



TAILORED FINANCIAL AND NON-FINANCIAL SERVICES FOR WOMEN ENTREPRENEURS IN GEORGIA AND ARMENIA

MARKET ASSESSMENT

September 30, 2025

This material was produced within the Her Power, Her Future Project, with the financial support of the U.S. Department of State. Its content represents the sole insights of the authors and does not necessarily reflect the vision of the donor.

ACKNOWLEDGEMENTS

This market assessment was made possible with the financial support of the **U.S. Department of State**, as part of the Women's Economic Security Project **Her Power, Her Future**, implemented in Georgia, Armenia, and Azerbaijan. The project aims to enhance the economic security and entrepreneurship of rural women, promote their participation in cross-border trade, and support their leadership in economic life, thereby contributing to broader regional stability.

The assessment was implemented by **CARE Caucasus**, with active engagement from its local partner organizations: WINNET Goris Development Foundation, Sakartvelo Regional Empowerment Foundation, and the business association Women for Tomorrow.

We sincerely thank the staff of **FINCA Armenia**, **ProCredit Bank**, and **Microbank Crystal** for their valuable collaboration, as well as the international financial and development institutions that participated in interviews, including the European Bank for Reconstruction and Development (EBRD) in Armenia and the German Sparkassenstiftung in Armenia.

Special thanks are extended to the women-owned and women-led micro and small enterprises across seven regions of Georgia and Armenia for sharing their experiences and insights through focus group discussions and co-design workshops, which were instrumental to this assessment.

Prepared By: Nino Meparishvili

Reviewed By: Natia Katsiashvili

September 30, 2025



TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1. CONTEXT AND PURPOSE	1
2. METHODOLOGY SUMMARY	2
3. DESK RESEARCH FINDINGS	2
3.1 COMPARATIVE OVERVIEW: GEORGIA AND ARMENIA	2
3.2 REGULATORY ENVIRONMENT FOR ACCESS TO FINANCE	4
3.3 FINANCIAL SERVICES AND BARRIERS FOR SEMI-URBAN AND RURAL WOMEN ENTREPRENEURS	5
3.4 INTERNATIONAL PRACTICE HIGHLIGHTS	6
4. PRIMARY DATA COLLECTION – SUMMARY OF INSIGHTS FROM THE FIELDWORK	9
4.1 DEMAND-SIDE INPUTS	9
4.2 SUPPLY-SIDE INPUTS	13
5. NEEDS-BASED RECOMMENDATIONS FOR IMPROVING ACCESS TO FINANCE FOR WMSES..	15
5.1 FINANCIAL SERVICES	15
5.2 NON-FINANCIAL SERVICES	16
BIBLIOGRAPHY	21
ANNEXES	23
ANNEX 1 – DESK RESEARCH REPORT SUMMARIES FOR GEORGIA AND ARMENIA	23
ANNEX 2 – BARRIERS FOR WMSES IN GEORGIA AND ARMENIA	25
ANNEX 3 – COLLATERAL-FLEXIBLE FINANCIAL SERVICES FOR SEMI-URBAN AND RURAL WOMEN ENTREPRENEURS IN GEORGIA	26
ANNEX 4 – COLLATERAL-FLEXIBLE FINANCIAL SERVICES FOR RURAL WOMEN ENTREPRENEURS IN ARMENIA	27
ANNEX 5 – LIST OF FINANCIAL PRODUCTS, SERVICES & DELIVERY MODELS	28
ANNEX 6 – INTERVIEW GUIDE	29
ANNEX 7 – FOCUS GROUP DISCUSSION GUIDE	30
ANNEX 8 – BRIEF CONCEPT FOR PEER EXCHANGE, LEARNING AND NETWORKING CIRCLES ...	32
ANNEX 9 – SUMMARY FROM THE CO-DESIGN WORKSHOPS	33

ABBREVIATIONS

AFI	Alliance for Financial Inclusion
BDS	Business Development Services
CBA	Central Bank of Armenia
DFIs	Development Finance Institutions
DFS	Digital Financial Services
EBRD	European Bank for Reconstruction and Development
ESG	Environmental, social, and governance
EU	European Union
FGD	Focus Group Discussion
FIs	Financial Institutions
GDP	Gross Domestic Product
DSIK	Die Deutsche Sparkassenstiftung für internationale Kooperation
GEFF	Green Economy Financing Facilities
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFIs	International Financial Institutions
ILO-WED	International Labour Organization's Women's Entrepreneurship Development program
LTV	loan-to-value
MFIs	Micro Finance Institutions
MIS	Management Information Systems
MSMEs	Micro, Small, and Medium Enterprises
PTI	payment-to-income
PCB	ProCredit Bank Georgia
ROSCAs	Rotating Savings and Credit Associations
SDC	Swiss Agency for Development and Cooperation
SMEs	Small and Medium Enterprises
TVET	Technical and Vocational Education and Training
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP FI	United Nations Environment Programme Finance Initiative
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Associations
W-GDP	The Women's Global Development and Prosperity Initiative
We-Fi	Women Entrepreneurs Finance Initiative
WMSEs	Women-owned and Women-led Micro and Small Entrepreneurs
WWB	Women's World Banking
YES-Georgia	Youth Entrepreneurial Skills, Employment, and Income Generation Support Program in Georgia

EXECUTIVE SUMMARY

This report presents the key findings of a market assessment on access to finance for rural women entrepreneurs in **Georgia** and **Armenia**, highlighting structural barriers, enabling factors, and opportunities to strengthen access to tailored financial and non-financial services.

Fieldwork and desk research reveal that women entrepreneurs are highly motivated and operate across diverse sectors, including agriculture, food production, crafts, retail, beauty and wellness, and tourism. Despite disciplined financial behavior and strong repayment histories, women still face challenges in accessing affordable finance and obtaining complementary technical assistance.

International experience and locally implemented programs demonstrate the effectiveness of women-focused, integrated approaches that combine financing with upskilling and reskilling efforts, supported by interest-payment schemes and collateral reduction mechanisms. Co-design workshops confirmed that women prioritize peer learning, skill-building, and access to flexible and affordable financial products tailored to their contexts.

The report concludes that a holistic, locally adapted approach—blending financial and non-financial support—can unlock the economic potential of women’s entrepreneurship, foster inclusive growth, build resilience in semi-urban and rural communities, and contribute to broader socio-economic development in both countries.

1. CONTEXT AND PURPOSE

This market assessment was conducted with the aim of expanding access to finance for **women-owned and women-led micro and small enterprises (WMSEs)** in Georgia and Armenia, with a particular focus on semi-urban and rural areas. It examines both **demand- and supply-side dynamics**, alongside international practices, to identify barriers and opportunities for enhancing access to tailored financial and non-financial services.

Women’s entrepreneurship goes beyond financial independence or flexible self-employment; it strengthens families, builds resilient communities, and helps reduce urban migration. By running and expanding local businesses, women introduce new products and services, connect rural production with urban demand, and contribute to overall economic activity.

An integrated approach to supporting WMSEs helps reduce structural barriers and creates opportunities for business growth. For financial institutions, this broader impact translates into a more diversified client base and new market opportunities in underserved areas. In this way, financial inclusion is not only about extending credit or savings products, but also about

positioning financial institutions as enablers of social development and sustainable economic growth at both community and national levels.

2. METHODOLOGY SUMMARY

The assessment leveraged a **mixed-methods approach**, combining fieldwork and desk-based research to ensure a comprehensive understanding of the landscape. It employed **CARE's Ignite co-creation approach**, applying design-thinking principles to enable women entrepreneurs to co-design practical solutions to common challenges.

Key components included:

- **Desk research** of public resources relevant to women's access to financial services and entrepreneurship.
- **Review of international practices**, structured through a matrix to identify opportunities, analyze relevance to the local context, and shape recommendations.
- **Primary data collection**, including semi-structured interviews with financial institutions, and individual interviews and focus group discussions (FGDs) with women entrepreneurs across Georgia and Armenia.
- **Co-design (reflection and validation) workshops**, using suggested concepts for stakeholder reflection and facilitating exchange between women entrepreneurs and interested financial institutions (FIs) in both countries.

Overall, the assessment engaged **more than 100 WMSEs from seven regions** of Armenia and Georgia, as well as civil society organizations (CSOs) and a diverse set of financial institutions, including financial sector enablers, banks, microbanks, and microfinance organizations.

3. DESK RESEARCH FINDINGS

3.1 COMPARATIVE OVERVIEW: GEORGIA AND ARMENIA

Georgia and Armenia face similar challenges in women's access to financial services, particularly with regard to credit access, collateral requirements, and the lack of women-focused financial products. In both countries, emerging women entrepreneurs often rely on personal savings (including remittances) or donor support rather than formal loans, although they generally demonstrate strong discipline and good repayment histories.

