

EBRD's Tajikistan Women in Business Programme Newsletter

CONTENT

Foreword

EBRD's TAJ WiB Programme:

Features and Programme Results 2

TAJ Women in Business: Success Stories . 4

Key Gender Performance Indicators 6

Expert Interview: Manuchehra Madjonova . . 7

Business Lens: How it can support you? . . . 8

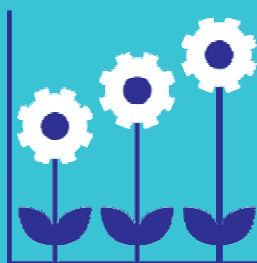
TAJ WiB Tajikistan study trip to Almaty, Kazakhstan 9

IMON International:

TAJ WiB Seminar in Bokhtar 10

TAJ WiB Tajikistan:

Loan Officer Competition 11



European Bank
for Reconstruction and Development



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation
Конфедерация Швейцария

Small Business
Impact Fund

The programme is funded by the Swiss State
Secretariat for Economic Affairs through the EBRD
Small Business Impact Fund

Dear Friend,

We are happy to present you the first issue of the EBRD Women in Business Newsletter in Tajikistan.

I am very excited to launch this newsletter which will inform you on a quarterly basis about our achievements, key milestones, events, success stories within the Women in Business Programme.



The EBRD Women in Business Programme was launched in Tajikistan in September 2017. It is the first of its kind in Tajikistan. The programme aims to support female entrepreneurs, increase access to both finance and advice for women-led enterprises. This programme increases lending to the real economy, provides business advice and will also help banks and microfinance institutions analyze what can be done to further support female entrepreneurial talent. This is made possible by a generous contribution from the Swiss State Secretariat for Economic Affairs through the EBRD's Small Business Impact Fund.

In this first issue we share project highlights of supporting women entrepreneurs with access to finance, know-how and non-financial business development services. We provide inspiring stories of women entrepreneurs in Tajikistan that benefited from the Programme.

One of the features of the EBRD Women in Business Programme is sustainability of results and technical assistance impact. Thus, the project team has developed Key Gender Performance Indicators introduced in the standard reporting procedures of the partner financial institutions (PFIs). The Key Gender Performance Indicators enable to track detailed gender disaggregated statistics in the banking system.

To familiarize with women entrepreneurship trends in Tajikistan we provide an expert interview with representative of Investment Council and Secretary of Taskforce for support of women entrepreneurship Ms Manuchehra Madjonova.

Introducing Business Lens - a free online platform designed to give women entrepreneurs in Tajikistan a new perspective on their business. Business Lens matches women entrepreneur results with the activities offered under the Programme and to the partner financial institutions.

Also you can find here information about our WiB Seminar, conducted in Bokhtar in partnership with our partner MDO IMON INTERNATIONAL and story about study tour for partner financial institutions to Almaty.

I hope you find this newsletter useful!

Yours sincerely,
Ayten Rustamova,
Head of EBRD in Tajikistan

TAJ Women in Business Programme: Features

The overall objective of the Programme is to promote women's entrepreneurship and women's participation in business, by assisting women-led small and medium-sized enterprises to access finance, know-how and non-financial business development services to stimulate growth.

Why women? It is a question of equality. Also, supporting women entrepreneurship is a great opportunity for financial institutions and it represents untapped potential to drive economic and business growth.

The purpose of the Programme is to:

- Support women-led small and medium sized enterprises (SMEs) in accessing finance for their sustainable growth and job creation;
- Develop sustainable credit mechanisms targeted to women-led SMEs, through technical assistance to participating financial institutions;
- Support women-led SMEs in accessing know-how, non-financial business development services and networking opportunities;
- Help improve human resources at women-led SMEs.

