

Small Business Initiative

Eastern Partnership Women in Business Programme

Small Business Impact Fund

1 January – 31 December 2018



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1 Overview

Title of the Programme	Finance and Advice for Women in Business in the Eastern Partnership	
Small Business Impact Fund (SBIF) funding	USD 1,200,000 (First Loss Risk Cover)	
Total Programme value	Target Programme volume Financing Facility	Up to USD 135 million (approx. EUR 126 million)
	Target number of Partner Financial Institutions (PFIs)	Up to 18
	First Loss Risk Cover	USD 13.5 million (approx. EUR 12.6 million)
	TC Capacity Building to PFIs	EUR 1.8 million
	TC Advice for Small Businesses	EUR 4.5 million
	Total Programme Value	EUR 144.9 million
Other Donors to the Programme	European Union Early Transition Countries Fund Sweden	
Start date and end date of the reporting period	1 January 2018 – 31 December 2018	
Target countries	Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine	
Final beneficiaries / target group	Women-led small and medium-sized enterprises (SMEs)	

2 Executive Summary

In 2017, the Small Business Impact Fund (SBIF) extended USD 1.2 million of funding towards the Women in Business Programme in the Eastern Partnership countries (the Programme). This report provides an update on the progress of all activities implemented under the Programme (including those carried out thanks to the support provided by other donors), but highlights the activities funded by the SBIF and the results achieved thanks to its support.

The European Bank for Reconstruction and Development (EBRD) launched the Programme in 2014 with grant funding support from Sweden and the Early Transition Countries Fund. In 2015, the EU joined the Programme with a contribution from the EU's Neighbourhood Investment Facility (NIF),

SBIF became involved and started to support the Programme as of September 2017. Following strong demand among financial institutions in the region, the Financing Facility value has been increased to USD 135 million (approx. EUR 126 million) from the original EBRD-approved financing facility amount of USD 55 million.

The Programme is being implemented in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The objective of the Programme is to promote women's entrepreneurship and more broadly women's participation in business, by assisting women-led SMEs to access finance, know-how and non-financial business development services. The Programme seeks to demonstrate that, when market failures are addressed, obstacles are removed and women-led SMEs are given equal opportunities, they can deliver in terms of economic performance and growth, job creation, and a number of other social gains, contributing fully to building a free, market-oriented, democratic society.

This report provides an update on the progress of activities implemented during the reporting period, 1 January 2018 – 31 December 2018. The Programme is implemented locally and managed by the EBRD's Financial Institutions (FI) and the SME Finance and Development (SME F&D) teams with the support of the EBRD Gender team (the Team).

Key activities within this period include engaging SBIF funding for the First Loss Risk Cover to support the signing of two transactions with partner financial institutions in Armenia.

As of the end of the reporting period, the utilisation of the finance facility reached USD 59.1 million with four PFIs in Armenia, three in Belarus and two in Georgia within the Programme. As of year-end 2018, USD 56.3 million had been disbursed to Participating Financial Institutions (PFIs) with USD 69.9 million in over 7,000 sub-loans disbursed by 31 December 2018. Baseline assessments are being finalised or have been completed with twelve PFIs in total.

During the reporting period, the EBRD, jointly with the Programme Consultant and PFIs, continued to implement WiB seminars in the region. As of the end of the reporting period, a total of 11 WiB seminars have been implemented with PFIs in Armenia (2) and Belarus (9).

Moreover, as of the end of the reporting period, 662 women entrepreneurs from the Eastern Partnership completed the *Business Lens* self-assessment and received a tailored output report.

In terms of business advice, as of the end of the reporting period, the Team facilitated 406 local consultancy advisory projects as well as 35 business coaching projects. Moreover, the Team trained a total of 529 women entrepreneurs through Women in Business workshops and nominated and enrolled 60 women entrepreneurs from the Eastern Partnership in the mentoring programme over four intakes. In addition, the Team organised and participated in several visibility events across the region.

Another highlight was the conference Innovation Day for Women in Business organized on 27 November 2018 in Chisinau. The event brought together more than 100 Moldovan women inspiring innovation and getting inspired to innovate, which along with national and international experts shared their insights on innovation.

For an overview of overall progress against the Programme's results framework, please refer to Annex 7.1.

3 The Programme

3.1 Financing framework

The Programme is to help improve SMEs' access to finance in a number of ways, in particular:

- Dedicated credit lines with total volume approved ceiling of up to USD 135m are being provided by EBRD to eligible PFIs for on-lending to eligible Women SMEs. The lending volume is based on estimation and actual numbers are contingent on Board approval of the financing facility and on the signing of individual loan agreements. The average size of the sub-loan is expected to be approximately EUR 15,000 across all six countries and a maximum size of EUR 1 million. It is expected that the majority of Women SMEs will be smaller enterprises which will require smaller size sub-loans to start with.
- First Loss Risk Cover ("FLRC") of up to USD 13.5 million; up to 10% of the PFIs' loan portfolio under the Programme with a cap of 70% for any single sub-loan is made available in respect of sub-loans signed by the PFI with relevant sub-borrowers. The FLRC is embedded in the Women in Business financing programme to increase lending and induce PFIs to offer financial products suitable specifically for women lead SMEs. Data gathered through each PFI sub-project is expected to enable improved underwriting and loan product design, eventually eliminating the need for the risk cover.

