

Gendered Assessment of SME Development Strategy of Georgia 2016-2020

Nordic Consulting Group - NCG Sweden

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1. Introduction

Europe Foundation (EPF) is supporting both social enterprise (SE) development and women's economic empowerment to contribute to inclusive political and economic governance. As these areas are naturally interlinked and correlated with economic development at individual, group, and national level, EPF has identified gender mainstreaming of the SME Strategy as a key step towards inclusive growth in line with Georgia's sustainable development ambition.

This assessment is an input to further development of the Georgian SME Sector and directed towards government, including supporting structures and other key actors and stakeholders such as business associations, NGOs, and the donor community. The assessment is based on desk study, including the review of Georgia's SME Development Strategy 2016-2020 and its implementation instruments (e.g. the most recent annual action plan), as well as interviews and a workshop with key stakeholders in Georgia, including representatives of Enterprise Georgia; Ministry of Economy and Sustainable Development, GITA/Start-up Georgia, Ministry of Health, Labor and Social Affairs, Agricultural Project Management Agency, the Gender Equality Council of the Parliament of Georgia, Zrda/REAP, Sapari (women's NGO), UN Women, Georgian Association of Women in Business, GeoStat, EBRD, and Tbilisi State University.

Overall, the assessment concluded that the SME Development Strategy does not adequately address gender inequalities or the needs of women in business. The SME Development Strategy has no gender analysis, consequently, gender is not integrated into objectives, activities, budgeting or indicators. There are no specific targeted intervention(s) focused on female entrepreneurship and communication of the Strategy is not done in a gender-aware manner. Furthermore, without a proper baseline, the SME Development Strategy will not be able to lead to interventions that can improve economic outcomes for women and men in the SME sector, as their needs, challenges and opportunities will vary. At the same time, lack of baseline data makes it nearly impossible to monitor and evaluate the impact of the SME Development Strategy on women and men.

The assessment produced six main recommendations for shaping national and sub-national policies fostering women-led entrepreneurship and for triggering a multi-stakeholder dialogue on women's economic empowerment to ensure that commitments are delivered with a gender perspective and that the next phase of their development is better aligned with national gender equality priorities of Georgia.

2. Findings and Recommendations

2.1 Contextual Understanding

The SME Strategy has little background information or references to international or national legal or political commitments, including where they relate to gender mainstreaming and women's empowerment. This is an important omission to be rectified, as references to Georgia's legal and political commitments is important to ensure coherence, relevance, effectiveness, and impact of national efforts.

Gender equality should be included as a crosscutting issue into strategy development in general in Georgia, not as a stand-alone policy area. References should be made to international and national commitments such as the Convention of Elimination of All forms of Discrimination Against Women (CEDAW), the Sustainable Development Goals (SDGs), the Georgian Constitution, regional and/or rural strategies or similar, which have references to non-discrimination, women and/or gender equality. Just as importantly these references should be reflected throughout the strategy document, as well as in indicators to measure progress.

2.2 Stakeholder Engagement

The gender gap of the SME strategy is in part due to the lack of real engagement with stakeholders, who have the knowledge of challenges faced by the SMEs in Georgia, as well as of gender equality and female entrepreneurship. For stakeholder engagement to be real, it has to be responsive. This means that the stakeholders should be able to see concrete impact of their engagement on the strategies adopted by the authorities. Without access to and the use of the knowledge of a broader set of stakeholders, the next SME

Strategy will have limited results, both in terms of fostering SME development and ensuring positive economic outcomes for women.

Stakeholder identification and outreach to key informants is needed before the next phase of the Strategy is developed. Stakeholders should be invited for (1) evaluation of the results of the existing strategy; (2) identification of expected results (priority directions); (3) identification of existing and ongoing initiatives to map potential overlap and synergies; (4) identification of indicators upon which the next phase strategy would be evaluated. Some stakeholders to be considered in addition to the ministries and other national and international stakeholders are:

- Gender equality mechanism established throughout Georgia,
- Women in business associations (including rural associations),
- Women-run CSOs with social enterprises,
- Infrastructure organizations supporting civil society development, women's rights and SME development, such as EPF or OSGF,
- Academia carrying out research in the field of women in business in Georgia.

2.3 Gender Analysis

The existing SME strategy has not been preceded by a gender analysis to understand the needs, challenges and possibilities for SMEs lead by women and men, as these differ in many aspects. Consequently, the proposed actions have very limited gendered considerations.

Making use of existing information (i.e. gender gap reports, academic research and national statistics) is strongly recommended. Referring to and learning from SME gender analyses and information from other countries (the EU and its member states, the US) is also recommended, including analyzing gender disaggregated statistics in labor and growth markets. Based upon a deeper gender analysis, it could be suggested to broaden the scope of the SME Strategy to a MSMEs Strategy (micro, small and medium size enterprises), taking into account that many women are micro entrepreneurs.

2.4 Appropriate Actions

The existing SME strategy annual action plan 2016-2017 has some activities focusing on female entrepreneurship. However, these are limited to one of the strategic direction: *SME Skills Development and Promotion of Entrepreneurial Culture*.