As reported to the Permanent Parliamentary Gender Equality Council of Georgia (2022), **women held a notably high share of pawn loans (70%)**, while only 35% of unsecured loans were issued to them—highlighting limited access to higher-risk financing and restricted asset ownership.

Although overall, women are considered more reliable borrowers, they are often denied credit due to poorly prepared business plans, underscoring the need to strengthen their business and financial management skills. **Limited mobility—only 10.4% of women own cars**—and inadequate transport infrastructure in rural areas further constrain their economic participation.

In Georgia, key barriers include high interest rates, limited loan guarantee mechanisms, and a lack of tailored financial products. The YES-Georgia program, funded by USAID and the U.S. government’s W-GDP Initiative, offered a promising bundled model, combining finance with training and mentorship. However, broader structural issues—such as limited asset ownership, low participation in associations, and unpaid care responsibilities—continue to restrict women’s entrepreneurial potential.

In Armenia, targeted programs such as the IFC’s Investment Readiness Program and Platform#5: Accelerating Economic Opportunities for Women in Armenia, implemented by UNDP Armenia and funded by the Austrian Development Agency (ADA), provide mentoring, ecosystem support, and pre-acceleration services. The country has seen a sharp rise in women’s access to financial services, with the sub-index increasing from 14.3% in 2017 to 52.2% in 2023. Armenian women also demonstrate higher interest in financial education and make greater use of grants and subsidized loans.

While both countries have made progress, Armenia benefits from a more structured ecosystem approach (e.g., AFI membership - [bringing smart policies to life](#)), whereas Georgia’s progress is driven by isolated initiatives. Strengthening tailored financial and non-financial products, embedding a women-focused perspective, and improving outreach and literacy remain key priorities in both contexts (**Annex 1**).

The table below summarizes key 2024 economic and demographic indicators for Armenia and Georgia, including GDP per capita, population size, sex distribution, urban-rural split, and GDP growth rates. Both countries show favorable economic performance, with Georgia leading in GDP per capita and growth. Women make up over half the population in both countries, highlighting their economic potential.

A significant portion of the population lives in rural areas—35% in Armenia and 38% in Georgia—underscoring the need for accessible financial and non-financial services outside urban centers. Expanding women’s entrepreneurship in rural areas can serve as a catalyst for sustainable economic growth and improved living standards in the region, while helping to reduce urban migration and prevent depopulation and geographical imbalances.

The economic structures of Armenia and Georgia are relatively similar, with both countries relying on agriculture, trade, services, and small-scale industry. This creates opportunities for

regional cooperation and joint initiatives to foster women’s entrepreneurship and peer exchange. These indicators help shape responsive strategies for designing financial and non-financial products and services tailored to the realities of semi-urban and rural women entrepreneurs.

Table 1: Economic and Population Profile Relevant to Women’s Access to Financial Services, 2024.

Country	GDP per Capita	Total Population	Number of Women (% of Population)	GDP Growth	Urban Population (% of Population)	Rural Population (% of Population)
Armenia	USD 8,860	3,075,800	1,649,160 (53.6%)	5.9%	1,985,500 (64.6%)	1,090,300 (35.4%)
Georgia	USD 9,570	3,704,500	1,923,900 (52.0%)	9.4%	2,279,700 (61.5%)	1,424,800 (38.5%)

Source: official statistics

3.2 REGULATORY ENVIRONMENT FOR ACCESS TO FINANCE

Key Regulatory Features by Regulator: National Bank of Georgia (NBG)

Scope: Applies to all financial institutions lending to individuals, including entrepreneurs.

Goal: Ensure responsible lending and consumer protection.

- Core Requirements:
 - Mandatory creditworthiness assessments, including limits on payment-to-income (PTI) and loan-to-value (LTV) ratios.
 - Loan currency must match borrower’s income source (e.g., GEL for local income).

- Special Provisions for Access:
 - TVET (is authorized) and reskilling loans can be issued without collateral, supporting especially women’s education and employability.
 - Up to 6 years loan term and 12-month post-study grace period.
 - Movable property (if fully covered) accepted as collateral, which may exempt a borrower from creditworthiness checks.

Key Regulatory Features by Regulator: Central Bank of Armenia (CBA)

- General Lending Requirements:
 - All licensed financial institutions in Armenia must follow standard credit risk assessment procedures, as defined by CBA prudential norms.
 - Lending regulations include Loan-to-Value (LTV) limits of up to 90% for loans in AMD and 70% for foreign currency loans, to reduce risk exposure.
 - Access to credit typically requires collateral, documented income, and formal business registration—criteria that often exclude informal or women-led microenterprises.
- Discretionary Practices:
 - The CBA’s principles-based regulatory framework allows for non-collateralized lending and informal income recognition, but does not mandate them.
 - Financial institutions may adopt these practices if supported by:
 - Documented internal risk assessment methodologies
 - Compliance with capital adequacy and provisioning requirements
 - In practice, such flexibility is most applied in donor-backed or blended finance programs, rather than in standard commercial lending.

3.3 FINANCIAL SERVICES AND BARRIERS FOR SEMI-URBAN AND RURAL WOMEN ENTREPRENEURS

In both Georgia and Armenia, financial services are predominantly bank-led, with commercial banks playing a central role in personal and MSME lending, although in both countries, there are regulated microfinance organizations and growing fintech markets. Despite this expansion, WMSEs continue to face structural barriers to accessing affordable finance. These include the lack of marketable collateral, weak or informal revenue streams, limited savings, and gaps in business administration, money management, and technical skills (**Annex 2**).

Existing constraints make them less attractive to traditional lenders and typically require donor-funded interventions to enable financial institutions to obtain de-risking mechanisms and onboard these clients. The interventions often take the form of partial loan guarantees (e.g., first-loss absorption of up to 50%) and subsidized interest payments to reduce the cost of risk (CoR) and lower the effective interest rate for clients. In 2024, Legal Entity of Public Law Enterprise Georgia ([Growthhub](#)) launched a micro-entrepreneurship support program through partner banks, inter alia explicitly targeting WMSEs. Two of the women interviewed for this assessment benefited from the program, acquiring equipment and raw materials to improve business efficiency, backed by an 80% credit guarantee and full interest coverage for five years. Similar donor-funded programs in Georgia and Armenia have partnered with commercial banks to

implement comparable structures, helping to mitigate expected credit losses and expand access to financial services for women-led businesses (**Annex 3, Annex 4**).

The **EBRD Armenia** office highlighted that SME advisory support is available in both Georgia and Armenia, covering up to 60% of the cost of consulting services, mostly in areas such as business strategy, digitalization, marketing, branding, and ISO implementation. In Armenia, EBRD occasionally implements mentorship initiatives targeting micro and small entrepreneurs in rural areas, often through outreach via local associations.

The interview emphasized an integrated approach to supporting women-led businesses—defined as those operationally run by women—by enabling financial institutions to provide access to finance through mechanisms such as a first credit loss absorption of up to 10%. However, this was noted as insufficient to close the financing gap for semi-urban and rural women-led micro and small enterprises, which evidently require greater risk-sharing and interest subsidy mechanisms. Additionally, EBRD promotes the use of management information systems (MIS) that can generate sex-disaggregated data and trends, though such systems are not yet consistently adopted at a systemic level.

ACBA Bank was recognized as a proactive financial institution making notable efforts to develop products and outreach tailored to underserved client segments. While Armenia has joined the Alliance for Financial Inclusion (AFI), efforts to expand access to financial services are still perceived as largely driven by international financial and development institutions (IFIs/DFIs), rather than strategic leadership at the national level. Generally, the banking market in Armenia is highly competitive in the corporate and SME segment, dominated by the top five banks, including ACBA. In contrast, the retail banking segment shows stronger growth potential due to incoming remittances, growing micro-business activity, and increasing interest in real estate investments.

3.4 INTERNATIONAL PRACTICE HIGHLIGHTS

A review of international programs reveals a growing body of women-focused financial and non-financial services tailored to the needs of women entrepreneurs, particularly those in underserved or rural contexts. Global institutions such as the **IFC, Women’s World Banking (WWB), UNCDF, AFI,** and **We-Fi** have pioneered models that not only improve access to finance but also address the structural and behavioral barriers women face (**Annex 5**).

Key innovations include **soft-term microloans** under the IFC’s Banking on Women program, which helps financial institutions expand lending to women entrepreneurs through capital, risk-sharing mechanisms, and technical support to design women-focused financial products. **Digital microcredit solutions**, including those delivered via mobile platforms or messaging apps, are

increasingly used to reach women who may lack traditional collateral or formal credit history. **Goal-based savings products** have proven effective in motivating disciplined saving, while informal alternatives such as **ROSCAs (Rotating Savings and Credit Associations)** are also practiced.

