



Developing Women's SMEs in Cities

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Start of “women-specific” support initiatives by the SME DNC of Armenia

No targeted approach to promoting women entrepreneurship until 2013

ADB - funded



**“Women’s Entrepreneurship Support
Sector Development Program”**

was one of the first “women - specific” programs in Armenia initiating some other donors (such as GIZ and UNIDO) to focus also on this development issue more intensively.



Objective:

Enabling women entrepreneurs and micro, small, and medium-sized enterprises (MSMEs) in Armenia to play a greater role in economic development.

Components:

- ***policy-based loan*** to help fund budget allocations to strengthen the business environment, the SME DNC of Armenia and its support for WE & MSMEs
- ***financial intermediation loan*** to enable participating FIs to provide local currency loans to MSMEs, of which at least 50% are women-led MSMEs.



Main WE Support Tools Introduced & Institutionalized through SME DNC

- ✓ ***Country-level Strategy of Developing WE in Armenia*** developed and embedded in SME state support policy
- ✓ ***Assessment of needs for business development services*** conducted among around 1,500 women MSME – 2013, 2014
- ✓ ***Capacity building of SME DNC and other business support agencies***
 - ToT on start-up support program using German CEFÉ methodology,
 - ToT on Gender Sensitive Value Chains approach to developing WE,
 - New risk management system.
- ✓ ***Mentorship schemes for WE***
- ✓ ***Women awareness campaigns***
- ✓ ***Annual WE award program***



Needs Assessment Results

Main Obstacles to WE Development in Armenian

- ✓ ***Gender-specific issues*** (societal attitude, lack of confidence toward WE, childcare burden, etc.)
- ✓ ***Lack of institutional support, physical and business infrastructures***
- ✓ ***Access to markets/customers***
- ✓ ***Networking***, mentorship, information
- ✓ ***Access to funding*** (no credit history, lack of info., collateral, high % & short duration of loans)
- ✓ ***Business, marketing & leadership skills***
- ✓ ***Risk aversion***
- ✓ ***High taxes, rent/utility costs, changing regulation, etc.***

WE Development in Urban Areas

Opportunities:

- ✓ ***Weaker cultural barriers***, higher trust to women in business.
- ✓ More ***opportunities in service and non-agriculture related sectors***, where the majority of women-led businesses are concentrated.
- ✓ ***Potentially wider sales markets, business networks and better access to funding*** from formal financial sector, etc.

Service Gaps:

Several gaps exist, primarily in urban areas outside capital city Yerevan, which result in lost opportunities from WE development to be addressed on 2 different levels:

- SME State Support Program
- Local governments



Gaps Addressed by SME State Support Program

- ✓ ***Providing access to BDS services and access to funding, primarily for start-up businesses:***
 - representation in all regional centers
 - over 90% of activities and resources directed outside Yerevan
 - main activities in urban areas as cluster centers for wider reach

- ✓ ***Ensure supporting WE is prioritised in all projects implemented with state and donor funding***
 - *Minimum target on women participation is set for every project*
 - *Locations and timetables carefully chosen to meet the needs of female beneficiaries*
 - *SME DNC staff is trained on gender issues*
 - *Both male and female trainers and experts are included in regional teams, trainers & experts, as well as loan selection committees, etc.*
 - *Equal access of men and women to information, support programs and resources*
 - *Regular collection of sex disaggregated data and surveys.*

SME DNC WE Support Tools Proven Efficient in Urban Areas

- ✓ **Successful Start Campaigns** in urban areas to support start-up entrepreneurs
-> women participation target - 50%



- ✓ **Dedicated revolving funds** to provide access to finance to WE – 100% loan guarantees
 - WE are risk averse, but more disciplined, which leads to lower defaults risk
- **Applying GSVC approach in ongoing donor projects**, specifically in hospitality services (B&B operations) with complementary VC assessment, buyer studies, technological and marketing support
- **Expos, promotion campaigns** in major cities and towns where large supermarket chains and other sales channels are available
- **ERASMUS, EEN as international mentorship and networking** opportunities

SME DNC Donors Organizations and Partners



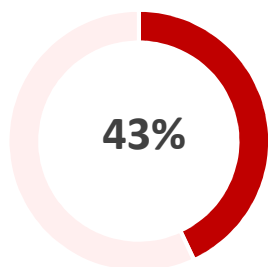
EU4Business



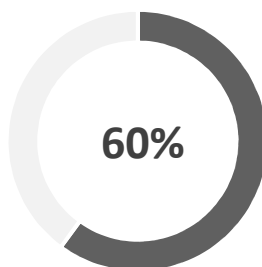
Women Participation in SME DNC Support Programs

