

Massive Inclusive Impact MSMEs (MIIM) Initiative

A collaborative blended finance fund to nurture a vibrant small business sector to deliver on the Sustainable Development Goals (SDGs)

Honorary Patron

H.E. Nadiem Makarim

Minister of Education, Culture, Research, and
Technology, Republic of Indonesia

Co-Chairs

Amit Gupta

Chairman, Global Board of
Trustees, TiE

Amb Tantowi Yahya

President, United In Diversity
Foundation



MSMEs are the backbone of economic activities and employment everywhere. MSMEs are the strongest driver of economic development, innovation and employment – sustaining livelihoods, especially for women, youths and groups in vulnerable communities.

Worldwide

- Make up **90 per cent of businesses**
- Provide **60% - 70% of employment**
- Contribute to **50% of the GDP globally**

Indonesia

- Make up **99% of existing business** in Indonesia, **64.5% are women-led**
- Provide around **97% of domestic employment** in Indonesia
- Contribute over **60% of Indonesia's GDP**

Emerging Markets: approx. 365-445 million MSMEs

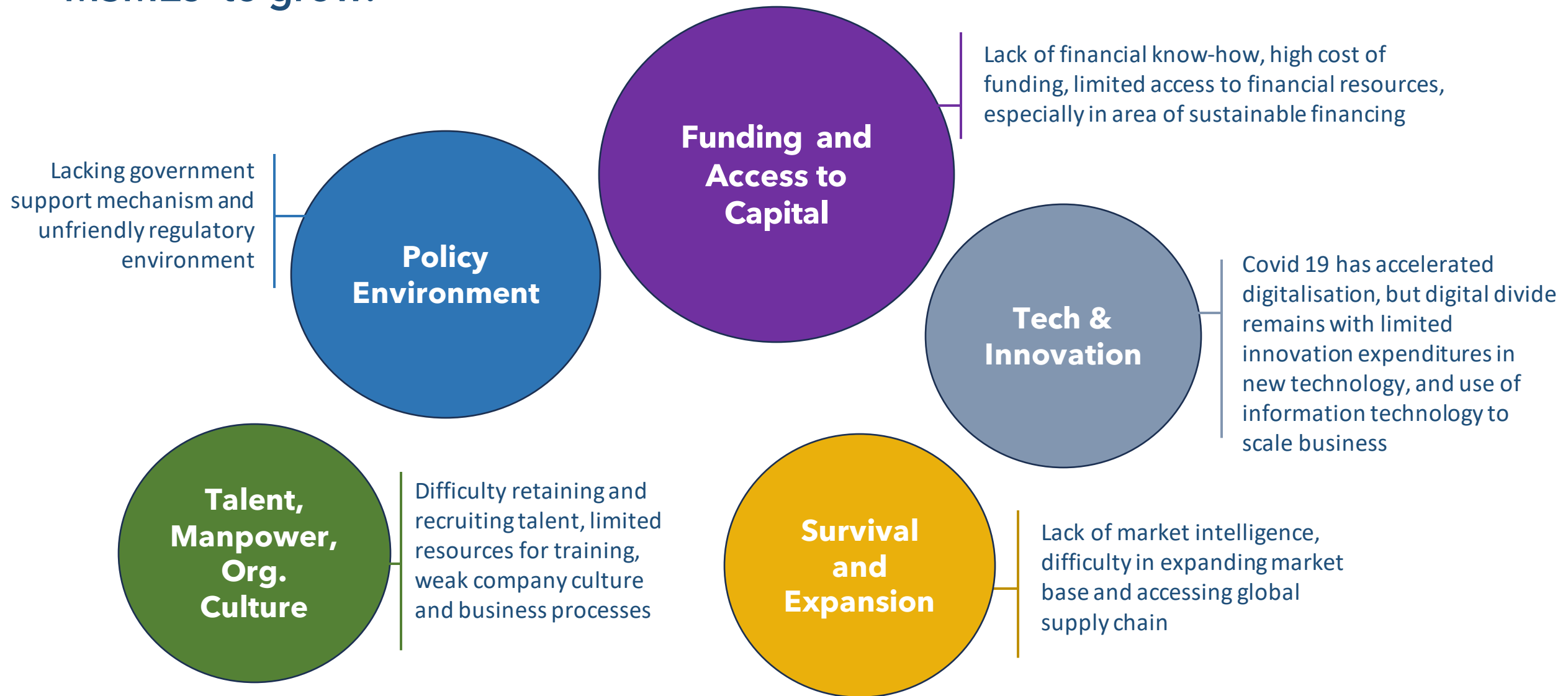
- **25-30 million** are formal SMEs
- **55-70 million** are formal micro
- **285-345 million** are informal enterprises.

