G-20: DATA ENHANCEMENT AND COORDINATION IN SME FINANCE

Stocktaking Report

SME FINANCE FORUM

GPFI — Global Partnership for Financial Inclusion

G20 — SAUDI ARABIA 2020

WORLD BANK GROUP

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ABBREVIATIONS AND ACRONYMS

ABF	Asset-Based Finance
ADB	Asian Development Bank
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
BEEPS	Business Environment and Enterprise Performance Surveys
BIO	Belgian Investment Company
BMZ	German Federal Ministry for Economic Cooperation and Development
COFIDES	Spanish Development Financing Company
DEG	German Investment and Development Corporation
DFI	Development Financial Institution
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EIF	European Investment Fund
EU	European Union
FAS	Financial Access Survey
FI	Financial Institution
FMO	Dutch Development Bank
FWA	Financial Alliance for Women
GBA	Global Banking Alliance for Women
GPFI	Global Partnership for Financial Inclusion
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFI	International Financial Institution
IIC	Inter-American Investment Corporation
ILO	International Labour Organization

IMF	International Monetary Fund
ITC	International Trade Centre
KfW	German Development Bank
MIX	Microfinance Information Exchange
MSMEs	Micro, Small and Medium Enterprises
NPL	Non-Performing Loan
OECD	Organisation for Economic Co-operation and Development
PROPARCO	French Development Financial Institution
SIFEM	Swiss Investment Fund for Emerging Markets
SME	Small and Medium Enterprise
UNCDF	United Nations Capital Development Fund
UNIDO	United Nations Industrial Development Organization
USAID	United State Agency for International Development
WB	World Bank
WBG	World Bank Group

ACKNOWLEDGMENTS

FOREWORD

Small and medium enterprises (SMEs) are a key driver of economic growth, contributing significantly to productivity, employment and innovation. Access to finance remains one of the most significant constraints for the survival, growth, and productivity of SMEs.

In 2013, the G20 recognized the importance of data collection and analysis as a priority action to address the SME finance gap and developing a basic set of financial indicators.

Harmonizing data collection is the first step to improving the knowledge base for policy, product and service formulation in SME finance. Quality data is critical for all actors of the ecosystem to identify gaps, design interventions to close them, and monitor progress.

At the national and financial institution levels, there are several data collection exercises on SME finance that would benefit from better coordination. These efforts would go a long way with a view to harmonizing definitions and methodologies at the national, regional and Development Financial Institution (DFI) levels.

The assessed "macro" sources of country-level data and "micro" sources of institutional data available in this report reveal substantial data gaps in critical areas, as well as the lack of a regular, comprehensive data supply about SME finance from most countries. This includes data on gender, youth and other key crosscutting information about SME access to finance.

The G-20, working through the Global Partnership for Financial Inclusion (GPFI), aims to support data enhancement and coordination in SME finance; ensure the availability of quality data to inform policy; facilitate interventions and measure the impact of SME finance. As such, this report takes stock of SME finance indicators being collected by the DFIs. It considers the scope of these indicators and makes recommendations for coordination. Despite increasing awareness and resource commitments, SME finance data in emerging markets is limited and disaggregation is non-existent.

This report was undertaken by the SME Finance Forum for the GPFI with the support of the Financial Alliance for Women.

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EXECUTIVE SUMMARY

This stocktaking report has been prepared to provide an overview of small and medium enterprise (SME) finance indicators being collected by international financial institutions (IFIs) and development finance institutions (DFIs). It also aims to determine the scope and breadth of these indicators, identify opportunities, and make recommendations for improved coordination to the G-20.

Access to finance is often identified as a barrier to SME growth, with an estimated SME finance gap of US$4.5 trillion. The G-20 has recognized the importance of data collection and analysis as a priority action in addressing the SME finance gap. The coordination of SME finance data will enable policy makers to better identify inclusion gaps. It would also help to monitor and measure alternative options to closing these gaps.

A total of 27 institutions were assessed at the macro and micro levels through a combination of desk review and questionnaire to assess SME finance indicators. The macro-level indicators assessed include: country coverage, collection frequency, and special and disaggregated indicators. The micro-level indicators include: loans, deposits, and size and gender disaggregation.

The analysis indicates that SME finance data in emerging markets is very limited, and that disaggregated data is non-existent. Despite resource commitments to obtain quality data, there are huge disparities in the breadth of indicators, methods of collection and definitions of SMEs. The micro level has more quality and consistency issues, whereas the macro level has limited data from less developed and fragile markets.

At the micro level, coordination regarding the collection of data is required to improve efficiency and save time. Standardized data collection methodologies would improve data quality and facilitate stronger comparisons. A commitment to disaggregation by the IFIs and DFIs would enable better aggregation and more comprehensive reporting. Thus, the G-20 should consider a pilot program for data coordination to jump-start such efforts.

At the macro level, data should be expanded to cover less developed and fragile economies. Also, a larger database would be required to facilitate comparisons and trend analyses. As such, a G-20 effort to collect disaggregated data every year at the macro-level would have a tremendous impact.

INTRODUCTION

Small and medium enterprises (SMEs) are strong drivers of economic development, innovation and job creation. Access to finance is frequently identified as a critical barrier to growth for SMEs. A report[1] by the SME Finance Forum estimates a SME finance gap of US$4.5 trillion.

Several international financial institutions (IFIs) and development finance institutions (DFIs) have developed programs to support banks to provide financial and non-financial services to SMEs, including women-owned SMEs. These institutions also implement policies and programs to create an enabling environment for financial institutions to increase the reach of their investment and advisory services to SMEs.

