2020 IMPLEMENTATION PROGRESS REPORT
WOMEN ENTREPRENEURS FINANCE INITIATIVE (WE-Fi)

Reporting Period: July 1, 2019 – June 30, 2020

Name of Implementing Partner: EBRD

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I. SUMMARY PROJECT INFORMATION

Project/Program Name

Women of the Steppe” – EBRD Women in Business Program in Central Asia

Project/Program Timeline

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<tr>
<th>GC Approval Date</th>
<th>Project Implementation Start Date</th>
<th>Mid Term Review Date (if planned)</th>
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<td>7 June 2019</td>
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Geographic Location(s)

The EBRD is implementing the “Women of the Steppe” Program in four Central Asian countries: the Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan (the “Target Countries”).

II. EXECUTIVE SUMMARY

In June 2019, the EBRD, with grant funding support from We-Fi, established the “Women of the Steppe” Women in Business Program in Central Asia (Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan).

The overall objective of this Program is to contribute to women’s empowerment by increasing their economic opportunities, thereby contributing to the We-Fi core objective to break down barriers to financial access for women entrepreneurs. The EBRD seeks to maximize impact by providing a unique mix of financing, advisory services and policy dialogue to create lasting systemic change. The Program offers a fully integrated product to respond to the multi-dimensional nature of women-led SMEs’ barriers to growth.

The specific objectives of the Program are:

1. Provide access to finance for women entrepreneurs through dedicated financing both through PFIs and/or directly for women-led businesses, addressing the shortage of credit available to this segment and leveraging EBRD financing with the PFIs’ own funds;

2. Strengthen capacity of PFIs to serve the needs of women entrepreneurs supported by risk mitigation instruments, so that the impact is sustainable;

3. Increase access to know how for women entrepreneurs, through provision of advisory services, training, mentoring and other non-financial services to build their business and managerial capacity and financial literacy;

4. Increase access to business networks and networking tools to better integrate women entrepreneurs in existing business networks;
5. Strengthen the ecosystem through institutional strengthening to support delivery of gender-intelligent policies and regulations and encourage active dialogue between the public and private sectors to address country-specific non-financial barriers that affect women entrepreneurs; and

6. Empower women entrepreneurs through advocacy, awareness raising and role modelling, to address socio-cultural barriers, and improve public perception of women’s entrepreneurship.

Implementation of the Program began in June 2019. During the reporting period, the EBRD completed the necessary internal procedures required to set up the financing facility for the Program. Further, missions were undertaken in Q3-Q4 2019 to the target countries to meet with all key stakeholders for the policy, financing and advisory activities under the Program and therefore develop and refine a strong pipeline of activities. The first such scoping mission took place to Kyrgyz Republic, Tajikistan and Uzbekistan in July 2019 and identified strong potential areas of policy activity with key partners, as well as promoting the Program and its objectives to potential PFIs. On 27 December 2019, the first credit line was signed with a financial intermediary under the Program: the EBRD provided The First MicroFinance Company (FMFC) in the Kyrgyz Republic with a loan of USD 1 million for on-lending to women-led micro, small and medium-sized enterprises.

Although the COVID-19 pandemic has delayed the rollout of access to know-how activities in the first half of 2020, the Program has nevertheless facilitated 41 advisory projects across the region (meeting the Program’s year 1 regional target in this respect), including 25 projects in the Kyrgyz Republic, building on synergies with the available access to finance component, 3 in Mongolia, 7 in Tajikistan and 6 in Uzbekistan. A significant portion of these projects directly address the challenges that WSMEs face in the current economic climate, often delving into matters such as digitalization and e-commerce to build resiliency during lockdown and take advantage of opportunities as economies re-open.

Prior to the restrictions imposed by Target Country governments due to the spread of COVID-19, the Program held a local in-person launch event in the Kyrgyz Republic in Bishkek on 11 February 2020 to align with this signing of the first credit line in the country and corresponding with the launch of advisory activities. This event also to facilitate network-building events for women entrepreneurs in the Kyrgyz Republic, attracting more than 250 participants. Over the course of the second half of 2020, the EBRD will launch interactive digital delivery of the training components for WSMEs, as well as coordinate network-building and outreach events using digital communications tools, given that restrictions on in-person gatherings are likely to persist until at least early 2021.