3.2 SBIF funding under the Programme

The donors to SBIF have provided USD 1.2 million for the First Loss Risk Cover to support dedicated women-led SME credit lines. The funding has since been partly allocated to cover a USD 2 million loan to Armencombank and a USD 3 million loan to ACBA, both in Armenia (see the table in Section 4.1 below). The loans are to be used for on-lending to eligible women-led micro, small and medium-sized enterprises. So far, a total of 1,244 sub-loans have been extended by Armencombank and ACBA as of December 2018. Following the completion of the baseline assessment and signing of the funding agreement in December 2017, SEF International in Armenia, a credit organisation with a credit line signed using SBIF resources, fell victim to theft from one of its branches; therefore the company requested the cancellation of the funding agreement with EBRD as it would not have been able to meet its obligations given the circumstances. In March 2018, the loan agreement with SEF International was cancelled by the EBRD.

3.3 Technical assistance (TA) to Participating Financial Institutions

Technical assistance is being provided to build the capacity of PFIs to address the needs of women-led businesses through the internal strengthening of relevant functions and the development of financial and non-financial products tailored to women: It includes:

Product development

- The development of new products specific and tailored to the target group.

Marketing and Outreach to female clients

- Assistance to PFIs to strengthen outreach and awareness of women-led enterprises for finance (particularly in the economically less developed regions of target countries).

- Development and organization of a series of seminars (the ‘Women in Business’ series) on topics of interest to the target group in order to build awareness of entrepreneurship as an employment prospect and an opportunity for women, and to attract potential borrowers. The seminars highlight the importance of finance and know-how for enterprise growth and will provide an opportunity to present financial and non-financial products available for women under the Programme. Women participating in the seminars are provided with diagnostic assistance to help identify their need for finance and advice to assist them in establishing or developing their businesses. Key stakeholders including local businesswomen associations and development agencies will be engaged in the seminars and PFIs will be encouraged to understand how engaging in ‘smart marketing’ efforts and outreach activities can have a positive impact on their lending business.
- Determining and implementing further synergies between the Women in Business Financing component and the Women in Business Advice for Small Businesses component, as required.

4 Activities and results during the reporting period

4.1 Economic and business environment

In Armenia, the economy exceeded expectations in 2017-18, rebounding strongly from the 2015-16 regional slowdown. Real GDP grew by 7.5% in 2017, up sharply from 0.2% growth in 2016. The My Step Alliance, a bloc led by Mr Pashinian, who swept to power following mass street protests in April, won more than 70% of the vote in the December 9th snap parliamentary election. Mr Pashinian now has a large parliamentary majority to implement far-reaching changes to overhaul Armenia's political and judicial system and introduce structural reforms into the economy. However, despite his powerful mandate, he is likely to face strong resistance to reform from entrenched interests. The banking system showed a degree of resilience to a serious economic contraction (GDP decline of 14%) and exchange-rate depreciation (about 30%) in 2009 and remained sound. The impact on the Armenian economy of the 2014-2015 financial crisis, which was triggered by the financial crisis in Russia, was also moderate and did not lead to a protracted recession or a severe increase in credit losses in the banking system.

In Azerbaijan, according to the State Statistics Committee, real GDP grew by 1.4% in 2018. Faster real GDP growth in 2018 than the anaemic recovery of 0.1% in 2017 was driven by higher oil prices, which provided an impetus for a slight increase in oil production. Industrial production maintained modest growth as activity in the mining sector recovered. Growth in the non-oil sector was boosted by manufacturing activity, which strengthened by 7.9% in 2018. Azerbaijan is still recovering from the cyclical downturn induced by the 2014 plunge in oil prices. Over 2016-2017, growth was held back by the decline in oil production, reduced public investment, and weak consumption dynamics in the aftermath of a material weakening of the Azerbaijani manat, adversely affecting confidence and purchasing power. On February 1st the Central Bank of Azerbaijan reduced its benchmark rate by 50 basis points to 9.25%. This reflects continued weakness in inflationary trends, yearly inflation was 1.8% in January 2019, down from 2.3% in

2018. The financial system remains relatively weak with the the CBA's official statistics for NPLs in the banking system around 15.5% of total loans at the end of 2017.

In Belarus, after real GDP growth of 2.4% in 2017 as the economy rebounded from a recession in 2015-2016, the recovery continued into 2018. The continued growth was helped by a rise in world fuel prices as Belarus refines for export substantial quantities of duty free Russian crude oil and a pickup in Russian demand for Belarusian manufactured goods. After slowing sharply in 2017 to an average of 6% year on year (from 11.8% in 2016) inflation decelerated to an average of 4.9% in 2018. Following the resolution of disputes with Russia, Belarus managed to secure a USD 700 million bilateral loan and received further disbursements from the European Fund for Sustainable Development. Furthermore, the Republic issued USD 600 million in Eurobonds in February 2018. Of the 24 banks in Belarus, the 10 largest hold about 93% of the system's assets. The three largest state-owned banks represented about 65% of assets in 2017, with the rest held mainly by subsidiaries of Russian financial institutions. Credit losses peaked in 2015-2016 at about 4.5% and remained high (about 3.5%-4.0%) in 2017. These are expected to decrease to the level of 3.0%-3.5% of gross loan books for the banking sector in 2018. The operating environment remains challenging and continues to pressure system-wide asset quality, leading to elevated credit costs.