In 2013, the G-20 recognized the importance of data collection and analysis as a priority action in addressing the SME finance gap. As such, they developed a basic set of financial indicators, including gender-disaggregated indicators, as part of the Global Partnership for Financial Inclusion (GPFI) SME Finance Subgroup indicators.

In February 2017, the SME Finance Forum and the Global Banking Alliance for Women submitted a Concept Paper to the SME Finance Subgroup to promote the enhancement and coordination of SME finance data, including gender-disaggregated data.

Why is SME Finance Data Important?

The enhancement and coordination of SME finance data collection is the first step to improving the knowledge base for policy, product and service formulation in SME finance. Obtaining better data is critical for all actors in the ecosystem, helping them to identify and close gaps, as well as monitor the progress of government policies and programs. Policy makers need quality SME data, as well as data on key segments of the economy, to make better informed policy and implementation decisions necessary to close the SME finance gap and facilitate economic growth. The IFIs/DFIs also rely on quality data to guide financial sectors and facilitate innovative financial services to SMEs. To ensure sustained results, data is also required for key segments of the economy, including women and youth entrepreneurs, and the agribusiness/rural sector.

Effective measurement is critical for policy makers, development partners and financial institutions to play their respective roles. Quality SME data is essential to ensuring effective measurement. Such data should be accurate, regular, broad and consistent. Accurate data should also be consistent and unambiguous, reflecting the actual status of SMEs. Data needs to be collected and updated according to a specified frequency over time to reflect SME trends and/or impacts. Data about key sectors of the economy is also crucial to the SME market. Hence, data about key segments that drive the SME sector, including gender and agribusiness, is essential to ensuring quality SME data.

Despite the various institutional strategies and priorities, sharing a "comparable" part of SME finance data collection can significantly help

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[1] MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets (IFC 2017).

integrate information across agencies for further analysis. This "comparable" part would ideally have the following qualities: regularity (annually, quarterly or even live reporting) of data collected directly from the financial institutions; data in a single common currency; and a set of indicators that captures all key aspects of SME finance (loans, deposits, and asset-based finance) with a unified level of disaggregation (by firm or loan size). An alternative would be to have a combination of financial instruments denominated in the currency in which they were issued, and a reference currency that works across countries. This would minimize distortions regarding any amounts sensitive to fluctuations in currency exchange rates. Finally, clear definitions for SMEs and other indicators should also be delineated.

- The coordination of data collection is critical to building a useful data system for the entire SME finance ecosystem. Indeed, it would allow various agencies to complement each other in terms of type of enterprise (micro, small and medium), geographic coverage (regions/countries), and sectors (gender, youth, agricultural, and so on).

- The coordination of SME finance data would enable policy makers to better identify inclusion gaps in the financial system. It would also help them to monitor and measure alternative intervention options to close these gaps. Financial institutions could gain better insights into SME finance market opportunities and formulate business cases and models. IFIs/DFIs would also be able to coordinate resources and funds to obtain better data to measure market opportunities and gaps, track performance of investee financial institutions, as well as enhance reach and impact.

- To protect respective client disclosure and confidentiality, IFIs/DFIs could discuss and reach agreement on the types of indicators and level of information to be disclosed. For example, IFI/

DFIs could agree to share consolidated data at the regional and/or country level to protect individual/beneficiary client information. In this context, the SME Finance Forum currently visualizes International Finance Corporation (IFC) client data at the aggregated regional level[2]. This could be expanded to include other IFIs/ DFIs, while also respecting client disclosure conditions.

Other SME Finance Data Coordination Initiatives

The Alliance for Financial Inclusion (AFI) developed the SME Financial Inclusion Indicators Base Set. It serves as a tool for measuring access, usage and quality of financial services for SMEs in different countries. The AFI also prioritized gender across its work streams, incorporating some gender indicators as part of its SME Working Group. In addition, the AFI developed its data portal with financial institutions from 65 countries, thereby contributing to financial inclusion data — including 12 SME finance core indicators since 2011.

In 2014, Data 2X, the Global Banking Alliance for Women (GBA) and the Inter-American Development Bank (IDB) joined forces to create the Women's Financial Inclusion Data Partnership. The International Finance Corporation, the World Bank Group (WBG), the International Monetary Fund (IMF), and the AFI then joined the partnership to promote the importance and use of gender-disaggregated data collection in addressing financial access and service issues. The partnership is working to advance the collection and use of gender-disaggregated data among private and public institutions. As such, it seeks to leverage and harmonize these efforts across the ecosystem. The SME Finance Forum's analysis indicates that 11 out of 16 respondents at the micro level collect some form of gender-disaggregated data. This issue is discussed further in the micro section.

The partnership is now implementing a strategy to facilitate the collection and use of gender-disaggregated data among private and public institutions, leveraging and harmonizing these efforts across the ecosystem. It aims to prioritize data used for women's financial inclusion and develop key data sets to enable inclusion. This includes identification of data access challenges in advancing women's financial inclusion. As part of this effort, it has joined forces with the SME Finance Forum to request the Subgroup's support in promoting the enhancement and coordination of gender-disaggregated data.

- Most IFIs/DFIs ask their financial institution clients with SME credit lines (and other support) to report on their SME portfolios as part of funding terms and conditions. From the SME Finance Forum sample, 15 of the 16 micro IFIs/DFIs assessed the SME data collected from partner financial institutions. Unfortunately, each institution has its unique reporting and monitoring requirements, comprising different definitions of which SMEs are to be included. Previous formal coordination efforts at the SME level have not been sustainable.

