

GENDER ACTION PLAN

I. GENDER ASSESSMENT

A. Georgia Gender Context

1. Georgia is one of the few countries in Eastern Europe and Central Asia in which women are more likely than men to have a bank account, yet overall account penetration is lower than elsewhere in Eastern Europe and Central Asia.¹ Georgia's share of companies with female ownership is also lower with an average of 22.0% (26.0% in small enterprises and 17.0% in medium-sized enterprises), versus the average of the Caucasus and Central Asia region (33.0%) and the world (35.0%).² Particular barriers encountered by women include lack of relevant skills and knowledge, and poor access to start-up capital and bank loans, in addition to a low level of property and asset ownership. For instance, collateral requirements for business loans are onerous, and difficulties in accessing financing may affect women disproportionately because they are less likely to own property, leading to smaller and higher-interest loans than men. Both men and women are engaged in entrepreneurship in Georgia, but women are more likely to own micro-businesses and less likely to own large businesses.

Table 1: Firms with Female Representation in Ownership and Management in Georgia, by firm size (2020)

Indicator	Small (5-19)	Medium (20-99)	Large (+100)
% of firms with female participation in ownership	26%	17%	21%
% of firms with majority female ownership	17%	5%	1%
% of firms with a female top manager	19%	13%	11%

Source: International Finance Corporation and World Bank. [Enterprise Surveys \(database\)](#).

Table 2: Georgia Gender Representation in Firms Compared to Region and World

Indicator	Georgia	Europe and Central Asia	World
% of firms with female participation in ownership	22%	33%	35%
% of firms with majority female ownership	12%	14%	15%
% of firms with a female top manager	12%	16%	16%

Source: International Finance Corporation and World Bank. [Enterprise Surveys \(database\)](#).

2. In 2018, of the 50,383 newly established enterprises in Georgia, 14,644 were women-owned, a relatively constant trend for the past few years.³ Women still face numerous barriers in starting and succeeding as entrepreneurs, such as social norms about the generally accepted roles of women and men, domestic responsibilities, and limitations in access to finance and assets. As the skill level declines, men start to predominate. As such, women are less frequently found in managerial positions, which may be an early sign of the glass ceiling effect.⁴

3. As per the Georgian Government's Anti-Crisis Economic Plan in response to the coronavirus disease (COVID-19) crisis, all legal entities were given the opportunity to restructure their loans and a credit guarantee scheme was structured to support small and medium-sized enterprises (SMEs), with priority given to women entrepreneurs and other vulnerable groups.⁵

¹ World Bank Group. 2016. [Georgia Country Gender Assessment – Poverty and Equity Global Practice](#).

² World Bank, European Bank for Reconstruction and Development, and European Investment Bank. 2019. [Enterprise Surveys - What Businesses Experience: Georgia 2019 Country Profile](#).

³ National Statistics of Georgia. [GEOSTAT Database](#).

⁴ UNWOMEN. 2012. [Analysis of the Gender Pay Gap and Gender Inequality in the Labour Market In Georgia](#).

⁵ Georgia State Government. [Prevention of Corona Virus Spread in Georgia](#).

Financial measures with adjusted terms are part of the response to address women entrepreneurs' barriers in sustaining access to finance and markets.

B. Company Context

4. Bank of Georgia (BOG) has strong women participation in its overall workforce, representing 68.0% out of its 5,851 employees. In line with the industry average, representation in management positions becomes lower at higher levels, with 52.0% of women in middle management level and 29.0% in senior management. Going forward, BOG aims to increase women participation in its Board of Directors and "proactively seeks a woman candidate as we are supportive of improving our Board gender balance, which stands today at two women and six men."⁶

5. BOG has adopted a corporate sustainability approach. At the corporate level, BOG has put in place several initiatives to provide employees with equal development opportunities, fair compensation and benefits. The bank's Human Rights Policy covers anti-discrimination and anti-sexual harassment issues. BOG also provides special working conditions for pregnant and breastfeeding women with back-to-work adaptation. BOG has developed extensive career development programs to which female staff have equal access. Of the total 50 employees participating in the Leadership Development Executive Coaching Program, there were 28 women and 22 men as of January 2020. The program has a specific Leader Talent Pool which serves as a pipeline for promotion to senior management positions. Each woman in the Leadership Talent Pool has an individual development plan tailored to her development needs and is mentored by a designated executive with practical guidance and experience. The program has a target of at least nine women to be promoted to senior management in the next five years (BOG's top management team currently consists of 14 people). With regard to middle management, BOG promoted 74 women and 68 men to managerial positions in 2019.