Mainstreaming gender equality into all the strategic directions is highly recommended, namely, carrying out gender assessment of the institutional support functions to SME, so that they are able to provide gender equal and/or targeted support to women-owned SMEs, as well as ensuring subsidized interest rates that benefit women-owned SMEs. While more specific recommendations can be found in Annex 3.3 of this report, the following provides a good overview of issues that require attention:

1. Assess the in-depth impact of forthcoming legislative and administrative initiatives' effects on female/male/mixed ownership companies; make use of Gender Responsive Budgeting.
2. Ensure the Public Private Dialogue (PPD) tools reach and are made use of by women and men, with an aim of getting a communication tool for policy making which reflect the needs, challenges and opportunities by women and men (girls and boys).
3. Educate banking sector on gender equality and the business opportunities when engaging with women-led/owned M/SMEs, with an aim of increasing access to commercial banks and MFIs. Since the state has subsidized interests' rates programs for SME investments equal access for both women and men is important. Commercial banks/MFIs must report on the subsidy beneficiaries annually disaggregated by sex. In line with this, Enterprise Georgia must document learning and results with investments into men and women-owned SMEs.
4. Awareness raising activities and outreach related to the SME strategy should make use of gender checklists for optimal outreach, in particular, ensure that female entrepreneurs are reached. Awareness raising could include aspects such as (but not limited to): programs for financing and credit access; tender possibilities; information about occupational health and safety; information about platforms for awareness raising about customer-oriented work methods, ICT, business networks, and similar. Awareness raising activities should be made about the fact that innovation and creativity is higher in

mixed groups of women and men than in all male or all female groups, that mixed leadership is associated with higher turnover, profits, and sales (as evidenced in larger companies). Awareness raising activities should also counter stereotypes in the gender segregation of professions and additional efforts need to be invested in encouraging women to pursue career in science (e.g. by financial aid, stipend, fellowships, etc.).

5. Showcasing female entrepreneurs from Georgia (and from outside of Georgia) as role models for female owned (M)SMEs in Georgia.
6. Include business learning into non-business sector education programs at universities and other learning institutions (medicine, political science, etc.)
7. Stakeholder engagement on SME strategy has already been raised as an important issue for the SME strategy, this should extent to the DCFTA, to ensure wider stakeholder engagement, including of women entrepreneurs and women-led SMEs.
8. Ensure CSR (corporate social responsibility) or RBC (responsive business conduct) demands are in line with the international standards and practices, include the following key aspects (not limited to): equal opportunities for women and men, equal salary for equal work or work of equal value, non-harassment, including sexual harassment, preventive work. These require company policies, company strategies and budgeting to achieve gender equal and conducive working environment. CSR/RBC principles must also be applied in all public financing of the SME institutions.
9. Finally, parallel efforts to remove obstacles for female-owned enterprises are needed, such as, but not limited to: access to affordable child care facilities; shared household and family responsibilities with men; increase access to credit lines; increased awareness in women and men about their rights, including the right to land and other collaterals.

2.5. National Supporting Institutions

It is unclear what organizational capacity Georgian supporting institutions to the SME sector have in terms of gender equality and mainstreaming. A gender audit is under preparation for Enterprise Georgia, which is essential to identify potential knowledge gaps as well as system gaps.

Capacity development of the supporting institutions should be undertaken to ensure that they have:

- Gender equality knowledge amongst staff and managers (what is gender, why is the perspective important from a rights perspective as well as from a business perspective and how to mainstream),
- Strategic gender actions plan, as a response to the foreseen audits,
- Systems in place to ensure planning is carried out from a results-based perspective, evaluation and monitoring is built into the systems from which reporting on results (as opposed to activities) can be subtracted and aggregated upwards to the SME strategy reporting to the government, systems for internal learning,
- Adequate resources in place which include budgets for gender equality efforts, gender experts in place and access to appropriate tools for working with women in business and for gender mainstreaming support to middle size enterprises in particular,
- Means to carry out communication with a gender perspective internally and externally.
- Internal alignment with the aforementioned CSR/RBC principles.

2.6 Monitoring, Evaluation and Reporting

Lack of indicators for the existing SME Strategy in general, and indicators, which are sex-disaggregated in particular, make difficult to track progress and ensure results. Consequently, reporting to decision-makers, as well as to the public, is limited and will have to be based upon activities instead of results. Apart from providing little important information to policy-makers, activity-based approach deters from achieving results. There is, in addition, a high risk that the next SME Strategy will not be developed based upon the lessons learned, as no evaluation is being carried out and even if the evaluation were to be conducted, in the absence of relevant indicators, it would be impossible to assess the gendered results achieved.

Investing into monitoring and reporting with a gender perspective is essential if the Government of Georgia wants to know whether and how women and men benefit from the Strategy and what results are achieved. For a proper monitoring to take place, the strategy must have clearly defined gender indicators and annually track their progress towards results. National indicators could be:

- # and % of (M)SMEs productivity growth (disaggregated by small and medium enterprises) (disaggregated by sex, female/male/mixed ownership)
- # and % of micro enterprise owners (disaggregated by sex, male/female/mixed ownership)
- # and % of small enterprise owners (disaggregated by sex) (perceived and registered)
- # and % of medium enterprise owners (disaggregated by sex) (perceived and registered)
- # and % of employees by types of enterprise (disaggregated female/male/mixed ownership)
- # and % of growth of number of employees in (M)SMEs with access to state investments (disaggregated female/male/mixed ownership)
- # and % of (M)SMEs with access to private investments (commercial banks, others) (disaggregated female/male/mixed ownership)
- # of initiatives by the state for (M)SMEs

3. Annexes

3.1 Documents Reviewed

The work has included:

- Desk review and detailed assessment (with recommendations) of the SME strategy
- Desk review of supporting strategies including the Regional strategy (for Shida Kartli, Khaketi and Samtskhe-Javakheti), the Rural Development Strategy and Action plan and the Social Development Strategy.
- Desk review of studies on the subject matter (gender and SME in Georgia and similar)
- Interviews with a selected small number of key informants from Civil Society, Business Sector and the State of Georgia (XX)
- A workshop in Georgia to validate the findings of the assessment

3.2. Detailed Overview of Strategies

Following provides some information about the strategies and how they have taken or have not taken gender equality into account. The appraisal below is made to identify possibilities or supporting information for gender mainstreaming of the SME Strategy.

