

# 2023 We-Fi Annual Progress Report

REPORTING PERIOD - JULY 1, 2022 TO JUNE 30, 2023

DEADLINE - SEPTEMBER 23, 2023

## I. EXECUTIVE SUMMARY

The EBRD is the implementing partner (IP) of two We-Fi-funded programs: (i) *Women of the Steppe* (We-Fi round II) - a USD 139.9 million program (We-Fi: USD 22.9 million) in Central Asia (IDA countries only) that aims to facilitate access to finance for women-led small and medium-sized enterprises (WSMEs) through partner financial institutions (PFIs) in the region, provide capacity building support to WSMEs, and support the development of an enabling environment for women entrepreneurship through policy dialogue and engagement with private and public sector stakeholders; and (ii) *Stepping up for Women* (We-Fi round III) - a USD 59.9 million program (We-Fi: USD 7.4 million) that introduces innovative measures to supporting women entrepreneurship, including results-based financial solutions with gender-linked targets (IDA Central Asia), a pilot digital-by-design advisory and know-how initiative (Uzbekistan), and the development of sex-disaggregated databases of SMEs to inform better gender-informed policymaking (Morocco and Egypt).

The implementation of both rounds of program has generally been running smoothly in the reporting period, despite the severe impact of the ongoing war on Ukraine and aftermath of Covid-19 which has a less severe effect on the regions. The ongoing war on Ukraine though continuous have a severe economic impact in the target neighboring regions, specifically IDA Central Asia, which is particularly exposed to the disruptions caused by the Russian Federations' invasion of Ukraine. The region is directly affected by inflows of refugees as municipal authorities face huge challenges in managing the influx of people. As a result, the EBRD believes that the Program's function is ever more important in the current context, in view of supporting resilience of neighboring countries and WSMEs in particular.

In terms of the growth forecast in Central Asia, based on the Economic forecast published by EBRD in May 2023, it is expected to remain strong at 5.2 per cent in 2023 (revised up since February) and 5.4 per cent in 2024. Projections reflect strong growth outcomes in year-on-year terms in the first quarter of 2023 and robust real wage growth in year-on-year terms. Relocation of Russian businesses and increased oil exports are providing a boost to growth in CA while Mongolia is benefitting from expanded mining production and the reopening of China.

### *Women of the Steppe*

The *Women of the Steppe* program, which has now completed its fourth year of implementation supporting Central Asia countries (i.e., Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan) experienced a significant progress during the current reporting period where the EBRD signed a total of USD 37.3 million with five PFIs for on-lending to WSMEs. The loans were blended with USD 3,730,000 in First-Loss Risk Cover (FLRC). This brings the total number of PFIs supported by the program since inception to nine and the total amount of financing signed for on-lending to WSMEs to USD 60,010,000 million with a total of USD 6,001,000 in FLRC, including USD 300,000 from other donors. **To date, 12,553**

**~~3,284~~ sub-loans to WSMEs, for a total value of USD ~~52,765,156-14,283,651~~, have been disbursed by PFIs (as at 30 June 2023).** PFIs also continue to receive support from a program consultant to facilitate their outreach to WSMEs and improve their internal systems to inform an enhanced approach to engaging with women borrowers. Please refer to Section III on Technical Assistance to PFIs for more details.

In addition, for the first time under the *Women of the Steppe* program, the EBRD also took direct exposure to two WSMEs via its Risk Sharing Framework (“RSF”). Through the RSF, the EBRD works in tandem with selected local banks and shares the risks of lending to local businesses to facilitate their access to finance. The risk participation can be on a funded (similar to a syndicated loan) or unfunded basis (similar to a guarantee). During the current reporting period, two RSF sub-loans to WSEMs were signed for a total of USD 1,800,000, with the EBRD’s risk participation being 50% (USD 900,000). The EBRD risk participation was blended with USD 195,000 in FLRC to make these transactions commercially viable. Two other RSF sub-loans were signed in early July for a total of USD 1,220,000, with the EBRD’s risk participation being 50% (USD 610,000).

Capacity building activities for WSMEs had already recorded a significant increase in the previous reporting year, but have now successfully met all targets defined under the *Women of the Steppe* program.

As of 30 June 2023, 204 advisory projects had started or completed with WSMEs in the IDA Central Asia region, delivering bespoke business advice on of business matters ranging from Energy & Resource Efficiency to Sustainability & Environmental Management, ICT and Financial Management Enhancement, with an over-arching approach in helping WSMEs adapt to the current business realities. A further 3,667 women entrepreneurs have benefitted from trainings, network-building activities, and mentoring initiatives to-date.

Policy dialogue activities under the *Women of the Steppe* program also experienced significant activity in the 2022-2023 reporting period. The EBRD has continued to work with policy makers across central Asia to introduce unified definitions of women’s entrepreneurship, and expand the collection and use of sex-disaggregated data: the Kyrgyz Republic now joins Uzbekistan and Mongolia in having draft laws including a unified definition that will soon be reviewed by parliament. Furthermore, the EBRD has supported the governments of the Kyrgyz Republic and Tajikistan in drafting women’s entrepreneurship strategies, and assisted Tajikistan in removing banned occupations for women, opening up more industries for entrepreneurship. Work has also continued with regulators and Central Banks across the region to develop financial inclusion strategies, for example through launching the national ‘Women in Uzbekistan’s Financial Sector’ initiative, addressing four key pillars that limit gender equality in the financial sector.

### *Stepping up for Women*

The *Stepping up for Women* program, which has now completed its third year of implementation (out of seven), reports a positive pick up in activities The Program revision allowed to focus further in areas the EBRD perceived a wider appetite within the private sector, and to address business critical issues for WSMEs in the IDA Central Asia region. Reallocated funds are centering implementation around Digitalization, particularly supporting access to finance for WSMEs direct digital technologies investments and advisory support to WSMEs and women entrepreneurs on digitalizing their businesses and accessing the digital technology.

The apparent increase in demand for related Capacity building activities registered last year became evident in this reporting period. Now covering the region, this component is growing businesses more resilient by integrating digital solutions in their systems, and recorded 46 advisory projects started or completed to-date. Other 368 women entrepreneurs have been supported with trainings and networking activities. The trend is positive, and the EBRD expects to soon leverage its work with local partners and increase its digital outreach, especially at a rural level, and provide tailored knowledge and networking opportunities on digital technology relevant to those women entrepreneurs.

Policy dialogue activities under the *Stepping up for Women* program have continued. The EBRD continues to work with Bank al Maghrib (Morocco) on the financial inclusion of rural women, and is due to launch an engagement addressing existing challenges in the collection of sex-disaggregated data (e.g IT infrastructure, inconsistent data, etc.). In Egypt the EBRD is working with the Central Bank of Egypt and the Egyptian Banking Institute to design a training module for the banking sector, helping them to deliver gender responsive financial products and services, and a Fintech module for university IT majors to develop digital solutions that help close the gender finance gap.

Following the challenges to implementation of the outcome-based instrument under Component 1 of the *Stepping up for Women*, US\$ 4,556,319 of these funds were reallocated following a request in October 2022, to support an expansion of the program's activities promoting and facilitating the digitalization of WSMEs via the introduction of investment incentives for WSMEs' investments in digital technologies and an expansion to the regional level of the digitalization capacity building activities for WSMEs initially piloted in Uzbekistan.

## II. PROGRAM DATASHEET

### Program Timeline

Round	Project/Program Name	Implementation Start Date	Commitment End Date	Supervision End Date	Countries (with active projects)
1	Women of the Steppe	7 June 2019	30 June 2024 <sup>1</sup>	30 June 2029	Kyrgyz Republic Mongolia Tajikistan Uzbekistan
2	Stepping up for Women	1 September 2020	31 December 2025	31 December 2030	Egypt Morocco Kyrgyz Republic Mongolia Tajikistan Uzbekistan

Partners	Round # 2	Round # 3
Total number of partner institutions supported by We-Fi	<del>12</del> 28	<del>3</del> -

<sup>1</sup> Program activities under the *Women of the Steppe* program will end after a period of 5 years (from the implementation start-date). Partner Banks, however, will be able to claim against First-Loss Risk Cover until Year 10 of the Program (i.e. 30 June 2029).

<sup>2</sup> Program activities under the *Stepping up for Women* program will run up to Year 5 of the program, after which most activities will cease. Technical assistance activities (for aggregators and WSMEs) may continue thereafter, however, if the relevant budget commitments were made prior to the end of Year of the program.

Out of which		
- Financial services intermediaries	<del>29</del>	-
- PE/VC Funds	-	-
- Accelerators, incubators	-	-
- Corporations	-	-
- Public sector	<del>19</del>	<del>3</del>
- NGOs (local and international)	<del>1</del>	-
- Other (specify)	-	-

### Co-Funding

	ROUND #2 (USD Amounts)			ROUND #3 (USD Amounts)		
	Approved*	Committed/Signed	Disbursed/Actual	Approved*	Committed/Signed	Disbursed/Actual
<b>Status of We-Fi Funding</b>						
We-Fi Financing	22,900,000	15,751,674	9,233,381	7,364,688	4,829,055	1,014,515
Of which IDA	22,900,000	15,751,674	9,233,381	7,364,688	4,829,055	1,014,515
Of which FCS	-	-	-	-	-	-
<b>Co-Funding*</b>						
IP Contribution	80,000,000	<del>57,010,000</del> <del>39,136,000</del>	<del>57,010,000</del> <del>39,136,000</del>	35,000,000	-	-
Public sector	2,800,000			17,500,000		
Private sector	34,800,000	<del>126</del> 21,000	<del>0</del> 126,000	-	-	-
Other funds [specify]	-	<del>300,000</del>				
<b>Total Co-Funding (F)= (B+C+D+E)</b>	<b>117,600,000</b>	<del>39,557,000</del> <del>57,136,000</del>	<del>57,136,000</del> <del>39,136,000</del>	<b>52,500,000</b>	<b>0</b>	<b>0</b>
Of which IDA	117,600,000	<del>57,136,000</del> <del>39,557,000</del>	<del>57,136,000</del> <del>39,136,000</del>	52,500,000	0	0
Of which FCS	-	-	-	-	-	-
<b>Total Project Cost</b>	<b>140,500,000</b>	<del>72,887,674</del> <del>55,308,674</del>	<del>66,369,381</del> <del>48,664,381</del>	<b>59,864,688</b>	<b>4,829,055</b>	<b>1,014,515</b>
Leverage	5.14	<del>4.63</del> <del>2.53</del>	<del>7.19</del>	7.13	0.00	0.00

\*Co-Funding was previously called mobilization

## III. IMPLEMENTATION PROGRESS

Under the *Women of the Steppe* program, the EBRD aims to expand access to finance for WSMEs by providing dedicated credit lines to partner financial institutions (PFIs) in the target region (Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan) for on-lending to WSMEs. These credit lines are supported by (i) risk mitigation instruments for PFIs in the form of first-loss risk cover (FLRC), which facilitates on-lending to a portfolio of clients – in this case, WSMEs – that are traditionally viewed as higher risk by PFIs; and (ii) technical assistance to PFIs, leveraging the expertise of external experts to

provide PFIs with best practice guidance and training on deploying financial products that cater to women entrepreneurs. This access to finance component is reinforced with know-how solutions for WSMEs taking the form of bespoke one-to-one advisory support, group trainings, mentoring opportunities, and network-building exercises. Finally, from the policy angle, the EBRD seeks to provide capacity building support to government agencies in the target region on enacting gender-supportive policy, working with public stakeholders to create an enabling environment for women entrepreneurship. All projects under this program are approved on a rolling basis by the EBRD.