- Those involved in SME finance can learn from the microfinance industry, which has established coordinated reporting to the Microfinance Information Exchange (MIX). The underlying reasons why coordination at the SME level has not worked well included disparities in the breadth and scope of indicators, collection methods, as well as the definitional framework of SMEs.

Objectives

This stocktaking exercise aims to provide an overview of micro, small and medium enterprise (MSME) finance indicators being collected by IFIs/DFIs. As such, it assesses the scope and depth of these indicators across countries and partner financial institutions. Opportunities will be identified to coordinate and merge similar data to create larger data sets. Ultimately, data collection will be harmonized by standardizing data across collectors to ensure greater accuracy and efficiency.

The aim is to recommend opportunities for coordination in the collection and use of data regarding the SME loan portfolios of partner financial institutions by IFIs/DFIs. This will help to build quality data for impact measurement. It will also support cross-country and regional comparisons, thereby reduce the reporting burden on partner FIs.

Recommended coordination efforts are expected to lead to the development of a harmonized framework over the long term. This will help to sustain the collection and use of quality data about the SME loan portfolios of IFI/DFI partner financial institutions and beneficiaries.

Methodology

Data sets are assessed at two levels: at the macro level, the SME Finance Forum team[3] charged with the development of this report assessed indicators measuring the country or regional situation; at the micro level, the Working Group assessed indicators capturing the institutional portfolio status.

At the macro level, the SME Working Group conducted a comprehensive desk/web review of databases and sample data sets from 12 institutions. These efforts were mainly focused on assessing the following aspects: core SME finance indicators; the level of data disaggregation; the data collection method/source; and the collection frequency. The institutions that collect data on the selected SME finance indicators will be included in the analysis.

At the micro level, data was collected by administering questionnaires to SME finance-focused institutions, including DFIs and IFIs. Over 50 questionnaires were distributed, and 17 responses

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were received for this phase. Assessments of the data were conducted, focusing on types of indicators, data collection method/source, frequency, and level of disaggregation. However, it was not focused on actual numbers (which are mostly confidential), and responses were mostly binary (yes/no). Altogether, the databases of 27 institutions and organizations were assessed at the macro and micro levels[4].

DATA STOCKTAKING EXERCISE: RESULTS OVERVIEW

Macro-Level Results and Analysis

Overview

The macro-level review covers 12 data sets from various organizations (data collectors), including both online data portals (for the African Development Bank [AfDB], the Alliance for Financial Inclusion [AFI], the International Labour Organization [ILO], and the United Nations Industrial Development Organization [UNIDO]) and sample data sets (Organization for Economic Co-operation and Development [OECD], the Asian Development Bank [ADB], the SME Finance Monitor, the European Bank for Reconstruction and Development Business Environment and Enterprise Performance Survey [EBRD BEEPS], World Bank Enterprise Surveys, the IMF Financial Access Survey, the International Trade Centre SME Competitiveness Survey, the United Nations Capital Development Fund [UNCDF], and the United Nations Regional/Economic Commissions).

The EBRD BEEPS and World Bank Enterprise Survey data are collected from firm-level surveys, and the others are collected from public bodies/sources. The databases and sets are reviewed from the following four perspectives: the number of countries covered; data collection and updating frequency; SME finance-specific indicators (19 core indicators); and the level of data disaggregation, including gender disaggregation.

Table 1 illustrates the observations based on the data availability and quality status from each of the four perspectives.

At the macro level, although 12 data sets were assessed, only 6 actually capture core SME finance indicators relevant to this report. These include the ADB Asia SME Finance Monitor, the AFI, the IMF Financial Access Survey (FAS) and the OECD. These institutions collect SME-specific indicators directly. The World Bank Enterprise Survey and the EBRD BEEPS survey allow for SME finance data through the application of the filter of "number of employees" to relevant indicators among general firm-level survey data, thereby indirectly facilitating the development of country-wide SME finance data.

The macro-level data sets show the potential for coordination. Specifically, at least 189 countries are already in the SME finance data collection framework (IMF FAS), and 16 of the 19 core indicators are each being collected by at least 2 institutions. The SME definition variations are recognized by data collectors either as common criteria, or as a separate note on local definitions provided when presenting the data.

Despite the promising country coverage and core SME finance-specific indicators that the collectors strive to obtain, the actual data points collected are still widely absent for many countries and/or indicators. This is due to the limitations among their first-hand data recordings. Also, the level of data disaggregation (especially gender disaggregation, in this case) is absent on a large scale. Only 2 gender-specific indicators are being collected (AFI), and 6 indicators have the potential for extrapolation (World Bank Enterprise Surveys and EBRD BEEPS).

In the analysis below, only 6 institutions collecting SME finance data (the ADB Asia SME Finance Monitor, the AFI, the EBRD BEEPS, the IMF FAS, the OECD Scoreboard, and the World Bank Enterprise Surveys) are taken into consideration.