Regional strategies

The regional strategies of Shida Kartli, Khaketi and Samtskhe Javakheti (three out of eleven regions) provide no or little gender information or analysis. Although, one may guess where a female owned SME is likely situated sector-wise, the lack of analysis means that informed strategic decisions for female and/or male owned (M)SME cannot be taken, nor is it possible to follow-up on any expected results and if these are differences for women and men. Khaketi regional strategy raises the fact that men have higher salaries than women and that female migration is high but does not provide any explanations to why this is so.

None of the strategies provide answers to important questions for (M)SME supportive mechanism, such as (but not limited to):

- In what sectors are women and men working?
- Are women and men more/less employed/running (M)SMEs to the same degree?
- Are migration patterns the same for women and men (do they migrate for same reasons and possibilities)?
- Are current investments mainly done in sectors where women or men are active?
- Is there a difference between ownership of land and other collaterals by men and women living in the regions?
- Are there gender differences in the access to credits for business development activities (in a market with low access in general)?
- Since women are to be more dependent on public transportation compared to men, how does the lack of public transportation affect women (potential) business owners?
- Since waste and water services are not available in all parts – how does this affect women and men? Who manages these aspects at household level and how does this affect time to e.g. manage a business (time constraints analysis)?

The only important gendered information provided is that there is likely a need for kindergartens (Shida Kartli), and the existence of these would benefit especially women in the market, as they tend to (traditionally) take care of children more than men in Georgia.

Rural Development Strategy

This Strategy has two priority measures referring to women:

Number 2.1 Skills and employment. Increase awareness regarding innovation and entrepreneurship. Encourage partnership (especially among youth and women) by facilitating skill-development and employment.

Number 2.3 Local population inclusion. Increasing the inclusion of the rural population (especially youth and women) in determining the local needs and in finding the ways of solving these needs.

The work plan does not clearly reflect any activities (in how activities are formulated), which would lead to any of the above formulations (including strengthening women and youth).

In addition, the funding for both abovementioned priority measures are limited, and what can be achieved with the activities can be questioned (e.g. having 6 gender awareness raising activities with a budget of 15,000 EUR for inclusion is likely having very little real effect). The other seven (7) priority measures are gender blind:

- Competitiveness
- Diversification
- Rural tourism
- Infrastructure and services
- Water, wood and other resources
- Waste management
- Climate change

All these areas have potential SME establishment and growth possibilities (as both create the need for services), including in conjunction with public investments) and consequently also potentially different possibilities for female and male owned SMEs. All priority measures would benefit from actively thinking about what men and women contribute with, what possibilities and hinders they face (as groups) and how this affect the expected results of the rural development strategy.

Social Development Strategy

The document provides no entry-points for SME as regards gender mainstreaming. There is no disaggregated information (except the retirement age differs for men and women), nor any description of men and women socio-economic possibilities, hinders and challenges. As with the three Regional Development Strategies, the Rural Development Strategy also the Social Development Strategy operate and point to a number of areas which are all highly relevant for SME development, all of which have gender equality implications as regards access to e.g. funding, opportunities, inclusion.

1. Private Sector Competitiveness

- Improving the investment and business environment
- Innovation and Technologies
- Facilitating the growth of exports
- Developing infrastructure and fully realizing the country's transit potential

2. Human Capital Development

- Developing the country's workforce that meets labor market requirements
- Tightening the social security net
- Ensuring the accessible and quality health care

3. Access to Finance

- Mobilization of investments
- Development of financial intermediation

3.3 SME Strategy Assessment and Suggestions

The following assessment is partially developed from desk research as well as information from key Georgian stakeholders

Where?	What subject matter?	How to mainstream? (suggestions)
Preface, page 4	Linking the SME strategy to legal and political national and international commitments are important, as part of sensitization of the readers of the strategy as to why a gender perspective is not optional, rather obligatory.	<p>Include paragraphs in line with:</p> <p>The Government of Georgia (GOG) recognizes the rights, knowledge and contribution of women in the SME sector, as well as the lack of equal access to business opportunities for women and men, including access to credit and capital. Consequently, the GOG proposes special measures (as part of the SME Strategy), in line with the GOG commitments to the Convention for Elimination of all form of Discrimination Against Women, art. 4 to make use of acceleration measurements.</p> <p>Gender equality and non-discrimination as expressed by the Georgian Constitution, and consequently being one of the essential goals for GoG, is far from being achieved in Georgia. In 2017, Georgia was ranked 95 out of 144 countries on the World Economic Forum Gender Gap Report. Georgia was placed 74th in ‘Economic Participation and Opportunity’ for women, and according to National Statistical Office of Georgia (GEOSTAT), only 20% of businesses are headed by women.</p> <p>Georgia has signed the international political commitment to the Sustainable Development Goals (SDG), which, <i>inter alia</i>, includes target number 5 for gender equality and gender mainstreaming as a cross-cutting measure.</p>
	Showing the importance of women for a successful (M)SME sector, should show the business case for why both women and men are important for a productive and sustainable (M)SME sector.	<p>It is suggested to include a paragraph which makes references to the business case. It could be phrased in line with the following:</p> <p>International research has shown that larger companies with women and men on boards and in management positions have higher return in sales, higher return on invested capital and higher return on equity, they have better working environment, and better innovation skills, the findings are interesting and could be further explored in relation to (M)SMEs. Research has also shown women-led and owned business are more excluded from venture capital and business opportunities (EBRD, Catalyst, McKinsey, Vinnova and others, Harvard Business Review). Ensuring women are included and provided with equal opportunities in developing their SMEs is consequently a GOG priority.</p>
	Since comparisons are made to the EU entrepreneurship climate one should also mention that the entrepreneurs (women and men from age 15 and up) are: <ul style="list-style-type: none"> - both important when developing (M)SME sector 	<p>Include in the paragraph on EU, the following (from the European Commission report on statistical data on women entrepreneurs 2014):</p> <p>The percentage of women entrepreneurs was 31% in the European Union (EU-28) in 2014. In some countries up to 40% (from age 24 and upwards)</p>