The following presents a snapshot of the *Women of the Steppe* program as of the end of the current reporting period:

- USD 60.01 million in credit lines were extended to 11 PFIs in the Kyrgyz Republic, Uzbekistan and Tajikistan and Mongolia;
- WSMEs have received USD [52,765,156](#) ~~14,283,651~~ in loans from PFIs supported by the program;<sup>3</sup>
- Diagnostic reviews completed and design phases kick-started for 3 PFIs;
- 2 RSF projects under the risk mitigation instruments, with a total covered amount of USD 195,000
- 204 WSMEs have started and/or completed one-to-one advisory projects;
- 3,667 women entrepreneurs have received training, mentored support, or benefitted from a network-building activity
- Contributed to women's economic empowerment in Central Asia by establishing a Regional Women's Entrepreneurship Dialogue Platform, jointly with the Central Asia Women Leaders Caucus; ~~the~~ The Regional Platform brought together women entrepreneurs of Azerbaijan, Turkmenistan and Kazakhstan;
- Unified definition of women's entrepreneurship included in the draft law on entrepreneurial activity in the Kyrgyz Republic, while a unified definition also passed first reading in Mongolian Parliament.
- Tajikistan and the Kyrgyz Republic approved state entrepreneurship strategies in support of women entrepreneurs.
- Launched a national "Women in Uzbekistan's Financial Sector" Initiative, addressing the key issues that limit the ability of the financial sector to achieve gender equality.
- Continued to sponsor high-potential women leaders to take part in Women's World Banking Leadership and Diversity Academy – this year with two candidates from Tajikistan taking part.
- Supported public-private dialogues through summits, events, platforms and investment councils across the region.

The *Stepping up for Women* program is structured differently and aims to introduce innovative solutions to address chronic issues precluding WSMEs in the IDA Central Asia region from achieving scale and sophistication, while also supporting public authorities in Egypt and Morocco to develop the tools to roll out more targeted policies and initiatives that support women entrepreneurship.

<sup>3</sup> ~~Figures on sub-loans accessed by WSMEs are normally reported with a one-year lag.~~

The program is split into three separate components: Component 1: Access to finance for digitalization investments for WSMEs, Component 2: Access to know-how to WSMEs and women entrepreneurs in engaging with the digital economy, and Component 3: (1.1) Establishment of sex disaggregated national databases in two2 countries and (1.2) Research and knowledge products, to contribute to a greater understanding of WSME needs and program outcomes, including around WSMEs and digitalization. All projects under this program are approved on a rolling basis by the EBRD.

Approved in August 2020, the *Stepping up for Women* program finished its third year in the current reporting period. Components 2 and 3 picked up significantly as a result of the Project Revision, and are expected to see significant activity in the program's fourth year.

The following presents a snapshot of the program as of the end of the current reporting period:

- **40 WSMEs** in Tajikistan supported with dedicated training aimed at improving their ability to engage with and operate in retail supply chains;
- **4 WSMEs** in Tajikistan and Uzbekistan supported with bespoke advisory services aimed at improving their capacity to supply at greater scale and sophistication to Aggregators;
- **42 WSMEs** in Tajikistan and Uzbekistan supported with bespoke advisory services to support digitalization and digital transformation;
- **37 WSMEs** in **Uzbekistan** supported on matters related to the digitalization of aspects of their businesses
- **368 women entrepreneurs in the region** supported through training, mentoring and network-building exercises on **digital subject matters**; and
- Completed **policy dialogue** on **rural inclusion** in **Morocco**, and worked with the **Central Bank of Egypt** to develop gender-responsive training module for the financial sector; and
- Opened conversation with **Moroccan and Egyptian regulators** on the collection of **sex-disaggregated data**.

## A. KEY ACTIVITIES DURING THE REPORTING PERIOD

### I. Financing through Partner Financial Institutions

The EBRD provides WiB credit lines to PFIs for on-lending to eligible WSMEs. Supported by the FLRC instrument funded by We-Fi, this blended finance program provides PFIs with a degree of credit risk mitigation that facilitates their on-lending to WSMEs, which are generally underserved and perceived as a riskier segment than others. In addition, the EBRD continues to provide technical assistance to PFIs to further develop their capability to better serve the WSME sector.

During the reporting period, EBRD signed a total of USD 37.3 million of Women in Business (WiB) loans with four PFIs including two new ones: Khan Bank (Mongolia), Transcapital (Mongolia), Vision Fund (Mongolia) and Ipak Yuli Bank (Uzbekistan). By the end of the reporting period, a total of USD 60.01 million in finance had been signed with eleven PFIs since the start of the *Women of the Steppe* program.

**Table 1: EBRD portfolio as of the end of the reporting period**

PFI	Country	EBRD Loan (USD)	Signing date
First Microfinance Company*	Kyrgyz Republic	500,000	27/12/2019
Ipoteka Bank	Uzbekistan	10,000,000	30/09/2020
DAVR Bank	Uzbekistan	2,000,000	02/12/2020
Eskhata Bank**	Tajikistan	2,000,000	23/12/2020
Arvand Bank	Tajikistan	2,000,000	13/04/2021
IMON**	Tajikistan	1,000,000	02/09/2021
KICB	Kyrgyz Republic	2,000,000	18/11/2021
Transcapital	Mongolia	1,750,000	19/12/2021
Vision Fund	Mongolia	460,000	28/12/2021
Arvand Bank (Loan II)	Tajikistan	1,000,000	12/04/2022
Khan Bank	Mongolia	10,000,000	19/10/2022
Transcapital (Loan II)	Mongolia	2,800,000	28/11/2022
Ipak Yuli Bank	Uzbekistan	4,000,000	01/12/2022
Vision Fun (Loan II)	Mongolia	500,000	15/02/2023
Khan Bank (Loan II)	Mongolia	20,000,000	11/04/2023
<b>Total</b>		<b>60,010,000</b>	

\*On March 9, 2021, KICB acquired First Microfinance Company.

\*\*The FLRC funds of Eskhata Bank and IMON were sourced from other donors

**Table 2: PFI portfolio as of end of the reporting period**

PFI	# sub-loans disbursed	USD volume of sub-loans disbursed
First Microfinance Company	441	424,633
Ipoteka Bank	<del>104</del> 555	<del>5,126,966</del> 6,108,755
Davr Bank	19	3,032,160
Eskhata Bank*	<del>157</del> 1329	<del>9,349,080</del> 1,002,967
IMON*	<del>128</del> 2344	<del>4,141,518</del> 1,000,000
KICB	<del>42</del> 294	<del>6,303,724</del> 1,383,648
Transcapital (TCMN)	<del>23</del> 1412	<del>45,3295,917,668</del>
Vision Fund NBF*	2,837102	1,286,1592,587,301
Ipak Yuli Bank	104	2,366,057

<a href="#">Arvand Bank</a>	<a href="#">3449</a>	<a href="#">3,928,471</a>
<a href="#">Khan Bank</a>	<a href="#">703</a>	<a href="#">9,587,578</a>
Total	<a href="#">12,553</a>	<a href="#">52,765,156</a>
	<a href="#">3,284</a>	<a href="#">14,283,651</a>

*\*Vision Fund reported the whole WiB portfolio, including their own funds*

*\*\*The FLRC funds of Eshkata Bank and IMON were sourced from other donors*

## II. Risk mitigation instruments

### Partner Financial Institutions

During the reporting period, EBRD committed USD 3.730,000 of We-Fi funding for FLRC to support new lending of PFIs to WSMEs under the *Women of the Steppe* program. By the end of the reporting period, USD 5,701,000 of We-Fi funding had been committed for FLRC, alongside USD 300,000 sourced from another donor source (The Small Business Impact fund (SBIF)). The total FLRC amount committed under the program is USD 6,001,000 as at the end of the reporting period. To date, no PFI has made a claim against its respective FLRC, and thus no FLRC disbursements have been made.<sup>4</sup> Table 3 below provides an overview of the current FLRC portfolio under the *Women of the Steppe* program as of 30 June 2023.

**Table 3: FLRC – PFI Portfolio Overview**

PFI name	Country	Signing date of EBRD Loan Agreement	Investment amount signed (USD)	FLRC committed amount (USD)	FLRC disbursed amount (USD)
First Microfinance Company	Kyrgyz Republic	27/12/2019	500,000	50,000	-
Ipoteka Bank	Uzbekistan	30/09/2020	10,000,000	1,000,000	-
Davr Bank	Uzbekistan	02/12/2020	2,000,000	200,000	-
Eshkata Bank*	Tajikistan	23/12/2020	2,000,000	200,000*	-
Arvand Bank	Tajikistan	13/04/2021	2,000,000	200,000	-
IMON*	Tajikistan	02/09/2021	1,000,000	100,000*	-
KICB	Kyrgyz Republic	18/11/2021	2,000,000	200,000	
Transcapital	Mongolia	19/12/2021	1,750,000	175,000	-
Vision Fund	Mongolia	28/12/2021	460,000	46,000	-
Arvand Bank (Loan II)	Tajikistan	12/04/2022	1,000,000	100,000	

<sup>4</sup> Disbursements of FLRC occur if PFIs suffer losses under the WiB credit lines extended to them under the auspices of the *Women of the Steppe* program.

Khan Bank	Mongolia	19/10/2022	10,000,000	1,000,000	
Transcapital (Loan II)	Mongolia	28/11/2022	2,800,000	280,000	
Ipak Yuli Bank	Uzbekistan	01/12/2022	4,000,000	400,000	
Vision Fun (Loan II)	Mongolia	15/02/2023	500,000	50,000	
Khan Bank (Loan II)	Mongolia	11/04/2023	20,000,000	2,000,000	
<b>TOTAL</b>			<b>60,010,000</b>	<b>6,001,000</b>	<b>-</b>

\*\*\*The FLRC funds of Eshkata Bank and IMON were sourced from other donors. These loans are blended with FLRC funded from other donor sources.

### Risk Sharing Framework – Direct Financing

During the reporting period, the EBRD also committed USD 195,000 of We-Fi funding for FLRC to support EBRD's direct exposure to two WSMEs via its Risk Sharing Framework ("RSF"). To date, EBRD has made no claims against its FLRC, and thus no FLRC disbursements have been made. Table 4 below provides an overview of the current RSF FLRC portfolio under the *Women of the Steppe* program as of 30 June 2023.

