



SME development under the WBIF Umbrella - Human Capital Development

Charlotte Ruhe, Managing Director, Southern and Eastern Europe



European Bank
for Reconstruction and Development

The Small Business Initiative



European Bank
for Reconstruction and Development

- One of the four **strategic initiatives** of the EBRD, aimed at promoting the **growth and competitiveness of SMEs**
- A **dedicated Group, the SME Finance and Development Group**, to lead activities
- A **unique mix of skills and expertise**, to offer solutions that really meet the needs of small businesses
- A **country-focused approach** to ensure appropriate mix of activities, a new approach to donor funding and a results framework
- Strong **local presence** in more than 30 countries from Morocco to Mongolia
- **An integrated toolbox** addressing SME needs, with broad geographic availability of instruments and innovative products



An integrated toolbox for SMEs



European Bank
for Reconstruction and Development

Financing through financial institutions

- 200+ partner financial institutions
- €1+ billion of finance each year
- Benefitting hundreds of thousands of small businesses

Co-financing with financial institutions

- Lessening the risk of financing small businesses
- Helping partner financing institutions to make their money go further

Direct financing

- Providing direct financing for small businesses, coupled with business advice
- Instilling higher standards of corporate governance and financial transparency

Business advice

- Providing business advice
- Ranging from strategy to operations, financial reporting, energy efficiency and much more.

Policy dialogue

- Taking targeted policy actions alongside our investments
- Engaging effectively with policy-makers across our region

How do we stimulate inclusive growth?



European Bank
for Reconstruction and Development

Employment, skills & training

Youth Initiative; Advice for Small Business

Access to finance

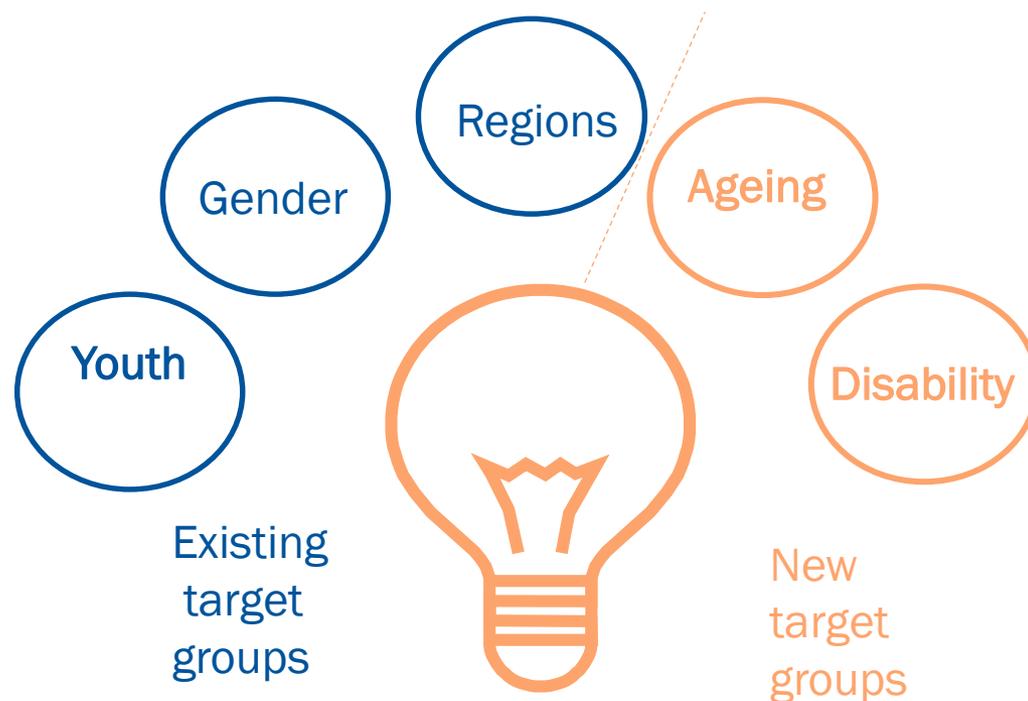
Women in Business

Services & technologies

Inclusive Procurement

Corporate standards & practices

Gender Equal Opportunities Programmes





EBRD's **Advice for Small Businesses** activities include a wide range of training series developed specifically for the needs of **SMEs**. Examples include:

- **Grow Your Consulting Business (GYCB)**
- **Energy Efficiency**
- **Women in Business Workshops**
- **Export Promotion**

Across the Western Balkans, **over 500 entrepreneurs and consultants** have participated in these types of activities since 2016

Each training is carefully evaluated 6-9 months after completion at which point **80% of respondents** have seen noticeable **positive changes** in their company