	<p>in Georgia</p> <ul style="list-style-type: none"> - have different possibilities and hinders (many of these are the same as in Georgia) 	
Chapter 1	<p>It should be included in what sectors women and men tend to work in in chapter 1.</p> <p>If growth is going to increase in one female dominated sector, more women are likely also to benefit from such growth in direct monetary terms.</p>	<p>Consider including information, such as:</p> <p>According to the gender analysis of 2014 population census, typical male-dominated occupations include particularly the armed forces; legislators and senior officials; general managers; and physical, mathematical and engineering science professionals or associate professionals. Typical female occupational categories are life science and health professionals or technicians; teaching professionals or associate professionals; and office or customer services clerks.</p> <p>The sex ratios of the male-dominated occupations are generally less extreme in the case of the work force with higher education. For example, extraction and building trade workers have a sex ratio of 59.36 males per female, but among those with higher education the sex ratio is 40.92. As women in Georgia generally have an educational advantage over men, the few women that work in such male-dominated occupations tend to perform tasks that require a more advanced education, such as administrative functions.</p> <p>Women and men are, according to the gender assessment in agriculture (UN Women, 2016), equally involved in farming, with men spending 98.1 and women 84.3 days per year in the crops value chain, while men spend 165.8 and women 259.9 days in the animal husbandry value chain.</p>
Chapter 2 (or part of the strategic direction descriptions)	<p>There is no information/description of the specific challenges/problems women face with both driving female entrepreneurship as well as undermining it.</p> <p>One such aspect is low employment rates of women or the relatively low salaries women hold compared to men.</p> <p>Women have less access to the work market which means women drive towards starting own businesses.</p> <p>At the same time the low employment rates,</p>	<p>Include information about employment situation of both men and women (from Geostat):</p> <p>In 2017 only 58% of women were in the Labor force compared to 78% of men. 53% women were employed, compared to 67% of men. Roughly 30% of all employed women and 40% of men are self-employed or own-account workers.</p> <p>In 2015 the average monthly nominal salary equaled 693 GEL for women, and– 1 074 GEL for men.</p> <p>Upon the CoM adoption of the law-making gender pay gap illegal, include a reference to the law.</p>

	<p>also mean women have less access to the possibilities deriving from an employment (such as, but not limited to: spin-off companies from both public and private enterprises, innovative environments, contacts).</p>	
	<p>There is no information on educational levels for women and men.</p>	<p>The following information/description could be included (from Geostat 2017 report): 36% of all women have higher education compared to just 32% of men, 23% of all women have concluded vocational training and 34% have secondary education, compared to 19% and 41% of men respectively.</p> <p>Comparing the two groups to each other, women are overrepresented amongst people with higher education (55% women and 45% men) and in vocational training (57% women and 43% men).</p> <p>However, of the few women and men who are illiterate (less than 1% of each group) or with no primary education (less than 1%) women are overrepresented with 54% women and 46% men as illiterate and 56% women and 44% men without primary education.</p> <p>One can conclude that women tend to educate themselves more in general.</p> <p>Besides the technical skills identified in the SME strategy both men and women are e.g. in need the following skills (not limited to): Business and entrepreneurial skills: Management of business, development and planning, accounting, financing, negotiation, sales and promotion skills (marketing). Social skills: Group work, networking, public speaking, self-esteem, job searching, stress handling, male and female communication and gender issues. Productivity skills: Ability to meet goals on time, solve problems, know how to learn, be flexible on work tasks</p>
	<p>There is no information/description about women's access to investments (including venture capital) which likely differ significantly for women and men.</p>	<p>Suggest a study on investment climate for female and male entrepreneurs are carried out in Georgia.</p> <p>From a study published at Harvard Business review (May 2017) on Swedish funded state venture capital investments, it was concluded that female owned SMEs were not provided the same opportunities as the ones owned by men – despite the fact that the businesses in financial terms performed equally well (more female applicants were dismissed, and they received less funds proportionally). The main reason being that venture capitalists were colored by gender stereotypes. More men were awarded state venture capital, and men were awarded more than women despite the fact the applicants did equally well.</p>

<p>There is no information/description about women's access to credit</p>	<p>Since traditional credits/loans are generally provided against a collateral (such as, but not exclusively to) land the information could be included (from Geostat): Women own less land (approximately 1/3 less hectares) compared to men on average, whether it be arable land, land under permanent crops or meadows and pastures.</p> <p>Of all operated land women hold less than 2/3 of the owned land compared to men.</p> <p>Suggest more information about access to traditional credit from commercial banks are included in the SME strategy.</p> <p>A research supported by UN Women that focuses on accessibility of microfinance institutions' services for displaced and conflict-affected women as well as minorities in Kvemo Kartli (2012-2013), states that according to 2012-2013 data, the share of women among the clients of microfinance institutions varied from 16.3% (Finagro) to 48.7% (Crystal), but never exceeded 50%. As the same study suggests, in 2012-2013, women accounted for only a small percentage of problem loans; for that reason, microfinance institution staff noted that women's loans were generally smaller compared to men and less risky which gave them have a good credit record.</p> <p>According to an annual household survey, Caucasus Barometer (CB) 2017, 57% of females said they had a bank account or a bank-card, while this figure was only 3% higher among male respondents. Based upon the same survey, 49% of male respondents said they had personal debts, while 43% of the surveyed women stated the same (CB, 2017). When asked if anybody owed them money, 22% of men said they did, and the figure was 17% among women. Yet, survey does not provide any data on bank loans.</p>
<p>Since EU is referred to, the differences in female and male entrepreneurship could provide additional insights.</p>	<p>Include in chapter 2.2 the following comparative information/or parts of it:</p> <p>In 2012, the entrepreneurship rate for women (percentage of women entrepreneurs of the total number of women in the active labor force) was 10% for Europe-37. 23% of women and 30% of men entrepreneurs were employers, the rest were solo-entrepreneurs not employing others.</p> <p>In 2012, around 39% of all women entrepreneurs in EU28 were working part time in their enterprise compared with 12% of men entrepreneurs. 15% of women entrepreneurs had a second job compared to 34% of the men.</p> <p>On average, the mean net income of women entrepreneurs in EU-28 in 2012 was 6% lower than that of men entrepreneurs. However, there were large variations between the countries. In 20 out of 30 countries (EU-28, Iceland and Norway), the mean income of women was higher than of men entrepreneurs (from</p>