EBRD WiB Integrated Approach:

Demand side:

- Challenge: Women-led businesses are on average smaller and operate in lower value-added sectors (e.g. trade, services), and are more unsure about how to access credit
- Response: Support individual businesses to become more creditworthy; train women entrepreneurs in vital financial skills and help build networks of women entrepreneurs

Supply side:

- Challenge: Commercial banks in Central Asia have never systematically targeted the untested market of women-led businesses. Therefore, women entrepreneurs' needs are not addressed with dedicated financial products.
- Response: Cooperate with partner financial institutions to enhance development of financial and non-financial products and support women clients

Programme Impact

- Financial and professional advice for partner financial institutions and women-led SMEs
- More competitive and innovative women-led businesses and sustainable support structures
- Strengthened role of women entrepreneurs in the economy
- Improved access to finance and advice for women-led SME
- Improved business environment for women-led SMEs



TAJ WIB Results as of End of March 2019

| | |
|--------------------------------------|-------|
| ➤ Number of loans granted | 3,138 |
| ➤ Volume of loans granted (mio \$US) | 11 |

The EBRD WiB Programme started its operations end of 2017. Since the start of the programme until March 2019 the PFIs disbursed 3,138 loans for a total amount of US\$ 11,116,750 equivalent in local currency to WiB in all regions of Tajikistan. Currently 2,672 loans are outstanding for a volume of US\$ 5,473,000 equivalent in local currency.

| | |
|-------------------------------|-----|
| ➤ Trained number of PFI staff | 170 |
|-------------------------------|-----|

Total of 170 PFIs staff participated in trainings offered by the EBRD WiB Programme. Which include gender sensitization and best women banking practices.

| | |
|------------------------------------|-----|
| ➤ Visibility events (WiB seminars) | 5 |
| ➤ Participants | 260 |

Total of 260 WiBs participated in regional Seminars organized by the TAJ WiB project and the PFIs. Hundreds of more of WIB participated in smaller trainings, which were organized by the PFIs as non-financial services for WIB in the framework of the TAJ WIB project

| | |
|--|-----|
| ➤ Participants in <i>Business Lens</i> | 395 |
|--|-----|

In Tajikistan 395 WiBs made use of Business Lens, the online self-diagnostic tool provided by EBRD. Tajikistan ranks 3rd (after Turkey and Kazakhstan) by number of completed Business Lens among all 20 countries participating in the EBRD WIB Program.

| | |
|-----------------------------------|----|
| ➤ Expressions of interest for ASB | 11 |
|-----------------------------------|----|

The benefits of the EBRD's Advisory for Small Businesses (ASB) Programme are promoted among WiBs who can benefit from advisory services and expand their business.

| | |
|-----------------------------------|----|
| ➤ Participants in 4 business game | 90 |
|-----------------------------------|----|

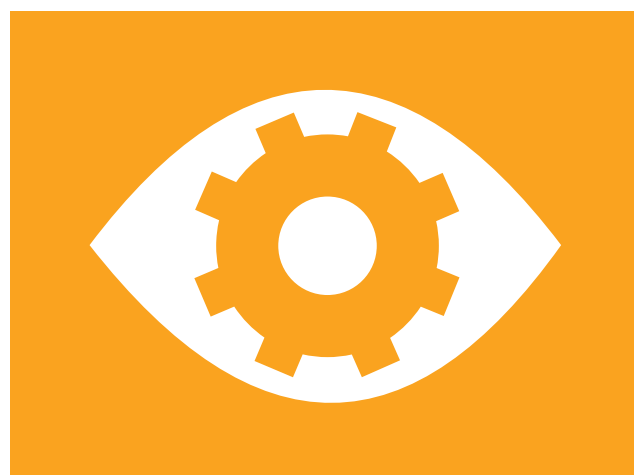
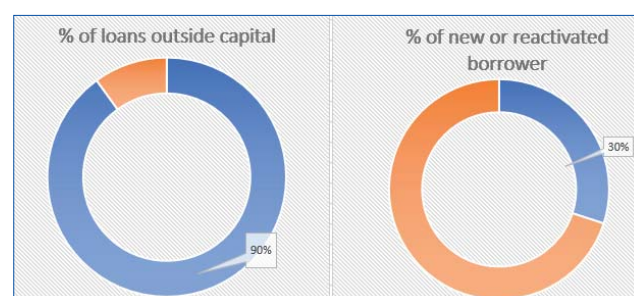
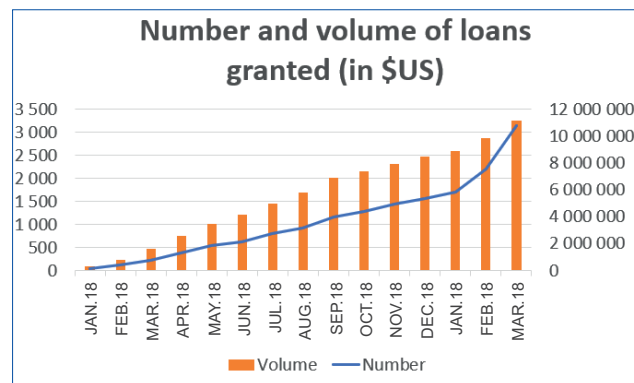
The Business Game Savings Bank Foundation for International Cooperation (SBFIC), designed specifically to improve business knowledge in a highly interactive and learning by doing environment. The Business Game is a desktop version and works without computers. It enables participants in remote areas of Tajikistan to benefit from the training.