**Table 4: FLRC - RSF Portfolio Overview**

Client Name	Country	Signing date of RSF Loan Agreement	RSF Loan amount signed (USD)	EBRD Risk Participation (USD)	FLRC committed amount (USD)	FLRC disbursed amount (USD)
Mika Group LLC	Uzbekistan	17/05/2023	1,000,000	500,000	75,000	-
Artezian LLC	Kyrgyz Republic	13/05/2023	800,000	400,000	120,000	-
BoA Lucky Socks	Kyrgyz Republic	28/07/2023	300,000	150,000	30,000	-
HB Plast Tech	Kyrgyz Republic	13/07/2023	920,000	460,000	92,000	-
<b>TOTAL for the current reporting period</b>			<b>1,800,000</b>	<b>900,000</b>	<b>195,000</b>	<b>-</b>

### III. Technical Assistance to PFIs

Leveraging We-Fi funds allocated for the *Women of the Steppe* program, the EBRD provides local PFIs with capacity building and support on the development and marketing of financial products for women entrepreneurs. The purpose of this technical assistance is to promote long-lasting and sustainable change in local financial sectors that facilitate an enabling environment for lending to WSMEs.

In January 2020, Sparkassenstiftung für internationale Kooperation e.V. was selected through an international competitive selection process to implement a technical assistance programme in its capacity as 'Program Consultant'. The Program Consultant is expected to:

- Provide and implement comprehensive institutional capacity building measures tailored to the needs of PFIs taking into consideration the results of the baseline and market assessments and international best practices (including integration of APS/MIS elements);
- Provide PFI staff training to specifically address the WiB needs;
- Develop, test and deliver new products specific and tailored to WiB;
- Assist PFIs in marketing and outreach in the form of WiB seminars;
- Provide general Program management support functions and promote synergies between Program components.

The Program Consultant's contract started on 16 January 2020 and will end on 16 August 2026. By the end of June 2023, USD 3 million had been disbursed out of a total contract value of USD 4.8 million

## **Kyrgyz Republic**

### *First Microfinance Company*

There was a slowdown in the implementation progress of the technical assistance to the First Microfinance Company due to the modalities of its merger with the Kyrgyz Investment and Credit Bank (KICB). In the 2022-2023 period, the EBRD expects technical assistance activity to pick-up again.

### *Kyrgyz Investment and Credit Bank (KICB)*

A baseline assessment was completed, and two strategic workshops were conducted to assess the findings, deliver recommendations and agree on the work plan for the design and implementation phase of the program consultant's activities. Conditions for loan products were approved and the development of a marketing strategy was started. Two training sessions on gender sensitization were conducted for staff and management, with KICB leading the development of its own training plan for subsequent staff training. During the reporting period, despite certain challenges with the PFI which was slowing down the process, the Program Consultant was able to finalize the WiB offering "Mykty Ayim" (WiB-specific sub-website to better present the product to women entrepreneurs, including the preparation and implementation of non-financial services (NFS) for WiB clients.

## **Uzbekistan**

### **Ipoteka Bank**

Progress was made on the design of WiB products to facilitate Ipoteka Bank's outreach to WSMEs in Uzbekistan. Several sessions on client segmentation, communication channels, and marketing concepts were held. With support from the program consultant, marketing and visibility material were produced for Ipoteka Bank with a focus on non-financial services (NFS) and digitalization.

The first WiB Seminar for Ipoteka Bank was conducted in Samarkand and a training session on gender sensitization was conducted for front office staff (loan officers and front desk staff) in Tashkent.

Working with the Business Women's Association (BWA) of Uzbekistan and with assistance from the program consultant, Ipoteka Bank conducted 10 thematic mini-training sessions on different topics for 150 women entrepreneurs in different regions of Uzbekistan. In addition, Ipoteka Bank organized sessions for 35 women entrepreneurs on software solutions for SMEs.

### **Davr Bank**

The baseline assessment for Davr Bank was completed in Q2 2022. Two strategic workshops were held to assess the findings and recommendations and agree on the work plan for the design and implementation of the activities to be carried out by the program consultant. A training session for loan officers on SME lending methodology was conducted. The first Training of Trainers session was conducted in March 2022, a marketing concept was designed, and marketing channels established.

On 11 May 2022, the first WiB seminar hosted by Davr Bank was held in Tashkent. Twenty-eight women entrepreneurs participated in this WiB seminar, which included a masterclass on the topic “Marketing in social networks to promote business”. One thematic mini training with 10 participants was also held. However, due to the personnel turnover, key specialists trained left the bank hence it is becoming challenging to fill the gaps, hence the Program Consultant is closely working with the PFI in order to address it.

### **Ipak Yuli Bank**

A tailor-made lending product for WiB has been developed to reach women entrepreneurs, including a ToT trainings on the new business simulation “Savings Game” with three participants from Ipak Yuli. In addition, a Gender Sensitization Training has been conducted for 13 participants from credit officers and the PFI’s management. Moreover, the Program Consultant developed a new training format “Effective communication skills” to improve capacity and communication skills of PFI’s staff members with 12 employees participating. Ipak Yuli organized a WiB seminar for 24 WiB clients on digitalization. Currently, the Program Consultant in close collaboration with the Ipak Yuli Bank’s specialists are developing an e-learning course on gender equality to enhance the outreach of the training for all PFI branches.

### **Mongolia**

#### **Vision Fund (VFMN)**

The baseline assessment for the Vision Fund was completed in Q2 2022. Two strategic workshops were held to assess the findings, deliver recommendations, and agree on a work plan for the activities to be carried out by the program consultant.

During the reporting period, training in gender sensitization was implemented, and the client survey was conducted to determine the needs of the WiB target segment for non-financial services. As a result, in Q4/2022, VFMN started implementing the Micro Business Game trainings for women entrepreneurs (as one option of NFS offered). In addition, the new financial offer for WiB clients has been introduced to the PFI management for approval.

### **Khan Bank**

In November 2022, the baseline assessment of Khan Bank has been started. The Program Consultant is working closely with the PFI to conduct the institutional assessment. Moreover, Khan Bank developed a financial offer for MSE women entrepreneurs, which was approved by the bank’s management and implemented on 1st March 2023. Additionally, Khan Bank organized the launch event of the EBRD CA WiB Program in March 2023.

### **Transcapital**

The baseline assessment for Transcapital was completed in Q2 2022. Two strategic workshops were held to assess the findings and recommendations and agree on the work plan for the activities to be carried out by the Program Consultant. Loan products for WSMEs were developed and progress was made in the areas of marketing and NFS. Training of staff on gender sensitization was also completed during this reporting period.

Two WiB seminars were held in Ulaanbaatar with in total 61 women entrepreneurs participating. These included the masterclasses “Work and life balance” (first seminar) and “Sales and being different” (second seminar). During the second WiB seminar, an exhibition was organized, where women entrepreneurs presented but also sold their products.

Furthermore, five training sessions on financial literacy were held for a total of 88 participants and one thematic mini-training session for 29 participants. Both trainings were conducted by trainers from the training company Development Solutions.

During the reporting period, PFI developed WiB offer, which includes loan products and a series of training courses and events, together with non-financial services for women entrepreneurs. As a result, TCMN conducted three Micro Business Game training courses and organized one WiB seminar in Q1/2023.

## **Tajikistan**

Due to the political disputes with the bordering country, the Kyrgyz Republic, and the associated activities many events and workshops were postponed as per PFIs requests. However, in the first half of 2023, the situation improved and all PFI in Tajikistan (Arvand Bank, Eskhata Bank and IMON) organized in total four WiB seminars (in total 167 participants). Furthermore, Arvand Bank and IMON conducted info sessions (AB) and financial literacy trainings (IMON) as non-financial services, with in total 130 women entrepreneurs participating. In total 24 staff of EB and IMON participated in two training courses for trainers in gender sensitization (held by the CT), and IMON trainers trained in total 84 PFI staff on this topic.

### **Arvand Bank**

A training session on gender sensitization was held as well as three training sessions on financial literacy for 70 women entrepreneurs.

During the reporting period, Arvand Bank organized 6 trainings for women on financial literacy with 100 participants. The training sessions were held in the medium-sized towns of Isfara, Istaravshan and in the districts of Asht and Rasulov. The training focused on the tax system for SMEs.

### **Eskhata Bank**

During the reporting period, preparations were made for a training-of-trainers session on gender sensitization with Eskhata Bank. This PFI previously received support from a Program Consultant in the context of a separate EBRD WiB Program in Tajikistan (not funded/supported by We-Fi) and has therefore already received a considerable degree of support on deepening its outreach to and engagement with WSME borrowers.

### **IMON**

A training-of-trainers session on gender sensitization was held for 13 participants leading to IMON developing its own training plan on the topic and conducting four additional sessions for 53 participants. This PFI previously received support from a program consultant in the context of a separate EBRD WiB Program in Tajikistan (not funded/supported by We-Fi) and has therefore already received a considerable degree of support on deepening its outreach to and engagement with WSME borrowers.

#### IV. Promotion of digitalization investments by WSMEs

Following the reallocation of funds to this new activity in October 2022, the EBRD has made significant progress in preparing this new approach – the first time the EBRD has supported credit lines for the digitalization of SMEs in this way. To ensure a rigorous approach, a study was undertaken to identify the list of digital technologies that would be eligible and appropriate under the Programme. Moreover, the EBRD has developed a new online Digital Technology Selector (“DTS”) which will provide a multi-lingual online directory of these eligible technologies along with key characteristics and attributes to help WSMEs identify the appropriate investments, while also reducing transaction costs for PFIs in assessing the eligibility and relevance of the investment in the technology. The DTS will go live in autumn 2023.

The first credit line under this component was also signed in May 2023 with Khan Bank (Mongolia) for US\$ 5 million.

#### V. Know-how for women entrepreneurs

Both We-Fi-funded programs – *Women of the Steppe* and *Stepping up for Women* – feature components involving the delivery of business know-how support – i.e., one-to-one advisory and other forms of capacity building – to WSMEs and women entrepreneurs.

Advisory and capacity building activities for WSMEs under the *Women of the Steppe* program have been significantly affected by the pandemic limitations (i.e. in-person meetings and trainings). The first two reporting periods have fallen short on yearly targets, despite EBRD’s efforts in shifting to online delivery. The third reporting period saw substantial improvement in implementation – all yearly targets were exceeded. As for the current reporting period all yearly targets are surpassed, as are global targets in cumulative terms (from July 2019-June 2023).