Georgia remains one of the most attractive places in the Commonwealth of Independent States (CIS) to conduct business. Georgia's deep and comprehensive free-trade deal with the EU, which came into force in 2016, along with recent trade agreements with China and the European Free-Trade Association, will continue driving growth in exports. The risk of political instability remains heightened since the resignation of Giorgi Kvirikashvili as prime minister in June 2018 following major protests at perceived failures of the Ministry of the Interior and the judicial system. The presidential election in November, which was won by Salome Zurbishvili, was characterised by a highly polarised political atmosphere and widespread use of administrative resources by the ruling Georgian Dream-Democratic Georgia (GD-DG) party, which backed Ms Zurbishvili. Geostat (the national statistics office) estimates real GDP growth of 4.8% in 2018. Inflation slowed to an average of 2.6% in 2018, from 6% in 2017, The banking sector benefits from the country's high average GDP growth, strong and improving institutions, and the government's prudent macroeconomic policies. National Bank of Georgia increased regulatory capital requirements, especially for the larger systemic banks, which will further strengthen loss-absorption capacity and financial stability.

In Moldova, in 2015 the economy was hit by declining agricultural prices and the fallout from the nation's banking fraud. The scandal triggered a sharp depreciation of the leu and a slump in confidence. Rising inflation throughout 2015 led the NBM to raise its policy rate to a 15-year high of 19.5%, thereby tightening financial conditions significantly and constraining domestic demand. In 2016-17 real GDP growth rebounded, growing by an average of 4.5%. Consumer price inflation decelerated substantially in 2018, reaching 0.9% in December, from 7.9% in October 2017. In November 2016 Moldova agreed an extended fund facility/extended credit facility (EFF/ECF) with the IMF worth US\$180m over three years. The main focus is on stabilisation of the financial sector following the banking fraud in late 2014, in which Lei18bn (US\$1bn) equivalent to about 16% of

Moldova's 2014 GDP was converted into foreign currency and then moved abroad. The latest report, released on June 29th 2018 as part of the IMF's third review, displayed a broadly positive and optimistic tone. The report stated that the authorities had demonstrated commitment to the programme and that their policies had already contributed to an impressive economic performance in 2017. The review praised the progress of the banking sector reform and growth-friendly fiscal policy. In its second review the IMF had noted the advances in repairing the financial system, with a strengthened supervisory and regulatory framework (a new banking law was approved in October 2017), greater shareholder transparency and revised corporate governance rules.

In Ukraine, real GDP registered 3.3% growth in full-year 2018. Inflation slowed to a five-year low of 9.8% year on year at end-2018, down from 13.7% at end-2017. The financial services sector is continuing to undergo a period of transformation, with the support of the EU. The IMF is also overseeing a regulatory overhaul in the country's banking sector. There are positive indicators appearing in Ukraine's banking sector, with loan growth in 2018 and 2019 forecasted to record strong growth on the back of the recovery seen in 2017 and liquidity improving. The sector regained firm profitability, reaching about HRN22bn (more than US\$710m) of net profit, compared with combined losses of almost HRN160bn just two years earlier. The NBU believes that the profits of banks are set to rise further, benefiting from the positive effects of a massive clean-up to the system that the central bank has conducted in recent years. Non-performing loans remain precariously high, however, which will inhibit banks' ability to substantially ease credit conditions by any great amount with the banking sector continuing to face significant challenges.

4.2 Credit lines for women-led SMEs and First Loss Risk Cover

The utilisation of the finance facility reached USD 59.1 million by 31 December 2018 with four PFIs in Armenia, three in Belarus and two in Georgia. One new and one repeat transactions were signed during the reporting period Armenecombank (AEB) and ACBA in Armenia.

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The tables below provide an overview of signed projects as of 31 December 2018:

Country	PFI	EBRD Loan (USD)	Signing date	Associated FLRC Limit (USD)	#Sub loans	Volume of sub-loans disbursed (USD)
Armenia	Ameriabank	10,000,000	12/12/2016	1,000,000	46	5,944,203
Armenia	ACBA	3,000,000	15/12/2016	300,000	1,147	4,313,638
Armenia	ACBA	3,000,000	15/08/2018	300,000	As above	
Armenia	AraratBank	3,000,000	19/11/2017	300,000	132	4,842,687
Armenia	Armeconombank	2,000,000	22/03/2018	200,000	97	2,340,568
Armenia	SEF	Cancelled				
Belarus	BNB	958,640	14/07/2016	95,864	46	1,849,042
Belarus	BIB	2,199,000	27/09/2016	219,900	23	2,186,582
Belarus	Idea Bank	5,000,000	22/12/2016	500,000	3,329	14,373,263
Georgia	BoG	10,000,000	27/05/2016	1,000,000	2,100	16,658,083
Georgia	TBC	20,000,000	04/05/2017	2,000,000	320	17,436,332
Signed total		59,157,640		5,915,764	7,240	69,94,398

A total of USD 56.3 million has been disbursed to PFIs under the Programme with USD 69.9 million in total (including additional funds provided by the PFIs themselves) in 7,240 sub-loans disbursed by 31 December 2018. 3,597 sub-loans at a total USD 63.6 million were outstanding as of 31 December 2018 an average maturity of 42.5 months and an average amount of EUR USD 41,190 and PAR>90 at zero percent.

