

**Lessons Learned from Programmes to Support Women Entrepreneurs in  
Tajikistan**

**EBRD**

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## 1. INTRODUCTION

This report presents findings of a review of programmes in support of women entrepreneurship in Tajikistan in the period 2012 to 2014 inclusive. The review has included programmes, projects, research, as well as laws and policies which support any aspect of women entrepreneurship. In the case of policies and laws, laws which may support entrepreneurs in general have been included. This aspect of the review has focused on laws and policy recently approved or currently under preparation or being drafted.

The review has been undertaken by EBRD as a contribution to the Action Plan of the Taskforce for the Development of Women Entrepreneurship in Tajikistan. Under action number 2 of the Taskforce Action Plan 'Improve knowledge base and analysis to identify issues and challenges of women entrepreneurship development' there is an action *to conduct research on gender dimensions of the investment climate in Tajikistan* where it is planned to: (i) Review lessons learned of past programmes to support women entrepreneurs in Tajikistan; (ii) Conduct comparative review of past research on women entrepreneurs in Tajikistan; and (iii) Commission other pieces of research identified during the reviews to address gaps to support an enabling environment for women entrepreneurs in Tajikistan. EBRD has agreed to conduct a review of lessons learned during past 3 years on projects and programs supported and implemented by the government, development partners and private sector in the area of women entrepreneurship. The objective of this exercise is to help Taskforce members to critically analyse what has been done, in which regions, and draw lessons on the most effective programmes and policies to support women entrepreneurship in Tajikistan. This exercise is also expected to help identify the gaps and to produce recommendations on how to work more effectively in the area of women entrepreneurship.

Methodology – The report is based on interviews with programme managers and other staff involved in the implementation of programmes and projects in Tajikistan, as well as on a desk review of project documents and reports available. The review has benefited from the input of critical stakeholders including members of the Taskforce for the Development of Women Entrepreneurship, as well as the inter-agency gender theme group in Tajikistan led by UN Women. While the review is not exhaustive, and certain programmes might not have been identified during the desk research, the authors are confident that the majority of programmes, and particularly the most noticeable in size and potential impact regarding women entrepreneurship in Tajikistan have been included in the review. An analysis of the results and sustainability of the programmes reviewed goes beyond the scope of this research. However, during interviews with project staff in charge of implementing the programmes, their informed opinion on those two subjects was sought and the findings are also part of this report.

Structure of the report. Section two of the report following this introduction presents a summary of the findings of the review, followed by lessons learned (section 3) and conclusions and recommendations (section 4). Annexes 1 to 3 include the matrixes with all the information collected regarding projects, programmes, research and reforms to support women entrepreneurship in Tajikistan.

The findings of the review will be presented during Round Table dedicated to the women entrepreneurship day to be held on the 8<sup>th</sup> of October in Dushanbe.

## 2. FINDINGS OF THE REVIEW OF PROGRAMMES AND REFORMS TO SUPPORT WOMEN ENTREPRENEURS IN TAJIKISTAN

This section presents a summary of the findings of the review of programmes and reforms supporting different aspects of female entrepreneurship in Tajikistan. Annex I to this report presents the findings of the mapping exercise in full, in the form of a matrix. Annex II presents a list of research related to women entrepreneurship and annex III a list of policies and laws which are relevant for women entrepreneurs.