**Table 4: Cumulative results of know-how activities – *Women of the Steppe***

Country of operation	# Of advisory projects started	#Women trained and/or mentored	# Women reached through network-building activities
Kyrgyz Republic	45	175	840
Mongolia	42	237	396
Tajikistan	31	144	310
Uzbekistan	30	21	660
<b>Total</b>	<b>148</b>	<b>577</b>	<b>2,206</b>

Advisory projects under the *Women of the Steppe* program are not restricted to a specific category and involve consultants delivering bespoke advice and support to WSMEs on a subjects like marketing, strategy, energy efficiency, IT/digitalization, organization, and accounting and financial reporting,

amongst others. Throughout the region, Trainings under the *Women of the Steppe* program were held during the reporting period and included instruction on topics like leadership/management (Kyrgyz Republic, Mongolia, Tajikistan), digitalization and e-commerce (Mongolia, Tajikistan and Uzbekistan), financial management (Uzbekistan, Mongolia). Three mentoring initiatives were started in the reporting period in the Kyrgyz Republic, Uzbekistan, and Mongolia, attracting a total of 179 mentees. Targets related to this component are currently met at the program level, and the EBRD will continue to offer these products on a demand basis, endeavoring locally to meet the consulting needs of businesses. In addition, activities focused on general economic empowerment and digitalization readiness are under preparation and will leverage strategic partnerships with i.e. UN Women and other stakeholders.

**Table 5: Cumulative results of know-how activities – *Stepping up for Women, Component 2***

Country of operation	# Of advisory projects started	#Women trained and/or mentored	# Women reached through network-building activities
Kyrgyz Republic	-	-	50
Mongolia	-	20	-
Tajikistan	5	37	-
Uzbekistan	41	-	298
<b>Total</b>	<b>46</b>	<b>57</b>	<b>348</b>

Activities under Component 2 of *Stepping up for Women*, feature digital-by-design know-how capacity building in the region, aimed at addressing the challenges impacting women entrepreneurs and the use of business focused digital tools. Accordingly, dedicated advisory projects under this component include support to WSMEs in (i) developing and launching websites and e-commerce platforms for their businesses; (ii) developing digital marketing strategies that expand their outreach; and (iii) integrating automated accounting systems, as well as customer relationship management (CRM) and enterprise resource planning (ERP) systems. The expanded implementation of know-how activities under this component is picking up pace in providing WSMEs with dedicated support to engage in the digital economy. In this reporting period the latter translates into sustained interest in i) mentoring projects (attracting 50 mentees in the Kyrgyz Republic), ii) offline and online trainings on digital business tools (Uzbekistan), leadership and financial management (in Mongolia and Uzbekistan) and importantly in iii) networking and awareness raising events held jointly with Financial Institutions. Taken together, the Programme reached 450+ women entrepreneurs during the reporting period.

## **VI. Policy Activities**

### **a. Introducing a unified definition on women business**

Within the reporting period, the EBRD has continued to work with policy makers in the region to introduce a unified women business definition – a necessary precondition for robust and comprehensive sex-disaggregated SME data.

With support of the Mongolian “Women’s Parliamentary Caucus”, the EBRD assisted in developing a draft law on “Increasing Women Entrepreneurs' Participation in the Economy” in alignment with the ISO IWA 24 standard relating to a women's entrepreneurship definition. The draft law was submitted to the Parliament of Mongolia last year, and passed first reading on March 30, 2023. At the opening ceremony

of the "World Export Development Forum - 2023"<sup>[1]</sup>, the President of Mongolia, Khurelsukh Ukhnaa, announced that the approval of the unified definition of a women business will be used for all public and private organizations. The Parliament will do a second reading in autumn 2023 after summer break.

The EBRD is also supporting the implementation of a National Women Entrepreneurship Development Program in the Kyrgyz Republic (2022-2026). One of key policy actions of the National Program is introducing unified definition of a women business. The unified definition is included in the draft law "On the development, support and protection of entrepreneurial activity in the Kyrgyz Republic". The Ministry of Economy and Commerce of the Kyrgyz Republic<sup>[2]</sup> submitted the draft law to the Cabinet of Ministers for approval. It is expected that draw Law will be reviewed by Parliament of the Kyrgyz Republic in autumn 2023.

On a wider regional level, the EBRD, together with the Central Asian Women's Economic Empowerment Group (financed by the US State Commerce Department) conducted an awareness raising and advocacy campaign for Central Asia's policy makers on the importance of having a unified definition of a women business, and the need to collect SME supply side sex-disaggregated data. The events were held in Almaty (Kazakhstan) in December 2022, and Baku (Azerbaijan) in April 2023. The Central Asian Women's Economic Empowerment Group financed by the US State Commerce Department committed to cooperate on providing guidance statistical agencies, governments and financial institutions on how the definition can be used for evidence based economic policy making, gender responsive regulatory impact analysis and gender budgeting.

<sup>[1]</sup> <https://montsame.mn/en/read/322276>

<sup>[2]</sup> <https://adilet.kg/ky/tpost/a9asxz4us1-analiz-proekta-zakona-kr-o-razvitii-podd>

## **b. Building Women's Entrepreneurship Policy Framework**

The EBRD has supported governments across Central Asia in drafting national strategies in support of women's entrepreneurship. The National Women's Entrepreneurship Program of the Republic of Tajikistan was launched by Presidential Resolution in March 2022. The lead to a series of Business Forums, organized in conjunction with the State Committee of Investments, taking place over the last year to collect views and opinions of women businesses and women business associations. Considering these views, the draft National Women's Entrepreneurship Program was submitted to the government for approval in June 2023.

The EBRD has also advocated for removing the lists of prohibited jobs still in place across Central Asia. In the Kyrgyz Republic, the EBRD is engaged in a policy dialogue with the Ministry of Labor, Social Protection and Migration on the abolition of the list of prohibited professions for women. Currently this list includes more than 400 professions, positions and jobs. This work resulted in the development of the New Revision of the Labor Code, which legislates the freedom of choice of employment and equality of men and women, bringing them into line with the conventions of the International Labor Organization. Likewise in Tajikistan, after two years of EBRD's advocacy efforts the government has formally established an interagency working group to consider the abolition of the list of prohibited professions. The first meeting of the working group is scheduled for July 2023. Eliminating legal discrimination in

employment helps lead to higher levels of female participation in the labor force, and female entrepreneurship development in non-traditional sectors for women, which translates into significant macroeconomic gains.

Gender policy actions are also embedded in the Business Development Program of the Kyrgyz Republic<sup>[1]</sup>, approved in March 2023, and the Program of State Support and Development of the Private Sector in the Republic of Tajikistan for 2023-2027.<sup>[2]</sup> Within the Business Development Program of the Kyrgyz Republic, the EBRD assisted in the development of regulation on the involvement of the private sector in the provision of pre-school education services. Thanks to the joint work of the EBRD and the Government, a business accelerator was launched to train women entrepreneurs in providing services in the field of preschool education and the development of a nursing economy, with the local EBRD expert training women entrepreneurs on the necessary standards to run preschool institutions. As of the reporting period, 5,000 children are enrolled in pre-school education as a result of this public-private partnership.

The EBRD also continues to cooperate with the Ministry of Justice (MoJ) of Uzbekistan to integrate gender dimensions into their Regulatory Impact Analysis, and has conducted pilot testing of the developed methodology. The Government of Uzbekistan has approved a mandatory gender perspective in Regulatory Impact Analysis when assessing the impact of business regulation on women business. This activity implemented in collaboration with USAID.

<sup>[1]</sup> <http://en.kabar.kg/news/business-development-program-of-kyrgyzstan-until-2026-presented-in-bishkek/>

<sup>[2]</sup> Decree of the Government of the Republic of Tajikistan dated March 1, 2023 No. 50

“On the Program of State Support and Development of the Private Sector in the Republic of Tajikistan for 2023-2027”

#### **i. Gender Financial Inclusion Policy Framework**

The EBRD is assisting the government of Tajikistan to implement the Gender Action Plan of the National Financial Inclusion Strategy (2022-2026), which was approved by Governor of the National Bank in May 2023. The Gender Action Plan includes promoting gender diversity and the collection of gender-disaggregated financial access data, including SME sex disaggregated supply side data, which will support policy analysis, monitoring and evaluation in the area of financial inclusion.

The EBRD also continues to collaborate with the Central Bank of Uzbekistan to implement a Gender-inclusive Finance Action Plan. A baseline assessment of the current state of gender diversity within the sector was conducted. This is being used to develop solutions to advance gender equality in Uzbekistan’s banking sector, and to launch the national initiative “Women in Uzbekistan’s Financial Sector”. The Women in Finance National Initiative is designed to address the identified challenges that are hindering the progress of Uzbekistan’s banking sector to achieving gender equality. Developed for all stakeholders in the financial sector, the Action Plan focuses on four main pillars of gender equality: i) Gender Balance in Employment Opportunities, ii) Gender Intelligent and Learning Organization, ii) Gender-sensitive Product Offering, and iv) Availability of sex-disaggregated data. A complimentary Gender Action Plan was developed for the Central Bank of Uzbekistan to implement in parallel.

In conjunction with this work, the EBRD has also supported the Gender Equality Council of the Central Bank of Uzbekistan to design impactful gender-responsive tools (e.g. gender policy, a gender monitoring and evaluation framework, gender responsive human resources including flexible working policies, anti-harassment and violence policies, etc.). Other tools, aimed at Partner Finance Institutions (PFIs) and the wider banking sector, were designed to help banks build a framework for gender mainstreaming policies, and encourage them to adapt and implement these practices within their institutions.

In addition to the gender tools, the EBRD has helped to develop a gender mainstreaming training program. The training program utilized best practices of gender mainstreaming from around the globe, with a focus on those adopted by institutions within the banking sector. The EBRD designed and implemented the certified Gender Intelligence training program for bankers together with the Tashkent Finance Institute. The Central Bank of Uzbekistan and Tashkent Finance Institute have accredited representatives from 25 banks to serve as trainers, and over the course of the reporting period, 70 individuals have received training as a result.

In addition, the EBRD sponsored two high-potential women leaders from the National Bank of Tajikistan to take part in the 'Leadership and Diversity' course organized by Women's World Banking and AFI, building a more diverse talent pipeline within the institution.

In Morocco, EBRD supported BAM through an assignment that engaged Frankfurt School of Management and Finance (FSFM) to support the development of "Roadmap for The Economic Empowerment of Rural Women in Morocco". The assignment built on BAM's engagement with AFI to launch a financial inclusion strategy in 2018. AFI supported BAM with a large-scale survey of rural women, who remain the most underserved segment in the Moroccan society. The EBRD supported the organization of a high-level conference titled "Roadmap for the Economic Empowerment of Rural Women in Morocco" that took place on the 27th of July 2022 in Rabat, Morocco. The conference was organized by BAM and the Ministry of Economic Inclusion, Employment, and Competitiveness (MIEPEEC) with support from AFI and EBRD. The conference brought together stakeholders from the public, private and civil society sectors as well as international partner organizations to present the results of the consultation process around the axes of intervention and to announce the agreed approach for implementation.

The objectives of the high-level event were to bring together key stakeholders to highlight the challenges faced by rural women as well as the conclusions of the analysis of national and international practices. Also, to share the vision and the proposed lines of intervention to follow up on the consultation and reflection process with the stakeholders, namely, economic opportunities, financial inclusion, vocational training, and socio-cultural barriers. The conference also presented the governance model recommended to maintain coordination at the national level around a vision for the economic empowerment of rural women.