As part of its policy work under the Program, the EBRD engaged with government at various levels during the reporting period. In the Kyrgyz Republic, the EBRD project team facilitated the creation of an inter-agency task force to guide the development and implementation of a gender responsive SME Development Strategy in the country. The EBRD project team also prepared a Gender Responsive Investment Climate Assessment (GRICA) of the country, assessing how the country’s legislative and regulatory frameworks affect women entrepreneurship. In Tajikistan, the EBRD project team contributed to a review of the Tajik tax policy and business registration practices, which, after public consultation, led to the passage of revised legislation that supports women entrepreneurship with tax incentives for women entrepreneurs on maternity leave and a streamlined business registration process for individual entrepreneurs that are home-based. The EBRD project team is also reviewing a draft law laying out the government’s gender policy, as well as supporting the incorporation of a gender lens into regulatory impact assessments. Finally, in Uzbekistan, the EBRD project team has commenced preparatory work on
Uzbekistan-focused GRICA and has been invited by the National Commission for Gender Equality (NCGE) to comment on the draft National Gender Equality Strategy.

A formal regional launch and awareness-raising event for the Program was planned to be held in May 2020; however, this had to be postponed due to the unfolding COVID-19 health emergency that has provoked a deepening economic crisis, the impact of which may outlast the pandemic.

While the coronavirus pandemic has led to a series of setbacks in Program implementation as a result of lockdown and social distancing measures, the EBRD anticipates being able to deliver in line with the outputs for the Program. Our experience so far is that our women entrepreneur clients remain engaged with the Program and proactive in seeking out information and support to help them adapt and plan for the new economic context. In order to adjust for delays, the Program workplan has been revised and adapted to take into account current market/economic conditions, as well as the current restrictions and challenges facing the Program’s partners. The EBRD has also leveraged digital communication solutions to liaise with Program partners and for outreach to WSME beneficiaries.

Going forward, the Program will prioritize aiding the recovery of WSMEs in the region and building their resilience to both the ongoing crisis, as well as to future potential events that disrupt commerce. Women entrepreneurs in the region have already identified topics such as human resource management, digital outreach, and financial management as critically important to the resilience of their businesses, and the Program will seek to support this trend with activities such as webinars, advisory, and trainings on relevant subject matter. Access to finance will also be critically important to prevent previously positive trends of women entrepreneurship in the region from reversing themselves. In this respect, the EBRD is in discussions with two PFIIs in Uzbekistan and another in Mongolia on potential projects that would facilitate access to finance for WSMEs. On policy work, the EBRD project team will build off of progress made in year 1 of the Program, working with governments and other stakeholders to address institutional obstacles that women entrepreneurs face and improve the enabling environment for women entrepreneurship as the region eventually exits from the ongoing crisis.
III. IMPLEMENTATION PROGRESS

Progress on key activities

I. Financing for women-led SMEs

The following activities have been undertaken during the reporting period:

i. Dedicated financing for women-led SMEs

A marketing trip was undertaken in July 2019 to Uzbekistan and Tajikistan and again in October 2019 to present the Program to potential partner financial institutions (PFIs). A number of PFIs that are existing EBRD clients have expressed a strong interest in participating in the Program and developing a gender-specific product to offer to their clients as part of their strategic development and business planning activities.

On 27 December 2019, the first credit line supported by the Program was signed with the First MicroFinance Company (FMFC) in the Kyrgyz Republic. This credit line comprised a loan of USD 1 million for on-lending to women-led micro, small and medium-sized enterprises. The disbursement of the EBRD loan to FMFC was expected to occur in early 2020 but was delayed due to the outbreak of the COVID-19 pandemic. Nevertheless, the PFI used its own funds to on-lend to eligible WSMEs.