ROSCAs—where a group of participants contributes a fixed amount regularly and one member receives the pooled sum each cycle—are widely used in **West Africa, South Asia, Latin America**, and parts of **Southeast Asia**. These systems thrive in settings where trust-based, community-led finance is essential due to limited access to formal banking, low financial literacy, and cash-based economies. **However, in Georgia and Armenia**, where formal financial services are developed and accessible, ROSCAs are considered less relevant, as the high reliance on mutual trust and co-dependence among participants can lead to default risk, coordination challenges, and a lack of formal recourse.

Village Savings and Loan Associations (VSLA) are community-based groups that enable women to pool savings, access small loans, and share profits at the end of each cycle. Members set their own rules on share value, loan terms, interest, and penalties, which strengthens ownership and accountability. The **Egypt case** (2021) illustrates how VSLAs can function effectively in women’s communities—even where cultural barriers and low financial literacy pose challenges—and how, with Central Bank support, they can transition toward formal finance through **digital wallets** and simplified Know Your Customer (KYC). This helps women build credit histories, though issues of trust in digital tools, limited smartphone access, and social interaction remain key obstacles.

In Georgia’s Kvemo Kartli region, within *the Her Power, Her Future* project, the women’s community adopted VSLAs informally through a lockbox system, supported by a trusted community worker. It should be noted that the project, implemented by CARE Caucasus, piloted the VSLA approach within women’s clubs in the region. CARE Caucasus facilitated the creation of VSLA groups, helped develop formal operational guidelines, and supported the establishment of management committees to oversee group activities. Participant women were trained on how to record and operationalize group savings and maintain loan books. The project also procured and distributed essential materials, including cash-boxes and VSLA journals, to the newly formed groups.

The group has up to 20 members, each saving 50–250 GEL per month (1 share equals 50 GEL). Members can take loans at about 3% monthly interest, and records are kept in Excel by a member who is a professional accountant. The fund runs for 12 months, with each woman eligible to borrow up to three times during the cycle. So far, no defaults have happened, showing that the model performs effectively in contexts of high trust, strong commitment, and close community ties. Although such a scheme could technically fall under rules that require formal registration as

a legal entity, the community worker stressed that the informal and flexible nature of the model is what makes it most attractive for women.

Several programs also integrate **reskilling loans**, which could be adapted in Georgia and Armenia as bundled products—e.g., startup or business development microloans combined with technical reskilling and business coaching, implemented in partnership with TVET providers or micro to small business consulting services. In addition, **financial literacy training** is embedded to help women entrepreneurs transition into higher-value economic activities and digital markets.

In contexts where women face social or geographic exclusion, initiatives such as **mobile agent banking**—for example, training midwives as mobile banking agents in **Indonesia**—have expanded access to services. Meanwhile, **alternative credit scoring models** using mobile phone data and behavioral indicators provide viable tools to onboard women without formal credit histories.

A notable approach is **collateral-flexible lending** based on movable assets or receivables, supported by the AFI Gender Inclusive Finance Policy Model. This model encourages financial institutions to adopt flexible collateral criteria and women-focused underwriting practices.

Countries that are members of the AFI—such as Armenia (via the CBA)—benefit from:

- Access to technical support and regulatory tools
- Peer exchanges with other countries on women-focused finance
- Participation in capacity-building workshops
- Use of AFI’s global policy models, including the women-specific lending framework.

Finally, **bundled approaches** that integrate **digital financial services (DFS)** with **capacity-building** and **affordable insurance** (e.g., maternity, crop, or pension schemes) further enhance the resilience of women operating in the informal economy or agriculture.

Some of these international models are already present in Georgia and Armenia, while others may be less suited to the local context. Still, they offer useful insights into how bundled financial and non-financial services can enhance support for WMSEs.

Across the **Western Balkans**, donor-backed initiatives usually provide tailored financial and non-financial support to rural WMSEs through integrated models combining de-risking, blended finance, and capacity building. As EU candidates, their approaches increasingly align with EU standards, offering relevant and comparable examples for Georgia and Armenia. **Tailored Support Mechanisms** for Rural WMSEs in the Western Balkans are as follows:

Financial Mechanisms:

- Low-interest loans with grace periods (Serbia, Montenegro)

- Microloans with symbolic/group collateral (Bosnia, Kosovo)
- Blended finance: grants plus soft loans (Albania)
- Credit guarantees for women (Kosovo)
- Women-focused credit with coaching & reduced collateral (EBRD Women in Business).

Non-Financial Mechanisms:

- Incubators & business hubs (Serbia, Albania)
- Mobile advisory units (Montenegro)
- Mentorship & peer networks (Bosnia, Kosovo)
- Digital & e-commerce skills training (North Macedonia, Serbia)
- Support in registration, branding, and marketing.

Ongoing Insightful Practice – **Novi Sad (Serbia)**: Launched in 2023 with support from EIT Food, the **Women’s Entrepreneurship Academy** in Novi Sad offers rural women in agrifood a unique blend of business training, mentoring, peer support, and interest-free microloans. A recent example is the Empowering Women in Agrifood (EWA) Matchmaking event held on June 19, 2025, which paired 10 women entrepreneurs with experienced mentors based on their business needs. Co-organized with EIT Food, the event exemplified the Academy’s tailored, growth-oriented approach to empowering women in the sector.

A similar practice exists in **Ireland** through Going for Growth, a peer-led initiative for ambitious female entrepreneurs who have been running businesses for at least two years. It offers **round-table mentoring** led by experienced businesswomen, creating a unique learning environment where participants share real-life experiences and tackle common challenges together. Funded by the Irish government’s enterprise development agency, **Enterprise Ireland** and KPMG, and coordinated by Fitzsimons Consulting, the program focuses on **practical, action-oriented learning** beyond traditional classroom approaches.

4. PRIMARY DATA COLLECTION – SUMMARY OF INSIGHTS FROM THE FIELDWORK

4.1 DEMAND-SIDE INPUTS

The combined insights from individual interviews and a focus group discussion with women entrepreneurs in **Georgia**—spanning Kakheti and Kvemo Kartli regions—offer a nuanced understanding of their entrepreneurial motivations, financial practices, and support needs. Participants represented a diverse mix of micro and small businesses, including enterprises in artisan bread and confectionery production, a clothing shop, yard décor and bird-nest crafting,

beauty and dental services, agritourism and wine degustation experiences, dairy production, rose and garden cultivation, an eco-kindergarten, and an autistic children's development center.

Entrepreneurial Motivation and Effort

Women across both interviews and the FGD demonstrated strong personal drive to initiate and grow their businesses. Their motivations were rooted in a desire for autonomy, passion for a specific field, or continuation of family traditions. Some had chosen to leave formal employment or relocate from urban areas to pursue entrepreneurship in rural settings. Initial capital most often came from personal savings or micro-grants received through participation in capacity-building programs, such as TVET, which also helped them develop necessary technical skills. Several women continue to balance formal employment with business activities.

Financial Needs and Practices

There was a consistent demand for additional financing—primarily for capital investments such as equipment, renovations, or tools. However, limited collateral or reluctance to pledge their only property (which is often safeguarded by regulation) makes it difficult to access traditional loans. Women expressed the need for more flexible, affordable, and tailored financing options. While some manage small-scale trade credit or receivables informally, gold-backed loans emerged as a commonly used fallback mechanism for urgent liquidity. Nonetheless, concerns were raised about the potential negative impact of frequent gold-loan usage on future creditworthiness.

Digital financial services are widely used among participants, yet cash transactions and paper-based bookkeeping remain prevalent. Savings capacity is limited, especially among women with modest incomes and high living costs.

Institutional Barriers and Advisory Gaps

Participants shared frustration with standardized banking practices that overlook individual case analysis and the nuanced realities of micro and small entrepreneurs. They emphasized the absence of socially skilled bank staff and a lack of individualized advisory support, which prevents meaningful engagement with the financial sector.

Support Systems and Capacity-Building Needs

Women were not commonly engaged in formal business associations, though all acknowledged the value of peer networks and community-level exchange. There is a clear demand for business coaching, particularly in the areas of marketing, logistics, financial planning, and profitability management. Additionally, the women highlighted the importance of building value chain connections, both upstream and downstream, to scale their businesses.

Mobility and Access Enablers

A unique insight from the FGD pointed to the importance of mobility. Participants showed interest in bundled support schemes that include driving license preparation, vehicle financing, and insurance. Such packages were seen as highly empowering, particularly in rural areas where transport limitations hinder access to markets, suppliers, and clients.