| | |
|--------------------------------|----|
| ➤ Study tour to WIB Kazakhstan | 10 |
|--------------------------------|----|

On April 14-17, 2019 the EBRD WiB Tajikistan programme organized a study tour to the EBRD WiB project in Almaty, Kazakhstan. Total of ten representatives, two from each PFIs participated in the study tour.

| | |
|---|--|
| ➤ Competition for TAJ WIB loan officers | |
|---|--|

From March to June 2019 the loan officers of PFIs compete for the largest number of WIB loans disbursed. The final award ceremony will take place during the TAJ WIB conference in July 4th, 2019.



TAJ Women in Business: Success Stories

Izzatoy Zuhurova is an extraordinary woman: as a pharmacist she advises and supports people in need. Through her competence and generosity, she has earned respect and trust from the members of the community.

Izzatoy built a small football field with artificial grass, where the young generation can play football all year. She did this to see healthy and happy children in her community.

Izzatoy started her business as a small rented pharmacy with a limited assortment of goods.

“With the EBRD Women in Business loan, I now own a pharmacy and can offer quality medicine with reasonable prices. My plan for the future is to open a chain of pharmacies throughout the J. Rasulov district.”



Izzatoy Zuhurova – I always recommend to women entrepreneurs: Be unbreakable and determined to achieve your goals.

“I started my business with only five wedding dresses to sell. I think I inherited my business acumen from my mother”.

Thus, Muhbira was able to grow her business and has currently three stores and a beauty salon in Khujand and the Asht district in northern Tajikistan. Muhbira's business provides 17 jobs for women specialised in sales as well as hairdressing and manicure.

Muhbira is grateful to the EBRD. In November 2017 she was one of the first clients to benefit from the EBRD's TAJ Women in Business Programme, receiving a loan amounting to TJS 100,000 for the period of 36 months with favourable conditions. She gained substantial practical knowledge from the non-financial business development sessions she participated in and from the training on international trade in November 2018. In addition to gaining know-how, the EBRD's TAJ Women in Business trainings create networking opportunities for women entrepreneurs, Muhbira said.

“I expanded my network and feel more confident in my enterprise after learning how other women entrepreneurs run their businesses.”



Muhbira Ibrohimova – I inherited business acumen from my mother!

TAJ Women in Business: Success Stories

Barohat was a school teacher before she turned into a businesswoman. She started her retail business in the local “Ashrof” market in 2000 and then passed on her new craft to her sons, who also run their own businesses in construction and menswear.

Recently, Barohat received a WiB loan to increase the trade volume.

“Before receiving the loan, my goods in turnover were limited and I rented one store. Thanks to IMON and EBRD's Women in Business loan and support scheme, I further expanded my business. At the moment I have a store chain and I mainly purchase goods directly in Bishkek, Kyrgyzstan and Tashkent, Uzbekistan.”

Barohat's future plans are to expand her business further by opening new stores and providing decent employment for local women.



Barohat Shodieva –Passing entrepreneurship craft to new generation!

Bimavjuda Haidarova has two higher education degrees and has been in business for twenty years. She opened her first beauty shop in Khujand in 1999.

Throughout her life, Bimavjuda has trained many girls to become make-up artists and stylists. Sharing her skills and knowledge comes from her generosity and inner desire to help people.

Currently, Bimavjuda employs 15 women in her beauty stores in Khujand and Dushanbe.

“Twenty years in a competitive business is a big achievement and success.”

With the EBRD Women in Business loan, Bimavjuda expanded her business operations, increased revenue and helped other women through training and employment opportunities.



Bimavjuda Haidarova – Twenty years in business and training women.