As a micro-finance institution, FMFC’s portfolio will fall under the lower end of the SME segment which includes micro loans to individual entrepreneurs, the segment that has majority of WiB clients in the region. While FMFC’s lending operations were briefly impacted at the onset of the COVID-19 pandemic, its lending activity recovered quickly thereafter, with disbursement levels in June 2020 nearing pre-pandemic levels.

ii. Risk mitigation instruments

In the previous reporting period, the methodology for risk mitigation instruments (notably, First Loss Risk Cover) that will accompany financing projects under the Program was explained to potential PFIs in all four Target Countries.

iii. Technical Assistance to PFIs

In September 2019, the EBRD launched a competitive procurement process to engage a Program Consultant implement the technical assistance to local banks component of the Program (the ‘TC Assignment’). Through the TC Assignment, the EBRD seeks to help PFIs (i) improve their offering of financial products for women entrepreneurs, (ii) understand the financial and non-financial needs of women-led SMEs, (iii) deliver the financial products and services envisaged under the Program, and (iv) introduce internal changes to systems and procedures to better service the WSME segment. In January 2020, the EBRD awarded the contract an international consortium of experts from Sparkassenstiftung für internationale Kooperation e.V., in consortium with Internationale Projekt Consult GmbH (together, the “Consultant”).

The Consultant’s team was mobilized in early February 2020 and deployed to its project office in Bishkek, which will be the central hub for project implementation. A country-specific launch event for the Program in the Kyrgyz Republic was subsequently held by the EBRD in Bishkek on 11 February
2020. This event formally marked the start of the TC Assignment. Program partners, women entrepreneurs, the Consultant, Program donors and other stakeholders were invited to attend and discuss expectations for the Program’s implementation in the Kyrgyz Republic.

By the end of this reporting period, the Consultant completed the diagnostic review phase of the Baseline Assessment for FMFC. This review, which involved face-to-face interviews with PFI staff and focus groups of their clients, comprised an (i) institutional assessment, (ii) gender gap evaluation. The results of this Baseline Assessment then serve as the basis for designing together with the PFI’s management an appropriate strategy for enhancing the PFI’s offer to women entrepreneurs, covering both the internal and external actions required for success. Due to the lockdown imposed by the Kyrgyz government, the Consultant shared the results of the diagnostic review with FMFC’s management in the format of a digital workshop.

The prevailing circumstances have transformed the business environment, including and especially for women entrepreneurs, in the Target Countries. In order to understand emerging trends, as well as the impact of the current crisis on WSMEs, the Consultant, together with two research agencies in the Kyrgyz Republic and Uzbekistan with whom it contracted, launched a survey targeting women entrepreneurs. The deadline for responses was in July 2020. The results of the survey will be shared with the EBRD and PFIs, and will help inform capacity building support going forward.

The Consultant is also working to finalize the translation of the Business Lens website into the relevant local languages, as well as the localization of the tool.

II. Know-How for women entrepreneurs

Know-how activities under the Program – which include (i) training and skills development, (ii) bespoke advisory projects, and (iii) network-building activities – commenced in early 2020.

Activities that are classified as ‘training and skills development’ generally involve international experts/trainers travelling within the region to provide groups of entrepreneurs with in-person, interactive instruction over a period of a day or more. Naturally, activities of this type have become more difficult to carry out due to the government-imposed lockdowns caused by the COVID-19 pandemic. Notwithstanding, the EBRD has sought to carry out trainings and other skills development activities over digital media. In Uzbekistan, for example, the EBRD carried out two Grow Your Consulting Business (GYCB) framework trainings online for local consultants advising WSMEs in the region over the course of the reporting period and is organizing a ‘Leadership in Action’ training for women entrepreneurs in Uzbekistan for Q4 2020.

Likewise, the Program has faced difficulties hosting network-building and other outreach activities due to current circumstances, although several were undertaken in the Kyrgyz Republic and Tajikistan prior to the development of community spread of the COVID-19 virus in both countries. The EBRD has been working with its consultants to develop online programming for the latter half of 2020.

While advisory projects have also been impacted by the disruption caused by the COVID-19 pandemic, they have proven resilient and valued, with demand from WSMEs remaining high despite the worsening economic situation as WSMEs require sound and bespoke business advice more than ever to acclimate to the new realities of doing business. EBRD’s network of local and international consultants have also quickly adapted to current circumstances by providing remote or hybrid
(remote/in-person) advisory. As of the end of the current reporting period, We-Fi funding allocated to the Program has helped support 41 advisory projects for WSMEs on matters such as branding, website development, and process automation, amongst others, against the Year 1 regional target of 41.