In **Armenia**, two focus group discussions were conducted with women entrepreneurs from the Tavush, Lori, Shirak, Syunik, and Kotayk regions. Participants, aged 20 to 59, represented a diverse range of micro and small businesses, including agriculture, food production, sewing, bakeries, dietary nutrition delivery, packaging, poultry farming, glamping, and niche services such as telescope rentals for tourists.

Entrepreneurial Motivation and Effort

Women across both groups cited personal interest, practical skills, and family-driven motivations as the main reasons for launching their businesses. In several cases, the business idea emerged to meet both family needs and generate supplemental income. Family support, both moral and financial, played a key role in the start-up phase, helping to overcome early resource constraints.

Financial Needs and Constraints

While initial personal savings were helpful for launching businesses, long-term sustainability was said to depend heavily on access to equipment and infrastructure—such as ovens, sewing machines, poultry structures, and packaging tools. Participants underlined the need for technical skills, marketing knowledge, financial literacy, consistency, and reliable networks to ensure business continuity and growth.

Across the groups, women reported persistent challenges in accessing suitable financing. Many described their interactions with financial institutions as complex, confusing, and unresponsive to their needs. Loan products were often perceived as expensive and rigid, with collateral requirements creating additional barriers. There was a clear call for more adapted communication and the involvement of socially skilled bank officers capable of offering tailored advisory services and options. Gold-backed loans are commonly used and viewed as practical, while informal savings circles (referred to as “money lotteries”) are practiced within close-knit communities.

Capacity Building and Support Needs

Participants expressed a strong demand for business coaching, particularly in areas such as accounting, marketing, communication, and planning. Many acknowledged a lack of confidence or skills to effectively track expenses, assess profitability, or engage in structured business development. Women viewed peer learning, networking, and cross-regional business clubs as

important enablers—helpful for sharing experiences, building confidence, generating ideas, and expanding support systems.

Mobility and Enabling Infrastructure

Both focus groups identified mobility as a key factor for sustaining and expanding their businesses. There was strong interest in a bundled mobility support scheme that would cover driving school training, license exams, vehicle purchase, and one-year insurance. Such an initiative was seen not only as a facilitator for existing business operations (e.g., reaching suppliers and customers) but also as a potential foundation for launching delivery services or other mobile business models.

Table 2: Brief Comparative Insights from Women Entrepreneurs – Georgia and Armenia

Category	Georgia	Armenia	Common Ground
Business Motivation	Driven by autonomy, passion, and family traditions; a relocation case from urban to rural	Driven by personal interest, skills, and family needs	Strong internal motivation; dual-purpose ventures (combining income and family support)
Start-Up Financing	Personal savings, micro-grants, and loans (e.g., via learning programs)	Personal savings and micro-grants	Initial capital from personal or grant sources linked to training programs
Access to Finance	Need for flexible terms; collateral is a barrier; gold-backed loans provide rapid access to funds	Loan terms are confusing and costly; collateral is a barrier; gold-backed loans are used.	Collateral challenges; use of gold-backed loans; the need for social skills, simplified procedures, and affordable financing.
Savings & Informal Practices	Limited ability to save due to low income and expenses	Informal savings circles (“money lotteries”) among trusted groups	Use of informal tools; limited formal saving practices
Skills & Capacity Needs	Need for coaching in marketing, business planning, logistics, and finance	Need for skills in accounting, communication, and profitability analysis	Strong demand for technical and business skills development
Relationship with FIs	Frustration with standardized lending; lack of case-by-case analysis, and advisory	Need for clear communication; value socially skilled bank officers	Desire for personalized advisory and a human-centered banking approach

Business Networks	Room for formal networks; value peer exchange and market linkages	Strong interest in local and cross-regional networks	Peer learning and networking recognized as confidence- and growth-enablers
Mobility as Enabler	Interest in bundled schemes (combining a driving license, vehicle, and insurance) to improve access to markets	Interest in similar schemes; see mobility as critical for expansion	Mobility seen as a business enabler, especially in semi-urban and rural contexts

4.2 SUPPLY-SIDE INPUTS

Interview Summary – FINCA Armenia

FINCA Armenia is an impact-driven financial institution with a nationwide network of 33 branches, specializing in lending to micro and small enterprises. The institution places a strong emphasis on supporting women entrepreneurs in rural areas by offering tailored lending products/business lines in partnership with the German-Armenian Fund. These special loan terms include collateral-free financing of up to USD 5,000, consideration of informal income, reduced interest rates, grace periods, and exemption from disbursement fees. As FINCA does not hold banking status in Armenia and cannot disburse loans in cash, it collaborates with Evocabank to channel funds through credit cards. Additionally, FINCA partners with UN Women to deliver financial literacy sessions, reinforcing its commitment to empowering women through both financial and non-financial services. The institution remains open to innovation and the development of need-based, women-focused financial solutions.

Interview Summary – ProCredit Bank Georgia

ProCredit Bank Georgia (PCB) is actively involved in promoting women’s entrepreneurship through an EUR 8 million risk-sharing facility implemented in collaboration with the EBRD and with the support of the European Union and Sweden. This dedicated resource targets women-led businesses and is complemented by business coaching provided by EBRD’s SME advisory services. To date, over 70 women entrepreneurs have benefited from this program, with financing totaling EUR 4 million. The lending package includes favorable terms—such as halved disbursement and monthly service fees, and a 30% reduction in collateral requirements—though real estate and movable business assets remain eligible forms of security.

PCB categorizes loans under EUR 100,000 as microfinance and those between EUR 100,000–750,000 as small business financing. The bank emphasizes regional outreach and recently expanded its presence by opening a new branch in the city of Telavi (Kakheti region), enhancing its ability to onboard WMSEs. According to the bank’s MIS data, women represent 35–40% of

micro borrowers and 25–30% of small business clients, with a notable drop-off in the larger enterprise segments. Overall, the portfolio of loans to female entrepreneurs exceeds EUR 70 million. ProCredit Bank is recognized for its strong ESG commitments, and women-focused finance remains a key area of interest in its long-term strategy.

German Sparkassenstiftung Armenia (DSIK) highlighted the coordinated national initiatives in financial literacy and consumer protection led by the Central Bank of Armenia and the Ministry of Education, targeting school-age children, students, teachers, and rural populations. Within this broader agenda, financial system stakeholders recognized a significant gap in women’s access to financial services. Joint initiatives backed by DFIs/IFIs and implemented through local partners have played a key role in expanding entrepreneurial opportunities for women. NGOs such as World Vision and social workers served as important multipliers in these efforts. DSIK Armenia contributed through technical assistance, including the development of training modules, simulation-based training, business process improvements, and credit scoring design, in partnership with financial institutions such as Farm Credit Armenia.

MBC has been operating in Georgia for 12 years and has recently transitioned into a microbank, enabling it to expand its product offerings, volumes, and begin attracting customer deposits in limited amounts. The institution places strong emphasis on regional outreach and tailoring its services to local business profiles. Currently, around 35% of MBC’s loan portfolio is held by women, who consistently demonstrate stronger repayment performance—a trend that aligns with global observations. MBC cooperates with donor organizations to secure wholesale funding and access technical assistance (TA) facilities with 70% co-financing. These TA resources support customer surveys, employee training, and product development. Around 1–2 years ago, MBC introduced collateral-free loans of up to 20,000 GEL (approximately USD 7,000), aiming to empower micro and small entrepreneurship. The bank does not offer gold-backed loans.

Crystal is a leading microbank with a long history in microfinance in Georgia, operating for 27 years with 48 branches nationwide. Around 60% of its clients are women, typically with small loan sizes—indicating their cautious and disciplined financial behavior. Given the high-risk profile of micro-entrepreneurs, Crystal emphasizes that broader access to finance relies heavily on donor support to offer affordable finance and non-finance services to the underserved groups.

The institution recalls the impactful **YES Georgia** program, which used a mobile outreach model to serve around 5,000 micro-entrepreneurs, later evolving to include a stronger focus on women. Crystal also pioneered the region’s first women’s bond with the Asian Development Bank (ADB) and partnered with UN Women for training initiatives. Over the past three years, its women-focused approach has intensified, aiming to promote entrepreneurship among women and youth in the regions.

Crystal offers non-financial services through **Crystal Consulting**, though a key challenge is motivating more clients to apply and actively engage with these services. Meanwhile, customer surveys show strong loyalty among micro and small clients, largely due to the customer-friendly approach of branch staff.

5. NEEDS-BASED RECOMMENDATIONS FOR IMPROVING ACCESS TO FINANCE FOR WMSEs

Based on findings from fieldwork, desk research, and international good practices, this section presents tailored recommendations to enhance both financial and non-financial support for WMSEs in Georgia and Armenia.