### *Programmes and Projects*

- **Overview.** In the period under analysis, the review identified approximately 29 projects supporting different aspects of women entrepreneurship in Tajikistan, amounting to at least USD 43 million.
- **Size of the Programmes.** Programmes varied substantially in size. There are a few large programmes with national coverage and a budget above USD 4 million. These include EBRD's Small Business Support (Euros 14 million) and DFID Gender Enterprise and Markets (GBP 3 million), USAID's Land Reform and Farm Resctructuring Programme (USD 5 million), and Mastercard Foundation Improving Rural Incomes Through Savings-led Financial Services (USD 4 million). The majority of programmes range between 1 and 4 USD million in size. There is however, a large number of smaller initiatives with a budget of less than 1 million, including many with a local focus and funding of less than USD 50,000.
- **Target Group.** While a number of programmes targeted women only, including girls, rural women, women entrepreneurs and women-led MSMEs, unemployed women, female farmers, etc., many of the projects delivering services to entrepreneurs, had broader targets such as population in remote mountains areas, the poor, the youth, etc. As part of these later initiatives, female entrepreneurs or start-ups also benefited from access to the services provided.
- **Geographical focus.** Geographically, the majority of the programmes focused on Sughd and Khatlon, some in Rasht and few in GBAO. The large majority of projects have a focus on rural women.
- **Sectoral focus.** By sector, the focus on rural women and female farmers lead to a substantial number of projects supporting female entrepreneurs along the **agriculture** value chain. The **handicraft** sector also received substantial attention with 2 specific projects and a number of projects which, without having a focus on the sector, have promoted women entrepreneurship in handicrafts.
- **Thematic focus.** The majority of programmes reviewed included a combination of activities supporting (i) skills development, (ii) organizational capacity building in the form of community groups, saving groups, or similar, (iii) and some form of access to finance in the form of saving groups, access to grants (although these represent a minority) and links to MFIs and other financial institutions.
- **Market Links.** Six out of 29 programmes also included marketing and market links components, although these were not the majority, and the size of the component varied substantially across programmes. DFID supported Gender Entrepreneurship Market programme and IFAD supported Mobilizing Public Private Partnerships in Support of

Women-led Small Business Development are examples of programmes with an emphasis in the development of market links.

- **Skills Development.** Among the skills programmes, there were some which focused on promoting traditional women's activities such as cooking and sewing with limited marketable opportunities beyond the immediate local market. These however, seemed to be more the exception than the rule. There were as well some programs focused on building women's capacity for effective land use, farming, agro-processing etc.
- **Access to Finance.** There are a limited number of stand-alone programmes focused on access to finance. However, most of the programmes reviewed include some kind of access to finance component. These tend to focus on provision of small-scale grants or micro-loans, and/or establishing links to MFIs. Some Access to Finance programmes/components include financial literacy training for entrepreneurs. In addition to this, the Presidential Grants Programme, aimed at improving the competitiveness of women entrepreneurs and increasing their professional skills and training through direct financing.
- **Advisory Services.** There were two large programmes focused on the provision of advisory services: EBRD Small Business Support Programme (Euros 14.5 million) focused on the provision of business advisory services to established entrepreneurs and USAID Farmers' Advisory Services project (USD 8 million) focused on the development of extension services in rural areas. Together they represented X percent of total funding to support entrepreneurship included in this review. These programmes do not have an exclusive focus on women entrepreneurs but rather target support to entrepreneurs/farmers in general.
- **Incubators.** At the moment there are two business incubators in Tajikistan (one in Khujand (specifically for women) and one IT Business incubator recently opened in Dushanbe. In addition, there are two resource centres (in the South of the country).
- **Support to Reform.** A different set of programmes focused on supporting reform to improve the investment climate in Tajikistan. These included USAID's *Land Reform and Farm Restructuring project* and DFID *Tajikistan Business Regulation and Investment Policy Project*. While the first one has a focus on women, including women's legal awareness about land rights and improving the State capacity to implement land reform, the second has a broader focus on improving investment climate through research and policy analysis.
- **Institutional Capacity building.** In addition to this, the Statistical Agency received support from the Asian Development Bank under the programme Capacity Development in Gender Statistics for the Agency of Statistics.
- **Source of finance.** Most of the projects were funded by international donors and foundations, and executed by NGOs, with some implemented by MFIs, a few by UN agencies, and a limited number by government agencies. The Government of Tajikistan also funded Presidential grants targeting women entrepreneurs and start-ups during the period of the review.

### Box 1. Examples of good practices

**The Gendered Enterprise and Markets** (DFID and Oxfam) aims to improve smallholders' bargaining power in agricultural markets; to support women's economic empowerment; and improve climate change adaptation and disaster risk reduction. The programme combines the creation of Women Producer Groups, with training, activities to facilitate access to markets, legal clinics, and a demonstration centre.