Table 1: Macro-Level Overview

Data Collectors	Country Coverage	Collection Frequency	SME Finance Specific Indicators	Disaggregation (Gender)
OECD	Orange	Dark blue	Dark blue	Light blue
ADB SME Finance Monitor	Light blue	Orange	Orange	Light blue
AfDB	Orange	Orange	Light blue	Light blue
AFI	Orange	Orange	Dark blue	Orange
EBRD BEEPS	Orange	Light blue	Orange	Dark blue
WB Enterprise Surveys	Dark blue	Light blue	Orange	Dark blue
ILO	Dark blue	Orange	Light blue	Dark blue
IMF Financial Access Survey (FAS)	Dark blue	Dark blue	Dark blue	Light blue
UNIDO	Dark blue	Orange	Light blue	Light blue
ITC SME Competitiveness Surveys	Orange	Orange	Light blue	Light blue
UN Regional/Economic	Dark blue	Dark blue	Light blue	Light blue
UNCDF	Light blue	Gray	Light blue	Orange

- ■ (Dark blue) Covers 130+ countries/collects data annually/has good SME finance-specific indicators/has gender-disaggregated data.
- ■ (Orange) Covers 130+ countries/collects data every 1-3 years/few SME finance-specific indicators or inconsistant indicators/partly gender-disaggregated.
- ■ (Light blue) Covers fewer than 30 countries/no regular collection or inconsistent across countries/no SME finance-specific indicators/no gender-disaggregation.
- ■ (Gray) Unknown or not applicable.

Note: ADB = Asian Development Bank; AfDB = African Development Bank; AFI = Alliance for Financial Inclusion; EBRD BEEPS = European Bank for Reconstruction and Development Business Environment and Enterprise Performance Survey; ILO = International Labour Organization; IMF = International Monetary Fund; OECD = Organisation for Economic Co-operation and Development; ITC = International Trade Centre; UN = United Nations; UNCDF = United Nations Capital Development Fund; UNIDO = United Nations Industrial Development Organization; and WB = World Bank.

Definitions

At the macro level, there is no single, universal definition for "SME". All 6 institutions have disclosed their definitions for "SMEs". However, the underlying definitions across the databases still vary considerably. For example, the ADB Asia SME Finance Monitor and the IMF FAS both follow the local definition of SME, if one exists. Alternatively, they use the World Bank Group definition if none exists. The OECD Scoreboard indicators use either the definition of the national authorities or the European Union (EU) definition, and the AFI data follow each country's national definitions.

The Enterprise Surveys have a definition for "firm size", but this definition is not developed for specifically referring to "SMEs" in "SME finance". Thus, in the universe of macro-level SME finance data, the local/national definition, the EU definition

and the World Bank definition are all applied, depending on the data source and the collectors' requirements.

Only the Enterprise Surveys have a unified definition for "women-owned SMEs" across its database. In other databases, this concept is only mentioned in a few economies, and no clear definition is provided.

Indicators

The stocktaking exercise examined 19 data points covering various aspects of SME finance as a whole, with a heavy focus on SME loans (12 indicators), as well as deposits, collateral, alternative finance, and digital financial services (7 indicators). The most common SME finance indicators regularly collected include: (i) share of SME loans in total business loans (100 percent); (ii) SME loans in US$ (or shown as SME loans as a percentage of gross domestic product [GDP] – 5 out of 6); (iii) the percentage of SMEs required to provide collateral on their last bank loan; and (iv) the SME rejection rate (4 out of 6). The OECD Scoreboard covers 84 percent of the core indicators reviewed.

Gender Disaggregation

Four of the 6 organizations that collect SME finance-specific indicators include various types of gender components in their databases, including: the AFI (65 countries), the World Bank Enterprise Surveys and the World Bank Group, EBRD BEEPS (132 countries), and the IMF FAS (28 countries). However, the collection of gender-disaggregated data is still at an experimental stage, as the indicators with gender disaggregation do not overlap across the organizations. Also, the actual data collected are lacking in regularity.

Other Disaggregation

Agriculture- and youth-disaggregated SME finance data are not regularly collected by any of the organizations in the samples.

Country Coverage

The number of countries a database covers is related to the purpose of that institution's data collection. The actual country coverage of data is also affected by the availability and quality of SME finance data in that country.

For example, ADB's Asia SME Finance Monitor database covered 20 countries in the Asia and Pacific region. This coincided with the ADB's regional focus when this project was launched in 2012. However, the indicators collected varied from country to country. The country-level data were compiled from various end-data contributors, such as central banks, financial authorities, line-ministries responsible for SME development, SME agencies, specialized banks, credit guarantee corporations/funds, securities commissions, stock exchanges, statistics offices, and chambers of commerce.

These institutions and entities could only provide their "best available" data to fit the common data framework that the ADB developed for this exercise. Both the ADB and the EBRD collect regionally-focused data.

The other 4 organizations' data sets aim for global coverage from 43 countries (OECD) to 189 countries (IMF FAS). The IMF FAS collects SME finance data from as many as 189 countries. However, there is no data available for "Loans outstanding with commercial banks for SMEs" in over 100 of the 189 countries.

Collection Method and Frequency

The frequency of updates also varies. Of the 6 institutions, the IMF FAS and the OECD collect and update macro-level data on an annual basis, whereas the World Bank Enterprise Surveys and the BEEPS update on a rolling basis by country. For most countries, the survey is conducted every 3 to 4 years. The most recent update of the ADB Asia SME Finance Monitor was in 2014. Based on the "last surveyed" time stamp in the AFI Data Portal, the data were updated every 1-3 years.

Micro-Level Results and Analysis

Overview

At the micro level, the data stocktaking questionnaire was distributed to over 50 relevant IFIs/DFIs. Seventeen institutions responded to the questionnaire (see Table 2, and the detailed legend in Annex C), including 10 IFIs/DFIs, 4 Bank/Fund/ Other FIs, and 2 Government Agencies/Donors see also the Questionnaire in Annex B).

The micro-level data sets are better at capturing the micro, small and medium enterprise (MSME) finance indicators (especially loan data), with some efforts at data disaggregation. The surveyed IFIs/DFIs mainly focus on their own portfolios and collect data directly from client/partner FIs, with the number of FIs in an institution's portfolio varying from 12 to over 400. The micro-level data are generally more frequently updated than the macro-level data. Over 80 percent of the institutions update their portfolio data at least annually (only 33 percent of institutions update macro-level data on an annual basis).