One of the main outcomes of the high-level conference was to launch the implementation phase around the main areas of intervention of vocational training and financial inclusion. The EBRD supported BAM in identifying two potential pilot projects to accelerate the economic empowerment of rural women around these areas of intervention. The proposed pilot projects will be led by BAM in partnership with

key stakeholders. Following this assignment, the EBRD are currently exploring future policy engagements with BAM collection and analysis of gender-disaggregated data in light of the circular issued by BAM in May 2022 circulated a list of recommendations to financial institutions in Morocco that highlighted the importance of collecting gender-disaggregated data. Local financial institutions are currently facing many challenges in the collection of the data (IT infrastructure, errors and omissions in data input, among others).

In Egypt, the EBRD engaged with both the Central Bank of Egypt and the Egyptian Banking Institute on the development of a training module around gender responsive lending. The program is currently being co-developed with the CBE and EBI and is expected to be implemented in H2 of 2023. The three-part training module aims to develop the capacity of the financial sector in Egypt to design and deliver gender responsive financial products and services. Following the latest market trends and leveraging innovative sustainable finance best practices, this series would target senior decision-makers within the financial institutions in Egypt. The EBRD also offered the Fintech and Information Technology Department in facilitating with the London Institute of Banking and Finance (LIBF) the development of a fintech foundation module. The module targets university students in year three and four of business and information technology majors in 25 universities in Egypt, as a pilot stage. The module supports the digital transformation of the financial sector in Egypt through developing a strong pipeline of talent ready to develop innovative digital financial services to close the gender finance gap as well as better serve other underbanked segments in the Egyptian market. The EBRD offered the CBE technical assistance throughout the process and facilitated the choice of the technical implementing partner and accreditation system through the resident policy coordinator in Egypt. The curriculum will be pilot with the 25 universities in the academic year 2023-2024.

## **ii. SME sex disaggregated data collection and production**

Advancements have been made across Central Asia on the collection, use and analysis of sex-disaggregated SME data. During reporting period, the EBRD contributed to the draft law “On the National Strategy of the Kyrgyz Republic to Achieve Gender Equality until 2030” and the “National Action Plan to Achieve Gender Equality in the Kyrgyz Republic for 2022-2024”, approved on September 18, 2022. As part of National Action Plan to Achieve Gender Equality, an interagency government working group was established to strengthen the system for the collection of MSME sex disaggregated data. The working group is led by the Gender Policy Department of the Ministry of Labor and Social Protection, and includes the National Statistics Office, the National Bank of Tajikistan, and the Ministry of Economy and Finance.

In Mongolia, in collaboration with the National Statistics Office of Mongolia, the EBRD conducted its first Gender Responsive Business Census in 2021 and published a SME SDD report, which includes MSME sex disaggregated data by sector, region and legal forms.

Within the Gender Action Plan, recently signed by National Bank of Tajikistan, provisions were made for the mandatory collection of sex disaggregated SME data. This included financial inclusion reporting templates, requiring financial institutions to report on data by individuals and businesses, products, regions, and sector. Institutions must report to the National Credit Bureau. The Gender Action Plan was

approved by the National Bank of Tajikistan on March 18, 2023, and registered by the Ministry of Justice on June 29, 2023.

The EBRD has also continued to promote the collection and use of sex-disaggregated data to inform the design of economic policy through peer learning events. Within the reporting period, the EBRD cooperated with the Alliance for Financial Inclusion to build the capacity of the Central Bank of Uzbekistan on the collection, production and analysis of SME sex disaggregated supply side data. Around 40 participants from CBU participated in MSME sex-disaggregated reporting templates.

Supporting governments with the collection of MSME gender disaggregated data and helping them to formulate plans to improve the availability of this data, will lead to the development of gender-responsive economic policies and help governments assess the impact of women entrepreneurship in sustainable development.

### **iii. Gendered Public Private Dialogue**

Throughout the reporting period, the EBRD continued to strengthen the capacities of the Task Forces on Entrepreneurship Development in Central Asia and Mongolia to advocate policy recommendations to national governments, and to conduct policy screening to remove structural, systemic, and legal barriers that inhibit women's economic participation and entrepreneurship development.

In Tajikistan, efforts of the task force led to the Law "On equality and the elimination of all forms of discrimination in Republic of Tajikistan", that was approved on September 13, 2022. This Law determines the organizational and legal framework for the implementation of equal rights and opportunities, and the effective protection against all forms of discrimination at the workplace.

In Uzbekistan, the EBRD advocated for the amendments to the law "On guarantees of equal rights and opportunities for women and men" to introduce a gender audit of public institution's compliance with the legislative requirements for promoting gender diversity at the workplace and decision making level. Furthermore, the EBRD advocated for introducing norms that prohibit gender discrimination in the labor market, and ensure equal pay in the new revisions of the Labor Code. This also introduced subsidies for women entrepreneurs engaged in home-based business to access child and day care facilities. In July 2022, the President of the Republic of Uzbekistan signed a resolution<sup>[11](#)</sup> on improving the system of training women in professions and entrepreneurship. The program compensates the Agency for the Work of Mahallabai and Entrepreneurship Development (ARMRP) for 70% of the cost of training courses for women and youth. This program will affect non-governmental educational organizations, professional institutions, as well as the Graduate School of Business and Entrepreneurship.

The EBRD has also played a key role in supporting the Regional Women Entrepreneurs Dialogue Platform. During reporting period EBRD co-hosted Central Asia Women Business Forum in Uzbekistan, together with USAID's Trade Central Asia activity and the U.S. Commercial Law Development Program (CLDP). The summit brought together 100 female-owned and female-managed businesses, activists, businesswomen's associations, government agencies and NGOs from all over Central Asia to collaborate on how best to integrate gender considerations into all sectors of the economies of Central Asian countries, particularly into e-commerce, trade and customs. The Summit's theme was '*Women in Trade:*

*Challenges and Opportunities in Central Asia*'. During the summit, the EBRD led a panel session "E-commerce development in Central Asia" and presented lessons learned from designing the National Program on E-commerce development in Kyrgyz Republic<sup>[2]</sup>, which can be replicated in other Central Asian countries. The EBRD also presented innovative solutions to enhance the digital financial literacy of women businesses and to improve the digital finance framework.

<sup>[1]</sup> Decree of the President of the Republic of Uzbekistan dated September 21, 2022 no. PP-376 On additional measures to increase employment and improve the health of women

<https://lex.uz/ru/pdfs/6202964>

<sup>[2]</sup> [https://akipress.com/news:703360:E-commerce\\_development\\_program\\_presented\\_by\\_Ministry\\_of\\_Economy/](https://akipress.com/news:703360:E-commerce_development_program_presented_by_Ministry_of_Economy/)

## **B. KEY CHALLENGES AND LESSONS LEARNED**

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

With the current geo-political events affecting the region and the cost of local currency funding increasing the uptake of the investment loans from EBRD might be challenging as PFIs will struggle to offer competitive rates to the final sub-borrowers which might affect the implementation of the Program.

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

Know-how activities for both programs picked up pace significantly throughout the reporting period, with local EBRD teams capitalizing on the substantial efforts made in previous years of each program to build awareness as well as make inroads with local communities of women entrepreneurs. In Uzbekistan, for example, the EBRD is working closely with the Ipoteka Bank and Davr Bank, both managing extensive network of women entrepreneurs, to jointly deliver seminars and networking events throughout the country. This and other success cases in the region are actively contributing higher results for women entrepreneurs reached through training and outreach activities in the region in the next reporting period for both We-Fi-funded programs. Likewise, local teams have also been collaborating more fruitfully with local PFIs to design and deliver trainings and outreach events, providing the EBRD with the means to increase awareness of We-Fi-funded capacity building support to more WSMEs (including and especially in rural locations, as well as to sub-borrowers of We-Fi-supported WiB credit lines) and build a substantive pipeline of impact-oriented advisory projects.

However, a key challenge the EBRD keeps addressing is disseminating digitally delivered trainings and other useful content that exposes women entrepreneurs to concepts on digital solutions that are relevant to them and their businesses. Discussions with stakeholders of Component 2 of the *Stepping up for Women* program (i.e., digitalization-focused know-how for WSMEs in Uzbekistan) have indicated that there is considerable demand for digitally delivered trainings, especially on topics associated with digitalization; however, there are few platforms that make these trainings accessible to women entrepreneurs in Uzbekistan in the format (i.e., mobile) and language (i.e., Uzbek) of preference. The EBRD, however, has identified potential partners developing platforms addressing these gaps and expects more action on this front in year 4 of the program. Even so, engagement in digital delivery is often based on more direct interactions – such as mentoring. This poses a problem for the final implementation year, where significant leftovers planned to leverage results and increase the regions' digital outreach are at stake. The SME team, responsible for the capacity building delivery, is currently addressing the challenges the latter poses, and considering the feasibility of solutions found within the

limit of the implementation period. The conclusion shall be raised with the Secretariat in due time, and inform joint decision-making.

### **III. Policy**

One of the core challenges encountered in effectively implementing policy was the speed in which Central Asian governments transform their structure and change personnel. Uzbekistan's government implemented huge administrative reforms between January and March 2023, decreasing the number of executive bodies under the Cabinet's supervision from 61 to 28. This has impacted policy engagement activities due to changing the focal points within key ministries. Repetitive reorganizations of the government agencies in the Kyrgyz Republic, and constant movement of senior and middle management between government agencies in Tajikistan, created extended periods of policy silence. This affected the implementation of policy reform and the institutionalization of gender tools and methodologies.

**The improve the efficiency of the policy dialogues, the EBRD has identified that it would be beneficial to use think tanks, academia and educational institutions for monitoring and evaluation of gender transformative economic policy.** Policy dialogues should engage state and private think tanks along with education institutions that specialize in finance and economics to build gender expertise and capacity for conducting gender responsive M&E. This will help with future development of gender transformative economic policies and strategies. For instance, Uzbekistan's National Financial Inclusion Strategy (NFIS) will end in 2023, however, there is no gender finance expertise in place to conduct an independent evaluation of the NFIS implementation. The same situation exists in the Kyrgyz Republic and Tajikistan in relation to gender finance competence and overall M&E capacity. Putting in place incentives for SME sex-disaggregated data collection, and building demand for it in the market, all further help with conducting empirical studies and gender impact evaluations.

To ensure sustainability of results, it is also important to get high level commitment from financial regulators for promoting a gender inclusive financial system. This can be achieved by adopting Financial Sector Gender Strategies or integrating gender dimensions into the Financial Sector Corporate Code.

Finally, it is important to collaborate with banking sector training institutions to build and disseminate knowledge on gender responsive financial inclusion. This can form the foundation for wider awareness raising of gender issues, and effective action, particularly for promoting gender diversity in financial sector.