III. Policy engagement

Kyrgyz Republic

During the reporting period, the EBRD worked on laying the foundations for the creation of a gender responsive SME Development Strategy, which will be implemented in collaboration with the Kyrgyz Ministry of Economy. Firstly, the EBRD project team supported the establishment of an inter–agency task force to maximize stakeholder engagement on the preparation of the strategy; the task force is composed of high-level government officials, private sector representatives, academics and civil society. Secondly, the EBRD project team worked on the preparation of a gender responsive investment climate assessment (GRICA). The specific objectives of the GRICA were to identify the legal, regulatory and policy related obstacles women entrepreneurs face in establishing, formalizing and operating their businesses, focusing in particular on the differential impact that various policies have on women entrepreneurs in comparison to their male counterparts. The assessment was based on extensive desk and field research undertaken between October 2019 and February 2020. The desk research included two components: i) a literature review (including of previous EBRD studies, third party reports, donor programmes and other sources); and ii) an experienced local legal expert conducted an analysis of current legislation, covering relevant laws, regulations and decrees, in order to identify their potential impact on women entrepreneurs, in particular differential impacts on women and men entrepreneurs. The field research included three components: i) a national survey of over 400 men-led and women-led MSMEs; ii) four focus group discussions with entrepreneurs and members of the enterprise ecosystem; and iii) one-to-one interviews with key stakeholders.

Mongolia

Due to the Parliamentary Elections and the COVID-19 outbreak, policy dialogue activities have been postponed until lockdown is lifted.

Tajikistan

The EBRD project team worked on a variety of initiatives during the reporting period. First, the EBRD contributed to the review of Tajik tax policy and business registration practices from a gender perspective. Based on a public consultation, the revised rules for the Taxation of Individual Entrepreneurs came into force on 1 January 2020, and enable individual home-based entrepreneurs to register their businesses with tax authorities for free, receive a patent, while exempting them from paying taxes. This allows women artisans and other home-based women entrepreneurs to establish their legal status and gain access to other broad opportunities for the development and expansion of their activities, including soft loans, grants and other types of support. Also, as part of these changes, tax incentives are provided for women entrepreneurs during maternity leave. Subsequent amendments and additions to the laws on state registration of business entities further reduced the costs for business owners, from 1,485 somoni to zero. Finally, a draft decree regulating handicraft activities establishing the legal status of women artisans is being prepared.
Second, the EBRD project team engaged in reviewing the draft law titled “On State Gender Policy”, and providing advice regarding the inclusion of the following provisions: the implementation of gender-responsive regulatory impact assessments of regulations, programmes and policies; and the inclusion of gender-based indicators and gender disaggregated target groups in all sectoral development programs.

Lastly, the EBRD project team is supporting the incorporation of a gender lens into regulatory impact assessments (RIA). A capacity building event for over 30 government officials took place in Dushanbe in September 2019; the training provided participants with a basic understanding of how regulatory impact assessments can include a gender perspective as well as an overview of how these can be implemented. In addition, a checklist was developed to enable participants to assess a policy or law using a gender lens at any of the four stages of the policy making cycle. The concept of gender responsive RIA was further discussed at the inter-agency task force on Women Entrepreneurship Support under the State Committee on Investment and State Property Management of the Republic of Tajikistan; an operational plan was later agreed with the National Legislative Centre on the institutionalization of gender responsive RIA and on pilot testing.

Uzbekistan

The EBRD engaged in several policy consultations with the National Commission for Gender Equality Commission (NCGE) and other national partners. This resulted in the EBRD being invited by the NCGE to comment on the Draft National Gender Equality Strategy. In addition, the EBRD project team conducted preparatory work on the gender responsive Investment Climate Assessment.

Plans for the next year

I. Financing for women-led SMEs

i. Dedicated financing for women-led SMEs

In terms of the intermediated finance component of the Program, the EBRD has two financing projects (i.e. credit lines to PFIs for on-lending to women-led SMEs) in Uzbekistan and one project in Mongolia under consideration for its pipeline as of the end of this reporting period. The exact amounts of each proposed credit line and timeframe for execution are currently being discussed with the potential PFIs.

ii. Risk Mitigation instruments

The EBRD presented the methodology behind the risk mitigation instrument (First Loss Risk Cover) that will support the financing projects under the Program to potential PFIs in all four Target countries.

iii. Technical assistance to PFIs

The Consultant will follow-up on discussions with FMFC’s management on the workplan for the capacity building and design phases of the TC Assignment. In addition, the Consultant will continue to adopt new tools to facilitate its ability to deliver the TC Assignment, including as it relates to adapting PFI trainings for digital delivery. Lastly, the results of the survey led by the Consultant to investigate the impact of the pandemic on women entrepreneurship in the region are expected to be shared in
the next reporting period and will be assessed by the EBRD to inform any need for adjustments or new opportunities for relevant support to women entrepreneurs through the next phase across all components.

