps. The Framework is also anchored in an M&E Framework for accountability and to track progress. All these aspects are discussed below.

### **Element # 1: Further Strengthen Regulatory and Policy Frameworks**

Progress has been made with respect to policy and regulatory frameworks in the four pilot countries; however, significant gaps remain.

With respect to MSME policies, Jamaica has an opportunity to provide targeted programmes for WMSMEs in its policy currently being revised, with complementary measures to support greater financial inclusion for WMSMEs as well. Belize is already moving in this direction in Phase II of its current inclusion strategy, with a greater focus on women and excluded groups.

The Bahamas and Saint Lucia need to develop MSME policy frameworks to support women-owned businesses, building on the efforts already being undertaken by the development banks in each country. The experiences of Belize and Jamaica in developing their policies can be instructive.

Governments should also take steps to mainstream the acceptance and use of movable assets as collateral in countries such as Jamaica, while building public awareness in places where secured transactions frameworks are still new, such as Belize and Saint Lucia. These countries will also benefit from the assistance that the CDB is providing to the Eastern Caribbean Central Bank (ECCB) to expand the ECCU collateral registry.<sup>100</sup> Efforts to launch the collateral registry in the Bahamas are urgently needed, as this would significantly support the efforts of the SDBC and the Bahamas Development Bank in increasing access to finance.

Government procurement represents an untapped opportunity for WMSMEs in the four countries. While Jamaica has introduced set-asides for MSMEs, no specific targets have been established for WMSME participation. The Dominican Republic has an interesting and highly successful procurement model which if replicated, could exponentially increase access for WMSMEs to procurement opportunities in the four pilot countries.

---

<sup>100</sup> The CDB is financing the development of the legal framework for the expansion of the collateral registry for the Eastern Caribbean Currency Union (ECCU) countries.

## The Dominican Sustainable and Inclusive Public Procurement Model

In 2012, the General Protectorate of Public Procurement led a process to increase the participation of women-owned enterprises in public procurement, becoming the first public sector institution in the Latin America and the Caribbean to focus on the inclusion of WMSMEs. This initiative was based on legislation approved in 2008, which aside 20% of government procurement for WMSMEs.<sup>101</sup> This procurement model includes a number of aspects:

- Awareness-raising, training and technical assistance to promote and facilitate the ability of WMSMEs to bid on government contracts;
- Measures to bring suppliers together with public sector buyers, both on a national and regional basis;
- Development of indicators to measure compliance with the Government's 20% allocation for WMSMEs on the government's procurement portal

By 2020, WMSMEs accounted for 24% of the suppliers listed on the portal and 22% were awarded contracts under emergency procurement arrangements during COVID.

### Element #2: Develop New Approaches to Business Support

Surveys, interviews and polls conducted for this Report demonstrate the limits of current business support and capacity-building activities for WMSMEs. There are several aspects which need to be addressed. **First is the frequent disconnect between the training required to get WMSMEs ready for financing and to “derisk” the business.** This issue has been cited across the board by financial institutions as one of the primary reasons for rejecting a loan application. **Second, there is the issue of the relative lack of specialised training** on a national basis, specifically geared to the needs of women. The programmes that exist are linked to donor programmes (See **Table 4** above), which are not continued once the funding ends. **Third is the issue of reach.** Women business owners in Belize for example raised the issue of lack of business support services in the rural areas and in indigenous communities. A similar challenge exists in The Bahamas for those businesses located in the Family Islands. **Fourth, capacity-building support needs to be conceptualised as part of a broader suite of assistance,** combining training, mentoring, financing and life skills, to address multiple constraints faced by WMSMEs. This is particularly vital in the seed and early stages of a business when such support is vital to survival of the enterprise.

---

<sup>101</sup> [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://lac.unwomen.org/sites/default/files/2022-05/EN%20BriefComprasPublicasPerspectivaGenero\\_10MAY2022\\_Ingl%C3%A9s.pdf](chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://lac.unwomen.org/sites/default/files/2022-05/EN%20BriefComprasPublicasPerspectivaGenero_10MAY2022_Ingl%C3%A9s.pdf);  
<https://sustainable.open-contracting.org/promoting-smes-by-reserving-public-contracts-in-the-dominican-republic>.