## IV. IMPACT AND PROGRESS TOWARDS MEETING WE-FI TARGETS

### A. IMPACT AND PROGRESS TOWARDS MEETING TARGETS

Having finished its fourth year of implementation, the *Women of the Steppe* program has made substantial progress towards meeting its program targets on key indicators, with a cumulative total of ~~3,883~~an estimated 7755 WSMEs/women entrepreneurs reached through program activities at the end of the current reporting period, including (i) ~~4821~~3,284 sub-borrowers of We-Fi supported WiB credit lines (for a total of USD 14,283,651 in finance accessed so far by WSMEs), (ii) 204 WSMEs through bespoke advisory projects, (iii) 785 women entrepreneurs through training events and mentoring initiatives; and (iv) a further 2,678 women entrepreneurs through network-building and outreach events. As it relates to non-financial support for WSMEs and women entrepreneurs, the EBRD has surpassed its year 4 targets for the program, which include setting out to reach at least 165 WSMEs through bespoke advisory projects, 408 women entrepreneurs through training and mentoring activities, and 1,700 women entrepreneurs through network-building and outreach events. On the policy dialogue side the EBRD has helped 19 public sector partners to draft or revise 32 pieces of legislation. Of these, 17 have been formally enacted, ensuring that entrepreneurs and partner financial institutions operate in policy ecosystems that are supportive of women entrepreneurs.

The *Stepping up for Women* program, which has now finished its second year of implementation, has made more nuanced progress against its program targets on key indicators. As noted previously, the EBRD has encountered substantial difficulties implementing Component 1 of the *Stepping up for Women* program, which means that there has been limited activity for this component to-date. The EBRD has proposed to restructure this component of the program towards activities that (i) directly facilitate access to finance for WSMEs; (ii) better meet the needs of WSMEs in the IDA Central Asia region as the impact of the war on Ukraine is poised to have potentially drastic implications for their country economies; and (iii) are better poised for immediate implementation. Pending approval from the We-Fi Governing Committee, targets and results for Component 1 will be restructured to reflect the component's new direction.

Progress on Component 2 noted important developments in year 3 of the *Stepping up for Women* program. The EBRD delivered 42 digitalization-focused advisory projects to-date for WSMEs against a cumulative target of 30. While training, network-building, and outreach events also picked up pace in year 3, with 368 women entrepreneurs reached in 2021-2022 versus 253 in 2020-2021, the EBRD is still behind its year 3 target of 1,081 women reached. Notwithstanding this shortfall, the EBRD anticipates results to accelerate in the coming year as it ramps up its digital outreach efforts.

Due to the early stages of our policy engagements in Egypt and Morocco, no pieces of legislation have yet been revised or drafted. However, the EBRD is working closely with the Central Bank of Egypt, the Egyptian Banking Institute and Bank al Maghrib (Central Bank of Morocco) on several initiatives, including as it relates to sex-disaggregated data, training programs, and economic empowerment of rural women, and expects legislation introduced to scale up over the coming years.

### B. EVALUATIONS, RESEARCH AND KNOWLEDGE

None for the reporting period

## V. PLANS FOR NEXT YEAR

### *i. Dedicated financing for WSMEs*

The Bank will continue to identify new PFIs to support through dedicated Line of Credits to WSMEs.

### *ii. Risk mitigation instruments*

The Bank will continue to identify new PFIs to be supported by the first loss risk cover envelop.

### *iii. Technical assistance to PFIs*

The Bank will continue to support partner financial institutions through tailored technical assistance based on the baseline assessments. Examples of support includes training of trainers in gender sensitization and WiB seminars in the central Asia region.

### *iv. Results-based financial instruments*

Subject to Governing Committee approval, We-Fi funding allocated to support the outcome-based loan instrument that forms the core part of Component 1 of the *Stepping up for Women* program will be re-allocated to support WiB digitalization credit lines. This re-allocated We-Fi funding will be utilized as financial incentives delivered to WSME borrowers that implement digital solutions for their businesses, directly addressing cost barriers that women entrepreneurs face when digitalizing their businesses and providing a market-based mechanism for catalyzing action on the part of women entrepreneurs as it relates to engaging with digital solutions and the digital economy, all of which have become necessary to achieving meaningful scale and sophistication. We-Fi Governing Committee has recently (in September 2023) approved an allocation of USD 5m for EBRD's new policy programme – the “We-Finance Code” for Central Asia, the Western Balkans and SEMED. This is a new global, multi-stakeholder policy operational mechanism for the collection and application of sex-disaggregated SME data and aimed to design and enact evidence based policy solutions that remove existing barriers for women to start up and grow their businesses, thereby transforming the way that women entrepreneurs are supported and financed. As such, it directly complements EBRD's current Women in Business Programs as well as the Bank's gender mainstreaming approach, contributing towards creating more inclusive, gender-equal financial systems across the targeted regions. Over the next four years, EBRD will be working with regulators, policy makers, PFIs and other partners to deliver training and capacity building initiatives and establish data collection mechanisms and knowledge sharing platform that will make gender data an integral tool to reduce the women SME financing gap.

### *v. Know-how for women entrepreneurs*

The *Women of the Steppe* program has surpassed all region-level targets related to the provision of non-financial services (i.e., know-how activities in the form of advisory projects, trainings, mentoring programs, and outreach events). Going into its fourth year of implementation (out of five), the program will maintain its current course, providing WSMEs with capacity building support across a wide range subject matters that are relevant to their ability to grow in scale and sophistication.

Per the Governing Committee approval of a Project Revision, the *Stepping up for Women* program is now fully dedicated to delivering key digital know-how, technology and application, and setting grounds in the region to deliver activities in scale. The efforts in partnering with entities with wider networks of women entrepreneurs contributed to the increase in activities/participants reported this year, along

with other awareness raising activities. Equally, special focus on leveraging partnerships with Financial Institutions targets an increase in capacity building activities around financing digitalization investment. Implementation is dedicated to delivering two parallel approaches: a regional one, providing access to Digital knowledge and awareness raising platforms, and a country dedicated one, with an aim to expand the engagement of local stakeholders for the benefit of WSMEs towards their businesses digitalization.

*vi. Policy dialogue*

The EBRD will work on introducing a unified definition of women entrepreneurship in cooperation with national statistics offices and financial regulators and will work to strengthening capacity on the collection of sex-disaggregated data. The EBRD will continue to implement the Gender Financial Inclusion Action Plans with Central Bank of Mongolia and Central Bank of Uzbekistan, National Bank of Kyrgyzstan and the National Bank of Tajikistan jointly with the Alliance for Financial Inclusion. The EBRD will support Gender responsive MSME Strategy in Uzbekistan, and will continue to support the Task Force on Entrepreneurship Development in Central Asia countries and regional peer learning events jointly with the U.S. Commercial Law Development Program (CLDP).

In Egypt, the EBRD will continue to work closely with the financial inclusion department and the fintech department on the development of the existing platform for gender disaggregated data collection. This will include the potential piloting of the WE Finance Code and all its related activities. Similarly in Morocco, the EBRD gained BAM's commitment to engage in a policy dialogue related to sex disaggregated data at national level led by Bank Al-Maghrib to coordinate the development of a national framework/system to support the collection of this type of data by financial institutions. This includes a WiB definition harmonization with other public stakeholders such as the Ministry of Economy and Finance and the Ministry of Economic inclusion, Small enterprises, employment and skills. Another axis is to work with the central bank on a reporting template that would comply with section IV of the recommendation

1w2022.

## ANNEXES

### ANNEX I. FUNDING AND BUDGET INFORMATION

#### A. Status of We-Fi Funding

Budget Categories	Amount per ROUND 2		
	Revised Budget (If applicable)	Committed*	Disbursed*
Risk mitigation instruments (FLRC for PFIs and risk-sharing)	7,500,000	5,896,000	0
Technical assistance for PFIs	5,000,000	5,000,000	2,997,013
Advisory services for WSMEs & networking and other opportunities	4,500,000	2,630,537	2,392,398
Policy reform	1,200,000	1,090,770	1,012,897
Programme visibility	300,000	34,367	34,367
Programme evaluation	300,000	-	-
Management fee	1,100,000	1,100,000	654,000
<b>Total Budget</b>	19,900,000	15,751,674	9,233,381

Budget Categories	Amount per ROUND 3		
	Revised Budget (If applicable)	Committed*	Disbursed*
Component 1: Access to finance for digitalisation investments for WSMEs	3,250,000	3,250,000	0
Component 2: Access to know-how to WSMEs and women entrepreneurs in engaging with the digital economy	2,275,000	908,492	669,232
Component 3 3.1: Establishment of sex disaggregated national databases in 2 countries	838,989	169,864	134,864
3.2: Research and knowledge products, to contribute to a greater understanding of WSME needs and programme outcomes, including around WSMEs and digitalisation	150,000	150,000	0
Management fee	350,699	350,699	210,419
<b>Total Budget</b>	7,364,688	4,829,055	1,014,515

## B. Types of Activities Funded

Funding Categories	Committed Amount	
	Round 2	Round 3
Investment Activities	5,896,000	3,250,000
Technical Assistance/Advisory Activities	<u>6,090,770</u> <del>5,000,000</del>	<u>319,864</u> <del>169,864</del>
WSME Capacity Building	<u>2,664,904</u> <del>2,630,537</del>	908,492
Grants to WSMEs	<u>1,090,770</u> <del>1,090,770</del>	0
Research, M&E and Evaluations	<u>34,367</u> <del>34,367</del>	<u>150,000</u> <del>150,000</del>
IP Fees	1,100,000	350,699
<b>Total</b>	15,751,674	4,829,055

## C. Summary Focus Areas Funded

Funding Categories	Committed Amount	
	Round 2	Round 3
Access to Finance	10,896,000	250,000
Access to Markets	0	3,000,000
Access to Skills	2,664,904	908,492
Enabling Environment	1,090,770	319,864
IP Fees	1,100,000	350,699
<b>Total</b>	15,751,674	4,829,055

## ANNEX II. EXAMPLES OF IMPACT ON WSMES

### Tsaramtain arvai LLC (Mongolia)



Tsaramtain Arvai LLC, established in 2016, produces all kinds of paper and plastic packages, bags, labels and wraps for commercial utilization. It produces 235 kinds of products and supplies 44 domestic companies. The company is owned and led by a female CEO, Mrs. Javkhlanbayar.

Tsaramtain Arvai approached the EBRD for Advisory Support in the form of Local Consultancy, in order to improve productivity and process. The Mongolian Productivity Organization worked as a consultant in this project, which overall objective was to build a system supporting the continuous improvement of productivity, customer experience and environmental performance. The project was implemented over two phases. During the first phase, the Kaizen approach was applied towards productivity gains, along with reviews on processes and analysis tools and processes mapping. The consultant team divided the employees of Tsaramtain Arvai LLC into 4 teams during project implementation, and the teams analyzed the processes determining materials' losses in the production line. As for the second phase, the project team, with assistance of the consulting team, set improvement solutions for the losses found. Trainings and discussions were held at this stage on green productivity tools, energy efficiency, waste management, Eco mapping and 5R decrease

Eco mapping methods are applied to determine heat, water and electricity losses on a given organization. The data collection generally allows to explore efficiency opportunities.