**Small Business Support Services** (EBRD). The programme provides business development services and technical assistance to SMEs, including women-led SMEs to help small and medium-sized businesses grow, while subsidizing consulting projects developing a market for BD consultants. SBS connects SMEs to local consultants and international advisers to help transform a huge range of businesses.

**Land Reform and Farm Restructuring project** (USAID). The project supports the advancement of policy and legal reform in the area of land rights. Activities include awareness raising on land rights; simplification of the registration procedures for acquisition of land-use certificates; and strengthening of the government capacity to monitor and implement land reform. One of the outputs of the project was the drafting of the Law on Dekhkan Farms, including recommendations on gender equality and establishing a check list on gender aspects for legislation drafting.

**The Programme Mobilizing Public Private Partnerships in Support of Women-led Small Business Development** (IFAD), aims to establish sustainable, export-oriented businesses in fibre-processing led by rural women. Activities include access to credit; institutional/legal aspects of beneficiary business; access to technologies; training for women in new processing methods; business management; and links to markets along the cashmere and mohair value chain.

### Research

- In addition to the programmes, this review has identified 13 pieces of relevant research currently underway or completed which can inform different aspects of policy and programming for women entrepreneurs in Tajikistan. Annex II to this document includes a full list of the studies.
- Research included: market research on specific sectors; legal analysis in the area of handicrafts; desk reviews of barriers to female entrepreneurship; the impact of migration on socio-economic vulnerability of rural women; analysis of MFIs procedures to deliver services and products to vulnerable women; legal review of legislation for women's rights and access to economic resources; a policy note on the topic of women entrepreneurs; a national gender assessment; an assessment of gender statistics in the Southern Caucasus and Central and West Asia; and an assessment of the situation of female entrepreneurship in rural areas of the Republic of Tajikistan.
- Despite the number of studies identified, research efforts have been hampered by **data limitation**. Most of the research reviewed consists of desk reviews and analysis of secondary data or studies based on ad-hoc data collection with limited sample sizes. Availability of sex-disaggregated data on entrepreneurs is limited in Tajikistan and this limits the types of analysis that can be undertaken to understand and assess the situation of women entrepreneurship in Tajikistan.

## Reforms

- There are a number of laws currently being drafted or reforms under preparation in Tajikistan which are important for women entrepreneurs. The review has identified 8 ongoing laws and policies which are relevant for women entrepreneurs. Out of those, 6 of them have a high potential/importance for women entrepreneurs, and two of them have medium to high importance.
- Laws and reforms with **high importance** are: Reform in Agriculture and Development of Agribusiness (**Land Reform**); Draft Law on Investment, Strengthening Cooperation with Development Partners on Conducting **Investment Climate** Analysis; and Improvement of the Investment Climate in Industry and Support to Domestic Producers;
- Laws and reforms with **medium to high importance**, are: New draft Labour Code; Strategy on activation of the role of women in the RT; Draft Handicrafts Law; Draft Mediation law; and the Fund for support of entrepreneurship under the Government of the Republic of Tajikistan.
- **Gap** - Lack of gender analysis in policy formulation. A recent report on the Legal Analysis of Gender Aspects of Women's Access to Economic Rights conducted by the League of Women Lawyers of Tajikistan under an Oxfam project has undertaken a comprehensive analysis of laws and policies to support different aspects of women's participation in the economy in Tajikistan. The review reveals that while there are several policies specifically targeting women, a number of important reforms, which are thought to impact men and women in the same way, are not formulated taking the gender dimension in consideration.
- However, the review revealed interesting initiatives such as the **gender checklist for legislation drafting** developed in the context of the Land Reform and Farm Restructuring Project. Overall, it is essential that women needs and views and the specific interests and needs of women farmers, and women entrepreneurs are taken into account in the process of design of such reforms, particularly in laws whose potential to impact positively women entrepreneurship is high.