By 2030, **600 million jobs will be required to meet a growing global workforce**, which makes MSME development a high priority for many governments around the world. **G20 Bali Declaration** has recommended **promoting entrepreneurship** and **supporting MSMEs as a job creation Instrument**.

*Source: <https://www.un.org/en/observances/micro-small-medium-businesses-day>

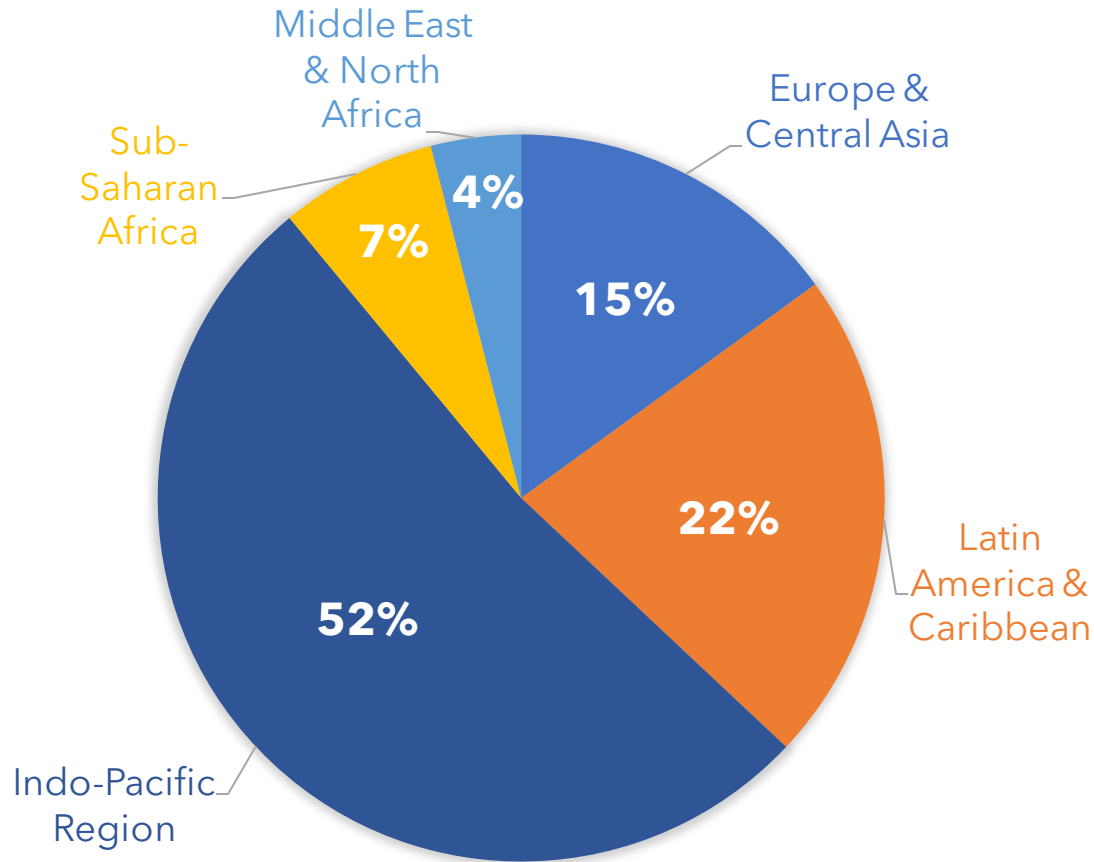
**Source: <https://www.indonesia-investments.com/finance/financial-columns/micro-small-medium-enterprises-in-indonesia-backbone-of-the-indonesian-economy/item9532>

Top challenges faced by MSMEs: Financial constraints remain the key barrier for MSMEs to grow.