In Armenia, AEB joined the programme in March 2018 and ACBA signed a second loan under the Programme in August 2018. Converse Bank has expressed an interest in joining the Programme and a baseline assessment was commenced and completed in Q3 2018 with the signing of the finance facility expected in Q1 2019. By the end of the reporting period AEB expressed an interest in a

repeat loan under the Programme with the signing of the second finance facility also expected in Q1 2019.

In Azerbaijan, the engagement with local PFIs is still delayed as the EBRD continues to monitor the situation in the financial sector carefully before proceeding. It is expected that no projects will be signed in Azerbaijan in 2019.

In Belarus, all three Belarussian PFIs (BNB, BIB, and Idea Bank) continued to reach out to women-led businesses. However, new banking regulations imposed by the National Bank of the Republic of Belarus, which involve setting a cap for lending operations, combined with the lack of affordable funds in Belarussian roubles, had a negative influence on new MSME loans (including WiB loans). As hard currency loans such as from the EBRD credit lines are currently more expensive than local currency loans from banks own funds as well as funds from the Development Bank of the Republic of Belarus, all three PFIs continue to offer WiB loans out of their own funds.

In Moldova, during 2017-2018 the banking sector has been stable financially, although still working through the consequences of 2014-2015 crisis triggered by large-scale fraud and subsequent liquidation of three large banks. Resuming credit growth is one of the key challenges ahead. After two years of stagnation, banks reported a moderate 5.9% increase in their loan books in 2018, fuelled mainly by consumer and mortgage lending; corporate and SME lending growth is still to follow. The sector has been suffering from opaque ownership and governance issues. Yet, notable progress was achieved during 2016-2018, as the Government of Moldova has implemented a series of decisive reforms aiming banking sector clean-up, strengthening supervisory and regulatory frameworks, supported under the IMF program. This allowed increasing the share of transparently owned banking system to above 90% from only 30% two years ago and opens possibilities for the EBRD re-engagement with new transparent PFIs to channel funds to real economy and support financial intermediation in the country, including via the WiB program. It is expected that up to two new banks could be able to join the Programme in 2019.

Following a sharp recession in 2014-16, the Ukrainian banking sector is stabilising, as evidenced by banks' displaying sufficient liquidity, adequate capitalisation and a stable funding base. Demand for banking services is recovering, especially in the retail segment. Credit growth however remains subdued due to (i) sluggish economic recovery, (ii) very short-term funding base, (iii) volatile interest and exchange rate environment, and (iv) lack of progress in creditor rights protection. There is growing demand from financial intermediaries for reasonably priced medium term Hryvnia funding, especially for on-lending to the MSME segment. The EBRD has identified one potential PFI that can join the Programme in 2019. The EBRD will continue to promote the Programme to the local banks and look for potential PFIs who are interested to launch a WiB product on the local market, yet success will continue to depend on EBRD's ability to propose reasonably priced local currency loans under the Programme.

Status on the use of First Loss Risk Cover (FLRC) Scheme:

During the reporting period there were only two claims from ACBA made under the FLRC scheme for a total of EUR 20,914.81.

4.3 PFI capacity building to address the needs of women-led SMEs

During the reporting period, activities continued with ACBA, including: delivery of a Women in Business Seminar; marketing support for the Programme through a one-month campaign for women; design of financial and non-financial product packages for different women sub-segments; and delivery of training to women-in-business on digital marketing.

The funding agreement between AEB and the EBRD was signed on 22nd March 2018. Design Phase activities continued both onsite and offsite. Working sessions and discussions with AEB cross-functional teams were focused on (a) definition and segmentation of women-led MSMEs and women retail clients; (b) identification of women's financial and non-financial needs; (c) development of products and services tailored to women's financial and non-financial needs; and (d) marketing plan for women in business-targeted financial and non-financial services. The remaining Design Phase activities in the reporting period included joint work on developing an animation video aimed at Programme promotion - this was launched at the end of October 2018. The subsequent Implementation Phase involved introduction of the previously developed segmentation for women-led MSMEs and women retail clients; women in business tailored product and service packages; and delivery of women in business related staff training (together with Business Lens training-of-trainers). Implementation phase activities continued with adaptation of business processes, product/service delivery mechanisms, and the management information system (MIS). Last but not least, AEB continued with intensive disbursements of loans resulting in applying for a second loan agreement with EBRD which is expected to be signed in Q1 2019.