II. Know-How for women entrepreneurs

Given that market conditions in the region are unlikely to return to a semblance of normalcy within the next 8-12 months, the EBRD will incorporate more digital and hybrid solutions to expanding access to know-how for women entrepreneurs. As it relates to trainings and other skills development activities, this would involve hosting webinars led by international and local experts, as well as virtual networking and outreach events. To the extent feasible, the EBRD will also resume in-person trainings and other relevant activities, although group sizes may be smaller.

Cognizant that the ongoing crisis is likely to have an outsized and negative impact on women entrepreneurship in the region, the EBRD will seek to assist WSMEs to adapt to current market conditions and build resilience generally to the current and future crisis events. In this respect, the EBRD will seek to orient its trainings and advisory to cover topics such as emergency financial management, digitalization and e-commerce, among others. Know-how activities under this Program in Uzbekistan will complement a dedicated We-Fi funded component (approved as part of the EBRD’s ‘Stepping up for Women’ Program) that aims to deliver training, advisory, and networking with the express aims of bridging the digital gender divide, increasing the competitiveness of WSMEs, and building their resilience to crisis events.

IV. Policy engagement

Kyrgyz Republic

Over the course of the next year, the EBRD will continue to contribute to the creation of a gender responsive SME Development Strategy. The EBRD project team aims to build capacity within the inter-agency task force to integrate gender dimensions into business climate considerations and to improve the collection of sex-disaggregated data; it also plans to entertain policy dialogue with relevant authorities to remove gender-based legal restrictions on women's employment. Finally, the EBRD project team will support the National Bank of Kyrgyzstan in designing a gender responsive Financial Inclusion Strategy.

Mongolia

As part of the planned engagements for the next year, the EBRD project team will work with government entities to estimate the size of gender gaps using sex-disaggregated data on entrepreneurship, will conduct a gender responsive Investment Climate Assessment and design a road map for women entrepreneurship development in Mongolia. To facilitate these initiatives, the EBRD project team will work to establish a task force on women entrepreneurship development, in other words a national platform with an inter-agency coordination function, to be placed under the National Committee for Gender Equality; in addition, it will organize a national-level policy dialogue event to discuss the outcome of the GRICA and the roadmaps for policy reforms, in close collaboration with the government and the abovementioned task force. Finally, the EBRD project team will conduct advocacy and awareness raising campaigns through the organization of two round tables in partnership with the National Gender Equality Commission.
**Tajikistan**

Over the course of next year, the EBRD will continue to build the capacity of the government and of the task force under the Investment Council to effectively apply a gender lens under the Regulatory Impact Assessment (RIA) tool and to rollout of the RIA as part of the government’s policy and regulation formulation functions. In addition, the EBRD project team will provide support to government entities to improve the process of sex-disaggregated data collection for the formulation of evidence-based policy to address gender-specific barriers, and will engage with the National Bank of Tajikistan in designing a gender responsive Financial Inclusion Strategy.

**Uzbekistan**

As part of the planned engagements for the next year, the EBRD will strengthen the promotion of women’s entrepreneurship and women’s economic empowerment by supporting the establishment and capacity building of the Advisory Council on women entrepreneurship under the National Gender Equality Commission of Uzbekistan. In the meantime, the gender responsive Investment Climate Assessment will be finalized. Lastly, the EBRD project team will engage on the development of the National Gender Equality Strategy jointly with UN Gender Team, and will support the creation of a gender responsive SME Development Strategy.

**Key Challenges and Lessons Learned**

I. **Financing for women-led SMEs**

While the ongoing crisis has also delayed some pipeline development work as it relates to the Program’s financing activities, the EBRD has not seen a drop in interest amongst potential PFIs for credit lines directed at women entrepreneurs.