### Box 2. Can the same investment climate law have a different impact on men and women entrepreneurs?

Yes, the same law can have a very different impact on men and women entrepreneurs for a number of reasons:

- First, in certain countries, women and men have unequal legal status and property rights, with profound implications for women's economic capacity. Even when investment climate laws do not discriminate against women, additional laws outside the business sector, such as those concerning marriage, family relations, mobility, and inheritance, may have a determining influence on women's ability to participate in the private sector. Land reform is one of the most critical ones.
- Second, even when the laws and procedures are gender neutral in theory, they may still result in gender-biased outcomes that can have significant effects on access to and control of economic resources, which affect growth, productivity, and welfare. This is probably the

most relevant reason in the case of Tajikistan. For example, across the world, barriers to business formalization, particularly lengthy and complex registration, incorporation, and licensing practices, have a disproportionately negative effect on women, in some cases making it impossible for them to formalize. Women may be less able than men to afford long and expensive registration procedures, in part because of the “double workday” of domestic and business responsibilities or because they may face higher levels of “interference” in interacting with government officials or complying with government regulations. Moreover, women are often perceived as “softer targets” for corruption and are asked for “speed payments.”

- Finally, women are not well represented and have less access to networks and lobbies to influence public decision making. This may make women have less knowledge of reforms under way or planned and less access to relevant information.

This is why it is important to look at opportunities, barriers and risks created by the investment climate for women and men in order to promote gender-sensitive investment climate reforms that would equally benefit women as well as men.

*Source: Adapted from Simavi, S., Manuel, C., and Blackden, M., 2010, Gender Dimensions of Investment Climate Reform. Washington DC: The World Bank.*

### 3. LESSONS LEARNED

This section is based on the analysis of information in annex I regarding projects and programmes to support different aspects of Women Entrepreneurship, as well as on interviews conducted with staff responsible for the implementation of the programmes reviewed. Most of the lessons identified by the review pertain to success elements and challenges in projects to support women entrepreneurship.

#### Project level lessons

Projects which seem to have been effective included one or several of the following features:

- Included a **needs assessment** at the beginning of the project, with participation of the target group in definition of needs;
- Included activities focused on **building the capacity** of women, whether vocational skills, financial literacy, legal literacy, etc.
- Related to this, successful projects also included activities aimed at **institutional strengthening** of community groups and/or women’s groups
- Some projects had a focus on **youth and early interventions** to build entrepreneurship capabilities;
- **Ongoing technical support** to accompany the groups created through different modalities such as coaching, technical assistance, etc. was also a feature of effective projects;
- Anchoring programmes in local communities through building the capacity and using **local facilitators** contributed to the sustainability of the projects;
- A **holistic approach** combining social mobilization, education, access to credit and joint economic initiatives worked really well;
- Close **cooperation with** local, regional and national level **government** structures was vital to the success of most projects, and the inclusion of local government representatives into the process also enabled and supported sustainability;
- The **capacity building of government** project counterparts also provided positive results and improved cooperation;

- **Experience sharing and peer-learning**, in the form of study tours, exchange visits and site-visits were also highlighted as an important factor in the success of projects. One of the lessons learned was to conduct the study tour/exchange at the beginning of the project before the joint economic initiative activity;
- The development of **credit unions** was a cost-effective strategy to promote sustainable access to financial resources in several projects.

### Box 3. Peer Learning and Exchange of Experiences: Farah study tour

In May 2015 ten participants of the Farah competition which promotes successful women entrepreneurship, participated on a study tour to Turkey to learn from successful women-led businesses and women business associations in Turkey. They met with KAGIDER- the largest women business association in Turkey, as well as with specific businesses such as Beauty salons, marketing and advertising companies, agribusiness firms (as per the sector of interest of Tajikistan entrepreneurs). Following the trip, women-to-women cooperation have continued through advice and mentoring.