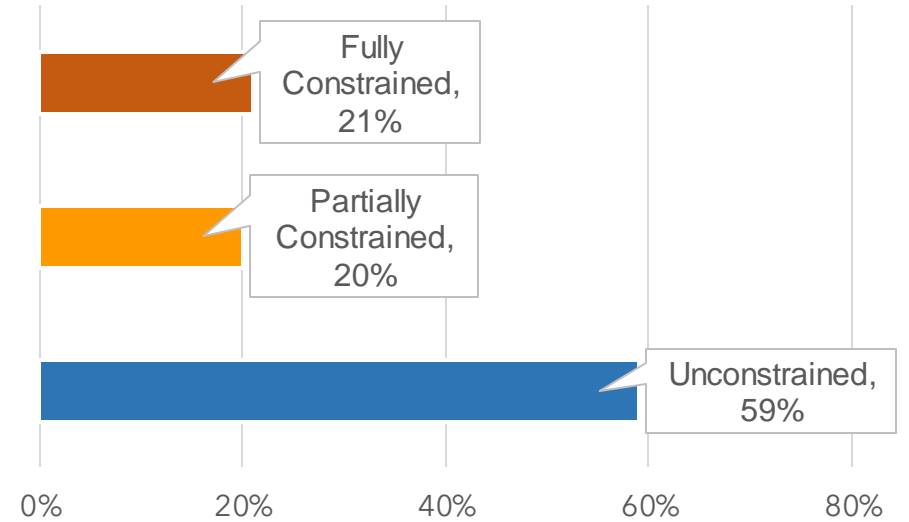
Global MSME Financing Gap Snapshot

According to WB IFC report, MSMEs financing gap stands at approximately \$5.2 trillion. The pandemic highlighted the critical need for a more resilient MSME financing model.

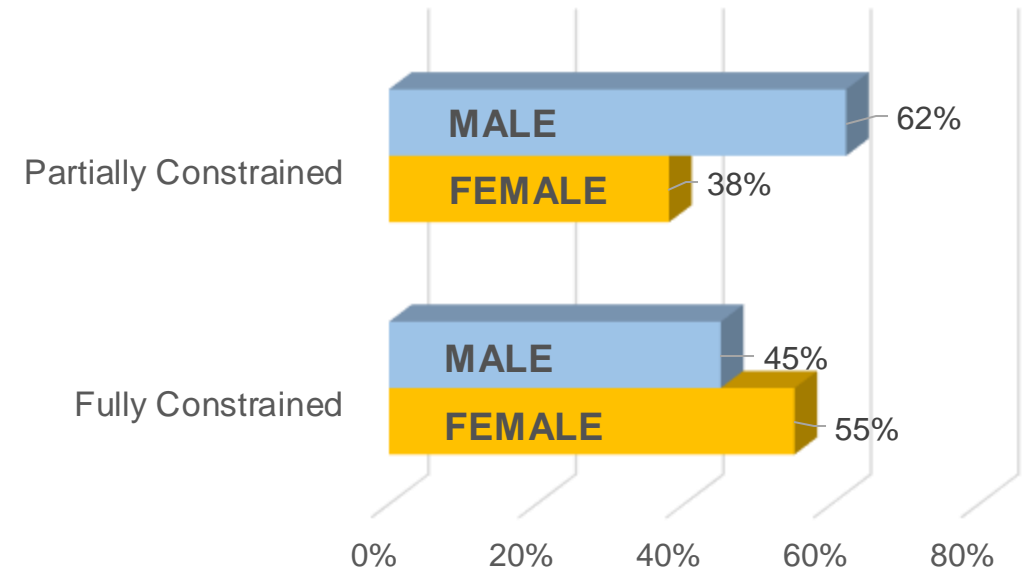


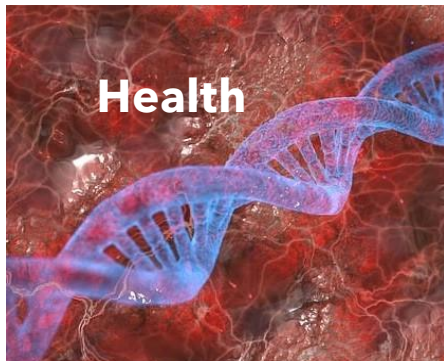
MSMEs Financing Gap by the Region

Over 40% of MSMEs have Financial Constraints



Women MSMEs face greater Financial Constraints





Massive Inclusive Impact MSMEs (MIIM)

- A collaborative **blended finance** scheme to address the financing challenges of MSMEs



To build a global community of support **to address the financing and knowledge gap** of the MSMEs to achieve **the Sustainable Development Goals**



To **scale commercial capital** flow to MSMEs through **innovative de-risking instruments** supported by robust partnership between governments, DFIs/MDBs, philanthropists, commercial lenders and investors

The Massive Inclusive Impact MSMEs initiative: Blended Finance for Scaling up financing for Micro, Small and Medium Enterprises

Massive Inclusive Impact MSMEs' mission is to provide the **ecosystem approach** working across Government agencies, key MSMEs funders, and programs to **stack up and blend the different sources of funds** to bridge the financing gap of MSMEs.