The ultimate goal of business support services should be to offer a training curriculum that includes capacity-building activities appropriate to each stage of business development - from the seed and early stage through to maturity. Programmes must be offered to build financial and business resilience consistent with requirements for credit. The Jamaica Business Development Centre is already moving in this direction. Its SBDC has a network of 14 centres across the country, significantly expanding its reach. In addition, clients are classified according to the stage of development of the business and offered an appropriate suite of training services. There are currently however, no special training programmes for women.

Business advisors, a critical link for MSME development, need to be equipped to offer tailored, market-driven advisory services, suited to each stage of business, rather than generic guidance. Those interviewed in countries such as Belize have expressed the need for specialised training and certification. The Cherie Blair Foundation's 'Road to Growth' programme in Africa and Asia for example, has developed a certified business advisory curriculum, ensuring that trainers and advisors meet global standards. A similar programme could be established on a regional basis for MSME business advisors, with training on gender-inclusive financial literacy, investment readiness, and business resilience.

An approach providing holistic support under one umbrella - including capacity-building, mentoring, financing and life skills - is currently being implemented in Jamaica, under the Jamaica Women Entrepreneurship Support (WES) pilot project supported by the Ministry of Industry, Investments and Commerce, in partnership with the Ministry of Culture, Gender, Entertainment and Sport. This initiative and the Women Entrepreneurs Initiative being implemented by the SBDC in the Bahamas should be replicated and scaled.<sup>102</sup> Rather than standalone interventions, these programmes combine training, mentorship, networking, and financing under one umbrella. The Women Enterprise Fund (WEF) in Kenya also provides an excellent example of how financial inclusion can be embedded within a broader ecosystem of business development services. By integrating capacity-building, funding and market access.

---

<sup>102</sup> Launched in 2023, the program combines business and digital training with mentoring (ElevateHER program), a Whole Woman Forum, focusing on women's physical and mental health. In addition, the Initiative has supported 83 women with over US\$600,00 in financing (Up to US\$ each for start-up or expansion costs ).

## Strengthening the Gender Finance Ecosystem: The Experience of Kenya's Women Enterprise Fund (WEF)

The Women Enterprise Fund (WEF)<sup>103</sup> was created by the Kenyan Government in 2007 as a one-stop facility that combines financing, business development support, and policy advocacy under a single institutional framework. Key features include:

- Direct Lending Programmes – WEF provides low-interest, collateral-free loans tailored to women-owned businesses.
- Capacity Building – The Fund offers mandatory training on business skills, digital finance, and market access strategies before disbursing loans.
- Market Linkages – WEF connects women entrepreneurs with corporate supply chains, enabling them to scale their businesses through larger contracts.
- Public-Private Partnerships – By working with commercial banks and microfinance institutions, WEF extends its reach beyond government programmes.

Essentially, BSOs – government-funded incubators/accelerators, and SBDCs, in particular, should take the lead in developing a more strategic and structured approach to training activities. This means that they must be equipped to offer services on a sustainable basis. In March 2025, the DBJ, under the IDB-funded BIGEE programme<sup>104</sup> launched a certification programme for the business support organisations in Jamaica, which includes the development of a sustainability plan. Such a programme could be replicated in the other pilot countries.

### Element #3: Develop Innovative Financing Solutions

The Governments in the four countries have a key role to play in “crowding-in” private capital for WMSMEs and broadening the scope of financing options available to them. Examples include blended finance funds where public sector derisks private investments in women-led enterprises, through tailor-made loan guarantees programmes. A number of these programmes are being implemented in the region in three of the pilot countries - The Bahamas, Belize and Jamaica. However, they are not specifically tailored to women. These kinds of programmes have significantly increased capital access for women entrepreneurs in other regions and should be explored in the Caribbean. The Women Entrepreneurs Finance Initiative (We-Fi) in Latin America has demonstrated how risk-sharing mechanisms can encourage banks to lend more to WMSMEs.

Establishing a regional gender-responsive investment fund, similar to the IDB's Women Entrepreneurs Investment Facility, could mobilise impact investors to allocate capital toward high-growth women-led enterprises in the Caribbean's emerging sectors, such as renewable energy, digital services, and agribusiness. Gender-Responsive Loan Products and credit guarantee programmes could also be developed that cater to the specific needs of women entrepreneurs,

---

<sup>103</sup> <https://wef.go.ke/>.