The review has also identified a number of **challenges** that the programmes and projects experienced during the implementation. These were related to issues such as:

- Lack of cultural sensitivity and **adaptation to local contexts** of certain programmes, particularly in relation to religion in certain areas (e.g. Islamic finance);
- **Government staff turnover** and challenges associated with capacity building of government staff that would then move to a different function;
- **Access problems for women** to the projects related to lack of interest from women in the trainings, lack of time to participate in trainings, or infrastructure shortcomings to access training; spend their time on training believing it would be a waste of time;
- A **subsidy culture** by which programmes participants expected to be financially rewarded by their mere participation. This applied to both, final beneficiaries, and in certain occasions to Government official as well;
- **Women's and girls' low level of education** which made many initiatives progress much more slowly than anticipated
- **Lack of long-term programming** (at least 5 years) and sustainable financing limited long-term planning and in turn impact of the projects;
- **Bureaucratic obstacles** affected certain aspects of project implementation such as the legalization of business of Self Help Groups and start-up businesses.

### Gaps in programming

The areas identified as priorities in which agencies plan to develop their programmes to support women entrepreneurship in the future included:

- Value chain development
- Access to finance
- Legal and financial literacy
- Business education with a particular focus in start-ups
- Investment climate and enabling environment for women entrepreneurship

### Lessons in the area of research

As it was to be expected given that this a problem almost everywhere in the world, this review has identified an important gap in the production of **statistics** to assess the situation of women entrepreneurship as well as the overall production of sex-disaggregated data in Tajikistan.

**Gap.** The review has also identified a research gap in the area of '**gender analysis of the investment climate**' in Tajikistan. There is therefore a need for targeted research on how investment climate issues affect women entrepreneurs and women's businesses.

### Lessons in the area of reforms

During interviews, participants also mentioned some policy initiatives as good practices particularly important in supporting women entrepreneurship. The Moratorium on inspections for business announced by the President in 2008 was identified as having important positive effects on entrepreneurs, men and women alike.

An area not identified by any agency and which deserves proper attention in the future to support women entrepreneurs is land reform and how to ensure women's access to land for productive purposes.

## 4. CONCLUSIONS

### 4.1 Programmes and Projects

#### Overview

The review has confirmed the existence of a substantive number of programmes and projects in Tajikistan supporting different aspects of women entrepreneurship. The programmes vary on the type of service provided, size, and geographical focus. While the number of programmes represents an important benefit for women entrepreneurs in Tajikistan, it may also lead to challenges of coordination to ensure that all the critical areas to support women entrepreneurship are addressed while avoiding overlapping and duplication between programmes and agencies. This suggests a potential role of the Taskforce and its members in providing such coordination functions in the area of women entrepreneurship in Tajikistan.

#### Gaps

Compared to other programming areas, the area of women's access to land has received less attention in Tajikistan. The review found only one programme in this area. The review revealed the need for a comprehensive approach to women's access to land undertaking programmes which combine advocacy for reform with legal awareness about women's rights to land, as well as more practical trainings focused on productive uses of the land once women have accessed it.

Similarly, while there is a large number of projects focused on directly delivering services to women entrepreneurs, the number of projects and programmes addressing systemic barriers and focusing on promoting an **enabling environment** to support women entrepreneurship is limited. Only two programmes focused on improving the investment climate for entrepreneurs, one for entrepreneurship in general without a gender focus and another specifically focused on supporting women's access to land reform. This is another area where the Taskforce could play an increasing role.

## Programme design

One of the conclusions of the review was that programmes should be comprehensive in the type of support provided and sustained over time. It was the view of those interviewed that one-off interventions whether in the form of training, grants or otherwise, had a limited impact on improving the capacity of women entrepreneurs. There is probably a role for the Taskforce in collecting and disseminating good practices in programmes and other initiatives to support women entrepreneurship.

### 4.2 Reforms in support of women entrepreneurship

There are a number of reforms currently under preparation or planned in Tajikistan which affect important aspects of entrepreneurship in general or areas which are important for women's access to economic resources and therefore affect their capacity as entrepreneurs. Overall efforts to improve the investment climate as well as the land reform are among two of the most important ones.