Key Gender Performance Indicators (KGPI): Helping PFIs prioritise Women in Business

Key Gender Performance Indicators are generated by an automated gender module which collects gender-disaggregated data from banks' MIS to create a gender matrix. The respective gender matrix and automated gender module were developed in the framework of the EBRD Tajikistan Women in Business technical cooperation. The objective of the report is to analyse the gender situation for various periods of time (different quarters within a year, the same quarter over subsequent years, e.g. March-September 2018 etc.) and identify progress in terms of portfolio trends regarded as positive for women in business.

The individual gender report has primarily a financial focus, but it also covers portfolio, social and institutional aspects.

The objective of the analysis is to detect relevant trends to indicate if the situation of women in business has improved in the PFI or not. Indicators of PFI improvement, or positive gender performance, include:

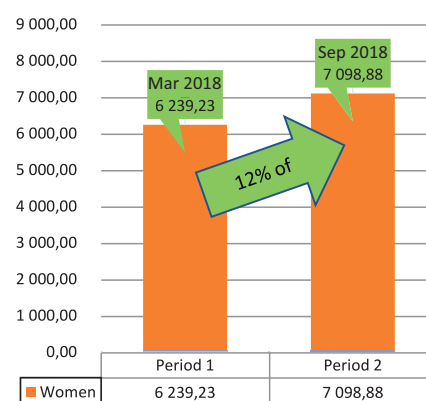
- The share of female business clients increased (new WIB image yields a positive result, outreach to WIB improved)
- The share of new women business borrowers increased (sales strategy of attracting new women in business has improved)
- The share in portfolio volume of women in business clients increases (investment volume in women in business increases)
- The volume and maturity of loans to women in business increases (investment effect increases, challenging the stereotype that "women take small loans for short maturity")
- The share of women clients in in high-interest-rate clusters declines (women in business receive loans with lower costs)
- The share of women in business with bankable collateral grows (women in business are able to provide more bankable collateral)
- The share of women staff increases, e.g. in front-office positions, resulting in a corresponding reduction in administrative or back-office positions (again, reversing the stereotype).

Key Gender Performance Indicators will help PFIs to track and monitor their input factors and the results achieved towards improving access to finance for women entrepreneurs. This will also help institutions maintain a positive trend in providing flexible conditions to this target group.

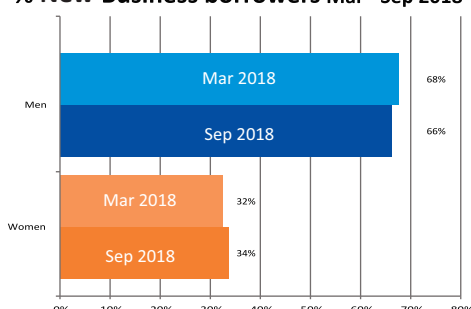
Key Gender Performance Indicators are, for instance:

1. Total number of women business clients
2. Number of new and existing women business borrowers
3. Volume of loans to women business clients in the portfolio
4. Loan size of women business clients
5. Average loan volume by maturity for women business clients
6. Average interest rate in interest rate segments for women business clients
7. Distribution of collateral types for women business clients
8. Loan amount by collateral type for women business clients
9. Staff distribution by categories of positions in the PFI itself

Average loan size for Female business borrowers



% New Business borrowers Mar - Sep 2018



Interview: Manuchehra Madjonova – Entrepreneurship Context and Trends

Manuchehra Madjonova, Senior Economic Advisor at the Investment Council under the President and member of the Taskforce on Support of Women Entrepreneurship. Ms Madjonova, a champion of women entrepreneurship in Tajikistan, elaborates in this interview on the challenges, opportunities and future growth trends for women entrepreneurship in Tajikistan.

What are the main trends and dynamics of women entrepreneurship in Tajikistan?

If we look at the entrepreneurship trends in Tajikistan through a gender lens, *we observe a steady growth of women in business in micro, small and medium enterprises, from 11.7% in 2010 to 31.5% in 2018.* In traditional sectors with a strong presence of women, 45% of businesses in trade, 25% (services) and 19% (agriculture) are women-led enterprises. Women are entering new areas of business, e.g. construction, transport and logistics, IT, medical services, tourism, finance and industry.