5.1 FINANCIAL SERVICES

To improve women's access to finance, three primary financial interventions are recommended:

R1: Gold-Backed Revolving Women Business Card (with Dynamic LTV _ Loan to Value)

Rationale:

Gold remains a commonly held and trusted asset among semi-urban and rural women. Leveraging gold as collateral offers a culturally accepted and accessible pathway to quick, flexible credit (e.g., monthly interest payments with flexible payments for principal), providing a revolving, secure, and hands-on solution for women lacking formal income, traditional collateral, or willing to avoid bureaucratic hurdles. Notably, central banks are also increasing their gold holdings, viewing it as a rising-value asset.

Indicative implementation approach:

- Introduce a revolving women's business card secured by pledged gold, valid for 1–2 years.
- Apply periodic revaluation of the gold to update the loan-to-value (LTV) ratio and adjust credit limits accordingly.
- Collaborate with certified gold valuers and ensure transparent pricing, flexible repayment terms, and minimal documentation.
- Promote the product as tailored to women's capacities and immediate business needs, offering a dual benefit: fast, flexible access to finance and secure (free of charge) storage within financial institutions.

R2: Savings plus Reskilling/Upskilling plus Business Microloan for Solo or Joint Ventures

Rationale:

Women aspire for their own business, but lack technical capacity, savings discipline, and access to start-up capital. A phased approach that builds capacity and readiness before loan disbursement increases the creditworthiness and sustainability of emerging WMSEs.

An indicative implementation approach is to design an integrated support package combining:

- Short-term reskilling or upskilling (aligned with sectoral opportunities).
- Build-up savings (e.g., 6-12 months consistently) as discipline and own contribution.
- A start-up loan intended for the launch of a new business, including traditional ventures, disbursed to an individual or small group (2–3 partners) upon completion.
- Partner with business support organizations/civil society organizations for selection of WMSEs.
- Transfer tuition fee directly to TVET centers/training providers or cash-back to the customer after completion of the program/course (upon evidence).
- Use savings as partial collateral and as a repayment buffer during the survival period.

R3: Mobility-Linked Loan Bundle to Enhance Market Access

Rationale:

Lack of mobility restricts women’s participation in training, access to customers and suppliers, and the ability to scale their businesses. Financing mobility—alongside business development—helps overcome this systemic barrier.

An indicative implementation approach is to develop a loan bundle that might include:

- Driving school tuitions and licensing fees.
- Purchase or lease of a vehicle, preferably energy-efficient (eco-friendly), though non-energy-efficient vehicles may also be considered.
- One-year car insurance coverage (linkage with insurance service).
- Pay directly to partners (such as insurance providers, driving schools, or exam centers).
- Pilot through partnerships and ideally backed by a donor facility to reduce financial burden.

5.2 NON-FINANCIAL SERVICES

Non-financial interventions complement financial support and address the knowledge, skills, and networking gaps of WMSEs:

R4: Sectoral Clustering for Mentorship Program (Inspired by EWA, Serbia)

Rationale:

WMSEs gain from structured learning formats and sector-specific guidance. Organizing them into sector clusters and pairing with mentor groups helps strengthen technical and business skills tailored to their field—an essential foundation for sustainable business growth.

Indicative implementation approach:

- Facilitate the creation of clusters of WMSEs in key sectors (e.g., food, agriculture, tourism).
- Involve mentors with a mix of technical know-how and business advisory experience.
- Consider mentees as further multipliers within their own communities.
- Conduct testimonial-based campaigns (visibility of real stories and impact on mentees).

R5: Women-focused FIs' Frontlines and Service Models for WMSEs

Rationale:

Women often experience financial institutions as confusing or inaccessible, especially in semi-urban and rural settings. A women-focused approach improves client experience, builds trust, and increases product uptake among underserved women.

Indicative implementation approach:

- Offer diagnostic assessments alongside one-on-one advisory quick sessions.
- Re-think communication materials using visuals and plain language.
- Offer frontline officers with good social skills, enablers for market linkages and business connections.
- Conduct periodic "rejection analysis" within the WMSEs applications and develop a quick guide outlining the most common mistakes and room for improvement.
- Organize periodic discussions in focus group formats, considering the involvement of active entrepreneurs for valuable insights for adjustments of services and better alignments.

R6: Peer Exchange, Learning and Networking Circles

Rationale:

The peer support ecosystem offers women a trusted space to share experiences, learn, inspire one another, and build confidence. Given the strong interest in this format, a detailed concept is provided in **Annex 8**.

Indicative implementation approach:

- Establish peer learning groups facilitated by trained community members or BDS providers, including business support organizations/civil society organizations.
- Use participatory tools such as budgeting exercises, storytelling, and role-plays.
- Invite guest speakers (e.g., successful entrepreneurs, loan officers) to enhance learning.
- Building support networks, sharing challenges, discussing solutions, and identifying/highlighting additional opportunities can help women and their communities grow and succeed.

R7: Broadening the Creditworthiness Lens

Rationale:

Evidence suggests women borrowers tend to be more risk-averse, cautious, and disciplined, often resulting in strong repayment records. Furthermore, their business choices are frequently rooted in intrinsic motivation—such as personal interest, family tradition, or specific technical skills—indicating high levels of commitment and viability.

Indicative implementation approach:

- Adapt credit assessment criteria to incorporate qualitative/behavioral aspects such as personal motivation, background factors, and the presence of family support.
- Use sex-disaggregated loan portfolio data to justify preferential lending terms (e.g., reduced collateral, interest rate, and fee; extended grace periods) for WMSEs.
- Factor in savings behavior and informal credit history when evaluating creditworthiness (e.g., track record in VSLA powered by recommendation of the VSLA facilitator).
- Factor in reskilling and upskilling efforts when evaluating creditworthiness.

5.3 KEY INSIGHTS FROM THE CO-DESIGN WORKSHOPS AND THEIR IMPLICATIONS

As the final stage of this assessment, four interactive co-design workshops were conducted in Georgia and Armenia to validate and refine the proposed recommendations. The workshops brought together women entrepreneurs and representatives from local financial institutions, including Crystal Microbank, ProCredit Bank Georgia, and Finca Armenia.¹ Participants engaged in structured discussions, selected preferred solutions through voting, and shared practical insights on improving women’s access to financial and non-financial services.

¹ Brief updates from the co-design workshops are available online: [Georgia – [Workshop 1 and 2](#)], [Georgia – [Workshop 3](#)], [Armenia – [Workshop 4](#)].

The workshops confirmed that women entrepreneurs strongly value **peer exchange, skills development, and networking opportunities** as key enablers of business success.

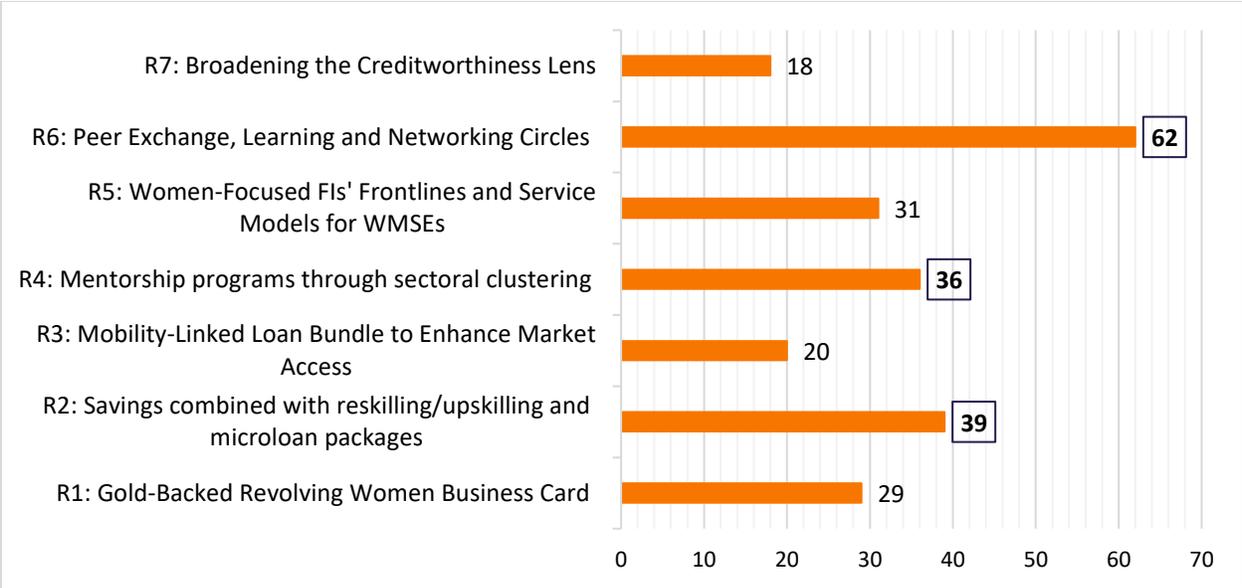
Voting results revealed particularly strong interest in:

- 1. Peer learning and networking circles (R6)
- 2. Mentorship programs through sectoral clustering (R4)
- 3. Savings combined with reskilling/upskilling and microloan packages (R2)

These preferences demonstrate women’s desire for integrated solutions that combine financing with skill enhancement and market access opportunities. The workshops also helped generate practical insights for financial institutions, showing the value of co-design processes in aligning product offerings with the real needs and resources of women-led enterprises.