<sup>104</sup> <https://thinkbiggee.com/>

including lower interest rates, flexible repayment terms, particularly given the lower default rates among women. At the same time, efforts should be made to develop regulatory frameworks for financing instruments for which widespread use would be “new” in the Caribbean, e.g. factoring and crowdfunding.<sup>105</sup>

In Jamaica, JN Bank is pioneering a number of tailor-made financial products, including innovative approaches to collateral, as seen below. Funding is also combined with a broad-based approach to servicing WMSMEs. JN Bank’s approach is grounded in its financial inclusion culture, based on its history as a member-owned building society.

**Pioneering Gender Finance – JN Bank’s Proven Model for Women’s Financial Inclusion**

A Transformative Approach to Women’s MSME Financing

JN Bank, Jamaica’s only mutually owned commercial bank, has emerged as a regional leader in gender-inclusive finance, demonstrating a proven model for unlocking economic opportunities for WMSMEs.

With 72% of its small business loan recipients being women, JN Bank has successfully lowered systemic barriers to finance, offering:

- Gender-tailored financial products like BIZ START, BIZ GROW, and BIZ BOOST, ensuring women entrepreneurs can access growth capital.<sup>106</sup>

#### **Element #4: Expand and Mainstream Digital Financial Services**

Digital financial services can be game changers in reaching WMSMEs at scale and increasing financial inclusion in the four pilot countries. In reality expansion and take-up of digital financial services has been slow across the board, partly due to regulatory barriers, lack of awareness and understanding among potential users.

Mobile banking, online loan platforms, and fintech innovations like emerging peer-to-peer lending platforms help bypass some traditional biases and reduce transaction costs. In regions like Sub-Saharan Africa, mobile money has made significant strides bringing millions of women into the financial system. According to the World Bank’s Global Findex Database 2021, the share of adults with a mobile money account in Sub-Saharan Africa has almost tripled in the last seven years, increasing from 12% in 2014 to 33% in 2021. This growth has been particularly beneficial for women, helping to narrow the financial inclusion gender gap in the region.

<sup>105</sup> The Eastern Caribbean Securities Regulatory Commission has already developed a framework for equity crowdfunding, which now needs to be tested in a sandbox by firms interested in establishing crowdfunding platforms.

<sup>106</sup> <https://www.jnbank.com/small-business-loans/products/>.

The Caribbean can adopt digital lending platforms that use data (such as sales records from point-of-sale systems or e-commerce transactions) to underwrite loans for micro-entrepreneurs. For instance, financial technology (FINTEC) solutions (microfinance) could be used in the Bahamas Family Islands to facilitate financial inclusion since the commercial banks have withdrawn their physical branch presences across the lesser populated archipelago. However digital financial literacy will have to go hand in hand with these FINTEC solutions as well. Although online banking is the norm in these islands in lieu of traditional banking, there is still a need for a sustained effort in awareness-raising and understanding of broader digital options. The Bahamas' Sand Dollar CBDC is a pioneering step, and ensuring women vendors adopt it (through outreach and incentives) could be a best practice example of digital inclusion. This will require a dedicated awareness-raising and education programme to facilitate adoption. The COVID-19 pandemic has shown the importance of digitalisation to business resilience, and a number of projects are underway in the region to support entrepreneurs in the adoption of these technologies.<sup>107</sup> Digitisation can help women entrepreneurs overcome mobility constraints as well and reach wider markets, thereby improving their revenue and attractiveness to financiers.

### Instant Money Transfers: Pix in Brazil

Pix is a free 24/7 instant payment system in Brazil launched by the Central Bank of Brazil in 2020 during the COVID pandemic, to modernise and simplify payments.<sup>108</sup> It is designed, operated and regulated by the Bank. In 2024, Pix processed 63.4 billion transactions, and it has helped to integrate millions of the unbanked into the formal financial system. The success of Pix has been due to several factors:

- Mandatory participation by all major banks and financial institutions
- Speed – transactions are made in under 10 seconds
- No transaction fees, eliminating these barriers for low-income users

The system is not only being used for money transfers between individuals, but for customer and supplier payments as well.

<sup>107</sup> For example, Taiwan is supporting a project to support digitalization in women-owned business in the context of the country's digital strategy.

<sup>108</sup> [https://www.bcb.gov.br/en/financialstability/pix\\_en](https://www.bcb.gov.br/en/financialstability/pix_en).