6. BOG is fully committed to promoting women entrepreneurship. It has grown its women-owned micro, small and medium-sized enterprise (WMSME) portfolio steadily since 2015 with a total number of 26,689 WMSME borrowers (36.0% of BOG's total micro, small and medium-sized enterprise [MSME] borrowers).⁷ BOG was recognized as the Best Issuing Bank Partner for Women Owned Businesses in Europe and Central Asia in 2017 by the International Finance Corporation (IFC), notably collaborating with IFC and the European Bank for Reconstruction and Development (EBRD). BOG developed a specific product with additional funding from EBRD targeting women businesses called "Women Startup", which is claimed to be the first time that a bank has given women the opportunity to start a business in Georgia.⁸

7. **Bank of Georgia's COVID-19 Women in Business Program.** As BOG's WMSME clients are mostly in the informal and service segments (72.1% of BOG's WMSME loan portfolio is comprised of microenterprises, followed by 20.4% in services), they are by default more vulnerable to the impacts of COVID-19, less resilient in securing income and thus, will take a longer time to recover. Aware of their higher vulnerability and in the context of this project, BOG is designing a COVID-19 Women in Business Program aimed at addressing the two main factors that have been identified as potential solutions to help WMSMEs cope with the effects of COVID-19: more flexibility on credit terms to help WMSMEs repay in a sustainable way, and expanding

⁶ Bank of Georgia Group PLC. 2019. [Annual Report 2019](#).

⁷ WMSMEs are defined as MSMEs with more than 50% ownership by a woman or with a woman as chief executive officer or chief operating officer.

⁸ Bank of Georgia. [Women Startup](#).

their access to markets to sell their products in a non-traditional way such as online commerce.⁹ BOG expects the “COVID-19 Women in Business Program” to serve as a pilot case study to be further expanded to more WMSMEs.

8. At the corporate level, BOG took proactive internal measures to respond to the COVID-19 crisis. Management engaged early on with staff to communicate with them on the situation and provided supporting solutions including work from home arrangements. BOG has been sharing information on available assistance services. The Gender Action Plan (described below) reinforces BOG’s efforts by including enhanced communication campaigns on mental health and addresses other relevant gender specific issues (including gender-based violence and harassment) that may be exacerbated during the pandemic crisis as gender targets.

II. GENDER ACTION PLAN

C. Proposed Gender Action Plan for Bank of Georgia

9. The COVID-19 response loan is proposed to be categorized as Gender Equity Theme (GEN) wherein the project’s outcome directly addresses WMSMEs’ business resilience and thus, sustained access to finance. It is expected that at least 50% of ADB’s loan to BOG will be disbursed to WMSMEs. Gender design outputs and targets will be incorporated in BOG’s operations and investments to address WMSMEs’ financial distress created by COVID-19 and to increase their resilience to future shocks. The proposed gender targets for BOG are presented in the gender action plan.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Responsible Entity
Outcome 1. BOG’s capacity to support MSMEs with a focus on WMSMEs increased	a. Total loan portfolio to WMSMEs increased to \$450.0 million by 2025, (equivalent to 20.3% of the total MSME portfolio in 2025) (Q4 2019 baseline: \$157.1 million – equivalent to 17.8% of the total MSME portfolio) b. Number of WMSME borrowers increased to 45,400 by 2025 (equivalent to 38.3% of the total number of MSME borrowers in 2025) (Q4 2019 baseline: 26,689 – equivalent to 36.3% of the total number of MSME borrowers) c. ADB funds to WMSMEs are at least 50% of the total ADB facility by 2025 (Q4 2019 baseline: 0).	Development Effectiveness Monitoring Reports	BOG
Outputs 1. BOG’s COVID-19 financial response is gender-equitable, extending moratoriums	1a. Number of WMSME borrowers that benefited from COVID-19-related repayment holidays increased to 23,000 by 2022 (equivalent to 40.4% of all		BOG

⁹ World Bank Gender Innovation Lab. 2020. [Supporting Women Throughout the Coronavirus \(Covid-19\) Emergency Response And Economic Recovery](#).

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Responsible Entity
to MSMEs, especially WMSMEs	MSMEs benefiting from repayment holidays by 2022)		
	1b. Number of WMSMEs that used BOG training modules reached 10,000 by 2025 (Q4 2019 baseline: 0)		
	1c. Number of WMSMEs that used BOG e-commerce platform reached 1,950 by 2025 (Q4 2019 baseline: 0)		
2. BOG's COVID-19 business support response is gender-equitable, offering nonfinancial support products, with special emphasis on WMSMEs	2. Number of WMSMEs reached by advertising campaign that targets WMSMEs with information on product offerings and how to cope with COVID-19 effects reached 34,600 by 2025 (Q4 2019 baseline: 0)		
3. Gender equality in BOG's work environment improved	3a. Percentage of staff that benefitted from training program on business management skills who are women reached at least 50% by 2025 (Q4 2019 baseline: 0).		
	3b. Internal leadership talent pool for BOG women leaders increased to 40 women by 2025 (Q4 2019 baseline: 28 women).		
	3c. Number of BOG female staff reached by the internal communication campaign with gender-sensitive information and referral advice about the COVID-19-exacerbated vulnerabilities, such as gender-based violence, reached 100% by 2025 (Q4 2019 baseline: 0)		

ADB = Asian Development Bank, BOG = Joint Stock Company Bank of Georgia, COVID-19= coronavirus disease, MSME = micro, small and medium-sized enterprise, Q = quarter, WMSME = women-owned micro, small and medium-sized enterprise

Source: Joint Stock Company Bank of Georgia and Asian Development Bank.