Detailed voting outcomes and participant comments are presented in **Figure 1** and **Annex 9**.

Figure 1: Results of Participant Voting on Proposed Recommendations from the Co-Design Workshops



The thematic analysis and broader research not only validate the proposed recommendations but also highlight the **strategic importance for financial institutions in engaging with WMSEs**.

Targeting underserved women-owned and women-led micro and small enterprises (WMSEs) offers financial institutions multiple benefits, combining social impact with business opportunity. Engaging this segment enables institutions to diversify their portfolios, strengthen client loyalty, and position themselves as leaders in inclusive finance.

Specifically, the benefits may include:

1. **Enhancing opportunities for collaboration with partners**—including technical and financial cooperation agencies, as well as TVET providers—by demonstrating commitment to women’s entrepreneurship and expanding their access to financial and non-financial services, particularly in semi-urban and rural areas.
2. **Unlocking new market potential** by allocating resources (e.g., R&D fund) to pilot innovative solutions with follow-up impact assessments—viewing underserved women as a space for experimentation and growth.
3. **Strengthening the institution’s ESG profile** by reinforcing its image as women-focused, forward-looking, and aligned with sustainability and social responsibility goals (such as the UN Sustainable Development Goals).
4. **Contributing to public-private dialogue (PPD)** and supporting evidence-based policymaking through practical experience and practice-based learning.

By integrating these approaches, institutions can generate long-term value for their business and the broader economy, while also advancing women’s economic empowerment.

BIBLIOGRAPHY

1. AFI, 2021. *Gender Savings Groups: Formalizing Village Savings Groups with a Gender Lens – Egypt Case Study*. Available at: cbe.org.eg
2. AFI, 2024. *Gender Inclusive Finance Mapping Project: Summary and Call to Action Report*. Available at: afi-global.org
3. AFI, 2024. *Policy Model for Gender Inclusive Finance*. Available at: afi-global.org
4. Center for Global Development (CGD), 2018. *Mindful Saving: Exploring the Power of Savings for Women*. Available at: womensworldbanking.org
5. EBRD-GEFF, 2022. *Women and Men in Business in Armenia*. Available at: ebrdgeff.com
6. EU-NIRAS, 2024. *Country Gender Profile, Armenia*. Available at: euneighbourseast.eu
7. IDB, 2023. *Financing Programs for Women's Financial Inclusion and Access to Finance for Women MSMEs: Results from a Survey of Public Development Banks*. Available at: publications.iadb.org
8. IFC, 2021. *Women Entrepreneurship Study in Armenia*. Available at: documents1.worldbank.org
9. IFC, 2022. *Press Release: IFC Unveils New Initiative to Drive Investments for Women Entrepreneurs in Armenia*. Available at: ifc.org
10. IFC, 2024. *Banking on Women Who Trade across Borders*. Available at: ifc.org
11. IFC, 2024. *Press Release: IFC Partners with Armenian Banks to Boost Financial Inclusion, Support Climate Projects*. Available at: ifc.org
12. IFC, 2025. *Factsheet: Banking on Women*. Available at: ifc.org
13. Ots, H., Liiv, I. & Tur, D., 2020. *Mobile phone usage data for credit scoring*. Available at: arxiv.org
14. Pension Policy International, 2018. *Infrastructure and Delivery Systems*. Available at: thedocs.worldbank.org
15. SDC-UN Women, 2023. *Country Gender Equality Profile of Georgia*. Available at: georgia.unwomen.org
16. UN, 2021. *The Impact of COVID-19 on the Trade and Business Development Prospects of Female-owned Enterprises in the Republic of Armenia*. Available at: unece.org
17. UNCDF, 2021. *Inclusive Digital Economies and Gender Equality Playbook*. Available at: womensworldbanking.org
18. UNECE, 2020. *Women's Economic Empowerment and the Care Economy in the ECE Region: The Impact of Economic and Social Policies during the COVID-19 Response and Recovery*. Available at: unece.org
19. UNEP FI and UN Women, 2024. *Advancing Gender Equality and Women's Empowerment: Target-setting guidance for banks*. Available at: unwomen.org

20. UN Women, 2021. *Women's Economic Empowerment in Armenia and Their Greater Integration into Markets and the Digital Economy*. Available at: eca.unwomen.org
21. UN Women, 2024. *The Republic of Armenia's Beijing +30 National Report*. Available at: unwomen.org
22. UN Women and ILO, 2023. *National Assessment of Women's Entrepreneurship Development in Georgia*. Available at: georgia.unwomen.org
23. UN Women and ILO, 2023. *Survey of Women Entrepreneurs in Georgia*. Available at: georgia.unwomen.org
24. WWB, 2013. *Microfund for Women's Caregiver Experience: Lessons from Jordan on Health Microinsurance*. Available at: womensworldbanking.org
25. WWB, 2023. *Policy Brief: Why Advocate for More Women Banking Agents?* Available at: womensworldbanking.org

ANNEXES

ANNEX 1 – DESK RESEARCH REPORT SUMMARIES FOR GEORGIA AND ARMENIA

Country	Finding Area	Key Insights	Source & Year
ARMENIA	Improved Access to Finance Through Targeted Programs	IFC launched the <i>Investment Readiness Program</i> in 2022 to support women-owned SMEs in Yerevan, Shirak, and Lori. It offers mentoring, coaching, networking, and advisory services to improve financial access and business readiness.	IFC, 2022 (Press Release)
	High Account Ownership, But Unequal Financing Patterns	84% of women-owned businesses have business accounts vs 94% for men. Women use fewer bank loans and rely more on personal funds, grants, and subsidized loans. Interest in financial literacy is higher among women (78% vs 63%).	EBRD-GEFF, 2022
	Significant Growth in Women’s Financial Inclusion	Women's Financial Inclusion Index increased from 14.3% in 2017 to 52.2% in 2023. Despite this progress, gaps in women's broader economic participation persist.	EU, 2024
	Integrated Support for Women’s Economic Empowerment	UN Women’s Beijing+30 report highlights initiatives like Platform#5, offering entrepreneurial support, upskilling, policy innovation, and the financing mechanisms to boost women's employment and enterprise activity.	UN Women, 2024
GEORGIA	Persistent Access-to-Finance Barriers	60% of women entrepreneurs consider financing their top challenge; high interest rates & collateral requirements especially hinder them.	UN Women & ILO WED, 2023
	Limited Loan Use & Collateral Constraints	Only 24% attempted business loans last year; 62% used savings, 39% family/friends. Collateral is often inaccessible when property isn’t in the women’s names.	UN Women & ILO WED, 2023
	Bias in Financial Products & Programs	Women receive few tailored loans. Georgia scores 2/5 for general financing access and 3/5 for loan guarantees to women.	SDC-UN Women, 2023
	Lack of Women-Centric Institutional Support	Loan officers often lack awareness of women entrepreneurs’ specific needs; banks don’t proactively reach women despite their good repayment performance.	UN Women & ILO WED, 2023
	Targeted Support Programs	YES-Georgia (USAID and W-GDP): business training, legal/accounting advice, mentoring; reached 2,500+ women entrepreneurs by 2024.	UN Women & ILO National Assessment, 2023

Underuse of Business Development Services (BDS) & Low Association Participation	BDS programs are underutilized; only 4% of women join business associations.	UN Women & ILO WED, 2023
Call for Financial Literacy & Empowerment	Emphasis on expanding women's access to savings, credit, and vocational training for economic independence.	SDC-UN Women, 2023

Brief conclusion: Georgia vs. Armenia – Women’s Entrepreneurship & Financial Participation

Both Georgia and Armenia face common barriers to women’s access to financial services, including a lack of collateral, high interest rates, and reliance on personal or informal financing.

In Armenia, the women’s financial inclusion index rose significantly from 14.3% in 2017 to 52.2% in 2023, reflecting recent efforts through IFC- and EU-supported programs that focus on digital tools, risk-sharing, and investment-readiness for women entrepreneurs*.