## Element #5: Address Supply-Side Readiness: Changing Institutional Perceptions of Women-Owned Businesses

One of the key issues uncovered in interviews is the lack of awareness of access to finance as a gendered issue. Many financial institutions do not recognise unconscious bias in lending decisions and do not perceive women-owned businesses as a segment requiring targeted support. Capacity-building programmes need to be designed for financial institutions to enhance their ability to develop and offer gender-responsive financial products and services. These programmes will include training on the business case gender lens investing, risk assessment for WMSMEs, and customer service tailored to women entrepreneurs. Most importantly, however, there is the need to address unconscious gender bias by implementing gender-sensitivity training for loan officers to ensure impartial lending decisions for women-led businesses. As a second phase, financial institutions should be encouraged to participate in structured gender-lens training and capacity-building initiatives. Tools such as the Gender ROI™, referenced in the gender frameworks above, can help diagnose areas for improvement and provide guidance for implementing measurable changes in gender-responsive financial services. A powerful example of how this mindset can be shifted comes from the Pacific, where the Women’s Micro Bank (WMB) in Papua New Guinea has successfully tackled this issue through a pioneering women-centric financial model.

### Changing Mindsets: Breaking Unconscious Bias through Awareness Campaigns: The Pacific’s Women’s Micro Bank (WMB) in Papua New Guinea

Papua New Guinea (PNG) has one of the lowest financial inclusion rates for women in the Pacific, with only 29% of women holding a bank account. Traditional banks saw women as high-risk clients due to lack of collateral, limited credit histories, and cultural biases.

WMB was established as the first women-only bank in the Pacific<sup>109</sup>, focusing on:

- Behavioural change and awareness training for financial institutions: WMB partnered with regulators and banks to educate financial service providers on gender biases in credit assessments. This training helped shift internal policies toward more inclusive lending practices.
- Community-based financial literacy programmes: By engaging women at the grassroots level, WMB changed perceptions of banking as an exclusive service, boosting confidence in formal financial systems.
- Group Lending Models: Recognising that women lacked collateral, WMB introduced group lending mechanisms where women could secure loans based on peer guarantees rather than physical assets.

<sup>109</sup> <https://www.womenmicrobank.com/author/admin/>.

Banks in the four countries could incorporate gender-sensitivity training into staff development programmes, ensuring that credit officers evaluate businesses based on financial viability rather than traditional collateral requirements. Additionally, social capital-based lending—where peer networks replace asset-backed collateral—could be piloted in collaboration with credit unions.

#### **Element #6: Foster increased public-private partnerships**

Stronger collaboration between key stakeholder groups: financial institutions, government agencies, etc., must be encouraged to eliminate the silos and knowledge gaps that currently exist. Public-private partnerships, on national, regional and international levels will be instrumental in providing the necessary technical and financial resources to implement ecosystem improvements, including the recommendations being proposed here.

Public sector actors, including governments in the pilot countries, can create enabling environments through policy reforms, credit guarantee schemes, and investment incentives. While private sector actors, including commercial banks, fintech companies, and microfinance institutions, can innovate and expand financial products tailored to underserved segments such as women entrepreneurs and small businesses. Collaborative initiatives—such as co-investment funds, digital infrastructure development, and financial literacy campaigns—can address market gaps, lower transaction costs, and increase the reach and quality of financial services across the region. By working together, public and private stakeholders can build more inclusive, resilient, and dynamic financial ecosystems that support sustainable economic growth for WMSMEs.

The partial credit risk guarantee schemes in The Bahamas and Belize—which bring together the IDB, the public sector, and commercial banks—as well as the CDB's plans for a Regional Credit Guarantee and Counter-Guarantee scheme, are examples of the type of collaboration that is needed. International groups such as the Global Banking Alliance for Women (GBA) Network has successfully collaborated with financial institutions in emerging markets to provide training on gender-smart lending, reducing the gap between women entrepreneurs and investors by increasing bank confidence in lending to women-owned businesses. India's MSME Initiative is an example of successful collaboration between public and private sectors to support these firms.

## India's MSME Initiative: A Public- Private Partnership for Digitalisation

This initiative, launched in 2015 seeks to increase the adoption of digital tools in MSMEs, as well as increase literacy.<sup>110</sup>

Under the programme, the Government collaborated with software providers, banks and payment platforms to help MSMEs digitalise their operations through subsidised access to cloud-based solutions. These efforts helped the MSMEs to build digital transaction records that could then be used by the banks to assess creditworthiness, even in cases with no collateral. Working capital loans, invoice financing and other funding options could then be offered.

