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UNIDO Asia Industrial Policy Lab (IPL)

Application Form – Policy Challenge Pitcher

General Information	**Country**	People's Republic of **Bangladesh**
	Organization Name	**Small and Medium Enterprise Foundation (SMEF),** Ministry of Industries, Government of the People's Republic of Bangladesh www.smef.gov.bd
	Type of Organization	***Please mark "√".*** (1) □ Central/national government (2) □ Provincial government (3) √ Public organization (4) □ Others……[please specify]
	Main Role and Responsibilities	SME Foundation is the apex institution for promoting, supporting, and facilitating the sustainable development and growth of small and medium enterprises (SMEs) in Bangladesh. The major activities of SME Foundation are implementation of SME Policy Strategies adopted by the Bangladesh Government, policy advocacy and intervention for the growth of SMEs, facilitating financial supports for SMEs, providing skill development and capacity building training, facilitating adaptation with appropriate technologies and access to ICT, providing business support services, etc. It is mentionable here that the Foundation is working for the development of enterprises and entrepreneurs who belong to micro, small and medium categories as per Industrial Policy.
Point of Contact	**Name**	Mainul Islam
	Position	Deputy Manager
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IPL participation	**Title of the policy challenge**	Bridging the Financing Gap for Small and Medium Enterprises in Bangladesh through Innovative Policy Solutions and Financial Instruments
	Please describe in detail what policy challenge your ministry/agency wants to study and tackle in the UNIDO IPL?	One of the critical challenges faced by SMEs in Bangladesh is limited access to finance, especially for early-stage and women-led enterprises. Despite the presence of multiple financial schemes, the effectiveness and outreach of these programs remain limited due to structural barriers, risk-averse behavior of financial institutions, lack of credit guarantees, and low financial literacy among entrepreneurs. SME Foundation seeks to explore and implement innovative financing mechanisms such as credit guarantee schemes, venture capital funds, and blended finance models that can effectively address these gaps and make SME financing more inclusive and accessible.
	Describe your country's current policy landscape and issues. What is the main barrier and bottleneck?	Bangladesh has an SME Policy and Industrial Policy that emphasize SME development. However, the implementation faces challenges due to fragmented coordination among stakeholders, insufficient data for targeted policymaking, and financial institutions' reluctance to lend to SMEs due to perceived high risks and lack of collateral. The main bottleneck remains the limited access to affordable and timely credit for SMEs, particularly those in rural areas, women-led enterprises, and startups.
	Provide names of other Asian countries that may be helpful on your country's current challenge?	• India (for its credit guarantee schemes and digital lending infrastructure) • Indonesia (for its MSME digital transformation and blended finance initiatives) • Vietnam (for strong public-private collaboration in SME development) • Malaysia (for its structured policy support and SME Corp model) • South Korea (Sustainable SME financing Model)
	What is your ministry/agency's plan to apply and implement from the suggestions at the IPL Asia?	SME Foundation aims to develop a roadmap for implementing innovative financial mechanisms tailored for SMEs, based on the lessons and case studies from participating countries. This may include designing a national credit guarantee framework, proposing regulatory reforms to encourage fintech lending, and initiating pilot programs for alternative finance. Ministry of Industries and Foundation also plan to build partnerships with other ministries, financial institutions, and development partners for integrated implementation.

	Potential Beneficiary	**Direct Beneficiary**: • SME entrepreneurs, particularly women-led and cluster-based enterprises • Financial institutions partnering with SMEF • Policymakers and SME support service providers **Indirect Beneficiary**: • General population through increased employment and economic growth • Youth and aspiring entrepreneurs • Local economies through increased business activity and innovation

I certify that all information provided above is accurate and truthful. I understand that STEPI reserves the right to refuse acceptance or to terminate the program if it is discovered that any false statement has been made.

Signature _____ _____ Date: *May 04, 2025*