



## Building a Better Normal for Women Entrepreneurs in Kazakhstan

Nearly half of small and medium enterprises in Kazakhstan are headed by women, but many face challenges in accessing credit. A \$200 million project by ADB is helping to provide women the financing they need to expand their businesses.



An ADB project in Kazakhstan is supporting MSMEs, including women-owned businesses, by providing financing and training.

Tatyana Ivanova's family has long been in the business of producing car seat covers. But a few years ago, she found herself struggling to meet production timelines due to a lack of raw materials and modern equipment.

Thanks to a 3.45 million tenge (about \$8,625) loan from a microfinance organization, Tatyana was able to purchase textiles and new, multifunctional sewing and cutting machines. With efficient equipment and sufficient supplies, she was able to clear a backlog in orders and increase production.

"Without a loan, I would not be able to manage this business," Tatyana said. But while her work can be very profitable, she added, "when you start paying the rent, paying the staff's salaries, paying for electricity and gas, especially in wintertime, it requires a lot of money."

Tatyana is among the many beneficiaries of ADB's *Supporting Resilience of Micro, Small, and Medium-Sized Enterprises (MSMEs) Finance Project*, which provided a \$200 million local currency loan to the Damu Entrepreneurship Development Fund (Damu) in Kazakhstan. Damu made financing available to qualified participating financial institutions, including the microfinance organization that lent to Tatyana.

About 42% of active small- and medium-sized enterprises in Kazakhstan were headed by women in 2015, based on a [study](#) by ADB. Many are involved in livestock, food catering, sewing, education, trade, and personal services. According to a [recent report](#), 48% of those self-employed in Kazakhstan are women who are working either as independent entrepreneurs or in small companies.

Yet women's efforts to build or expand their businesses are constantly challenged by a lack of access to financial resources—along with high interest rates, burdensome paperwork, and a tendency for banks to undervalue their collateral.

ADB helped commercial banks and microfinance institutions improve their services to women borrowers by developing gender policies, holding gender sensitivity trainings, and designating people to serve as gender focal points within those institutions. They were tasked to raise the profile of women-owned businesses as a relevant, important business segment of the participating financial institutions.

The gender focal persons conducted networking activities and organized events to promote lending to women. ADB also required the integration of gender disaggregated data in the management information systems of participating financial institutions. This enabled the institutions to analyze trends and systematically assess women's borrowing—including how women use and repay their loans— to craft better policies.



ADB partnered with Atameken (National Chamber of Entrepreneurs) to conduct regional workshops for women entrepreneurs in rural areas. Each participant had an important story to tell, sharing the challenges they had to overcome and the lessons they learned.

With ADB's support, women entrepreneurs received around \$76 million in financing, surpassing the \$50 million target set under the project. Of the 44,422 microborrowers with loans from participating financial institutions, around 58% were women—surpassing another project target that aspired to assist at least 5,000 microborrowers, with at least half of them being women.

Nargiza Kadirova, a physician who left her career due to health problems, is among those who received financial support from the project. After establishing a business producing a local dairy product called kurt, she took out a T18 million (about \$45,000) loan from a microfinance institution to expand her business. The loan enabled her to acquire land, eight cows, thermometers, and other laboratory equipment, all of which helped her to improve quality.

"Initially I employed four people," Nargiza said. "After I took a loan, we expanded and the staff increased to 14 employees, then to 18." And thanks to her expanded business, she is also able to help orphanages and a nursing home by supplying them with her products.

Through the ADB-funded loans, MSMEs in Kazakhstan were able to expand and generate over 18,000 jobs, more than 6,400 of which were created by women-owned businesses. Women-owned MSMEs created the most jobs in the trade and agriculture sectors. The project helped give women the confidence needed to make decisions that could increase their economic opportunities—while also making a difference in their communities.

*This article was written by Dai Chang Song, Principal Financial Sector Specialist and Rafael Aquino, Associate Project Officer, Public Management, Financial Sector and Trade Division of ADB's Central and West Asia Department.*

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- [49076-005: Supporting Resilience of Micro, Small, and Medium-Sized Enterprises Finance Project](#)
- [Kazakhstan Country Gender Assessment](#)
- [Video: Women Entrepreneurs Get Training and Access to Credit in Kazakhstan](#)
- [Kazakhstan and ADB](#)

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