Since then, over 50% of MSMEs in the country have adopted digital solutions.<sup>111</sup>

### Element # 7: Address the Data Gap

The absence of MSME data and sex disaggregated data in particular, is a cross-cutting issue that needs to be addressed. Furthermore, this lack of data is further complicated by the reluctance on the part of stakeholders to share what data they do have available. **Needless to say, improving the data collection problem is an important first step in improving access to finance for WMSMEs, shaping appropriate policies and programmes to benefit these businesses.** The approach taken by the African Development Bank's AFAWA initiative is instructive. AFAWA has demonstrated the importance of sex-disaggregated data collection as a tool to drive financial inclusion. By making gender data tracking a requirement for financial institutions, AFAWA has created a transparent system for measuring the success of women-led enterprises and adjusting policies accordingly. In the Caribbean, financial regulators and DFIs could introduce similar mandatory gender reporting mechanisms for banks and microfinance institutions. A regional gender finance dashboard, maintained by the CDB or central banks, could provide real-time data on women's financial access, allowing policymakers to design evidence-based interventions. As of 2025, the Central Bank of Belize will be including a requirement for sex-disaggregation in portfolio reporting for both commercial banks and microfinance institutions.

To strengthen financial inclusion and align with global best practices, it is recommended that the Central Banks of Jamaica, Belize, The Bahamas, and Saint Lucia integrate a mandatory requirement for sex-disaggregated data reporting within their existing credit market surveys.<sup>112</sup> By requiring traditional deposit-taking banking institutions to submit loan application, approval, and performance data disaggregated by sex, the Central Banks would be better equipped to identify

---

<sup>110</sup> <https://www.impriindia.com/insights/digital-india-programme/>.

<sup>111</sup> <https://smefutures.com/how-indias-msme-policy-for-businesses-is-enabling-financial-help-and-digitisation>.

<sup>112</sup> Credit market condition surveys capture qualitative information on non-price factors affecting credit demand and supply, targeting senior loan officers at commercial banks

and address gender-specific barriers to credit access with robust data to fully assess financial inclusion progress. This enhancement would also allow for a more accurate assessment of credit market dynamics, ensure that policy responses are inclusive, and support the design of targeted financial interventions that advance gender equality within the financial system. Moreover, it would position the countries to meet evolving international standards for gender-responsive financial sector reporting and foster greater economic resilience and participation.

Demand side data also needs to be addressed by conducting regular surveys of WMSMEs. The surveys could be included as an element of regular labour force surveys conducted in each of the countries. Company registration, tax and social security data on WMSMEs collected by the relevant agencies should be rationalised and pooled into one database in statistical bureaus through inter-agency collaboration. In addition to the obvious data availability and analysis benefits, this would also improve the ease of doing business for WMSMEs, as registration with one agency would populate the databases of the others.

The African Development Bank (AfDB) tackled this issue through its Affirmative Finance Action for Women in Africa (AFAWA) programme.

#### African Development Bank: Affirmative Finance Action for Women in Africa

AFAWA,<sup>113</sup> launched in 2015, is a pan-African initiative designed to address the estimated US\$42 billion financing gap for women-led businesses in Africa. The programme takes a three-pronged approach to address the challenges faced:

- Increasing Access to Finance – Working with Financial institutions to design lending products tailored to women entrepreneurs.
- Improving the Business Environment – Advocating for policy and regulatory changes to remove barriers to women’s financial access.
- Strengthening Women’s Business Capacity – Offering mentorship, business development services and financial literacy programmes.

AFAWA has made sex-disaggregated data a prerequisite for financial institutions receiving its funds. Partner banks must track lending patterns, repayment rates, and product uptake by gender, allowing policymakers and investors to assess the impact of women-led businesses on economic development.

---

<sup>113</sup> <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/afawa-affirmative-finance-action-women-africa>.

## Element #8: Create a Communications Regime to Close Knowledge Gaps

Knowledge gaps are present on both the demand and supply sides of the access to finance challenge. This is partly due to the lack of coordination between players and the absence of communication channels and networks involving a cross section of stakeholder groups. Gains in each of the areas in the framework will require channels of communication to be developed both within the four pilot countries, as well as on a regional level to facilitate change, and build awareness as well as buy-in for the gender lens approach. As with the data gap, this is a cross-cutting issue.