II. **Know-how for women entrepreneurs**

Apart from the challenges posed by the COVID-19 pandemic and government responses to slow its spread, the EBRD has not faced major challenges in implementing the Program. While the rollout of Know-How activities has been slower than anticipated due to limitations on travel and gatherings, the EBRD nevertheless expects to hit its targets through relevant activities delivered through digital and hybrid (digital/in-person) methods. Advisory projects have shown considerable resilience to the challenges posed by current market conditions given that WSMEs require bespoke, one-on-one business advice more than ever. The EBRD expects this trend to continue, with consultants combining advisory over digital means with in-person visits (conditions permitting).

III. **Policy engagement**

In Uzbekistan, the preparation and implementation of capacity building activities for government agencies on gender-supportive policy and advocacy was delayed due to the liquidation of the Women’s Committee of Uzbekistan and the subsequent establishment of the National Commission of Gender Equality, as well as the reorganization of the Ministry of Economy and Industry and the Small Business Development Agency. The EBRD project team invested efforts to understand how these
changes could affect project implementation, in particular with regards to improving the business climate through effective regulatory reform and the capacity building needs.

At the beginning of 2020 significant changes were made to the management of the National Legislative Center of the Republic of Tajikistan and among the members of the Working Group of Women Entrepreneurship. As a result, capacity building activities and policy consultations were planned with the new management team to ensure that the proposed operationalization of the gender responsive Regulatory Impact Assessment met the requirements and expectations of the national partners.

COVID-19 Impact

Micro, small and medium-sized businesses across the region were not only disproportionately affected by the impact of COVID-19 during the lockdown, but they are also more likely to be pessimistic about recovery in the short and medium run. Results from a recent EBRD survey show that 26 per cent of MSMEs in Central Asia reported a reduction in sales of at least 50 per cent in Q1 2020 (as compared to Q1 2019). Prospects appear negative also in the short run: 38 per cent and 43 per cent of MSMEs expect their sales and exports, respectively, to decline by at least 50 per cent in the coming three months; one in four firms believes the shock will have a strong impact on the number of hours worked, quality of supplies, capacity utilization, capacity to retain employees, investment and purchase plans. Forty-seven per cent of MSMEs believe that sales will remain below pre-COVID-19 level in the next 6 to 12 months; at the same time, only 20 per cent of them have moved their sales online. Importantly, the survey shows that measures of support enacted by governments have failed to reach those impacted by COVID-19 the most, with 71 per cent of SMEs in Central Asia claiming to lack information on how to access government support. Only 10 per cent of interviewed firms received government-supported loans; similarly, as low as 10 per cent of respondents benefitted from government wage subsidies, and 6 per cent received cash grants.

The EBRD is conscious of the disproportionate impact that this crisis is likely to have on women entrepreneurs, who, as primary caregivers for both children and the elderly, will face additional obstacles in managing both a business during a crisis event while simultaneously managing a household and taking care of a family. Furthermore, WSMEs tend to be smaller, services-based and concentrated in hard-hit sectors such as tourism, hospitality and trade. As a result, the economic shutdowns are likely to have an outsized impact on WSMEs than on SMEs led by men, and may contribute to falling levels of women entrepreneurship and a concomitant decrease in overall economic output if not addressed. The Program’s function is all the more important in the context of this economic crisis induced by the COVID-19 health emergency, as the macroeconomic conditions have made accessing finance and business advice for WSMEs evermore crucial for the recovery of the economy in the region.

While the COVID-19 outbreak has led to additional complexity to Program implementation, the EBRD anticipates being able to deliver in line with the outputs for the Program. The EBRD’s experience so far is that women entrepreneur clients remain very engaged with the Program and proactive in seeking out information and support to help them adapt and plan for the new realities of doing business. In Uzbekistan, for example, of the 6 advisory projects that have commenced during the reporting period, 5 are IT-related (i.e. developing e-commerce solutions, business automation, websites, etc.), underscoring the importance WSMEs are placing in digital solutions in order to build
resilience in their businesses. In order to adjust for delays, the Program workplan has been revised and adapted to take into account current market/economic conditions, as well as the limitations of the Program’s partners. The EBRD has also adopted new methods of digital communication with Program partners and for outreach to WSME beneficiaries.