Definitions

Variations in the definition of SMEs and the absence of a definition of women-owned SMEs remain a concern for data at the micro level, as detailed in Table 3. Seven of the 16 institutions use SME definitions from the IFC, the EU or a country. Following such criteria helps to unify the underlying SME definition in one database. The other 8 respondents follow their client FI definitions. In this case, data from one institution can be affected by the various underlying SME definitions.

A clear definition of women-owned SMEs is absent in 10 of the 16 respondents. Among those collectors who have a definition, the criteria still vary. For instance, the criteria may vary by the ownership of the firm, by the gender of the loan applicant, or by the client FI's internal definition of target beneficiaries. Four of the 16 respondents have definitions for both "SMEs" and "Women-owned SMEs".

Indicators

SME loan data collection in terms of quantity and quality still outweighs other aspects, such as deposits and collateral data. Loan data also tends to focus on the number or volume of loans outstanding rather than disbursements. All 16 respondents collect at least one loan indicator, and more than half of the respondents collect data for the MSME Loans Outstanding, MSME Loans Disbursed, and Non-performing Loan (NPL) indicators (Table 4).

Other core indicators (non-loan indicators) are not collected by most respondents. Four of the 16 respondents collect MSME deposit indicators, and only 3 of the 16 respondents collect data about asset-based finance/leasing indicators.

Disaggregation

Eight of the 16 respondents maintain MSME disaggregated data by size, that is, by micro, small and medium enterprise. Eleven of the 16 respondents maintain gender disaggregation as one of their indicators (Table 5).

Many IFIs/DFIs are making efforts to include gender-disaggregated data as part of their SME gender strategy. Although the scope and depth of gender indicators vary, 11 of the 16 respondents have some level of gender disaggregation in their data collection, typically from one to nine indicators.

Agricultural indicators are collected by 7 of the 16 respondents (including the Belgian Investment Company [BIO], [Spanish Development Financing Company [COFIDES], the European Investment Bank [EIB], the European Investment Fund [EIF], the German Development Bank [KfW], Triodos, and the United States Agency for International Development [USAID]); 2 respondents (Triple Jump and COFIDES) collect rural indicators; and only 1 respondent (EIB) collects youth-related indicators. Thus, much remains to be done in terms of adding more disaggregated data, and finally achieving thorough data disaggregation.

Table 2: Micro-Level Overview

Type	Respondent	Core Indicators			Disaggregation		Definition	Collection
		Loan Indicators	Deposit Indicators	Asset Finance/ Leasing Indicators	Size Disaggregation	Gender Disaggregation	SME/Women-Owned SME Definitions	Frequency
Bank/Fund	Triple Jump	yellow	black	light blue	light blue	blue	light blue	blue
Bank/Fund	Triodos	yellow	light blue	light blue	blue	blue	yellow	blue
Bank/Fund	COFIDES	blue	blue	blue	light blue	blue	yellow	blue
Bank/Fund	BIO	yellow	blue	light blue	blue	blue	blue	blue
DFI/IFI	IFC	blue	blue	blue	blue	blue	blue	blue
DFI/IFI	IIC	blue	light blue	light blue	blue	blue	yellow	blue
DFI/IFI	EBRD	blue	light blue	light blue	light blue	blue	light blue	blue
DFI/IFI	EIB	blue	light blue	light blue	blue	blue	yellow	grey
DFI/IFI	EIF	blue	light blue	blue	blue	light blue	yellow	blue
DFI/IFI	FMO	yellow	light blue	light blue	yellow	light blue	blue	blue
DFI/IFI	Accion	blue	light blue	light blue	light blue	light blue	yellow	blue
DFI/IFI	DEG Invest	yellow	light blue	light blue	light blue	light blue	yellow	blue
DFI/IFI	SIFEM	yellow	light blue	light blue	yellow	blue	blue	blue
DFI/IFI	PROPARCO	yellow	light blue	light blue	yellow	light blue	yellow	blue
Donor/ Government	USAID	blue	light blue	light blue	light blue	light blue	yellow	grey
Donor/ Government	KfW	yellow	light blue	light blue	light blue	light blue	yellow	yellow

■ The blue color generally indicates a high level of availability, completeness and quality of data/indicators.

■ The yellow color generally indicates that the data is partially available and is complete or consistent at a certain level.

■ The light blue color generally indicates that the data is not available or highly incomplete.

■ The grey color generally indicates the lack of information for certain databases/sets or indicators.

Note: BIO = Belgian Investment Company for Developing Countries SA/NV; DEGInvest = German Investment and Development Corporation; DFI = Development Finance Institution; EBRD = European Bank for Reconstruction and Development; EIB = European Investment Bank; EIF = European Investment Fund; FMO = Dutch Development Bank; IFC = International Finance Corporation; IFI = International Financial Institution; IIC = Inter-American Investment Corporation; KfW = German Development Bank; PROPARCO = French development financial institution; SIFEM = Swiss Investment Fundfor Emerging Markets; USAID = United States Agency for International Development.