Access to finance for women in business

- Dedicated **credit lines** to Partner Financial Institutions – expanding access to finance for women-led SMEs
- **First loss risk cover** of up to 10% of the portfolio – mitigating the risk to help banks to take the decision to enter new segment
- **Technical assistance** to Partner Financial Institutions – helping ensure a sustainable impact on PFI's lending activities through tailored support

Access to know-how and non-financial services for women in business

- **Business advice** for women-led businesses through local consultants and international advisers
- **Training in key entrepreneurial skills** through the specially-designed Workshops series
- **Mentoring** programme
- EBRD's online **self-diagnostic, Business Lens**, helping connect users with most relevant components of the programme
- **Networking** opportunities, promoting access to business networks and sharing experiences



EBRD Countries of operations

Globally, the EBRD has invested over **€460 million** in funding for partner financial institutions. **Donors** have contributed over **€70 million** in funding to the programme.

As a result, the Women in Business Programme has provided finance and advice to over **35,000 women-led SMEs**, including through over **30 partner financial institutions**.

EBRD's Women in Business programmes are currently active in **17 countries**, with two regional programmes covering the Western Balkans and the EaP countries and five country-specific programmes in Croatia, Egypt, Kazakhstan, Tajikistan and Turkey.

Women in Business



European Bank
for Reconstruction and Development

Western Balkans

In the **Western Balkans**, the programme has a total value of **€50.4 million**, incl. €10.4 million in donor funding from Italy, Luxembourg, Sweden and the EBRD Shareholder Special Fund.

7 partner banks with €29.5 million in credit lines dedicated to women-led SMEs (nearly 2,000 sub-loans disbursed as of end 2017).

1,000+ women entrepreneurs benefiting from Women in Business seminars.

340 women trained through Women in Business entrepreneurial skills workshops.

304 women-led enterprises supported with advisory projects.

45 women-led enterprises assisted through the mentoring programme.

Case Study: Iceberg, a woman-led communications agency in Albania



- Iceberg is a communications agency in Albania owned and managed by Mrs. Rafaela Rica. The company has 33 employees and an annual turnover of nearly EUR 650,000.
- Under the Women in Business Programme, EBRD helped Mrs. Rica to implement a **marketing campaign** and develop detailed **business and investments plans**.
- One year after the project, Mrs. Rica had **increased the turnover and productivity** of her company by 87% and 70% respectively.
- Mrs. Rica also took part in the EBRD's **mentoring programme** with the Cherie Blair Foundation for Women. By working with an experienced mentor in one-on-one sessions over a one year period, she significantly increased her **knowledge of export markets**.
- Additionally, the company was successful in obtaining a EUR 40,000 **loan** through one of the partner banks under the **Women in Business Programme**.



Case Study: TEB Kosovo, enabling a local bank to better serve women entrepreneurs in Kosovo



- TEB Kosovo among **the first banks** to join the Women in Business programme in the Western Balkans
- EBRD provided a **€3 million loan** to TEB Kosovo in 2015 to **on-lend to women-led SMEs**
- With the support of banking and gender specialists provided under the programme, TEB Kosovo also used these funds partially to develop a **new loan product for start-up women entrepreneurs** – taking them into a new area of the market.
- The first client for this start-up loan was Flake Hajdani, who used the loan to purchase the equipment needed to start production in her hygienic mask manufacturing business. After fully repaying the loan, Flake received a second loan, which allowed her to **expand her business**.



Case Study: Heljdaeko, a women-led organic food producer in Bosnia and Herzegovina



European Bank
for Reconstruction and Development

- Heljdaeko d.o.o. is an organic food producer and retailer focussing on buckwheat production and founded by two women in Bosnia and Herzegovina in 2014.
- The company has 50 employees in Buckwheat production alone and also subcontracts additional employees for the production of complementary products.
- Heljdaeko benefitted from a **comprehensive marketing project**, which helped the company to **re-design their visual identity** and create a wide range of promotional materials.
- As a result, the company strengthened its **market position** and started **to export** to the United Arab Emirates and Australia, increasing the company's turnover by 10%.
- Plans for the future include **investment in a new production capacity** in order to respond to the rapidly increasing customer demand.



Looking ahead...

1

YOUTH EMPLOYMENT IN SMEs

- ✓ Capacity building for external programme partners,
- ✓ Workshops & projects to improve SME employment capacity,
- ✓ “Ready to Work” training module for youth
- ✓ Integrated work-based learning linked to SBI interventions.

2

INNOVATION

- Accelerator programme.
Targeted engagement with carefully selected accelerators
- ✓ advisory services to accelerators;
 - ✓ workshops for entrepreneurs;
 - ✓ mentorship programme for select entrepreneurs;
 - ✓ local consultancy market development

3

SOCIAL ENTERPRISES

- Holistic regional approach on Social Enterprises:
- ✓ awareness raising,
 - ✓ capacity building (has already started)
 - ✓ financing components.