		the European Commission report on statistical data on women entrepreneurs 2014).
	Of the registered (M)SMEs in Georgia it is not clear how many are owned by women and men or jointly.	It is important to estimate how many are registered and not of both male and female owned SMEs and why this is the case to be able to identify viable solutions. Consider including the following information: There is, according (UN Women, 2016), fewer women (23,313) running their own enterprise than there are men (32,865) in rural areas.
	Performance statistics on (M)SMEs are not disaggregated by sex and consequently it is difficult to see how much female and male owned companies turn, how many they employ etc.	Tracking this information is important. In the EU and US up to 2/3 of GDP is produced by SMEs, and in some EU countries 40% of SMEs are owned by women. The financial implications of a conducive business environment for women and for men has consequently significant impact on national financial performance.
	No information about migration and how this affect (M)SME sector development	Lack of opportunities in the local labor market explains the large number of migrant workers from Georgia. The last decade has witnessed a feminization of migration. Women now constitute about half of all labor migrants from Georgia (Duban 2010; Hofmann and Buckley 2012; Sumbadze 2008). Women migrants tend to have higher skills than their jobs abroad require. They work mostly as house cleaners, nannies, nurses, and caregivers, or, though fewer, as seasonal agricultural workers. Study how the migration pattern of women and men impact on the (M)SME sector in rural and urban areas and abroad.
	No information/description of the vocational training possibilities in Georgia, how these affect (M)SMEs and how women/men re benefitting.	Geostat statistics show more women take vocational training. However, different types of vocational training will lead to different types of potential benefits/job opportunities.
Chapter 3		
Chapter 3 (or part of a strategic direction description)	One of the lowest scores of the 12 dimensions EaP is entrepreneurial learning women's entrepreneurship, but the subsequent SWOT analysis does not mention any strengths, weaknesses, Opportunities or Threats related to the topic.	Develop a SWOT analysis focused on women's economic empowerment with a broad set of stakeholders, including the academia, state actors, civil society and SME owners.
		Carry out a Gender Responsive Budgeting (GRB) exercise of the SME Strategy to see how women and men are benefitting in direct monetary terms. This should include, but is far from limited to: <ul style="list-style-type: none"> - what kind of potential jobs are created as a direct effect of the SME strategy (such as in supporting institutions), and who is likely to get such work and at what salaries - What kind of direct support is likely to reach women owned businesses and the ones of men (grants, subsidies, as well as technical support) - What indirect monetary and non-monetary benefits may be created for women and for men. <p>Develop adequate actions to mitigate unequal distributions.</p>

Chapter 4	Indicators are not included for the three targets defined, whereby the monitoring and evaluation of progress is not possible. The lack of indicators can also negatively affect gender equality work, since who gets what, when and based upon what is not measured.	<p>Include the use of indicators. The following are suggested:</p> <ul style="list-style-type: none"> # and % of (M)SMEs productivity growth (disaggregated by small and medium enterprises) (disaggregated by sex, female/male/mixed ownership) # and % of micro enterprise owners (disaggregated by sex, male/female/mixed ownership) (perceived and registered) # and % of small enterprise owners (disaggregated by sex) (perceived and registered) and % of medium enterprise owners (disaggregated by sex) (perceived and registered) # and % of employees by types of enterprise (disaggregated female/male/mixed ownership) # and % of growth of number of employees in (M)SMEs with access to state investments (disaggregated female/male/mixed ownership) # and % of (M)SMEs with access to private investments (commercial banks, others) (disaggregated female/male/mixed ownership) # of initiatives by the state for (M)SMEs
Chapter 5	Strategic Direction 1: Further improvement of legislative, institutional framework and operational environment for SMEs;	<p>Actions to be included are e.g.:</p> <ol style="list-style-type: none"> 1.1 All SME statistics from Geostat should be disaggregated according to sex (ownership). 1.2 Define women-led and women owned (M)SMEs 1.3 Assess the in-depth impact of forthcoming legislative and administrative initiatives effects on female/male/mixed ownership companies, make use of Gender Responsive Budgeting as one of the tools for the assessment. 1.4 Removal of obstacles for female owned enterprises (such as, but not limited to: ensure access to affordable child care facilities, work with fatherhood and family responsibility of men, educate women and men about existing rights, including the right to land and other collaterals, educate girls, boys, women and men about labor rights, including equal opportunities and equal pay for equal work, empower girls at school age, initiatives to decrease gender based violence, value chain upgrading initiatives) 1.5 Institutional review of (M)SME supporting institutions should include analysis of their capacity to provide gender equal support (from a gender perspective such as but not limited to: gender knowledge of staff and managers, the systems in place, framework, resources and communication from a gender perspective) – with an aim of ensuring (M)SME supporting institutions have understanding of the challenges, needs and opportunities for male and female led companies, and to ensure both receive equal support (technical and financial) avoiding prejudices and stereotyped expectations and decision-making. 1.6 (M)SME supporting institutions should provide reports with sex-disaggregated information on what kind of support was delivered to who, how and why and with what results. 1.7 Ensure the Public Private Dialogue (PPD) tools reach