Serve as 'aggregator' platform for grants and concessionary funds to unlock greater private funding for MSMEs, and provide financing in timely manner

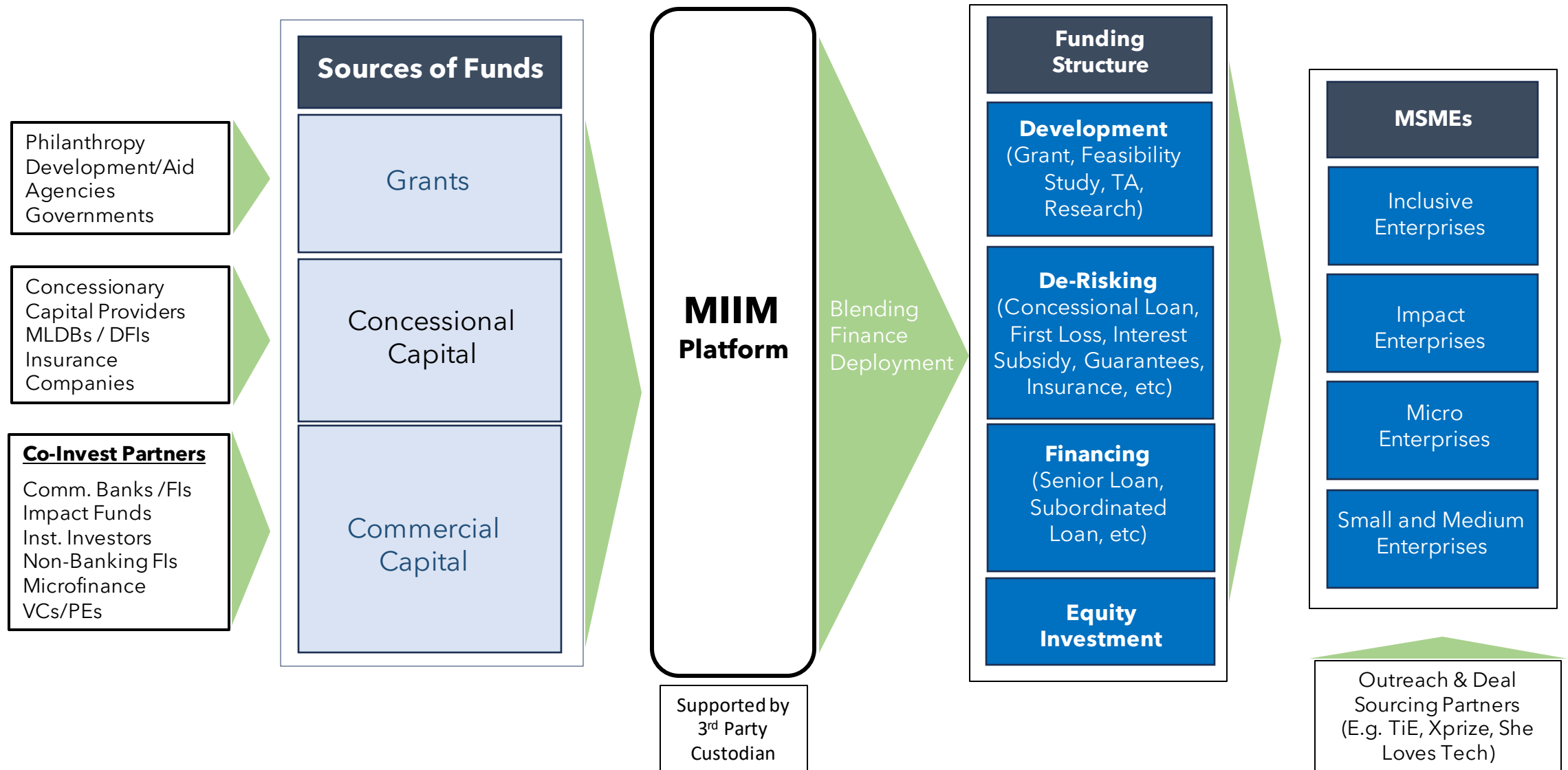
Proposed initial areas of focus:

- Sustainable Tourism,
- Sustainable Agriculture,
- Health and Wellness,
- Retail/ Fashion
- Building environment;
- Education