In order for such reforms to fully benefit women along men, it is important that they are formulated taking into account gender dimensions. Research and experience from across the world shows that the same policy can have different impacts on male and female entrepreneurs (see box 2 in this report for examples), and good practice in policy formulation includes an analysis of the gender dimensions of the investment climate in order to ensure that policies are formulated and planned taking into account the needs of both men and women.

Therefore, the extent to which current and future reforms will benefit women entrepreneurs in Tajikistan will depend on whether the specific needs of women entrepreneurs and the nature and needs of their businesses (which are likely to be different from men-led businesses because of their size, sector, and characteristics of the business owner) are taken into account and addressed in the drafting of these policies and laws. Many of the Taskforce members are represented in committees drafting the different laws and policies and this opens up an opportunity for Taskforce members to actively participate in the process by identifying and advocating for the needs of women entrepreneurs to ensure that they are addressed as part of policy and law formulation.

In order to be able to do this effectively, capacity of members of the Taskforce may need to be strengthened. Specific training by international experts on Gender Dimensions of the Investment Climate could be therefore delivered to the Taskforce in the future.

Also, in the future, coordination between the Taskforce of Women Entrepreneurs and the Investment Council of Tajikistan should be sought to ensure an early identification of potential reforms which impact women entrepreneurship.

## 5. RECOMMENDATIONS

### 5.1 Programme Coordination

The Taskforce could ramp up its role coordinating programmes for women entrepreneurs through:

- **Portfolio review and analysis.** This could be done among other things by using the current matrix in annex I as a baseline and by undertaking periodic updates and presenting and discussing results in Taskforce meetings twice a year.
- **Dissemination of good practices.** The Taskforce could help disseminate good practices or elements of good practice identified in programmes to support women entrepreneurship.

- **Compilation of findings of existing studies.** The Taskforce could expand this review with a desk review of the studies identified in this review and compile the main findings and disseminate its findings among its members and other relevant stakeholders.

## 5.2 Policy Analysis

The Taskforce could ramp up its role in policy analysis and formulation to support women entrepreneurs by:

- **Research on gender dimensions of investment climate**, including an analysis of whether and how investment climate issues present barriers to women entrepreneurs and women's businesses. A cost-effective way of conducting the research would be to build on existing gender informed analysis of the legislation and complement it with further regulation reviews and focus groups and interviews with women entrepreneurs.
- **Building the capacity** of Taskforce members to conduct gender analysis of policies. One day training workshop for Taskforce members on gender dimensions of investment climate reform and gender analysis of policies. The findings of the research on gender dimensions of the investment climate can be used as a critical resource for discussion and capacity building as part of the training.
- **Leverage the role of taskforce members** in drafting committees of important laws and policies for women entrepreneurs, by encourage them to take such a role as representative of the Taskforce in those committees to ensure that relevant gender issues are discussed as part of the preparation of the reform.
- **Mobilize external technical support** when necessary to identify gender impact of important policies and laws;
- Improving **coordination with the Investment Council** of Tajikistan by:
  - Making the taskforce part of the Investment Council or establishing any other appropriate functional link between the two bodies;
  - Improving collaboration in the context of the project Strengthening Cooperation with Development Partners on Conducting Investment Climate Analysis. Early discussion and review of terms of reference by the Taskforce to ensure that consultants responsible for the investment climate analysis look at relevant gender issues would be a highly cost-effective strategy.

## 5.3 Institutional Capacity Building

This review has identified a gap in the production of statistics to assess the situation of women entrepreneurs in Tajikistan and sex-disaggregated statistics in general. Addressing this gap will require substantial institutional support over a long period of time and this probably goes beyond the scope of action of the Taskforce. However, the Taskforce is in a strategic position to liaise with partners in the Government and elsewhere and advocate for this to become a priority in the near future.

**Annex I. PROGRAMMES AND PROJECTS TO SUPPORT WOMEN ENTREPRENEURSHIP IN TAJIKISTAN**

**Annex II. RESEARCH ON WOMEN ENTREPRENEURS IN TAJIKISTAN**

**Annex III. RELEVANT LAWS AND POLICIES FOR WOMEN ENTREPRENEURS IN TAJIKISTAN**