Table3: SMEs: Women-Owned SME Definitions

		Definition	
Type	**Respondent**	**SME**	**Women-Owned SME**
Bank/Fund	Triple Jump		
Bank/Fund	Triodos		
Bank/Fund	COFIDES		
Bank/Fund	BIO		
DFI/IFI	IFC		
DFI/IFI	IIC		
DFI/IFI	EBRD		
DFI/IFI	EIB		
DFI/IFI	EIF		
DFI/IFI	FMO		
DFI/IFI	Accion		
DFI/IFI	DEG Invest		
DFI/IFI	SIFEM		
DFI/IFI	PROPARCO		
Donor/Government	USAID		
Donor/Government	KfW		

SME
- There is a clear and consistent definition of SMEs.
- The definition used is inconsistent.
- There is no definition for SMEs.
- Not enough information/not applicable.

Women-Owned SME
- There is a clear definition of women-owned SMEs.
- There is a definition of women-owned SMEs, but it is not consistent.
- There is no definition of women-owned SMEs.
- Not enough information/not applicable.

Note: BIO = Belgian Investment Company for Developing Countries SA/NV; DEG Invest = German Investment and Development Corporation; DFI = Development Finance Institution; EBRD = European Bank for Reconstruction and Development; EIB = European Investment Bank; EIF = European Investment Fund; FMO = Dutch Development Bank; IFC = International Finance Corporation; IFI = International Financial Institution; IIC= Inter-American Investment Corporation; KfW = German Development Bank; PROPARCO = French development financial institution; SIFEM = Swiss Investment Fund for Emerging Markets; and USAID = United States Agency for International Development.

Collection Method and Frequency

SME finance data at the micro level consists of mostly primary data from the institutions' portfolios. All other respondents collect SME finance data directly from FIs. The exception is COFIDES, which collects data from the SMEs in which it invests. Eleven of the 16 respondents note that micro-level data are collected for their client FIs' entire portfolios; 5 of the 16 respondents' data take into account financing through their lines of credit or assistance; and 1 respondent (Swiss Investment Fund for Emerging Markets - SIFEM) captures both the entire portfolio and financing through its credit lines or assistance.

Micro-level data are updated on an annual basis (at least) by 13 of the16 data collectors. Another 12 databases surveyed are non-public, or at least have a significant part that is not public.

Table 4: SME Indicators

Type	Respondent	Core Indicators				
		Volume/Number MSME Loans Outstanding	Volume/Number MSME Loans Disbursed	Non-Performing Loans (NPLs)	MSME Deposit	ABF/Leasing
Bank/Fund	Triple Jump	orange	light blue	dark blue	orange	light blue
Bank/Fund	Triodos	orange	light blue	light blue	light blue	light blue
Bank/Fund	COFIDES	dark blue	dark blue	dark blue	dark blue	dark blue
Bank/Fund	BIO	dark blue	orange	dark blue	dark blue	light blue
DFI/IFI	IFC	dark blue	dark blue	dark blue	dark blue	dark blue
DFI/IFI	IIC	dark blue	dark blue	dark blue	light blue	light blue
DFI/IFI	EBRD	dark blue	dark blue	dark blue	light blue	light blue
DFI/IFI	EIB	dark blue	dark blue	dark blue	light blue	light blue
DFI/IFI	EIF	dark blue	dark blue	dark blue	light blue	dark blue
DFI/IFI	FMO	dark blue	light blue	light blue	light blue	light blue
DFI/IFI	Accion	dark blue	dark blue	dark blue	light blue	light blue
DFI/IFI	DEG Invest	dark blue	light blue	dark blue	light blue	light blue
DFI/IFI	SIFEM	dark blue	light blue	dark blue	light blue	light blue
DFI/IFI	PROPARCO	dark blue	light blue	dark blue	light blue	light blue
Donor/Gov	USAID	dark blue	dark blue	dark blue	light blue	light blue
Donor/Gov	KfW	light blue	dark blue	orange	light blue	light blue

Note: ABF = Asset-Based Finance; BIO = Belgian Investment Company for Developing Countries SA/NV; DEG Invest = German Investment and Development Corporation; DFI= Development Finance Institution; EBRD = European Bank for Reconstruction and Development; EIB = European Investment Bank; EIF = European Investment Fund; FMO = Dutch Development Bank; IFC = International Finance Corporation; IFI = International Financial Institution; IIC = Inter-American Investment Corporation; KfW = German Development Bank; MSME = Micro, small and medium enterprise; PROPARCO = French development financial institution; SIFEM = Swiss Investment Fund for Emerging Markets; and USAID = United States Agency for International Development.

In addition to the general micro-level observations, IFIs/DFIs are mostly making efforts toward gender financial inclusion. However, apart from the IFC, the Inter-American Investment Corporation (IIC), the Dutch Development Bank (FMO) and SIFEM, most lack a clear definition of women-owned SMEs. In addition, actual gender-disaggregated data is limited.

Table 5: MSME Data Disaggregation

Type	Respondent	Disaggregation						
		Micro/SME	Small/Medium	Gender	Youth	Agricultural	Rural	Other
Bank/Fund	Triple Jump							
Bank/Fund	Triodos							
Bank/Fund	COFIDES							
Bank/Fund	BIO							
DFI/IFI	IFC							
DFI/IFI	IIC							
DFI/IFI	EBRD							
DFI/IFI	EIB							
DFI/IFI	EIF							
DFI/IFI	FMO							
DFI/IFI	Accion							
DFI/IFI	DEG Invest							
DFI/IFI	SIFEM							
DFI/IFI	PROPARCO							
Donor/Government	USAID							
Donor/Government	KfW							

Note: BIO = Belgian Investment Company for Developing Countries; COFIDES = Spanish Development Financing Company; DEG = German Investment and Development Corporation; DFI = Development Finance Institution; EBRD = European Bank for Reconstruction and Development; EIB = European Investment Bank; EIF = European Investment Fund; FMO = Dutch Development Bank; IFC = International Finance Corporation; IFI = International Financial Institution; KfW = German Development Bank; PROPARCO = French development financialinstitution; SIFEM = Swiss Investment Fund for Emerging Markets; and USAID = United States Agency for International Development.