Implementation Phase activities also continued with Ararat, comprising of (a) development of an electronic (web) portal for women-in-business; and (b) delivery of training to women-in-business on change management.

A baseline assessment with a sixth institution in Armenia, Converse Bank, was launched in the third quarter of 2018. Converse Bank CJSC is a 25-year-old dynamically growing bank, which offers various services for individuals and legal entities. Following the completion of the baseline assessment for Converse Bank, and the subsequent preparation of the baseline assessment report, results and recommendations were presented to Converse Bank management within the context of a strategic workshop held in Yerevan on 12th December.

Technical assistance implementation phase activities with Belarus Narodny Bank (BNB) and Belinvestbank (BIB) continued with delivery of training on women in business related topics; training-of-trainers on non-financial services for women in business and Business Lens, and implementation of 8 women in business seminars. The Management Board of BNB has approved a budget for further development of the Smart Business Platform (www.smartbusiness.by). The Platform offers a non-financial service aimed at facilitating networking and collaboration among MSMEs. Currently, the Platform provides online access to: (a) loan applications; (b) transaction and cash services; and (c) an online accounting service that is highly popular with micro and small enterprises. Further development of the Platform will allow it to attract more micro companies, including among them women in business clientele.

The last quarter of 2018 saw the launch of a baseline assessment with a third institution in Georgia, MFO Crystal (Crystal). Crystal is one of the top five microfinance institutions in Georgia with a

client base comprising 57,906 micro and small business clients and 27,298 private individuals (as of 30 June 2018). The baseline assessment was completed during the reporting period with the facility is expected to be signed in 2019.

The table below provides a summary overview of the status of technical TA with each bank as of end-December 2018.

Country, PFI	Prelim. meetings	Kick-off baseline assessment	Submission baseline assessment	Disbursements	Remarks
Armenia, Ameriabank	✓	✓	✓	✓	<ul style="list-style-type: none"> The Design Phase commenced in March 2017. WiB loan disbursements began as of 31st March 2017. Consultants presented three possible strategic options for development of SME lending (and WiB specifically). The bank is currently undergoing a separate TC assignment funded by EBRD to review existing SME lending processes and will consider implementing the Action Plan and recommendations provided by WiB consultants on the approach to WiB lending during this separate technical assistance.
Armenia ACBA	✓	✓	✓	✓	<ul style="list-style-type: none"> The Design Phase commenced in March 2017. WiB loans disbursements began in June 2017. Women's banking strategy approved by ACBA in December 2017. Implementation Phase commenced in 2018 with the development of new financial and non-financial product packages for different Women segments, including Women-in-Business; Women in Agri Business; and Women Private Individuals. The first WiB seminar was delivered on 8th February 2018.

					<ul style="list-style-type: none"> The bank continues to implement the programme without the assistance of the consultant with the signing of the second facility in August 2018.
Armenia AraratBank	✓	✓	✓	✓	<ul style="list-style-type: none"> The first WiB seminar and WiB-related staff training have been delivered on 8th and 12th December 2017 respectively. Design Phase commenced in March 2018. Implementation Phase activities in 2018 consisted mainly of finalisation of the electronic (web) portal for women-in-business (finalisation and launch had been slowed down due to ongoing internal organisational changes).
Armenia SEF	✓	✓	✓		<ul style="list-style-type: none"> Baseline assessment was completed in June 2017. The facility signed in December 2017. In March 2018, the loan agreement with SEF International was cancelled by the EBRD following a fraud and the deterioration of the company's financial performance as a result.
Armenia ArmEconomBank	✓	✓	✓		<ul style="list-style-type: none"> Design Phase commenced in March 2018 Implementation Phase commenced and in August 2018 AEB introduced new segmentation for women-in-business (using business volume and industry characteristics), as well as specific product and service packages aimed at addressing the needs of different WiB sub-segments. The first WiB seminar is

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					scheduled for February 2019 together with the signing of the second facility under the Programme.
Belarus, Belarus Narodny Bank (BNB)	✓	✓	✓	✓	<ul style="list-style-type: none"> • The Design Phase began in July 2016 • The first WiB seminar took place on 27th April 2017. • Implementation was completed with the bank developing Smart Business Platform that offers a non-financial to micro and small enterprises including WiB clients.
Belarus, Belinvestbank (BIB)	✓	✓	✓	✓	<ul style="list-style-type: none"> • The Design Phase began in July 2016. • Implementation Phase commenced and the first WiB seminar was delivered on 6th March 2017. • The Implementation Phase was completed with the seventh WiB seminar taking place on 6th March 2018.
Belarus, Idea Bank	✓	✓	✓	✓	<ul style="list-style-type: none"> • Design Phase activities commenced in February 2017. • Implementation Phase commenced and the first WiB seminar and staff training were delivered in April 2017. • The bank continues implementation and lending to WiB clients out of its own funds after prepaying the EBRD facility in March 2018.