The EBRD does anticipate that the COVID-19 pandemic may affect the composition of SMEs that apply for advisory support or participate in other access to know-how activities. WSMEs in rural regions tend to have more limited access to the internet or mobile data and capacity to implement and identify digital solutions that would allow them to attend webinars, online networking events, or receive one-on-one advisory remotely. As a result, the Program anticipates needing to take a differentiated approach, with WSMEs supported in rural regions with advisory support and other forms of know-how likely to be less than anticipated until normal operating conditions return. In the meantime, the EBRD will collaborate with program partners, including PFIs, to extend the Program’s reach into rural locales.

As it relates to policy engagement under the Program, travel restrictions imposed due to COVID-19 have been a major constraint on the implementation of capacity building activities in Tajikistan and Uzbekistan and on the implementation of surveys under the gender responsive impact assessment in Mongolia. While dialogue with national agencies has continued during the lockdown, it has been difficult to consult with government officials or gather the data required to implement the gender responsive Investment Climate Assessments. Requests have been made for socio-economic and financial inclusion data, but these have only been partially received. With the lifting of lockdown in August, national agencies and government returned to work. The EBRD project team made amendments to the implementation plan in order to continue to work towards achieving the objectives of the project with minimum delay and maximum effectiveness possible.

**Implementation progress assessment**

Given the efforts the EBRD has made to ensure the continuity of the Program during the ongoing crisis, the EBRD believes that the Program implementation is on track and is likely to achieve all its major outcomes/outputs.

**IV. WE-FI IMPACT**

**Overview of overall impact targeted**

Through the Program, the EBRD seeks to contribute to systemic change at the market and firm-level that goes beyond the direct impact of the individual program in each country through both its scale as well as the replicability of the changes. This will be achieved by first, removing structural barriers that women entrepreneurs find to grow and operate their businesses; second, demonstrating to banks that lending to this segment is commercially viable and overall, helping banks understand the financial needs of women-led businesses and assisting them to develop new products to serve them; third, building the confidence of women entrepreneurs in their ability to develop their businesses and their skills for doing so, and encouraging them to access finance via formal channels; and fourth, empowering women-led enterprises so that they become a more widespread feature of business culture, thereby providing role models and encouraging other women.
The COVID-19 outbreak did present challenges to implementation, with a delay to critical pipeline development activities on the financing component and a need to rethink of how the EBRD delivers its know-how activities such as trainings, advisory projects, and network-building events. With the support of its in-country staff in each country, the EBRD was able to re-acclimate to the new market conditions and is re-engaging in greater force with program partners, consultants, and WSME beneficiaries through new methodologies that rely on digital communication tools. Going forward into year 2 of the Program, the EBRD expects to be able to scale up activities again, particularly as it relates to training/mentoring and network-building activities.\(^1\) The EBRD evaluates individual advisory projects with SMEs twelve months after the completion of each project; as such, evaluation results from these first year one projects will become available in due course. As part of these evaluations, the EBRD assesses the project against the DAC criteria of effectiveness, efficiency and impact.

As it relates to financing activities, as PFIs have now acclimated to market conditions and have greater visibility as to how the ongoing crisis has affected their capital and client base, the EBRD does not expect extraordinary delays in the upcoming reporting period and expects to hit overall program targets within its 5-year timeframe. Data on the portfolio of loans to WSMEs financed through the Program’s activities is reported from PFIs on a regular basis.

While the EBRD did encounter some delays in some of its policy work given restrictions on in-person meetings and travel, it is also confident that is on course for achieving the stated policy objectives/outcomes of the Program within its 5-year implementation timeframe.

**Challenges measuring impact**

The EBRD does not envisage any challenges to implementing the foreseen monitoring and evaluation framework over the Program timeframe. While the COVID-19 pandemic may delay in-person evaluation visits and other types of fieldwork in the near-term (6-12 months), much of this type of work can be done via digital modes of communication or performed at later dates once a vaccine has been developed and travel/meeting can resume as normal.

**Research and evaluations**

An impact evaluation will be conducted in Year 6 of the Program.

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\(^1\) It should be noted, however, that the Program did meet regional targets regarding delivery of advisory (i.e. one-on-one, bespoke consultancies for WSMEs), with 41 advisory projects started during the reporting period against a target of 41.