Average 2013-2017

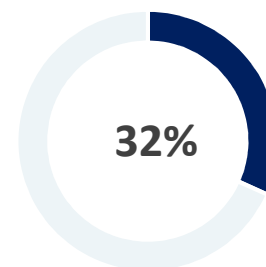
Successful Start Campaigns



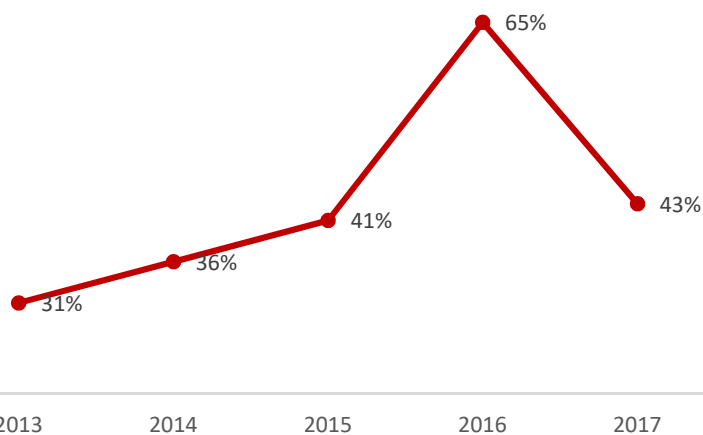
Information Support



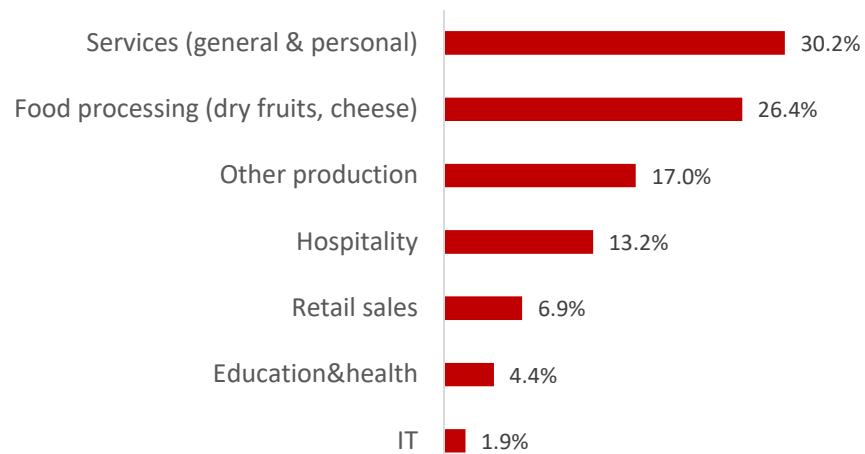
Loan Portfolio



Dynamics of women share in Successful Start Campaigns



Sector Distribution of Funded WE





Gaps to Be Addressed by Municipalities

- ✓ Collecting and analysing ***gender disaggregated statistics*** on all aspects of economic activities in the region
 - Sector concentration, revenues/sales markets, growth dynamics
- ✓ ***Including women in decision makin***, especially with regards to managing core urban services
- ✓ ***Designing transportation system*** to include routs convenient for women, and providing wide coverage to allow acces to BDS, networking and market opportunities
- ✓ ***Facilitating child care*** by ensuring sufficient capacity of kindergardens, introduce extended school hours in all public schools including high school
- ✓ Providing ***institutional approach to professional orientation of young women*** towards local entrepreneurship opportunities (in schools & universities)



Gaps to Be Addressed by Municipalities 2

- ✓ Using **Local Employment Services** to provide guidance to unemployed women towards local business opportunities as viable option to employment, and serve as information hubs on available start-up creation resources (financial and BD service providers)
- ✓ Dedicating vacant/available **municipal property as affordable business spaces** to start-up women-led businesses, possibly business incubators
- ✓ **Arranging gender awareness campaigns** (including men) to address stereotypes, lost economic opportunities with less women in business, and flexibility women entrepreneurship can provide balancing work and family life
- ✓ **Creating online knowledge & information portals** .
- ✓ Considering priorities of **Country-level Strategy of Developing WE in Armenia and SME State Support Program** when developing annual local economic development plans



Thank you!