### Applying the WE Finance Code in the Caribbean

Ultimately the scheme for eco-system change being proposed in this study should be situated in the context of the We-Fi framework. The Caribbean is well-positioned to adopt the We-Fi Code<sup>114</sup> as a first step toward transforming its gender finance landscape. Currently, no standardised framework exists across the region to hold financial institutions accountable for tracking and improving gender-responsive lending. By coalescing financial institutions, central banks, and development banks under a shared commitment, the Caribbean can establish a regional financial inclusion initiative that integrates the WE-Fi principles.

1. **Commitments from Central Banks** – Caribbean central banks could play a leading role by incorporating gender finance principles into financial sector regulations. Central banks could require commercial banks and microfinance institutions to collect sex-disaggregated data as part of their financial reporting requirements. This would create a regional database that informs gender finance policies and investment strategies.
2. **Collaboration Between Financial Institutions** –The CDB, commercial banks, and credit unions could sign onto the WE Finance Code, committing to measure and improve their services for women entrepreneurs. A Caribbean Women’s Finance Task Force could be established to oversee progress and share best practices across financial institutions.
3. **Developing Risk-Sharing and Derisking Mechanisms** – Inspired by We-Fi’s risk-sharing model, Caribbean financial institutions could partner with the IDB, World Bank, and development finance partners to create a regional partial credit guarantee fund that incentivises lending to women entrepreneurs.
4. **Public Reporting and Accountability** – Financial institutions in the Caribbean could publish annual reports on their progress under the We-Fi, detailing the percentage of their loan portfolio dedicated to women-owned businesses, the success rates of gender-responsive financial products, and challenges faced in implementation.

Implementing the We-Fi Code in the Caribbean would provide a structured pathway for financial institutions to build more inclusive lending models while aligning with global best practices. A regional commitment from banks, regulators, and policymakers would signal a paradigm shift—moving from gender-neutral finance approaches to gender-intentional investment strategies.

---

<sup>114</sup> <https://www.we-fi.org/we-finance-code/>.

By integrating the principles of the We-Fi and We-Fi's risk-sharing models, the Caribbean can unlock new sources of capital for women entrepreneurs, ensuring that financial institutions see them as key drivers of economic development rather than high-risk borrowers. This approach would not only improve financial access for women but also drive long-term financial sector stability and inclusive economic growth across the region.

To illustrate, the recommendations are presented below, aligned with the phases of the We-Fi framework, showing possible activities to be implemented, with a timeline (immediate, short-medium and long-term horizons), lead actors/ecosystem stakeholders involved and impact. Progress should be continuously tracked using sex-disaggregated data and relevant performance indicators. This evidence-based approach is critical to closing the gender finance gap.

**Table 15: Recommendations and the We-Fi Framework**

Recommendation	Timeline	Impact	We-Fi Programmatic Phase	Rationale	Strategic Objective	Lead Actors
<b>Element #7: Address the Data Gap</b>  <b>SET SEX-DISAGGREGATED DATA TARGETS</b>	Immediate	Medium	<b>Foundation</b>	Lays the foundation for gender-informed policy and product development.	Policy & Regulatory Reform	Central Bank, Ministry of Finance
<b>Element #7: Address the Data Gap</b>  <b>IMPROVE DIGITAL INFRASTRUCTURE</b>	Long-Term	High	<b>Foundation</b>	Strengthens the digital environment necessary for financial inclusion.	Enabling Ecosystem	Technology Ministry
<b>Element #3: Develop Innovative Financial Solutions</b>  <b>SPECIALISED WMSME LOAN PRODUCTS</b>	Short-Term	High	<b>Access</b>	Creates financing options with women-specific terms.	Product Design	Commercial Banks, Development finance bank
<b>Element #3: Develop Innovative Financial Solutions</b>  <b>EXPAND AGENT BANKING IN RURAL AREAS</b>	Medium-Term	Medium	<b>Access</b>	Increases financial reach to rural women.	Last-Mile Financial Access	Commercial banks, Remittance Agents
<b>Element #3: Develop Innovative Financial Solutions</b>  <b>BUNDLE LOANS WITH BUSINESS SERVICES</b>	Short-Term	Medium	<b>Capacity</b>	Integrates financing with advisory support.	Integrated Support	Commercial Banks, Business Networks, SBDC