CONCLUSION

SME finance data for emerging markets is very limited, and disaggregated data pertaining to gender, youth and sectors are nonexistent. Our analysis demonstrates that there is indeed a considerable commitment and allocation of resources to obtaining quality data to inform and measure the impact of SME finance by governments, IFIs/DFIs and financial institutions.

At the macro level, only half of the 12 databases sampled are collecting the core indicators assessed in this exercise. The core SME indicators are being collected by almost all the institutions, as detailed in Tables 1 and 2. These include Loan, Deposit and NPL indicators.

All 17 institutions sampled in this exercise are collecting SME finance data at the micro level. However, based on our analysis, there are huge disparities in the breadth and scope of indicators, methods of collection and definitional framework of SMEs.

Limitations exist too in the scope and breadth of existing data sets. Almost all the institutions assessed have existing data sets. At the macro level, the OECD and the IMF have the most comprehensive sets dating back over 10 years. The data covers 189 countries and is updated on an annual basis. Most of this data is available and can be accessed by outside institutions and the public. Yet, despite the promising country coverage and core SME finance-specific indicator set in the database, actual data points are still widely absent for many countries and/or indicators.

At the micro level, most institutions have data sets, but lack the rigor and scope at the macro level. Micro-level data sets are mostly developed for the institutions' internal uses and are driven by institutional strategies and goals. The number of indicators is limited, with country coverage limited to those of strategic relevance to the respective institutions. Apart from the IFC, Triodos, and USAID, most micro-level data sets cannot be accessed by external institutions.

SME finance indicators collected at both the macro and micro levels are mostly around loans, NPLs and reach. However, although there is a significant level of disaggregation by size, there is no significant level of disaggregated data by segment. Most of the top institutions have launched pilots or included some gender indicators. However, disaggregated data availability regarding gender, youth and other segments of SME finance remains limited.

Variations in the methods of data collection create significant inconsistencies in data quality, mostly prevalent at the micro level. The data management capabilities of participating FIs are limited, and there are no standards or guidelines regarding data collection. The lack of standards creates gaps and variations in data quality.

Some financial institution clients report to multiple IFIs/DFIs with divergent requirements, thereby creating multiple levels of inconsistencies. The lack of a standardized definitional framework for SMEs, including women-owned SMEs, is another underlying factor in the multiple inconsistencies of SME finance data. Many institutions adopt variations of the World Bank Group definitions, some adopt the partner FI definitions, and others work directly with SMEs in adopting the country-level SME definitions, or some variation thereof.

The micro-level data issues have more quality and consistency concerns. Strong efforts will be needed to coordinate data collection and build an effective

and reliable SME finance data set, thereby enhancing the quality and consistency of such data.

At the macro-level, definitions are driven mostly by the World Bank Group and country/government definitions at the implementation level. These definitional inconsistencies result in portfolio variation, limiting opportunities for any level of comparability or consolidation. There are opportunities to build a definitional framework based on global, regional, country, or institutional definitions. Such an effort would greatly improve data quality — and, importantly, enhance the measurement of the impact of SME finance.

RECOMMENDATIONS

Based on our analysis of the gaps and challenges, we offer some recommendations for consideration by the G-20:

Micro-Level Recommendations

- **Coordinate the collection of data.** The G-20 should encourage constituent IFIs/DFIs to agree on a common collection approach and joint, confidential data-sharing of core indicators from common clients. This would save the institutions and their clients much time and effort.

- Coordination of data collection is critical to building a useful data system encompassing the entire SME finance ecosystem. It would also enhance efficiency, allowing various agencies to complement each other in the breadth, coverage and disaggregation of SME finance data.

- **Support coordinated reporting.** Standardize and improve data collection methodologies. IFIs/DFIs should be encouraged to agree on a standard method for data collection, one that is feasible and easy to collect from participating FIs. For example, if IFIs agree to use national reporting definitions when available and then standardize common indicators in participating FI covenants, this would save time and effort in data gathering and aggregation. Also, it would significantly improve data quality and facilitate stronger comparisons.

- Encourage IFIs/DFIs to commit to data disaggregation. This would be done as part of conditionality for assistance and for reporting across a client's whole portfolio — not just across

the usage of IFI/DFI funds. As such, it would enable better aggregation across their clients, as well as more comprehensive and accurate reporting.

- **Launch Pilot Program.** The G-20 should consider recommending to the IFI/DFI SME Working Group the launching of a pilot program on data coordination to jump-start coordination efforts. The SME Finance Forum was established by the GPFI as a collaborative platform for data sharing. It has developed a data website to make SME finance data more accessible. As part of this effort, the Forum may be considered as a potential platform for this initiative. The partners will need to agree on indicators, disclosure guidelines, and benchmarks.

Macro-Level Recommendations

- **Expand data collection to less developed, fragile, and conflict-affected countries.** Macro data sets have consistency and robustness, but they cover mostly OECD and middle-income countries where such data is available. However, there is no data or only limited data from less developed and fragile countries with difficult markets. An expanded effort in this regard can help channel resources to obtain data from the countries where it is most needed, but more difficult to obtain.

- **Create a larger database.** Such a database would facilitate year-on-year comparisons/trends based on consistent definitions. IFIs/DFIs can agree to using different definitions assuming each data set

stays consistent in such a manner as to facilitate year-on-year comparisons and trend analysis.