Georgia, while lagging in formal inclusion indicators, has implemented strong grassroots initiatives like the USAID-supported YES-Georgia program and former MFI-led bundled support (e.g., Crystal, Credo). These combine finance with mentoring, legal support, and training. Unlike Armenia, Georgia lacks targeted loan guarantees and institutionalized women-focused products on a larger scale.

Armenia has made stronger progress in integrating women’s access to financial services into national policies and improving formal access indicators, supported by partners like the EU and IFC. Georgia, on the other hand, stands out for practical, community-level delivery through MFIs and donor programs, especially in reaching rural women.

Both countries still need better systems to track outcomes for women and more active involvement of women’s business associations in shaping support programs. In short, Armenia leads on strategy and access, while Georgia leads on local implementation.

*

Digital tools to increase women’s access to online banking and mobile finance (Source: UN Women, 2021. *Women’s Economic Empowerment in Armenia and their Greater Integration into Markets and the Digital Economy*).

Risk-sharing instruments that encouraged banks to lend to women-owned businesses by covering part of the default risk (Source: IFC, 2024. *Press Release: IFC Partners with Armenian Banks to Boost Financial Inclusion, Support Climate Projects*).

Investment-readiness support, such as training and coaching, to help women entrepreneurs become bankable and investor-attractive.

Among countries in Central and Eastern Europe, the index assigns Armenia’s performance on women’s financial inclusion a score of 41%, compared to the minimum score in the region assigned to Azerbaijan (28%) and the maximum score assigned to Estonia (98%).

ANNEX 2 – BARRIERS FOR WMSES IN GEORGIA AND ARMENIA

Country	Barrier/Gap	Source & Year
GEORGIA	High interest rates and collateral requirements limit women’s access to finance. Many women lack property registered in their name.	UN Women & ILO WED, 2023
	Lack of women-specific products in banks and MFIs despite better loan repayment records among women.	UN Women & ILO WED, 2023
	Low financial literacy, especially in rural areas, limits uptake of services.	SDC-UN Women, 2023
	Weak monitoring and evaluation mechanisms to track the women-specific impact of SME support programs.	UN Women & ILO WED, 2023
	Informality and care burden limit the formalization and scalability of women-owned businesses.	UN Women & ILO WED, 2023
	Only 24% of women entrepreneurs tried to obtain a business loan in the past year.	UN Women & ILO WED, 2023
ARMENIA	Women rely more on personal/family funds and grants than on reinvested profits or bank loans.	EBRD-GEFF, 2022
	Women are more risk-averse and seek a complete understanding before making financial decisions.	EBRD-GEFF, 2022
	Lack of business networks and limited mentoring access, especially in rural areas.	IFC, 2022 (Press Release)
	Limited use of digital tools for accessing financial services.	EU-NIRAS, 2024
	Information asymmetry: high interest among women in financial products, but limited exposure and education.	EBRD-GEFF, 2022
	Women’s financial inclusion index increased from 14.3% (2017) to 52.2% (2023), showing progress but revealing historical exclusion.	EU-NIRAS, 2024

ANNEX 3 – COLLATERAL-FLEXIBLE FINANCIAL SERVICES FOR SEMI-URBAN AND RURAL WOMEN ENTREPRENEURS IN GEORGIA

This table summarizes collateral-flexible financial and non-financial products and services available to WMSEs with informal or semi-informal income sources in **Georgia**, as offered by ProCredit Bank, Crystal, Credo, and TBC Bank.

Bank	Product / Service	Key Features & Requirements	Collateral Requirement
PROCREDIT BANK	Short- & medium-term loans	Quick loans for working capital or projects; cash-flow & informal incomes considered	Movable assets, group guarantees; flexible
	Business advisory & training	Mentoring, financial literacy (with UN Women)	No collateral needed for support services
CRYSTAL MICROBANK	Micro/agro loans (~GEL 3k avg)	Tailored for rural women with informal incomes; simplified rural procedures	Mostly unsecured; movable accepted
	Leasing (equipment/agri)	Finances tools and machinery; asset serves as collateral	Asset-based
	Consulting & mentoring	Tailored digital and business advice via Crystal Consulting	No collateral needed
CREDO BANK	Business & consumer loans	Loans from GEL 500–150K; informal incomes accepted; unsecured up to GEL 40K	Unsecured ≤ GEL 40K; movable/real estate above
	Advisory during application	Includes cash-flow review and documentation aid	No collateral for advisory
TBC BANK	Unsecured SME loans	Instant decisions up to GEL 250K; supports working capital & equipment	Unsecured ≤ GEL 250K; else movable assets
	Leasing via TBC Leasing	Asset financing for tools/machinery	Asset-based
	Digital business platform	Business accounts, payment tools for informal sellers	N/A

ANNEX 4 – COLLATERAL-FLEXIBLE FINANCIAL SERVICES FOR RURAL WOMEN ENTREPRENEURS IN ARMENIA

This table summarizes collateral-flexible financial products and services available to rural women entrepreneurs with informal or semi-formal income sources in **Armenia**. It includes institutions offering micro and small business loans with either no collateral or flexible collateral (e.g., movable, symbolic), and that accept non-traditional income proof.

FI*	Product / Service	Key Features & Requirements	Collateral Requirement
ACBA BANK	Women in Business Loan	Up to AMD 160M; 6+ months in business; cash-flow & informal income accepted; includes advisory support	≤ AMD 4M: guarantees only; >4M: movable assets (equipment, vehicle), real estate, or gold
	Non-collateral Agricultural Loans	Agri projects (orchards, cattle, irrigation); seasonal repayment; informal revenues accepted	No collateral; 1–2 guarantors
	ACBA Leasing	Financing for agricultural tools and machinery; flexible repayment	The asset being financed serves as collateral
ACBA FEDERATION	Technical Assistance	Development arm of ACBA Bank	N/A
FINCA ARMENIA	Women Loan	Up to AMD 5M; tailored to women entrepreneurs with informal revenues; simplified application	No collateral required up to AMD 5M
	Agricultural Loan with Collateral	Designed for larger agri projects; informal income accepted	Collateral required: land, equipment, livestock
FARM CREDIT ARMENIA	SME/Agri Loan	3+ months of activity; informal income accepted; seasonal repayment terms	No collateral required for ≤ AMD 5M; above that: movable assets (equipment, livestock), land
CONVERSE BANK	Women in Business Loan (via EBRD)	SME loan for women-led businesses; grace period and advisory support included	Flexible: movable assets or guarantors accepted

*

In addition to the findings from secondary research, the EBRD Armenia office regarded these institutions as among the most relevant for serving women entrepreneurs in rural areas.

ANNEX 5 – LIST OF FINANCIAL PRODUCTS, SERVICES & DELIVERY MODELS

Category	Example	Provider/Model	Source
Tailored Microloan	SME/microloans with soft terms	IFC	IFC, 2025. (Factsheet)
GOAL-BASED SAVINGS	BETA Savings – a locked savings product for women in Nigeria	WWB	Center for Global Development (CGD), 2018
Digital Microcredit	Crowdfunded loans for underserved women	Kiva	About the Kiva Platform
Digital Microloans via Messaging	WhatsApp-based loans plus prepaid cards	Mahila Money (India)	Financial Products Overview
RESKILLING LOANS	Credit lines for education and upskilling	We-Fi/World Bank	We-Fi programs supporting women’s entrepreneurship
Mobile Agent Banking	Midwives as mobile banking agents (Indonesia)	WWB and Mastercard Foundation	WWB, 2023
Digital DFS Innovation	DFS for women-led MSMEs through innovation funding	UNCDF	Digital Finance Targets Women Entrepreneurs (News, 2022)
COLLATERAL-FREE LENDING	Movable asset/receivables accepted in lieu of traditional collateral	AFI	AFI, 2024
Alternative Credit Scoring	Mobile phone-based behavioral scoring	Academic research paper	Ots, H., Liiv, I. & Tur, D., 2020
Bundled Capacity Building	Digital and financial literacy training paired with access to DFS	UNCDF	Supporting Women Through Digital and Financial Literacy (Press Release, 2022)
E-learning for Low-Literacy Women	Tailored financial capability training modules for women	WWB	Leveraging Digital Financial Capability to Drive Women’s Financial Inclusion (Article, 2021)
Flexible Retirement Plans	Mbao Pension Plan – informal sector pensions with flexible contributions	World Bank (Kenya Case)	Pension Policy International, 2018
Maternity Insurance	Affordable health/maternity insurance for women	WWB (Jordan Pilot)	WWB, 2013
Agricultural Insurance	Crop and livestock insurance for rural women	UNCDF	For a Digitally Empowered Insurance Offer for Agriculture in Nepal (Blog, 2024)

ANNEX 6 – INTERVIEW GUIDE

Duration: 40-50 minutes

Target Group: Rural, (micro and small businesses) women entrepreneurs

Purpose: Understand needs, challenges, and aspirations to inform tailored financial and non-financial services.

