

Finance and advice for women in business



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‘Finance and advice for women in business’ provided financial and technical assistance to women-led businesses and partner financial institutions in Turkey, for the purposes of increasing their access to finance, and know-how and non-financial business development services.

The overall goal was to increase employment and growth, as well as to improve human resources development in women-led businesses. The project was implemented by the European Bank for Reconstruction and Development (EBRD), in partnership with the Turkish Employment Agency.

It ran between December 2013 and December 2017, with a total budget of EUR 38,000,000 (85% EU financing, 15% from Turkey). The EBRD made available up to EUR 300,000,000 financing in the form of loans to women-led businesses.

Implementing entity: European Bank for Reconstruction and Development

Impact of the financial and advisory supports

The project addressed the financing gap of women-led enterprises by creating tailored solutions to the challenges faced by women entrepreneurs. By the end of 2017, 18,714 sub-loans (averaging EUR 15,300, and with favorable conditions) were disbursed to small and medium-sized enterprises (SMEs) led by women, through the five Turkish partner banks – Garanti Bank, İş Bank, QNB Finansbank, Turkish Economy Bank and Vakıfbank. The EU funding acted as a first loss risk cover in cases where the enterprise was unable to repay the loan, allowing banks to mitigate the risk in lending to these SMEs.

The project reached out to SMEs in all parts of the country, with 68% of the loans issued to women-led businesses in regions outside of Turkey's three main cities (Ankara, İstanbul and İzmir). 43% of the loans were to start-ups and/or first-time borrowers.

Under the project, partner banks provided women business owners with access to more favorable borrowing conditions, such as relaxing collateral requirements, releasing collateral requirements for certain sectors, and allowing longer maturity periods (averaging 28 months). The project also facilitated micro-enterprises' access to finance, with nearly 60% of the sub-loans issued to a woman sole trader with low annual turnover and minimal business assets.

The implementation of the financing component will continue until 2020. The EU grant will continue to cover bank losses of up to 10% of the amount of the EBRD loan, provided that the partner banks' sub-loans to the SMEs were issued by the end of December 2017. Any unused EU grant money remaining after disbursement of the first loss risk cover will be transferred to the government of Turkey for actions and policies to boost women's employment.

The financing component gave a strong impetus to women-led SMEs and contributed to closing the gender gap in doing business. Among the borrowers analysed, 914 new jobs were created, while a further 841 jobs were retained as a result of the financing.

The second component of the project sought to empower women-led SMEs by providing business advice and related services. 244 women entrepreneurs benefited from services such as strategy development, investment planning, financial reporting, adopting quality systems, organisational management, marketing techniques and implementing innovative technologies. 2,289 women entrepreneurs completed the 'Business Lens', a self-assessment tool that generates tailored reports on their financial and knowledge gaps. 657 women undertook entrepreneurial skills development courses on topics such as leadership, digitalisation, financial management, ICT solutions and growing their business. 188 women benefited from international advisory projects, business coaching and mentoring.

The advisory services alone helped to create 823 new jobs, with many SMEs reporting a subsequent substantial increase in their turnover.

With regard to effectiveness, 90% of the advisory projects were rated successful or highly successful, with 76% and 47% of the assisted SMEs reporting an increase in turnover and increase in the number of employees, respectively. Likewise, 64% of assisted SMEs received an external investment from a financial institution or intermediary within one year of completing the project.

The third component of the project promoted 'gender-responsive banking' among the partner banks through the provision of assistance to build their technical capacity, change their business models and delivery mechanisms, and develop financial products to reach out to women-led businesses. Following baseline surveys for all the partner banks, they were provided with tailored training, gender-awareness support, and assistance in marketing and outreach to women. All partner banks now offer tailored products and product bundles targeting women-led businesses. This transformation among the partner banks is expected to increase women's access to finance in the short and medium term.

Transferability to other contexts

The project is transferable to contexts where there is a funding gap for women-led businesses and significant gender-based inequalities in accessing finance. The pre-condition is that the potential partnering financial institutions should be willing to tailor their products and services for women-led businesses. Political, institutional and financial ownership on the part of national governments is also key.

Learning and capacity-building potential

The project created a strong learning and facilitation environment for the partner banks, leading them to enhance their investments in women-led businesses.

The project also provided for new types of learning, including peer learning, capacity-building and networking opportunities for women entrepreneurs, making significant changes in the way they do business, providing platforms for interaction with one another and enhancing solidarity.

Sustainability of the financial and advisory supports

The initiative resulted in the design and implementation of new service models and products for the partner banks, facilitating them in reaching out to women-led businesses. Thanks to these new services and products, the project will continue to have a positive impact on women's access to finance. The first loss risk cover arrangement influenced the behaviour of the partner banks, increasing the likelihood that they would lend to women entrepreneurs.

The project also demonstrated the benefit of advisory services in strengthening businesses, with 37% of the assisted SMEs re-engaging a consultant after the project-funded advisory service ended. This trend is expected to continue.

National plans and strategies

Increasing women entrepreneurship is embedded as a priority action in Turkey's Action Plan on Women's Employment for 2016-2018.

Contacts/Further Information

Further information

[European Bank for Reconstruction and Development \(EBRD\). Available \(in Turkish\)](#)



Metadata

TOOL: Gender equality measures in the IPA region