Serve as the transitional platform to catalyse change in the supply chain of these priority sectors to pivot towards sustainable business model

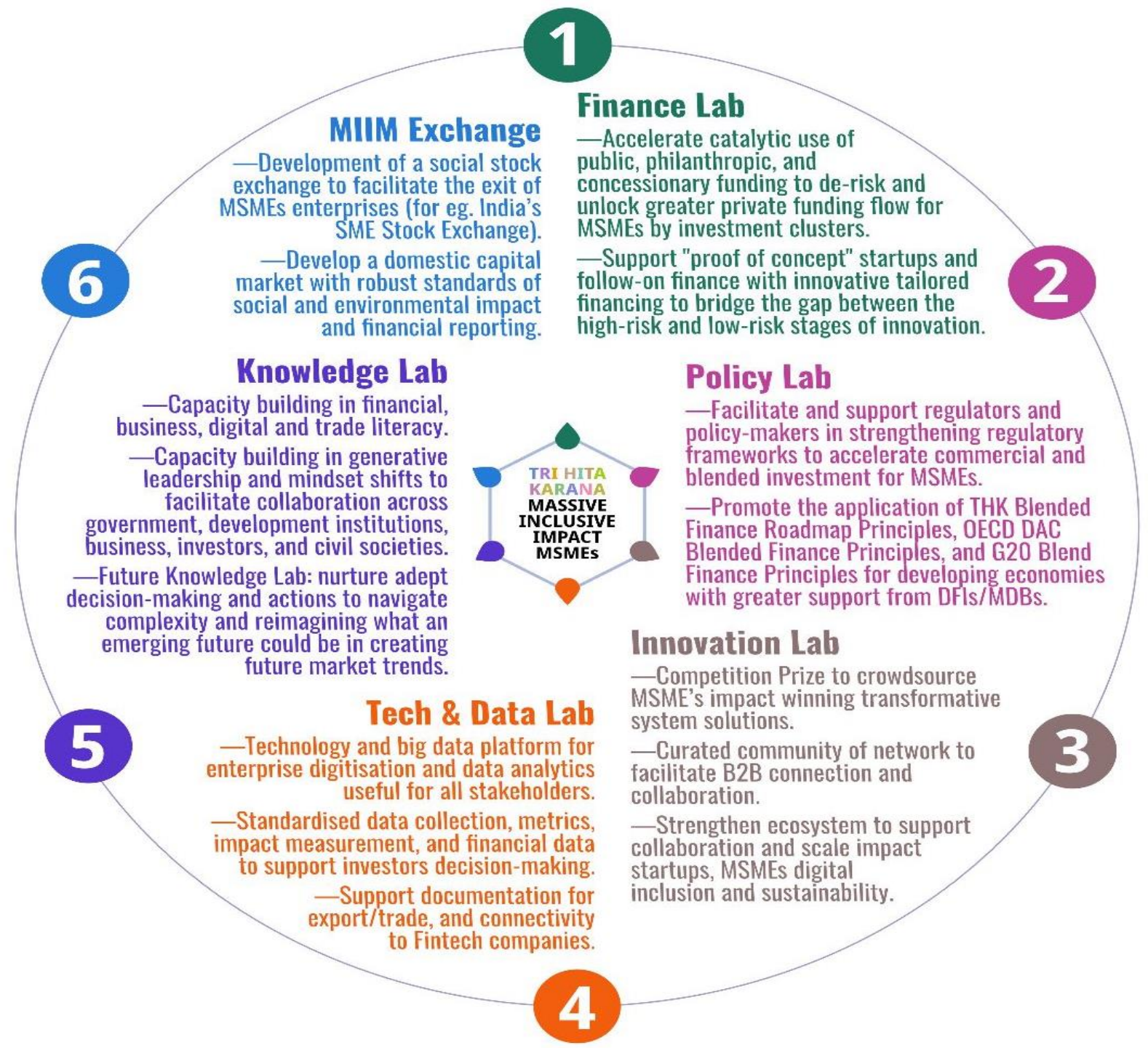
Reaching the 'last mile' targeting micro, women, rural and villages, including start-up enterprises

Proposed Massive Inclusive Impact MSMEs Scheme - Blended Finance Platform for MSMEs (Strawman Framework)



Proposed 6 Key Pillars of Massive Inclusive Impact MSMEs initiative

A system-approach to help drive momentum for MSMEs growth



THANK YOU!