- **A G-20 pledge to encourage the collection of disaggregated data every year at the macro level.** As there are simultaneous efforts to produce gender-disaggregated data among some IFIs/DFIs and Women20 (W20), such a commitment could start with gender and possibly other areas of interest to the G-20. These could include agriculture/rural areas and youth. The data collection efforts should include all countries with a focus on underserved and conflict-affected countries.

Annex A: Micro-level Results

	Indicators						Disaggregation					Definition		Data Collection		
	Volume/ Number MSME Loans Outstanding	Volume/ Number MSME Loans Disbursed	NPL	MSME Deposit	Micro/ SME	Small Medium	Gender	Youth	Agricultural	Rural	Other	SME	Women-Owned SME	#FI Represented	% Reporting	Frequency
	Both number and volume data are available.	Both number and volume data are available.	There is data for non-performing loans.	There is data for MSME deposits.	The data is consistently dis-aggregated by micro/SME.	The SME data is consistently dis-aggregated by small/medium enterprise.	Gender-dis-aggregated data exist across core indicators or gender-specific indicators.	Youth-dis-aggregated data exist across core indicators or youth-specific indicators.	Agricultural-dis-aggregated data exist across core indicators or agri-specific indicators.	Rural-dis-aggregated data exist across core indicators or rural-specific indicators.	Other types of dis-aggregated or specific indicators exist across core indicators, except for gender, youth, agriculture and rural indicators.	There is a clear and consistent definition of SMEs.	There is a clear definition of women-owned SMEs.	The respondent collects data for the number of FIs represented.	The respondent collects data for a percentage of reporting FIs.	The respondent updates data annually.
	Either number or volume data is available.	Either number or volume data is available.	The data for non-performing loans are inconsistent.	The data for MSME deposits are inconsistent.	The data is dis-aggregated by micro and SMEs, but criteria varies.	The SME data is dis-aggregated by small/medium size, but not consistently.		—	—	—	—	The definition being used is inconsistent.	A definition of women-owned SMEs exists, but is not consistent.	The respondent does not collect data for the number of FIs regularly represented.	The data collected for percentage of FIs reporting is not consistent or regular.	The respondent updates data on a regular basis, but not annually.
	Neither the number nor volume data are available.	Neither the number nor volume data are available.	No data is available for NPLs.	No data is available for MSME deposits.	The data is not dis-aggregated by micro/SME.	The SME data is not dis-aggregated by small/medium size.	No gender-dis-aggregated data exists across core or gender-specific indicators.	No youth-dis-aggregated data exists across core or youth-specific indicators.	No agricultural-dis-aggregated data exist across core or agriculture-specific indicators.	No rural-dis-aggregated data exist across core or rural-specific indicators.	No other types of disaggregated or specific indicators exist across core indicators, except for gender, youth, agriculture and rural indicators.	No definition of SMEs exists.	No definition of women-owned SMEs exists.	The respondent does not collect data for the number of FIs represented.	The respondent does not collect data for the percentage of FIs reporting.	The respondent does not update data on a regular basis.
	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.	Insufficient information/not applicable.

Annex B: Micro-Level Data Stocktaking Questionnaire

Please answer "Yes", "No" or "N/A" from question 1.1 to 1.9, and fill in the boxes from question 1.10 to 3.7. If you have any further comments/notes/related links to share for a question, please provide them under the "Additional Information" tab.

	Core Indicators	Micro (Yes/No)	SME (Yes/No)	MSME (Yes/No)	Gender (Yes/No)	Youth (Yes/No)	Agriculture/Agribusiness (Yes/No)	Rural (Yes/No)	Other (Yes/No)
					Do you have data disaggregated for?				
1.1	Is there an indicator to capture "Volume of MSME Loans Outstanding ($)"?								
1.2	Is there an indicator to capture "Volume of MSME Loans Dispersed ($)"?								
1.3	Is there an indicator to capture "Number of MSME Loans Outstanding"?								
1.4	Is there an indicator to capture "Number of MSME Loans Dispersed"?								
1.5	Is there an indicator to capture "Volume of Non-Performing Loans (NPLs) Outstanding ($)"?								
1.6	Is there an indicator to capture "Number of Non-Performing Loans (NPLs) Outstanding"?								
1.7	Is there an indicator to capture "Volume of MSME Deposits Outstanding ($)"?								
1.8	Is there an indicator to capture "Number of MSME Deposits Outstanding"?								
1.9	Is there an indicator to capture " Volume of Asset-based Finance/ Leasing ($)"?								
1.10	Are there any other core indicators related to SME Finance the database keeps track of?	(please specify)							
	Definitions	Please specify							
2.1	Is there disaggregation of "Micro" and "SME" in the data?								
2.2	Within "SME", is there disaggregation of "Small" and "Medium"?								
2.3	What is the definition of "SME" in this database?								
2.4	What is the definition of "Microenterprises" in this database?								
2.5	What is the definition of "Women-owned SMEs" in this database?								
	Data Collection/Reporting	Please specify							
3.1	Do you collect data directly from the Financial Institutions or do you rely on data collected from other sources, such as consultants or national authorities?								
3.2	How many Financial Institutions does the data represent?								
3.3	Does the data represent the entire portfolio of your client financial institution, or just the lending financed through your credit line or other assistance?								
3.4	How many Financial Institutions in FCS countries does the data represent? (FCS Countries: Countries in Fragile and Conflict Situations, please see the "IFC FCS Countries List" tab for the list of countries)								
3.5	How often does your institution collect data from the source?								
3.6	How often does your institution update the database?								
3.7	Is the database public or non-public?								