		<p>and are made use of by women and men, with an aim of getting a communication tool for policy making which reflect the needs, challenges and opportunities by women and men (girls and boys).</p> <p>1.8 Analyze the Research Innovation Actions system (RIA) to be established from a gender perspective, and ensure all incoming information is disaggregated, develop/provide solutions which fit both male and female owned companies.</p>
	<p>Strategic Direction 2: Improvement of access to finance</p>	<p>Actions to be include are e.g.:</p> <p>2.1 Increase access of women to soft loans by ensuring bank guarantees from the state/donors reach women who does not have access to collaterals.</p> <p>2.2 Educate banking sector on gender equality and the business opportunities when engaging with women-led/owned (M)SMEs.</p> <p>2.3 Initiate saving groups by, for and with women amongst micro and small companies with self-managed revolving funds.</p> <p>2.4 Targeted (M)SME literacy for women (exists but is limited) in a learning by doing environment, including supportive investment grants and targeted subsidized interest and loans to women with lack of collaterals. As a stand-alone tool increases skills will not be enough.</p> <p>2.5 Accounting and fund-raising learning activities (same comment as above)</p> <p>2.6 Existing initiatives (e.g. from Enterprise Georgia) must document learning and results with investments into men and women (M)SMEs.</p> <p>2.7 Depending on the stereotyping women/men in general and about female entrepreneurship in particular. Monitoring and carrying out research into this matter will be key together with communication to investors about non-biased and smart business choices.</p> <p>2.8 Access to commercial banks and MFIs. Since the state has subsidies interests´ rates for SME investments (which is very positive), who gets access to these subsidies (women and men owned enterprises) is important. Commercial banks/MFIs must report on the subsidy beneficiaries annually (disaggregated by sex).</p> <p>2.9 Grants to (M)SMEs. Annual reports following up on results should be used as input for the SME Strategy follow-up.</p> <p>2.10 Awareness raising activities in the regions on different financing modalities and how they can be combined directly to SMEs.</p>
	<p>Strategic Direction 3: (M)SME skills development and promotion of entrepreneurial culture;</p>	<p>Actions to be included are e.g.:</p> <p>3.1 Employment programs should promote non-stereotypical recruitment.</p> <p>3.2 Technical assistance should be provided upon clear criteria and the criteria should be transparently communicated to both women and men via channels to ensure both women and men get the information.</p> <p>3.3 Ensure all outreach material and communication (including material used in trainings) have considered gender equality, e.g. by making use of gender and</p>

		<p>communication checklists to counter stereotypical portraits of women and men, girls and boys.</p> <p>3.4 Ensure the proposed gap and needs assessment (in relation to women’s entrepreneurship) is made widely accessible, and recommendations implemented.</p> <p>3.5 Make use of IT platforms solutions for sharing of information and material for (M)SMEs and start-ups</p> <p>3.6 Awareness raising about customer-oriented work methods, ICT and online sales</p> <p>3.7 Awareness raising about the benefits of having female and male employees and mixed management/boards.</p> <p>3.8 Awareness raising about Occupational Health and Safety (OHS) and gender implications.</p>
	<p>Strategic Direction 4: Export promotion and SMEs internationalization;</p>	<p>4.1 DCFTA communication and roundtables should ensure both women and men owned (M)SMEs are participating. Annual reports on this matter should be produced.</p> <p>4.2 Awareness raising about DCFTA and how this may impact on women and men differently (e.g. building this on Gender Responsive Budgeting assessment).</p> <p>4.3 Support schemes to bring companies in line with DCFTA should be provided to both women and men owned (M)SMEs. Annual reports on this matter should be produced.</p> <p>4.4 CSR (corporate social responsibility) or RBC (responsive business conduct) must, in line with the international standards and practices, include the following key aspects (not limited to):</p> <ul style="list-style-type: none"> - Equal opportunities for women and men - Equal salary for equal work or work of equal value - Non-harassment, including sexual harassment, preventive work <p>Above require company policies, company strategies and budgeting to achieve gender equal and conducive working environment.</p> <p>4.5 (M)SMEs to be trained about CSR/RBC should include trainings on gender equality as part of that package.</p> <p>4.6 CSR/RBC principles must also be applied in all public financed (M)SME supporting institutions.</p>
	<p>Strategic Direction 5: Facilitation of innovation and R&D in SMEs.</p>	<p>5.1 Stimulation of innovation in (M)SMEs via grants from the state must ensure both women and men owned (M)SMEs are participating. Annual reports on this matter should be produced (size and numbers of grants provided).</p> <p>5.2 Support to office space (hotel offices) for (M)SMEs to provide a trustful and creative environment where different kind of business can meet</p> <p>5.3 Awareness raising activities about the fact that innovation and creativity is higher in mixed groups of women and men (than in all male or all female groups)</p> <p>5.4 Awareness raising activities to counter stereotypes in the gender segregation of professions (e.g. Additional efforts need to be invested in encouraging women to pursue career in science (e.g. financial aid, stipend, fellowships etc.)</p> <p>5.5 Showcasing female entrepreneurs from Georgia (and from outside of Georgia) as role models for female</p>

		<p>owned (M)SMEs in Georgia.</p> <p>5.6 Male engagement for gender equality</p> <p>5.7 ICT skills development must ensure both women and men owned (M)SMEs are reached. Annual reports on this matter should be produced.</p> <p>5.8 Include business learning into non-business sector education programs at universities and other learning institutions (medicine, sociology, forestry etc.)</p>
Chapter 6	No indicators developed to track the progress of the SME strategy, consequently monitoring may not provide the information needed to see if results are being achieved in line with expectations.	<p>Suggestions for gender indicators provided above.</p> <p>Annual reports on all indicators, including the gender disaggregated ones, are key to take informed decisions.</p> <p>Evaluation of results (mid-term and final).</p>

3.4 Prioritization of SME Gender Actions

The following matrix scores the proposed actions based on their impact and implementation timeframe.