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Georgia, Bank of Georgia (BoG)	✓	✓	✓	✓	<ul style="list-style-type: none"> • Design phase activities commenced in February 2017. • The bank commenced the Implementation Phase without the assistance of WiB consultants consisting mainly of marketing support for the WiB Program.
Georgia, TBC Bank	✓	✓	✓	✓	<ul style="list-style-type: none"> • Design phase commenced in April 2017. • Despite intensive discussions with TBC management regarding the possible contribution of the TC team to the development of the WiB Programme, TBC decided not to request external assistance at this time. • TBC started disbursing WiB loans at the end of the 3rd quarter 2017. The main target group are enterprises with collateral constraints and/or start-ups.

In addition to the table above, the table below summarises the results from the baseline assessments carried out during the reporting period:

Country, PFI	Summary of key findings from the baseline assessment
Armenia, Converse Bank	<p>Converse Bank has created a special ‘Women’s Card (card of your femininity)’, which is a regular MasterCard Standard Payment Card. The card has attractive and multifunctional wrapping in the form of a women’s cosmetic bag, provides discounts in over 40 trade points, and collects loyalty points from transactions. WIB are not considered as a distinct target group and are served under the broader MSME umbrella. There is therefore no internal definition for the WIB segment. Women-borrowers represent 9.3% of the outstanding MSME loan portfolio by volume and 19.2% by number of borrowers. In terms of collateral coverage, the ratio for women is 166%, which is 24 percentage points less than the ratio for men (190%). The average lending rate for women is slightly higher in USD and EUR and slightly lower in AMD (USD: 11.4% women vs 11.0% men; EUR: 9.3% vs 8.9%; AMD: 13.9% vs. 14.2%). Women meanwhile tend to borrow significantly smaller amounts than men (average EUR 27,669 women vs. EUR 63,949 men). In terms of portfolio quality, women demonstrate slightly higher PAR 30 than men (7.47% vs 7.14%). For men, PAR 30 is slightly higher than PAR 90, as among the PAR 30-day loans there is a</p>

	single large loan within the 30-90 overdue period.
Georgia, MFO Crystal	<p>Women-in-Business are not considered a distinct target group and are served under the broader MSE umbrella. There is therefore no internal definition for the WIB segment.</p> <p>Based on feedback from interviews with staff, women entrepreneurs are generally perceived to be more averse to risk; lack strategic vision for business growth; and lack adequate business knowledge. Furthermore, family responsibilities and daily routines are barriers for many women wishing to become involved in business (or expand existing enterprises). There is also a lack of communication platforms to support women's personal and business development.</p> <p>Women-borrowers represent 34.8% of the outstanding MSE loan portfolio by volume and 45.7% by number of borrowers. In terms of collateral coverage, the ratio for women is 77%, which is 14 percentage points less than the ratio for men (91%). The average lending rate for women is 28.4% (vs 25.8% for men). Women meanwhile tend to borrow significantly smaller amounts (average EUR 727 women vs. EUR 1142 men). In terms of portfolio quality, women demonstrate lower PAR 30 and PAR 90 than men (PAR 30: 0.36% vs 0.77%; PAR 90: 0.12% vs 0.34%).</p>

The following PFI capacity-building activities were provided during the reporting period:

The training's objectives are the following a) to raise awareness of specifics of women entrepreneurship; (b) to inform PFI's staff about EBRD WIB Programme; (c) to share best international practices related to the WIB segment; (d) to discuss survey results revealing potential gender bias at the baseline assessment stage; and (e) to provide information related to the EBRD's online platform Business Lens. The training is interactive and includes a several groups work. Significant time is devoted to discussing with participants their estimation of gender bias at the particular PFI. After presentation of the results of the staff gender bias survey that has been carried out, gender bias is discussed again. The main goal is to draw attention of the PFI's employees on gender bias in general, what kind of biases have been revealed and how they can be mitigated.

WIB related staff training

Bank	Date	No of participants	Staff category
BIB	Apr-18	20	Deputy branch heads, heads of SME lending divisions & loan officers
BNB	Apr-18	11	Loan officers & front office employees
BIB	Apr-18	21	Loan officers, branch heads, heads of SME lending division)
BNB	May-18	11	Loan officers from the Minsk branch
AEB	Jul-18	29	1 Specialist from the Corporate Loans Division; 1 Specialist from the Lending Department; 18 Specialists, 4 Leading Specialists, and 1 Commercial Loans Specialist from the Loan-to-Deposit Division; 1 Branch Manager Deputy; 2 Chief Specialists from the Micro and Small Loans Division; and 1 Leading Specialist from the Retail Loans Division.

Business Lens Training

Bank	Date	No of participants	Staff category
BIB	Apr-18	21	Loan officers, branch heads, heads of SME lending division)
BNB	May-18	11	Loan officers from the Minsk branch
AEB	Jul-18	29	1 Specialist from the Corporate Loans Division; 1 Specialist from the Lending Department; 18 Specialists, 4 Leading Specialists, and 1 Commercial Loans Specialist from the Loan-to-Deposit Division; 1 Branch Manager Deputy; 2 Chief Specialists from the Micro and Small Loans Division; and 1 Leading Specialist from the Retail Loans Division.