<p><b>Element #3: Develop Innovative Financial Solutions</b></p> <p><b>FLEXIBLE COLLATERAL (E.G., RECEIVABLES)</b></p>	Medium-Term	High	<b>Growth</b>	Removes fixed-asset collateral barriers.	Unlock Credit via Collateral Reform	Central Bank, Banks
<p><b>Element #3: Develop Innovative Financial Solutions</b></p> <p><b>EQUITY &amp; ANGEL INVESTMENT NETWORKS</b></p>	Long-Term	Medium	<b>Leadership</b>	Broadens women's access to equity capital.	Diversify Capital Base	Angel networks, Donors, CARAIA
<p><b>Element #1: Regulatory Reform</b></p> <p><b>REGULATORY SUPPORT FOR CROWDFUNDING/ P2P</b></p>	Long-Term	High	<b>Leadership</b>	Enables new inclusive financing channels.	Alternative Finance Expansion	Central bank, FSC
<p><b>Element #2: New Approaches to Business Support</b></p> <p><b>TAILORED FINANCIAL LITERACY</b></p>	Immediate	High	<b>Capacity</b>	Addresses specific financial realities faced by women entrepreneurs.	Strengthen WMSME Creditworthiness	SBDCs, Business Support Organisations
<p><b>Element #2: New Approaches to Business Support</b></p> <p><b>MENTORSHIP &amp; BANKABILITY COACHING</b></p>	Short-Term	High	<b>Capacity</b>	Strengthens women's ability to secure financing.	Capacity Support	Commercial Banks, Chambers of Commerce, Donors
<p><b>Element #4: Expand Digital Financial Services</b></p> <p><b>DIGITAL TRAINING AND ONBOARDING</b></p>	Immediate	High	<b>Capacity</b>	Bridges digital gaps; facilitates onboarding of underserved women.	Drive Digital Inclusion	Banks, Central Bank, Telecoms
<p><b>Element #4: Expand Digital Financial Services</b></p> <p><b>INCENTIVISE DIGITAL TRANSACTIONS</b></p>	Short-Term	Medium	<b>Growth</b>	Encourages formal financial behaviours among women entrepreneurs.	Digital Finance Access	Central Bank, Commercial Banks, Telecoms

## X. Concluding Thoughts

This Flagship Report has sought to capture the access to finance challenges faced by WMSMEs in The Bahamas, Belize, Jamaica and Saint Lucia; and to suggest recommendations that can “move the needle” in terms of increased funding to these firms. A vibrant WMSME sector in each of these countries is key to achieving economic resilience which is one of the key pillars of the CDB gender strategy. This means supporting both “necessity-based” firms through financing, capacity-building, and other support mechanisms such as ease-of-doing-business measures, while also giving equal attention to developing and nurturing “opportunity-based” firms that focus on innovation—a serious gap in the WMSME landscape across all four countries. In turn, this requires moving beyond recommendations and plans to implementation.

A theme running through the interviews with the private sector stakeholders is one of trust. This is part of a larger cultural issue in the region. As seen in the comments made, this manifests itself in two ways. First, WMSMEs are skeptical of the intentions of governments to actually support business formation and growth on a sustainable basis. This is reflected in the difficulties they face in taking advantage of concessions being offered, weaknesses in the business climate and the failure to adequately address capacity-building needs. WMSMEs also distrust the banks, convinced that they are “pre-judged” as risky, even before financials are reviewed. Financial institutions are extremely hesitant to share even basic data -- assets, loan portfolio, etc. – outside of normal reporting requirements to central banks and financial services commissions.

Trust can and should be built by consistently delivering results for the WMSME sector, beginning with steps to demonstrate results that can be immediately felt. A good place to start is to first make it easy for women-businesses to take advantage of tax and other concessions already in place to support their businesses. Second it would be important to strengthen and broaden the reach of capacity-building programmes, tailoring them to suit the needs of each business development stage and the requirements of the financial sector. Finally, the CDB, through financial support and policy dialogue as well as the advocacy of the SheTrades Caribbean Hub, can begin to effect the necessary changes in the ecosystem to create a cadre of regionally and globally competitive WMSMEs. This Study provides some of the evidence needed to advance this process.