Actions are divided into three categories:

Immediate (short- and medium-term) actions = actions which can and should be done before 2020 (and continue after)

Long term action = actions which can be done during the next SME Strategy period (2020-2025)

The following Gender Action Plan (GAP) compiles the identified potential actions (column 2) organized according to overall Priority Direction (column 1). Direct budget implications or need for human resources are linked to each action (column 3). Thereafter an assessment has been made on potential impact (column 4) and how long time before the action would lead to an impact (column 5). Finally, this translates into immediate, medium and long-term actions (column 6).

The potential impact (H=high, M=middle, L=low) and the how long time the action will take to implement (S=short, M=medium and L=long) are then assessed together according to the following model:

- Coded H+S or H+M = 1st priority marked red
- Coded H+L or M+S = 2nd priority marked orange
- Coded M+M or M+L = 3rd priority marked yellow
- Coded L+S/M/L = 4th priority marked green

The prioritization does not take costs into account.

1. Priority Direction	2. Actions (from SME strategy assessment)	3. impact High=H, Middle=M, Low=L	4. Time frame short=S, Medium=M Long=L	5 Actions + priority
Monitoring and evaluation purpose for policy development	0.1 Develop baseline (based upon quantitative and qualitative methods)	H	S	2018-19
	0.2 Include indicators, listed above	H	S	2018-19
	0.3 Report annually on indicators (to understand what results are achieved (all projects under the SME strategy should report accordingly, one comprehensive report should aggregate the results)	H	S	2018-19
	0.4 Carry out an evaluation upon which the next phase (M)SME strategy could be developed (evaluation of the next strategy should also be planned for)	H	S	2019
(M)SME Strategy formulation process	0.5 Identify key stakeholders, carry out consultation process to capitalize on their knowledge, including the challenges and opportunities for women in business	H	S	2018-19
	0.6 Develop strategy in a consultative and engaging process to ensure the knowledge are truly reflected in the analysis, results, indicators and activities of the next strategy phase.	H	S	2018-19
	0.7 Develop the analysis of the (M)SME sector from a gender perspective, with the use of data and stakeholder knowledge. Including, existing data and research as well as references to national and international political and legal commitments. See examples provided in the assessment.	H	S	2018
Strategic Direction 1: Further improvement of legislative, institutional framework and operational environment for SMEs;	1.1 All (M)SME statistics from Geostat should be disaggregated according to sex (ownership).	H	M	2018-2020
	1.2 Define women led and women owned (M)SMEs and if interventions should be made for both	M	S	Before 2020
	1.3 Assess the in-depth impact of forthcoming legislative and administrative initiatives effects on female/male/mixed ownership companies. Make use of Gender Responsive Budgeting as one of the tools for the assessment.	H	M	2019-20
	1.4 Removal of obstacles for female owned enterprises (such as, but not limited to: ensure access to affordable municipal child care facilities, work with fatherhood and family and care responsibility of men, educate women and men about existing rights, including the right to land and other collaterals, educate girls, boys, women and men	H	L	2020-onwards

	about labour rights, including equal opportunities and equal pay for equal work, empower girls at school age, initiatives to decrease gender based violence).			
	1.5 Institutional review of (M)SME supporting institutions should include analysis of their capacity to provide gender equal support (from a gender perspective such as but not limited to: gender knowledge of staff and managers, the systems in place, framework, resources and communication from a gender perspective) – with an aim of ensuring (M)SME supporting institutions have understanding of the challenges, needs and opportunities for male and female led companies, and to ensure both receive equal support (technical and financial) avoiding prejudices and stereotyped expectations and decision-making.	H	M	2019-2020
	1.6 (M)SME supporting institutions should provide reports with sex-disaggregated information on what kind of support was delivered to who, how and why and with what results.	H	S/M	2018-2020
	1.7 Ensure the public private dialogue (PPD) tools reach and are made use of by women and men, with an aim of getting a communication tool for policy making which reflect the needs, challenges and opportunities by women and men (girls and boys).	H	M	2018-2020
	1.8 Analyze the Research Innovation Actions system (RIA) to be established from a gender perspective and ensure all incoming information is disaggregated, develop/provide solutions which fits both male and female owned companies.	H	M	2018-2020
Strategic Direction 2: Improvement of access to finance	2.1 Increase access of women to soft loans by ensuring bank guarantees from the state/donors reach women who have not access to collaterals	H	M	2018-20
	2.2 Educate banking sector on gender equality and the business opportunities by engaging with owned (M)SMEs	H	M	2018-2020
	2.3 Initiate saving groups by, for and with women amongst micro and small companies with self-managed revolving funds	M	L	2020 and onwards
	2.4 Targeted (M)SME literacy for women (exists but is limited) in a learning by doing environment, including supportive investment grants and targeted subsidized interest and loans to women with lack of collaterals. As a stand-alone tool increases skills will not be enough.	M	M	2018-2020
	2.5 Accounting and fund-raising learning activities	M	M	2018-2020
	2.6 Existing initiatives (e.g. from Enterprise Georgia) must document learning and results with investments into men and women (M)SMEs.	H	M	2018-2020