In total, during the reporting period, the EBRD, jointly with the Consultant and PFIs under the Programme, held two WiB seminars in Armenia and Belarus as follows:

Country	PFI	Date	City
Armenia	ACBA	08.01.2018	Yerevan
Belarus	BIB	06.03.2018	Minsk

During the next reporting period, the team will continue to deliver *Business Lens* in countries where the EBRD has signed loan agreements with PFIs, namely Armenia, Belarus and Georgia. The seminars will be delivered by the Programme Consultant, jointly with the PFIs. The overall objective of the seminars is to build awareness of entrepreneurship as an employment prospect and an opportunity for women, and to attract potential sub-borrowers. Seminars will focus on one of three core themes, in line with the activities underpinning the Programme: “Finance your business”, “Develop your business” or “Strengthen your leadership and management skills”.

The other Eastern Partnership countries – Azerbaijan, Moldova and Ukraine – will continue to promote *Business Lens* through other channels available to them, namely social media and workshops.

4.4 Advice for Small Businesses activities

In addition to the aforementioned activities, the Programme provides a range of non-financial services directly to women-led SMEs through its Advice for Small Businesses activities. These activities include: advisory services projects, Women in Business workshops, mentoring and business coaching and *Business Lens*, an online self-assessment questionnaire of managerial capacity for women-entrepreneurs. The following provides an overview of these activities during the reporting period.

Advisory services projects

Advisory services projects under this Programme are tailored to women-led SMEs in need of targeted know-how and advice from local consultants. Advisory projects encompass support through project development, monitoring during implementation and evaluation one year after a

project is completed. A wide range of advisory services are offered, including the areas of strategy, marketing, organisation and management, operations, information & communication technology, engineering solutions, quality management, energy efficiency, environmental management, accounting and financial reporting.

Overall, 89 advisory projects were started with local consultants during the reporting period. Furthermore, during this period the team evaluated projects following the OECD's DAC evaluation criteria in the categories of relevance (2 points), effectiveness (2 points) and efficiency (2 points). These scores are included in the overall rating of each project which is finalised at the evaluation stage, one year after project completion. Across the region, 252 projects were evaluated by the end of the reporting period. Out of these projects, 86% were scored as "Highly Successful" or "Successful", while 14% obtained the evaluation score "Satisfactory". Additionally:

- 79% of enterprises reported an increase in turnover
- 57% of enterprises reported an increase in employment, thus contributing to the creation of 1,634 new jobs
- Nearly 18% of assisted enterprises received investments in the total amount of EUR 17,6 million
- 30% declared to have engaged a consultant again after the advisory project.

Women in Business workshops

Under the Programme, the EBRD worked with a consultant to develop the curriculum and content for Women in Business workshops offered to women entrepreneurs. The five workshop titles are:

1. Leadership in action
2. Going digital
3. Keys to financial management
4. ICT solutions
5. From entrepreneur to enterprise.

During the reporting period, workshops were implemented with a total of 127 participants and 529 women had been trained through workshops since the start of the Programme.

Business Lens

Business Lens is an online diagnostics tool that allows women entrepreneurs assess the strengths and weaknesses of their business. Through a detailed questionnaire, *Business Lens* zooms-in on the management of the business in seven key areas: financial management & performance, market knowledge, marketing & sales, human resources, strategy & organisation, risk management and operations. *Business Lens* then analyses the information provided to help women entrepreneurs to look at their business from a new perspective and to identify strengths and opportunities for further business development.

During the reporting period, 367 women entrepreneurs from the Eastern Partnership completed the *Business Lens* self-assessment and received a tailored output report. A detailed breakdown of *Business Lens* completion numbers by country as of the end of this reporting period can be found in the table below:

<i>Business Lens completions (per country, as of end of reporting period)</i>	
Armenia	<i>108</i>
Azerbaijan	<i>35</i>
Belarus	<i>154</i>
Georgia	<i>124</i>
Moldova	<i>78</i>
Ukraine	<i>124</i>
TOTAL	623

Mentoring

One of the challenges faced by women entrepreneurs is the lack of long-term post-training or post-advisory support that could help them to apply the skills and knowledge received. In order to address this challenge, the EBRD partners with the Cherie Blair Foundation for Women (the Foundation) and other mentoring initiatives which have developed a solution that combines mentoring with technology to offer cross-border support to women entrepreneurs in developing and transition economies. Under the Programme, mentoring is available to assist women-led enterprises to build their confidence and capacity to grow their businesses over the medium- to long-term. Mentoring is delivered by matching women entrepreneurs and managers with successful women business leaders in the region and abroad, to enable women to share experiences and to develop their management, leadership and personal impact capabilities.

The targeted number of women entrepreneurs to be assisted through mentoring under the Women in Business Programme was set at 60 at the outset of the Programme. To date, the team has nominated and enrolled 60 women entrepreneurs from the Eastern Partnership in the mentoring programme over four intakes, i.e. in May 2015, November 2015, May 2016 and November 2016. No additional mentee intakes took place during the reporting period.