According to a survey conducted in 2017-2018, only 8% of women respondents in rural areas had completed higher education and only 64% had completed secondary education. *For women, especially in rural areas, a lower literacy rate is an obstacle hindering their success in business and limiting their socio-economic well-being.*

For 58% of the respondents, key challenges included access to finance and land ownership; 48% reported that a lack of working assets posed a serious problem to their business activities.

Against this background, the EBRD Women in Business Programme aims to improve access to finance and know-how for women in business, accompanied by non-financial services such as trainings and conferences, networking events and mentoring opportunities. Altogether, the programme has a positive impact on women entrepreneurship in Tajikistan.

What are the main priorities of the Taskforce or Working Group on the Support of Women Entrepreneurship?

The activities of the Working Group on the Support of Women Entrepreneurship are aimed at raising awareness and enhancing women's access to the necessary skills and knowledge, professional retraining of women, training in business administration and management, development of craftsmanship, access to finance, strengthening their role in agriculture, developing a regional network of business associations for women in Central Asia and Afghanistan.

With the aim of supporting women entrepreneurship in Tajikistan, the priority of *the Taskforce on the Support of Women Entrepreneurship for the next three years is to create an enabling environment for MSMEs, with a special focus on stimulating micro and small businesses.*

As most women entrepreneurs run businesses based on tax patents and certificates, further growth could be



Manuchehra Madjonova
Senior Economic Advisor
Investment Council under the
President of the Republic
of Tajikistan

stimulated in this segment with simplifications of the tax regime combined with a reduction of tax inspections. Furthermore, better access to finance and land would better equip women with the means to engage in productive businesses. Additionally, specific reforms are directed at sectors that have a positive impact on women entrepreneurship, e.g. textile, handicraft, tourism and childcare service

What are the best-practices for supporting women entrepreneurship?

Thanks for the interesting question – let me bring some best-practice examples from other countries: In South-Korea, 5% of state procurement in goods and services is granted to women entrepreneurs. In Switzerland, the Federal Decree of 1994 ensures that Government agencies can only contract suppliers that provide equal salary, regardless of gender. Effective 1 January 2018, in Tajikistan domestic labour is exempt from taxation. We are working on expanding the exemption list to include more domestic activities.

What would be your advice for women entrepreneurs on succeeding in business?

I advise women to constantly work on self-development and to enrich their knowledge and skills. Our lifestyle is becoming faster and the lifecycle of technologies is diminishing. Thus, new technologies will be vital in promoting business in knowledge economies, so gaining know-how is a vital part of being successful in a modern, competitive business environment. *We see that successful business-women in Tajikistan are proactive, energetic and knowledgeable in their respective fields.*

Business Lens: How can it support you and your business?

“Business Lens”, the online self-diagnostic tool provided by EBRD, was developed to help you take a closer look at your business. A detailed “Business Lens” questionnaire will zoom in on your business in seven key areas:



Business
Lens



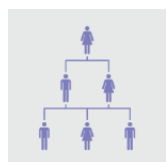
Financial management
& performance



Market knowledge



Marketing & sales



Human resources



Strategy &
organisation,



Risk
management



Operations

Business Lens will then analyse the information you provide to help you look at your business from a new perspective, helping you identify your strengths and most importantly opportunities for further development.

Compare yourself with other women in business

Develop your business

Finance your business

Strengthen your leadership and management skills



After completing the questionnaire, your data is analysed and a report is created based on the information provided. This report helps you to look at your business from a new perspective, identifying your strengths and most promising opportunities for further development. Whether this means getting personalised advice, accessing finance from one of our partner financial institutions, strengthening your leadership skills or simply meeting other entrepreneurs – this report can help you accelerate your business. The report contains links to resources on how to cope with the identified challenges and how they rank individually among all participants in the “Business Lens” in Tajikistan.

Within the relatively short period of operation of the TAJ WIB Programme, a total of 395 women in business in Tajikistan already made use of “Business Lens”. Currently, Tajikistan ranks 3rd (after Turkey and Kazakhstan) in terms of the number of completed “Business Lens” applications among all 20 countries participating in the EBRD WIB Programme.

It takes about 20 minutes to complete the questionnaire, and you receive your personalised report immediately. Use “Business Lens” now: www.ebrdwomeninbusiness.com

TAJ Women in Business Programme: Study Trip to Kazakhstan



On 14-17 April, 2019, a study tour to the EBRD WIB project in Kazakhstan was organised in the framework of the EBRD TAJ WIB Programme.

