

KAZAKHSTAN

WOMEN ENTREPRENEURS

April 2021

Overview of Women Entrepreneurs and Entrepreneurship

The country's development strategy, including the "3rd stage of modernization of Kazakhstan," aims for Kazakhstan to be included among the 30 most developed countries in the world by 2050. Small and medium sized enterprises (SMEs) contribute slightly more than 28 percent of Kazakhstan's Gross Domestic Product (GDP). The SME sector has been identified as one of the key drivers of growth for achieving this and other development goals, according to a study on the challenges of women entrepreneurs during the COVID-19 pandemic. The comprehensive study was conducted by the National Commission for Women, Family and Demographic Policy, UN Women, and the Applied Economics Research Center. It was also supported by the Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan.

In Kazakhstan there are several professional networks promoting women's economic empowerment and leadership, for instance the Association of Businesswomen of Kazakhstan which marked its 25th anniversary in 2020 and the Union of businesswomen of Kazakhstan created under the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" aimed at strengthening cooperation between the Government and the business community. A wide range of non-financial support for entrepreneurs is provided through the regional chambers of the Atameken.

In addition, service support for SMEs is organized in all regions through Entrepreneurship Service Centers. Furthermore, the State Damu Entrepreneurship Development Fund provides financial support through concessional lending and loan guarantees for women-entrepreneurs.

The State's "Business Roadmap 2025" was updated to enhance the level of business support it provides in response to the coronavirus pandemic. It helps new business initiatives of entrepreneurs in small towns and rural settlements; provides industry support for entrepreneurs operating in priority sectors of the economy; reduces the currency risks of entrepreneurs; and provides non-financial measures to support entrepreneurship.

Under the indicators of entrepreneurship of the DAMU Entrepreneurship Development Fund, the sectors in which women are most predominant include education, real estate, and hospitality and catering.

The comprehensive study on the impact of COVID-19 on women indicates that women entrepreneurs face many challenges including low profit margins, access to finance for business development, high rents for retail space and unfair competition from unregistered businesses.

Women entrepreneurs in Kazakhstan: What the data shows

The indicators of gender statistics of the DAMU Fund show that



43%

of SMEs are owned by women,



53%

of individual entrepreneurs are women, and just under one quarter of farmers are women.

A high percentage of women (94.5 percent) use mobile phones, and a similar proportion of men use them, according to government statistics.

The country offers various gender-smart financing options. A program of conditional placement of funds in second-tier banks are available for subsequent micro crediting for women entrepreneurs. Loans are available from the Asian Development Bank (ADB).

The European Bank for Reconstruction and Development (EBRD) offers a "Women in Business" programme. It provides access to finance through lines of credit to local banks with targeted financing for women-led SMEs. EBRD also offers training, mentoring and other support programmes for women entrepreneurs.

The "Business Road Map 2025", the state programme that supports and develops business, provides partial loan guarantees and loan interest rate subsidies.

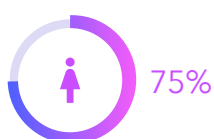
Women account for 57.6 percent of the total number of entrepreneurs who received financial support under the Damu Entrepreneurship Development Fund's programmes. There are 37 countries that have signed up on to the Women's Empowerment Principles.

Impact of COVID-19 on women entrepreneurs

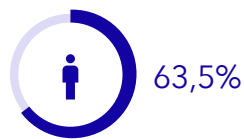
The state of emergency in Kazakhstan, due to the COVID-19 pandemic, had an adverse impact on the income of individual households and entrepreneurs. At the same time, the crisis caused by the pandemic has had a stronger impact on SMEs than on large enterprises because they are less able to withstand shocks in the supply chain and the decline in consumer income.

In the UN Women's study on the impact of COVID-19 on entrepreneurs, most entrepreneurs noted that their business suffered financial losses during the quarantine.

Just over

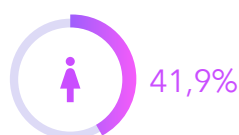


of women entrepreneurs reported financial loss, while



of men entrepreneurs reported losses.

Among women entrepreneurs who suffered financial losses,



noted that the loss amounted to more than 50 percent of income, while



of men reported similar losses.

For women entrepreneurs, the situation is exacerbated by the increase in their burden of unpaid work associated with additional domestic and care work. Restrictive measures implemented as a response to the COVID-19 pandemic hit sectors such as trade and agriculture that are predominately represented by women.

Networks and associations available for women entrepreneurs Kazakhstan

- The National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" is a non-profit organization. Created to strengthen the bargaining power of business with the Government of the Republic of Kazakhstan and state bodies. The Chamber of Entrepreneurs represents the interests of small, medium, and large businesses, covering all areas of entrepreneurship, including domestic and foreign trade. "Atameken" also involves regional chambers of entrepreneurs and Councils of businesswomen in the regions. <https://atameken.kz/>
- The Association of Businesswomen of Kazakhstan is a public non-governmental organization that unites women employed in politics, public administration, business, science, education, healthcare, and culture. It has more than 15,000 members and has an extensive network of regional branches countrywide. <https://businesswomen.kz/>
- Damu Entrepreneurship Development Fund JSC. The Damu Fund is a financial agent that implements and monitors financial support. It subsidizes interest rates on loans to entrepreneurs and guarantees loans to entrepreneurs to banks as part of the Unified Business Support and Development Program "Business Road Map 2020." Branches of the Damu Fund operate in all regions of Kazakhstan. <https://damu.kz/>