	2.7 Financing institutions invest more in men-owned enterprises than female owned, and likely also invest higher amount of funds into male owned/led companies, depending on the stereotyping about women/men in general and about female entrepreneurship in particular. Monitoring and carrying out research into this matter will be key together with communication to investors about non-biased and smart business choices.	M	L	2020 and onwards
	2.8 Access to commercial banks and MFIs. Since the state has subsidies interests' rates for (M)SME investments (which is very positive), who gets access to these subsidies (women and men owned enterprises) is important. Commercial banks/MFIs must report on the subsidy beneficiaries annually (disaggregated by sex).	H	S	2018 (and onwards)
	2.9 Grants to (M)SMEs. This is now being done, and 40% are provided to women led SMEs. Annual reports following up on results should be used as input for the (M)SME Strategy follow-up.	H	S	2018 (and onwards)
	2.10 Awareness raising activities in the regions on different financing modalities and how they can be combined directly to (M)SMEs.	H	S/M/L	2018 (and onwards)
Strategic Direction 3: SME skills development and promotion of entrepreneurial culture	3.1 Employment programs should promote non-stereotypical recruitment.	M	L	2020 and onwards
	3.2 Technical assistance should be provided upon clear criteria and the criteria should be transparently communicated to both women and men via channels to ensure both women and men get the information.	H	S	2018
	3.3 Ensure all outreach material and communication (including material used in trainings) have considered gender equality, e.g. by making use of gender and communication checklists to counter stereotypical portraits of women and men, girls and boys.	H	M	2018-2020
	3.4 Ensure the proposed gap and needs assessment (in relation to women's entrepreneurship) is made widely accessible, and recommendations implemented.	M	L	2020 and onwards
	3.5 Make use of IT platform solutions for sharing of information and material for (M)SMEs and start-ups.	M	S	2019-20
	3.6 Awareness raising about customer-oriented work methods, ICT and online sales	H	M/L	2020 and onwards
	3.7 Awareness raising about the benefits of having female and male employees and mixed management/boards	H	M/L	2020 and onwards

	3.8 Awareness raising about Occupational Health and Safety (OHS) and gender implications	H	M/L	2020 and onwards
Strategic Direction 4: Export promotion and (M)SMEs internationalization	4.1 DCFTA communication and roundtables should ensure both women and men owned SMEs are participating. Annual reports on this matter should be produced.	M	S	2018-2020
	4.2 Awareness raising about DCFTA and how this may impact on women and men differently (could be built upon a Gender Responsive Budgeting assessment).	M	S	2019 and onwards
	4.3 Support schemes to bring companies in line with DCFTA should be provided to both women and men owned (M)SMEs. Annual reports on this matter should be produced.	M	S/M	2020 and onwards
	4.4 CSR (corporate social responsibility) or RBC (responsive business conduct) must, in line with the international standards and practices, include the following key aspects (not limited to): - Equal opportunities for women and men - Equal salary for equal work or work of equal value - Non-harassment, including sexual harassment, preventive work Above require company policies, company strategies and budgeting to achieve gender equal and conducive working environment.	M	M/L	2020 and onwards
	4.5 SMEs to be trained about CSR/RBC should include trainings on gender equality as part of that package.	M	M	2020 and onwards
	4.6 The same CSR/RBC principles must also be applied in all public financed SME supporting institutions.	M	M	2020 and onwards
Strategic Direction 5: Facilitation of innovation and R&D in (M)SMEs	5.1 Stimulation of innovation in (M)SMEs via grants from the state must ensure both women and men owned SMEs are participating. Annual reports on this matter should be produced (size and numbers of grants provided).	H	S/M	2018-2020
	5.2 Support to office space (hotel offices) for (M)SMEs to provide a trustful and creative environment where different kind of business can meet	M	L	2020 and onwards
	5.3 Awareness raising activities to counter stereotypes leading to gender segregation of professions.	M	L	2020 and onwards
	5.4 Showcasing female entrepreneurs from Georgia (and from outside of Georgia) as role models for female owned (M)SMEs in Georgia	M	S	2020 and onwards

	5.5 Develop strategies for male engagement for gender equality in business development	M	S	2020 and onwards
	5.3 Provide learning about the fact that innovation and creativity is higher in mixed groups of women and men (than in all male or all female groups)	H	S/M	2018
	5.4 ICT skills development must ensure both women and men owned SMEs are reached. Annual reports on this matter should be produced.	M	M	2018-2020
	5.5 Include business learning into non-business sector education programs at universities and other learning institutions	H	M/L	2020 and onwards

3.5. Background Information

Below are some examples of information to be included in the strategy, inter alia showing a great potential in engaging more women in the SME sector:

In Georgia women are overrepresented amongst people with higher education (55% women and 45% men) and in vocational training (57% women and 43% men). However, in 2017 only 58% of women were in the labor force compared to 78% of men. 53% women were employed, compared to 67% of men. Roughly 30% of all employed women and 40% of men are self-employed or own-account workers. According to National Statistical Office of Georgia (GEOSTAT), only 20% of SMEs are headed by women.

The overall unadjusted gender wage gap in Georgia was 37% in 2014. Gender gaps in earnings are large in many employment sectors in Georgia and can be partly attributed to industrial and occupational segregation and fewer hours characterizing women's employment, however, most of the pay gap is unexplained and is potentially caused by discrimination in the labor market (World Bank 2011). The average monthly salary of women is approximately 64% (68% in small enterprises and 62% in medium and large enterprises) of the average monthly salary of men, and in certain sectors, such as financial intermediation and hotels and restaurants, it is even less than 64%.

Women have in general less access to finance due to less collaterals and likely to stereotyped perceptions about women in business in credit institutions (as shown in e.g. Sweden).

Lack of opportunities in general in the Georgian labor market, explains the large number of migrant workers from Georgia. The last decade has, in addition, witnessed a feminization of migration. Women now constitute about half of all labor migrants from Georgia, which is potentially a result of a discriminatory labor market. Women migrants tend to have higher skills than their jobs abroad require, and work mostly as house cleaners, nannies, nurses, and caregivers, or, though fewer, as seasonal agricultural workers. At a global scale, migrant women earn less than migrant men, but provide for half of all remittances, as they send a larger share of their salaries. Although, emigration can provide source of income (measurable at GDP level), migration also constitute a risk of 'brain drain'.

Women-led SMEs are growing in Europe, make up 40% of all SMEs in a sector accounting for 2/3 of GDP.