Early Warning System

ADB-59004-001

Women Entrepreneurs Leveraging Innovative Finance in Tonga Project

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Quick Facts

Countries	Tonga
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-12-11
Borrower	Government of Tonga - Ministry of Finance
Sectors	Finance, Industry and Trade
Investment Type(s)	Grant
Investment Amount (USD)	$ 9.00 million
Project Cost (USD)	$ 9.00 million

Project Description

According to the Bank’s website, the Women Entrepreneurs Leveraging Innovative Finance in Tonga (WE-LIFT) project, financed through an Asian Development Fund grant under the Sustainable Development Goal 5: Transformative Gender Agenda thematic window and designed using a financial intermediation modality, aims to accelerate women entrepreneurs' access to finance and strengthen their entrepreneurial and financial capabilities in Tonga, a small island economy facing structural vulnerabilities and gender-based exclusion. The project responds to barriers disproportionately faced by women entrepreneurs, including limited collateral due to land ownership restrictions, high informality, and inadequate business development services (BDS), by (i) establishing Tonga's first risk-sharing facility (RSF) to ease collateral constraints and unlock bank lending to women entrepreneurs through partial credit guarantees; (ii) introducing an enablement fund offering grants to improve the bankability of informal micro and small enterprises; and (iii) delivering tailored BDS, through the proposed business advisory hub, to align with the daily realities of women entrepreneurs and enhance their financial, digital, and business management skills. By strengthening sex-disaggregated data systems, the project will also support the design of inclusive financial products, tailored support services, and policies that advance gender-responsive private sector development in Tonga.

The project is aligned with the following impacts: (i) more inclusive, sustainable, and empowering human development with gender equality enhanced; and (ii) inclusive and sustainable growth of MSMEs promoted. The project will have the following outcome: women entrepreneurs’ capacity to access and effectively use finance for business growth improved.

Early Warning System Project Analysis

In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are environment (category FI-C), involuntary resettlement (category FI-C), and Indigenous Peoples (category FI-C). Civil works are not envisaged given the nature of the intervention; and the project is expected to have minimal or no adverse environmental, involuntary resettlement, and Indigenous Peoples impacts.

Investment Description

- Asian Development Bank (ADB)

The government has requested a grant of $9.0 million from ADB’s Special Funds resources (ADF) to help finance the project.

Contact Information

For the Recipient:

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For ADB:

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Grant Agreement (Special Operations) for Grant 1096-TON: Women Entrepreneurs Leveraging Innovative F
- Project Agreement for Grant 1096-TON: Women Entrepreneurs Leveraging Innovative Finance in Tonga Pro
- Report and Recommendation of the President
- Women Entrepreneurs Leveraging Innovative Finance in Tonga Project: Gender Assessment and Action Pla
- Women Entrepreneurs Leveraging Innovative Finance in Tonga Project: Procurement Plan
- Women Entrepreneurs Leveraging Innovative Finance in Tonga Project: Project Administration Manual

Media

- ADB Approves $9 Million Grant to Unlock Business Opportunities for Women in Tonga