One year after project completion, Tsaramtain Arvai reported several positive outputs, namely related to waste decrease, reduction in the costs of waste and materials used. Production waste reduced by 16% and productivity increased by 22%, compared to 2021. Sales income showed a remarkable increase from MNT 1 billion to MNT 2 billion at the end of 2022.

## Nepko Kids LLC (Mongolia)



Nepko Kids LLC was founded in 2018 by its parent company Nepko LLC, which was the first publishing house in 2016 in Mongolia. Nepko Kids has since emerged as a national brand introducing modern standards in the publication of the books whilst delivering the masterpieces and bestsellers of the world in the Mongolian language. The company is owned by a female chief editor Mrs. Oyunchimeg.

The company decided to engage the strategic management consulting as it had the following concerns: Revise the company reason for being and define the route to pursue a long-term development, increase sales and profits, develop strategies and operational plan 2022 to ensure it improves the profitability of the company, manage resources more effectively to support marketing and sales activities and identify the risks by conducting a risk analysis and then determining the ways to mitigate these risks.

The objectives of the consulting were to improve management effectiveness by developing a 3-year (2022-2024) Strategic Plan to diagnose existing business activities through identifying internal strengths and weaknesses and external opportunities threats has enabled to review and verify current strategic ideas and implementation opportunities. After one year of the project completion, annual turnover increased from EUR 55,336 to EUR 302,480 and the productivity showed also a growth by almost 10 times by the end of 2022.

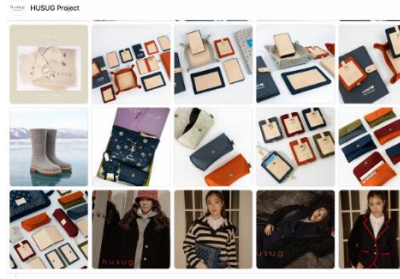
## QNS LLC (or Husug brand Mongolia)



QNS LLC is founded by sisters Namuun Altangerel and Sarnai Altangerel where they created Husug brand that produces handcraft and souvenir products. The company aims to ensure that Mongolian vulnerable parts of societies' activities are fully incorporated into national agricultural product development and increase participation to processing of agricultural and animal raw material.

QNS LLC had been facing issues in their accounting and financial management, with incorrect financial statements, and they approached the EBRD to gain support on advisory service on how to improve their financial management. The consultant improved accountings and reporting that included estimating and recording sales revenue, customer's payments, inventory accounting, assets and inventory movements, calculating unit costs and training.

The company has also acquired a financial management software that digitalized their traditional approach of accounting and reporting and resulted in higher efficiency and better decision making. As a result, the company's annual turnover increased from EUR 117,782 in 2021 to EUR 149,815 in 2022, and decreased their weekly time spent on financial report generation from 24 hours in 2021 to 15 hours in 2022.



## WiB Mentoring in Mongolia



One of the successful support activities under Women of the Steppe is Mentoring in Mongolia. We started selecting only 12 mentees and 12 mentors in 2021 and partnering with a local consulting firm Observe consulting LLC. The mentoring activity runs 9-month period and the pairs should have at least 1 meeting per month. The partner organization enriches the mentoring with some training, a visit to the mentees' business and mentors dedicate hours for specific trainings during this nine months. After completion of the first round in 2021, we increased the number of mentees to 40 and hired one more local institution, Women Entrepreneur mentors' club NGO at the National Chamber of Commerce and Industry. This time, over 200 people applied for the mentees and 100 people applied for the mentors. The local partners selected 40 mentees and 40 mentors and implemented it through May 2022 to February 2023. During the closing event, we learnt that how they created increased their connection through a networking group amongst them, shared experiences from one another, shared their

mentors, made purchases amongst them. Each and every mentee achieved results both for their personal development and enterprise development level such increased sales, formulated their business and strategy plans, had clear growth picture.

Considering this high demand of mentees, we discussed with two local partner institutions and increased the number of mentees to 80 in 2023. This year, they received around 300 applications for the mentees and 200 applications for the mentors. Two local partners implement the Mentoring with their own methods and approaches.

Launch event of the WiB Mentoring 2023 was held on 15<sup>th</sup> March 2023 by making an opening speech by the EBRD's Vice president, Risk and Compliance CRO, Annemarie Stratham. We invited selected 80 mentees and 80 mentors for the launch event and our management for Central Asia and Mongolia were present at the event.

## ANNEX III. WSME DEFINITIONS

The *Women of the Steppe* program applies the following WSME definition across all activities:

The primary beneficiaries of the Program will be **women-led small and medium-sized enterprises**, defined as:

- Enterprises where the overall operational management responsibility is held by a woman (or women); or
- Enterprises where a woman (or women) holds overall operational management responsibility for the company, and a woman (or women) also owns all or part of the equity.

This definition seeks to encourage a focus on women as managers and those with real decision-making power within the business, recognizing that management responsibility and ownership are not always held by the same individuals. The definition is operationalized with specific guidelines for each country on how 'women-led' can be ascertained and verified for different legal entities.

The Program's definition is fully aligned with the European Union (EU)'s definition of SME.

Women-led SMEs shall be considered as enterprises engaged in economic activity as fitting the above definition, with **fewer than 250 employees** and either with an **annual turnover not exceeding EUR 50 million (USD 58.7 million)** or with a **balance sheet value not exceeding EUR 43 million (USD 50.4 million)**. On an exceptional basis, beneficiary women-led enterprises may have **up to 499 employees**, recognizing that enterprises in the Central Asian region exhibit high levels of labor intensity, driven both by cheap labor and limited access to technologies. These enterprises would still fall within the EU definition in terms of turnover and asset size. The same eligibility criteria are applied across all components, ensuring a coherent focus on the same target group at the market level.

The EU definition of SMEs, as applied above, is aligned with the IFC's definition of a small and medium enterprise, looking at parameters of turnover (sales) and employee numbers. In terms of thresholds, the EU definition turnover threshold is broader (IFC threshold: up to US\$ 10 million; EU threshold: up to US\$ 58.7 million) and lower in terms of number of employees (IFC threshold definition up to 300; EU threshold: up to 250).

At the request of the Governing Committee at funding approval in August 2020, the *Stepping up for Women* program applies the We-Fi definition of WSME. As per the We-Fi clarification note on definitions for women-owned/led SMEs, dated 27 November 2019, the following definition applies to the program:

For an enterprise to be classified as an SME, two of the following three shall apply:

- Employees: between 10 and 300 employees
- Sales: between USD 100,000 and USD 15 million
- Assets: between USD 100,000 and USD 15 million

For an SME to be classified as a WSME, the SME must be:

- $\geq 51\%$  owned by a woman / women; or
- $\geq 20\%$  owned by a woman / women; and have  $\geq 1$  woman as CEO/COO (President/Vice-President); and have  $\geq 30\%$  of the board of directors comprised of women, where a board exists.

## ANNEX IV. IP METHODOLOGY FOR RESULTS MEASUREMENT

### *WSME beneficiaries*

Transactions and donor funds are considered to be part of the program where the same beneficiary eligibility definition is applied for the same instruments in the same countries. The guarantee is not counted as co-funding. The reporting provided includes sub-loans provided to WSMEs at the EBRD PFI reporting date, hence the mobilization figures beyond the EBRD loan often lag to the latter part of the program.

### *Co-Funding (mobilization)*

The EBRD Co-funding figures include i) the entire amount of the EBRD loan to PFIs plus a multiplier agreed with each PFI, incorporated as a best-efforts basis target for the PFI in the legal agreement with EBRD, including for transactions under the program that did not directly benefit from We-Fi funded FLRC; and ii) any additional donor funding channeled towards the program.

## ANNEX V. LIST OF COMMITTED PROJECTS

See enclosed separately

## ANNEX VI. PROJECT SUMMARIES

### WOMEN OF THE STEPPE – EBRD WOMEN IN BUSINESS LOAN – VISION FUND MONGOLIA NBFI LLC (LOAN II)

**Project Type:** Investment

**Geographical Focus:** Mongolia

**We-Fi Funding Committed:** USD 50,000

**Total project size:** USD 550,000

**Project Start Date:** 15 February 2023

**Project End Date** (when results are expected): 30 January 2026

*Add other key information as needed*

#### CONTEXT:

The EBRD has provided Vision Fund Mongolia (VFMN) with a USD 500,000 loan for on-lending to micro-, small-and medium-sized enterprises led by women entrepreneurs.

#### CLIENT/PARTNER DESCRIPTION

VFMN is a Non-Bank Financial Institution (NBFI) with over 16-year history of operations in Mongolia. It is one of the top 10 MFIs in Mongolia.

#### PROJECT DESCRIPTION

The key objective of this project is to improve access to finance for women led MSMEs in Mongolia, leveraging Vision Fund's network, particularly in rural regions.

We-Fi funding is being used as First-Loss Risk Cover (FLRC), which can be used to cover a portion of VFMN losses on sub-loans to eligible WSME clients. This provides VFMN with a degree of comfort as it engages with WSMEs (who are perceived as a riskier client group) and helps creditworthy WSMEs obtain finance when they otherwise may have been refused.

#### IMPACT:

Impact for this project will be measured by the number of WSMEs that obtain finance through proceeds lent by the EBRD to VFMN.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	USD 114 million
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	4,200
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	At least 35%
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	At least 30%

## WOMEN OF THE STEPPE - EBRD WOMEN IN BUSINESS LOAN – TRANSCAPITAL (LOAN II)

**Project Type:** Investment  
**Geographical Focus:** Mongolia  
**We-Fi Funding Committed:** USD 280,000  
**Total project size:** USD 3,080,000

**Project Start Date:** 29 November 2022  
**Project End Date (when results are expected):**  
 31 March 2025

### CONTEXT:

The EBRD has provided Transcapital in Mongolia with a USD 2,800,000 loan for on-lending to micro-, small- and medium-sized enterprises led by women entrepreneurs.

### CLIENT/PARTNER DESCRIPTION

Transcapital is the 3rd largest Non-Bank Financial Institution (NBFI) in Mongolia with over 20-year history of operations and has the highest MSE lending share among its peers.

### PROJECT DESCRIPTION

The key objective of this project is to improve access to finance for women led MSMEs in Mongolia, leveraging Transcapital's network, particularly in rural regions.

We-Fi funding is being used as First-Loss Risk Cover (FLRC), which can be used to cover a portion of Transcapital losses on sub-loans to eligible WSME clients. This provides Transcapital with a degree of comfort as it engages with WSMEs (who are perceived as a riskier client group) and helps creditworthy WSMEs obtain finance when they otherwise may have been refused.

### IMPACT:

Impact for this project will be measured by the number of WSMEs that obtain finance through proceeds lent by the EBRD to Transcapital.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	USD 114 million
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	4,200
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	At least 35%
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	At least 30%

**Project Type:** Investment

**Geographical Focus:** Mongolia

**We-Fi Funding Committed:** USD 1,000,000

**Total project size:** USD 11,000,000

**Project Start Date:** 19 October 2022

**Project End Date (when results are expected):**  
30 June 2025

#### CONTEXT:

The EBRD has provided Khan Bank in Mongolia with a USD 10,000,000 loan for on-lending to micro-, small- and medium-sized enterprises led by women entrepreneurs.