Two representatives of each PFI and the SBFIC/IPC consultant team – in total 12 persons - participated. Three of the TAJ WIB PFIs (Arvand, First Micro Finance Bank and HUMO) only recently joined the Programme, whereas two PFIs (Imon International and Eskhata Bank) have been involved for over a year.

The group visited the EBRD regional office in Almaty to learn about new training available for micro entrepreneurs and to discuss major TAJ WIB-related questions with EBRD's TAJ WIB operations leader. Two Kazakhstan WIB PFIs were visited, the credit organisation KMF and Bank Center Credit. A joint meeting with the consultant of the KAZ WIB project, Frankfurt School of Finance and Management, rounded up the tour. The sharing of information and experience was very intense and fruitful. For the three new TAJ WIB PFIs the tour could not have been better timed, as it fell perfectly into the period where they were developing their strategic approach towards WIB as a client segment.

All in all, the feedback of participants indicated that the tour was very successful. The perception of WIB banking as an interesting line of business improved noticeably among the participants.



TAJ Women in Business Seminar on Taxation in Bokhtar organized by IMON International

On March 28, 2019, the EBRD Women in Business Tajikistan team joined the Women in Business Seminar in Bokhtar organised by IMON International. As IMON is one of the institutions participating in the TAJ WiB Programme right from its beginning in 2017, the seminar was prepared and organised by the institution itself, based on experience of seminars conducted earlier with the support and input of consulting team.

In Bokhtar, more than 60 women-entrepreneurs participated in the event. The turnout was almost 100% i.e. practically all women invited attended the event in time for registration.

At the beginning the participants were invited to fill in the Business Lens questionnaire with the support of the consulting team.

The seminar started with welcoming addresses by Guljahon Kabutova, Manager of the Bokhtar branch of IMON International, and Kumrinisso Sangalieva, Representative of the Committee on Women and Family Affairs of the Khatlon Region.

Dilafruz Mamadjonova from the IMON International team provided an overview of women in business in Tajikistan and presented the “Bonu” credit package designed for women entrepreneurs within the framework of the TAJ WiB Programme.

Andreas Francke, EBRD WiB Tajikistan Team Leader, presented the Programme and explained how women entrepreneurs can benefit from the financial and non-financial offers available.

Firuz Abdullaeva, analyst of EBRD's Advisory for Small Businesses (ASB) team, explained possibilities for entrepreneurs to participate in and benefit from EBRD's ASB Programme.

Bahodur Sheraliev, the gender expert of the EBRD WiB Tajikistan consultant team presented more comprehensively the self-diagnostic tool “Business Lens”, of which questionnaires had been filled in at the beginning of the seminar.

The main part of the event was dedicated to “taxes and taxation of businesses in Tajikistan”. Abdukarim Kurbonov, an experienced tax consultant, presented the tax regime for MSMEs on the basis of the Tax Patent and the Tax Certificate. He explained various nuances and introduced metrics and the latest updates from the tax code of Tajikistan. The training was interactive and encouraged active participation from the audience, with question & answer sessions following each presentation.

After the seminar, participants were invited to lunch, where discussions, talks and networking continued. During the event, photographers and a camera team did their jobs and the event was broadcasted in Safina channel on 29 March 2019.



TAJ WiB Competition for Loan Officers: Winners' Award in March 2019

On Friday 12 April 2019, loan officers of ESKAHTA Bank and IMON International were awarded prizes for winning the competition on the “Largest number of loans disbursed by loan officers under the EBRD WIB Programme” in the regional office of EBRD in Dushanbe. MDO Arvand and HUMO loan officers also received their prizes for the competition in Khujand and Dushanbe, respectively.

Starting in March 2019, the TAJ WIB Programme invited loan officers of its PFIs to participate in a competition on the largest number of loans disbursed to women in business under the Programme.

The loan officers of each PFI compete for the largest number of WIB loans disbursed within the respective months (from March to June). Eligible WIB borrowers include businesses managed either completely by a woman or by a clear majority of women managers, with a woman manager taking the final decision in business operations.

The competition will be concluded at a large WIB conference in Dushanbe on 4 July 2019 with an award ceremony for the overall best performing loan officers for the period (1st to 3rd places for each PFI). The winners will receive trophies, certificates and valuable prizes.