Business coaching

Under the Programme, business coaching support is provided to women-led SMEs supported through advisory projects. Specially-trained local business advisers coach women entrepreneurs on a monthly basis over the course of a year. Coaches support women entrepreneurs to implement their business plans and to tackle specific business-related problems. Business coaching projects address the established need of beneficiary enterprises for medium-term general business coaching. During the reporting period 3 business coaching projects had been initiated and 35 business coaching projects had been initiated since the beginning of the Programme.

5 Communications and donor visibility

The EBRD's visibility and dissemination activities showcase best practices and the successful stories of women entrepreneurs supported through the Programme. These activities raise public awareness of the role of women in entrepreneurial activity and the contribution they make to the economy and to society in general, and promotion of entrepreneurship as a viable and feasible employment opportunity for women. The team also engage actively in social media as a tool for promotion of the Programme and sharing the experiences of women entrepreneurs, building a growing network of women entrepreneurs.

In Armenia specifically, where SBIF funding is active, the local team organised a WiB seminar jointly with ACBA Credit Agricole Bank (WiB Partner Financial Institution) and the Programme Consultant aimed at raising awareness about the programme and both finance and advice components in February 2018. The event was attended by more than 75 women entrepreneurs and was very well received by the audience and widely covered in local online media.

The local team participated in a number of events organised by other international organisations and was included in a working group on women entrepreneurship development in Armenia. During the donor and partner coordination meetings on private sector development, the local team presented WiB Programme objectives and current impact. A separate discussion was held with gender focal point of the GIZ Women Entrepreneurship Programme and the team used this opportunity to establish future collaboration with GIZ.

In December 2018, the team organised a networking event for women entrepreneurs attended by 50 participants aimed at raising public awareness of the Programme and donor visibility.

During the reporting period, the team also continued to promote the Programme and associated donor support among women entrepreneurs, local stakeholders and in the public sphere, including through social media and stakeholders' networks. In particular, the team presented the Programme at various stakeholder events in the capital and regional areas.

6 Next steps

6.1 Credit lines for women-led SMEs and First Loss Risk Cover (Instrument 1)

There continues to be strong demand and a robust pipeline for the financing component of the Programme, and it is expected that the remainder of the SBIF funding will be fully allocated to PFIs in the next reporting period.

6.2 PFI capacity building to address the needs of women-led SMEs

The focus of activities in the first quarter of 2019 will be in PFIs new to the Programme.

A new phase of the PFI capacity building TC to PFIs is expected to be launched in the second quarter of 2019 to enable the inclusion of additional PFIs under the Programme and further develop the capacity of repeat PFIs to effectively implement their strategy to target the women SME segment. A needs assessment will be undertaken for repeat PFIs to help them shift to a "mainstreaming" phase. Additional donor funding for first loss risk cover is to be secured.

6.3 Advice for Small Businesses activities carried out under the EBRD Women in Business Programme in the Eastern Partnership

The team will continue to implement the full range of support offered under the advisory component of the Programme throughout the upcoming reporting period. An online campaign for women entrepreneurs about *Business Lens* will be undertaken in Belarus to boost awareness of the tool in the country; best practices from this pilot in Belarus will subsequently be applied to the other countries in the region.

7 Annexes

7.1 Results framework – progress to date

The indicators under the Action can be summarised in the below table:

Indicator	Units	Current value	Expected result
		(yearend 2018)	
Outputs			
Strengthened role of women-led SMEs in economy through enhancing their competitiveness and innovation	Volume of MSME financing by EBRD directly or through co-financing arrangements	USD 59.1 million	USD 135 million
	Number of MSMEs supported with EBRD business advice	406	324
	Number of participants in trainings for women entrepreneurs	529	250
	Number of women entrepreneurs participating in the mentoring programme	60	60
Outcomes			
Improved access to finance for women-led SMEs through enhancing capacity and innovation of partner financial institutions	% of enterprises receiving advice achieving increases in employment within 1 year of project completion	57%	At least 40%
	Number of jobs created in SMEs supported with EBRD business advice within 1 year of project completion	1,634	Approximately 1,000 jobs
	% of enterprises receiving advice achieving increases in turnover within 1 year of project completion.	79%	At least 50%
	Number of PFIs (of which new) receiving financing from EBRD for on-lending to SMEs	10	up to 18
	Volume of EBRD investment to PFIs for on-lending to SMEs (incl. new and, as applicable, to specific SME target group and purposes)	USD 59.1 million	USD 135 million
	Number of PFIs supported with EBRD risk sharing mechanisms/guarantees	10	up to 18
	Number of PFIs supported with capacity building related to MSME financing	12	up to 18

Small Business Impact Fund

Outcomes*			
	Total number of sub-loans to SMEs financed by PFIs (incl. new and, as applicable, to specific SME target group and purposes)	7,240	At least 3,000
	Volume of SME financing by PFIs (incl. new and, as applicable, to specific SME target group and purposes)	USD 69.9 million	USD 135 million
	Evidence of PFIs successfully implementing technical assistance to successfully introduce a WiB product (ex. factoring) or product specificities (ex. new credit scoring model, adaptation of MIS, adaptation of sub-loan terms)	Ongoing	Yes

*These figures are in relation to the entire EBRD EaP WiB Programme (currently approved for USD 135 million estimated over the 5-year period).