#### CLIENT/PARTNER DESCRIPTION

KB is the largest commercial bank in Mongolia with total assets of US\$ 4.7 billion, loan portfolio of US\$ 2.5 billion, and equity of US\$ 0.45 billion as of YE2021. The bank is currently rated "B3" by Moody's and "B" by Fitch, both with a stable outlook. The bank has a universal focus and a nationwide presence in the country through more than 547 offices.

#### PROJECT DESCRIPTION

The project contributes to the objectives of the CA WiB, supporting **the Inclusive and Competitive TI qualities**. The loan will support the transition objective of the CA WiB, i.e. promotion of women-led businesses' access to finance and, more broadly, women's active participation in business, thus alleviating gender inclusion gaps in terms of "access to finance" and "employment and entrepreneurship".

We-Fi funding is being used as First-Loss Risk Cover (FLRC), which can be used to cover a portion of Khan Bank losses on sub-loans to eligible WSME clients. This provides Khan Bank with a degree of comfort as it engages with WSMEs (who are perceived as a riskier client group) and helps creditworthy WSMEs obtain finance when they otherwise may have been refused.

#### IMPACT:

Impact for this project will be measured by the number of WSMEs that obtain finance through proceeds lent by the EBRD to Khan Bank.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	USD 114 million
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	4,200
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by	At least 35%

local banks.	
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	At least 30%

#### WOMEN OF THE STEPPE - EBRD WOMEN IN BUSINESS LOAN – KHAN BANK LLC (LOAN II)

**Project Type: Investment**

**Project Start Date: 11 April 2023**

**Geographical Focus: Mongolia**

**Project End Date (when results are expected):  
30 June 2026**

**We-Fi Funding Committed: USD 2,000,000**

**Total project size: USD 22,000,000**

#### CONTEXT:

The EBRD has provided Khan Bank in Mongolia with a USD 20,000,000 loan for on-lending to micro-, small- and medium-sized enterprises led by women entrepreneurs.

#### CLIENT/PARTNER DESCRIPTION

KB is the largest commercial bank in Mongolia with total assets of US\$ 4.7 billion, loan portfolio of US\$ 2.5 billion, and equity of US\$ 0.45 billion as of YE2021. The bank is currently rated "B3" by Moody's and "B" by Fitch, both with a stable outlook. The bank has a universal focus and a nationwide presence in the country through more than 547 offices.

#### PROJECT DESCRIPTION

The project contributes to the objectives of the CA WiB, supporting **the Inclusive and Competitive TI qualities**. The loan will support the transition objective of the CA WiB, i.e. promotion of women-led businesses' access to finance and, more broadly, women's active participation in business, thus alleviating gender inclusion gaps in terms of "access to finance" and "employment and entrepreneurship".

We-Fi funding is being used as First-Loss Risk Cover (FLRC), which can be used to cover a portion of Khan Bank losses on sub-loans to eligible WSME clients. This provides Khan Bank with a degree of comfort as it engages with WSMEs (who are perceived as a riskier client group) and helps creditworthy WSMEs obtain finance when they otherwise may have been refused.

#### IMPACT:

Impact for this project will be measured by the number of WSMEs that obtain finance through proceeds lent by the EBRD to Khan Bank.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	USD 114 million

Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	4,200
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	At least 35%
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	At least 30%

### WOMEN OF THE STEPPE - EBRD WOMEN IN BUSINESS LOAN – IPAK YULI JOINT-STOCK INNOVATION COMMERCIAL BANK

**Project Type: Investment**

**Geographical Focus: Mongolia**

**We-Fi Funding Committed: USD 400,000**

**Total project size: USD 4,400,000**

**Project Start Date: 01 December 2022**

**Project End Date (when results are expected):  
30 June 2025**

#### **CONTEXT:**

The EBRD has provided Ipak Yuli Bank in Uzbekistan with a USD 4,000,000 loan for on-lending to micro-, small- and medium-sized enterprises led by women entrepreneurs.

#### **CLIENT/PARTNER DESCRIPTION**

Ipak Yuli Bank ("IYB") is a privately-owned bank in Uzbekistan with focus on MSME and retail segments. The bank demonstrates strong business dynamics and a leading pace of innovation/digitalization on the market. IYB is ranked 3rd largest among 21 private banks (or 13th out of all 33 banks) by assets and loans, with market shares of 2% at 1H22.

#### **PROJECT DESCRIPTION**

The project aims to promote women's entrepreneurship in Uzbekistan and their participation in business by improving their access to finance and advice through dedicated credit lines and tailored technical assistance programs.

We-Fi funding is being used as First-Loss Risk Cover (FLRC), which can be used to cover a portion of Ipak Yuli losses on sub-loans to eligible WSME clients. This provides Ipak Yuli with a degree of comfort as it engages with WSMEs (who are perceived as a riskier client group) and helps creditworthy WSMEs obtain finance when they otherwise may have been refused.

#### **IMPACT:**

Impact for this project will be measured by the number of WSMEs that obtain finance through proceeds lent by the EBRD to Ipak Yuli.

**TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY**

We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	USD 114 million
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	4,200
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	At least 35%
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	At least 30%

**WOMEN OF THE STEPPE - EBRD RISK SHARING FRAMEWORK – MIKA GROUP LLC****Project Type: Investment****Project Start Date: 17.05.2023****Geographical Focus: Uzbekistan****Project End Date** (when results are expected):  
15.05.2026**We-Fi Funding Committed: USD 75,000****Total project size: USD 1,000,000****CONTEXT:**

EBRD and JSCB Hamkorbank have provided Mika Group LLC with an RSF Loan of up to USD 1,000,000. The risk share participation of EBRD is 50% (USD 500,000) on a funded basis.

**CLIENT/PARTNER DESCRIPTION**

Mikka Group LLC is a women-led restaurant chain, located in Tashkent and rapidly expanding towards the regions of Uzbekistan.

**PROJECT DESCRIPTION**

The proceeds of the RSF Loan will be used to finance (i) the purchase of a fleet of electric scooters (up to USD 300,000), and (ii) expansion of the restaurant chain in Tashkent and the regions of Uzbekistan (up to USD 700,000). This will allow the Mika Group LLC to launch new restaurants across the country and gradually replace its existing car fleet with electric scooters to minimise delivery time in Tashkent to 30 minutes. As part of the project, Mika Group LLC will also partner with a TVET institution to expand its existing Academy training, focusing on providing market-relevant skills to its female workforce and offering employee certification in essential business skills. The company has committed to support the skills development of at least 150 women through the Academy. The company will also establish an internship program with the institution, and collaborate with callumida.uz to enhance safety for female

employees and customers, strengthening their response to gender-based violence in their fast food sector locations.

**IMPACT:**

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	

**WOMEN OF THE STEPPE - EBRD RISK SHARING FRAMEWORK – ARTEZIAN LLC**

**Project Type:** Investment

**Geographical Focus:** Kyrgyz Republic

**We-Fi Funding Committed:** USD 120,000

**Total project size:** USD 800,000

**Project Start Date:** 13.05.2023

**Project End Date** (when results are expected):  
31.12.2024

**CONTEXT:**

EBRD and the Kyrgyz Investment and Credit Bank (KICB) have provided Artezian LLC with an RSF Loan of up to USD 800,000. The risk share participation of EBRD is 50% (USD 400,000) on a funded basis.

**CLIENT/PARTNER DESCRIPTION**

Artezian LLC is a women-led manufacturer of bottled water, soft drinks, dairy products and national Kyrgyz drinks. Artezian's main production site is located in Sokuluk (25 km from Bishkek) with a production capacity of 12,000 bottles/hour. The company has its own distribution network in Bishkek, and distribution in the regions is outsourced to smaller distributors.

**PROJECT DESCRIPTION**

The proceeds of the RSF Loan will be used to finance the working capital needs of the company, i.e. to purchase raw materials such as packaging and milk products.

**IMPACT:**

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)
Indicator 2: Amount of financing provided to women-owned/led SMEs by We-Fi supported financial service providers.	
Indicator 3: Number of women-owned/led SMEs that accessed new financing from We-Fi supported institutions.	
Intermediate Result Indicator C: Percentage of sub-loans extended to first time borrowers/start-up women-led SMEs by local banks.	
Intermediate Result Indicator D: Percentage of outstanding sub-loans outside of main urban centers	

#### WOMEN OF THE STEPPE – NATIONAL BANK OF TAJIKISTAN – GRANT AGREEMENT

**Project Type:** Advisory/TA

**Project Start Date:** 11.01.2023

**Geographical Focus:** Tajikistan

**Project End Date** (when results are expected): 11.01.2025

**We-Fi Funding Committed:** USD 90,000

**Total project size:** USD 90,000

#### CONTEXT:

The EBRD has a grant agreement with the National Bank of Tajikistan (NBT), to fund 2 years of membership to the Alliance of Financial Inclusion (AFI).

#### CLIENT/PARTNER DESCRIPTION

AFI is a global network of regulators and policy makers committed to increasing access of financial services for underserved populations. The NBT is the Tajikistan's central bank.

#### PROJECT DESCRIPTION

The grant agreement will provide the NBT with membership to AFI, providing them with access to capacity building, peer learning and support in designing effective policy for financial inclusion. This will include the collection, use and analysis of sex-disaggregated data.

#### IMPACT:

Will help the NBT deliver policies that expand access for women entrepreneurs.

TARGETS - CONFIDENTIAL INFORMATION – FOR REFERENCE ONLY	
We-Fi Indicator	Target (Program level)

## WOMEN OF THE STEPPE - STRENGTHENING THE GENDER RESPONSIVE INVESTMENT CLIMATE AND ADVANCING WOMEN ECONOMIC EMPOWERMENT IN KYRGYZ REPUBLIC

**Project Type:** Advisory/TA

**Geographical Focus:** Kyrgyz Republic

**We-Fi Funding Committed:** USD 15,000

**Total project size:** USD 15,000

**Project Start Date:** 11.01.2023

**Project End Date** (when results are expected):  
11.01.2025

### CONTEXT:

The EBRD has established Investment Councils in several of its countries of operation, to advise bring together public and private stakeholders to advise to enhance the investment climate through policy reform.

### CLIENT/PARTNER DESCRIPTION

The partner is the Investment Council of the Kyrgyz Republic.

### PROJECT DESCRIPTION

The project will employ a gender expert to within the Investment Council of the Kyrgyz Republic, providing expert advice and gender analysis within the operations of the IC. The gender expert will support the IC in developing gender responsive regulatory impact assessments.

### IMPACT:

Expand access to finance for women entrepreneurs, ensuring that the investment climate is gender responsive.

## ANNEX VII. RESULTS FRAMEWORK

See enclosed separately

## ANNEX VIII. RISK FRAMEWORK

See enclosed separately