Tone: Friendly, simple, and practical

1. How did you start your business, and what do you do now?

Hint: Type of work, reason for starting, who helps

2. What do you regularly need to pay for in your business?

Hint: Stock, transport, phone, tools, rent

3. What do you usually do when you don't have enough money for business needs?

Hint: Delay buying, borrow from family, sell on credit, pause business

4. Have you ever thought about improving or growing your business? What would help?

Hint: Equipment, more buyers, online sales, and learning something new

5. How do you keep track of business money—what comes in and what goes out?

Hint: In head, notebook, phone, not tracked

6. Where do you keep your business income?

Hint: At home, bank, wallet app, with a family member

7. What kind of help would make running your business better and develop further?

Hint: Skills, pricing, finding clients, digital tools, time-saving ideas

8. Are you part of any group or community, and does this help you in your business?

Hint: Women's group, savings group, advice sharing, buying/selling together

9. What could a bank officer do to better support women like you?

Hint: Visit regularly, give clear advice, explain services, reduce paperwork, provide trust and support

ANNEX 7 – FOCUS GROUP DISCUSSION GUIDE

Purpose: Identify the key challenges faced by women entrepreneurs, note common needs, and generate insights into financial and non-financial support mechanisms that can foster women's entrepreneurial development and promote their integration into the country's inclusive economy.

Suggested Group Size: 7-8 participants per session.

Semi-structured approach: Questions are not addressed to the participant, but rather raise specific topics and facilitate engagement from participants, opinion sharing, and open exchange. Gently guiding them toward feedback on ideas that can shape recommendations for financial and non-financial products and services.

Opening Remark (5 min) plus Introduction Part (15 min):

- Warm welcome and thank participants for being part of the activity.
- Briefly explain the purpose: *'We'd like to learn about the needs that women entrepreneurs have to progress in business and discuss what can be helpful for you to empower as entrepreneurs and develop further.'* Emphasize it's an open and friendly conversation, not a test/inspection.
- Ask everyone to introduce themselves briefly, with name and what kind of work/business they do, the town or village they operate in, and age if possible (2-3 minutes per participant).

Main Discussion Topics (80 min):

Facilitator Note: These are not strict questions to be asked in a fixed order or individually. Instead, each is a topic to open a conversation, spark sharing, and encourage women to reflect, comment, and even react to others' experiences. Also, reflect on what could help them and what ideas sound useful or difficult.

- 1) 'Let's start by talking about why and how you began your business. Was it your own idea? Did someone motivate or support, or advise you? Did you plan alone or with someone else?

→ Uncovers: motivation, decision-making, support system, confidence

- 2) 'When a woman starts or runs a small business, where does the money usually come from? Her own savings, family, loan, or something else?

Nudge in the middle: What do you think about this idea: use savings for daily needs (e.g., supplies) but using a loan with a 6–12 months grace period for bigger things—like a fridge, oven, or equipment? i.e., blend savings plus borrowing to start a business.

→ Uncovers: funding sources, saving habits, views on loans, grace period acceptability, blended option as optimal.

- 3) 'After starting a small business, how do women plan what to buy, how to find customers, suppliers, and how much to charge, and manage the money flow?'

→ Uncovers: planning habits, pricing, buying supplies, tracking income and expenses

4) 'What's hard when women go to a bank or apply for support? Are things confusing? Are people helpful?'

Nudge in the middle: Would it feel easier if women could talk to a female bank officer? Or if someone helped to analyze your case and suggest the best solution to the specific need?

→ Uncovers: trust in banks, fear of rejection, paperwork burden, comfort with staff, need for tailored support and guidance

5) 'What do you think about this idea: saving in gold instead of cash, and if needed, using that gold to get a loan from a bank?'

Nudge from the start: The loan can be a revolving credit line on a card, so that women can take and partially/fully pay back the money and re-take anytime. How flexible is this option?

→ Uncovers: views on gold as savings, trust in gold-backed credit, using cards, benefits, and concerns.

6) 'Did you play the so-called money lottery in the community?' How helpful is this?

→ Uncovers: interest in this model as a fin. service and contribution to start-up financing.

7) 'Do you think it would help to connect with other women like you? To share ideas, talk about problems, or learn from each other?'

→ Uncovers: interest in peer support, women helping each other, inspiring, and supporting.

8) 'If someone offered an energy-efficient car loan package (driving prep. course, exam, car purchase, 1 year insurance), would co-finance or express interest to take the opportunity?'

→ Uncovers: reaction to the idea, interest in driving, car ownership for business/personal use.

Wrap-Up (5 min):

- Thank participants sincerely for their input.
- Ask how they enjoyed the activity.
- Express excitement for their strength and attitude.
- Tell about what's next.
- Say a warm goodbye.

ANNEX 8 – BRIEF CONCEPT FOR PEER EXCHANGE, LEARNING AND NETWORKING CIRCLES

Objective: To empower micro and small women entrepreneurs (WMSEs) through structured peer-to-peer learning and networking that strengthens business skills, builds confidence, and deepens trust-based relationships with the bank. This non-financial service is low-cost for the bank but creates high impact for WMSEs by combining business practical knowledge, networking, and emotional support.

Format: Bi-monthly gatherings with 15-18 entrepreneurs. Hybrid model: alternating in-person (bank branches or community spaces) and online sessions for wider outreach.

Session structure:

- Peer experiences sharing
- Guest speaker inputs (finance, marketing, digital tools, legal topics, state programs, donor-funded projects, personal development, time management, success stories, etc.)
- Networking and collaboration opportunities
- Themes rotate based on participant needs and interests.

Bank's Role:

- Invite participants and host sessions
- Provide light facilitation and invite guest speakers
- Ensure diversity of participants (sector, geography)
- Bring in resource persons (bank staff, successful clients)
- Monitor outcomes and gather feedback.

Value for Entrepreneurs:

- Practical (free of charge) knowledge rooted in real business experiences
- Peer learning and emotional support
- Expanded business networks and visibility
- Raise awareness in banking services, solutions, and other enabling programs
- Greater confidence in managing business.

Value for the Bank:

- Strengthened client loyalty and trust
- Positioning as a partner in business growth, not just a lender
- Insights into market needs and dynamics
- Opportunities to identify promising clients for tailored financial products.

Sustainability: The format requires minimal resources (space, facilitation, refreshments) and is scalable across branches. This way, it emphasizes that the circle is not only about skills and peer support, but also provides WMSEs with a clear and accessible window into what the bank offers—without making it feel like a sales pitch.

ANNEX 9 – SUMMARY FROM THE CO-DESIGN WORKSHOPS

Co-Design Workshops			Preferred Recommendations through WMSEs Voting							Number of WMSEs*	Local FI Attended	Comments from WMSEs
Region of Participants	Municipality/ City of Participants	Date	R1	R2	R3	R4	R5	R6	R7			
Kvemo Kartli	Bolnisi, Marneuli, Tetrtskaro	19-Aug	8	12	3	10	8	17	6	21	Crystal Microbank	1) Separate service line for WMSEs with discounts in the partner's network, offering services relevant to WMSEs 2) Enhance advisory role in FIs and provide 'info bank' support (by matching customers' profiles) to WMSEs for better business connections and advocacy for solutions. 3) Peer learning, technical, and business skills are vital.
Kakheti	Gurjaani, Sagarejo	21-Aug	9	13	8	6	6	9	4	25		1) Market linkages, peer exchange, and reskilling/upskilling are key 2) Interest in auto schools and a driving license for better mobility
	Akhmeta, Telavi	25-Aug	4	12	3	12	7	19	6	24	ProCredit Bank	1) Market linkages, peer exchange, and reskilling/upskilling are key
Kotayk Lori Shirak Syunik Tavush	Alaverdi, Berd, Dilijan, Goris, Gyumri, Hrazdan, Ijevan, Kapan, Meghri, Sisian, Vanadzor	27-Aug	8	2	6	8	10	17	2	20	Finca Armenia MFI	1) Financial education, an inclusive approach, and social skills for clients at financial institutions are essential 2) Peer circles and exchange are key in motivating, inspiring, and learning from each other 3) WINNET stressed the need for a simple and standardized, self-paced financial tool to help WMSEs learn and track net earnings.
TOTAL			29	39	20	36	31	62	18	* Most WMSEs are over 35 years old		