Closing the Gender Gaps in Entrepreneurship: support at the country level
Experience of DAMU

2011
Key indicators of gender statistics

In the socio-demographic aspect there is no sign of large variations in gender balance: women make up 52% of the total population, 49% of the employed population.

The share of women's contribution to GDP is estimated at 38%.

In small businesses in the structure of wage earners, women - 34%.

Industries with the highest percentage of women:
- Hotels and restaurants (65%)
- Financial activities (60%)
- Real estate operations (46.3%)

Data Source: Statistics Agency (www.stat.kz)
Indicators of Gender Statistics

The structure of self-employed women - 51%

Industries with the highest percentage of women:
- Trade (60%)
- Hotels and restaurants (59%)
- Community, social and personal services (59%)
- Real estate operations (54%)

According to the research of the Fund "Damu" and the center «BISAM» Kazakhstan small business has a "woman's face." Percentage of women:
- Enterprises - 61%
- SMEs - 52%
- IE - 65%
- Farmers - 18%

The study involved 10 thousand respondents
### JSC "Entrepreneurship Development Fund"Damu":

- Formed in 1997, according to the decision of the Government of the Republic of Kazakhstan

- 16 regional branches in every province and the cities of Astana and Almaty
- 270 employees at the Head Office and Branches
- On 01/07/2011, the:
  - Assets - $1310 mln.
  - Capital - $300 mln.

### Mission:

- Promote quality development of SMEs in Kazakhstan

### VISION:

**Fund "Damu" - a national institution, the main operator and integrator of business support measures in Kazakhstan**

### STRATEGIC OBJECTIVES:

- Integrating Business Support
- Providing a wide range financial and non-financial support instruments for SME’s
- Institutional development of the business environment
Fund “Damu” Development Milestones

<table>
<thead>
<tr>
<th>1997</th>
<th>2002</th>
<th>2007</th>
<th>2009</th>
<th>2010</th>
<th>...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent: accounting and control of state budget funds on ADB and EBRD credit lines</td>
<td>Direct lending to small enterprises from own funds</td>
<td>Operator of conditional allocation of funds under Stabilization Program</td>
<td>Financial Agent of «Business Roadmap 2020» Program</td>
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</tr>
</tbody>
</table>

- **Financing of SMEs**
- Complex character of support
- Development of infrastructure – network of SME support institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial Programs</th>
<th>Non-Financial Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>4 financial programs</td>
<td>11 non-financial programs</td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
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<tr>
<td>2009</td>
<td></td>
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</tr>
<tr>
<td>2010</td>
<td></td>
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<tr>
<td>...</td>
<td></td>
<td></td>
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</tbody>
</table>
Fund’s Core Programs According to the Strategy for 2010-2020

**Financial programs**
- Financial programs under “Business Roadmap 2020” (interest rates subsidizing, guaranteeing)
- Stabilization program – tranche 1-3
- Damu-Regions 2
- Conditional Placement in leasing companies
- Institutional development of business infrastructure (guarantee funds, private equity funds)
- Targeted programs of financing in regions
- Program of business development in small towns

**Non-financial programs**
- Non-financial programs under “Business Roadmap 2020” (service support, training)
- Call-center for SMEs
- Business-portal
- Training Program “Business-Advisor”
- Institutional development of business infrastructure (business development centers)
- Analytical and information materials for SMEs
- Cooperation under program «Senior Experts»:
  - SES (Senior Experten Service)
  - PUM (Netherlands Senior Experts)
- TV-project “Business story”
Program «Business Road Map – 2020»

Objectives:
- Promoting growth of regional entrepreneurship in non-commodity sectors of the economy
- Maintaining existing and creating new permanent jobs

Program directions:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Subsidized interest rate (7%)</td>
<td>1. Subsidized interest rate (7%)</td>
<td>1. Interest rate subsidies on existing loans (8%)</td>
<td>1. Education of start-up entrepreneurs</td>
</tr>
<tr>
<td>2. Partial guaranteeing of loans (50%)</td>
<td>2. Tax deferral (excluding PIT) for up to 3 years without incurring penalties</td>
<td></td>
<td>2. Training of top management</td>
</tr>
<tr>
<td>3. Development of production (industrial) infrastructure</td>
<td>3. Other activities under the plan of financial and economic recovery</td>
<td></td>
<td>3. Business support services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. The project &quot;Business Connections&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Training, youth practice and organization of social jobs (from 2011)</td>
</tr>
</tbody>
</table>
Program «Business Road Map – 2020»

Objective - to ensure sustainable and balanced growth of regional entrepreneurship in non-commodity sectors of the economy

Results of the program was as of 09/01/2011:

Subsidizing of interest rates

<table>
<thead>
<tr>
<th></th>
<th>Approved by RCC</th>
<th>Signed agreements</th>
<th>Total amount of loans, million tenge</th>
<th>The amount of paid subsidies, million tenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 direction</td>
<td>473</td>
<td>300</td>
<td>55 313</td>
<td>1 211</td>
</tr>
<tr>
<td>2 direction</td>
<td>131</td>
<td>94</td>
<td>79 896</td>
<td>2 042</td>
</tr>
<tr>
<td>3 direction</td>
<td>49</td>
<td>36</td>
<td>35 411</td>
<td>1 780</td>
</tr>
<tr>
<td>Total</td>
<td>653</td>
<td>430</td>
<td>170 620</td>
<td>5 033</td>
</tr>
</tbody>
</table>

Гарантирование по кредитам

<table>
<thead>
<tr>
<th></th>
<th>Approved by RCC</th>
<th>Signed agreements</th>
<th>Total amount of loans, million tenge</th>
<th>The amount of guarantees, million tenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 direction</td>
<td>67</td>
<td>14</td>
<td>4 083</td>
<td>2 000</td>
</tr>
</tbody>
</table>
Fund “Damu” Financial Support Programs

<table>
<thead>
<tr>
<th>Programs</th>
<th>Number of borrowers</th>
<th>Actually issued, million tenge</th>
<th>Number of borrowers</th>
<th>Actually issued, million tenge</th>
<th>The share of women entrepreneurs (IE) in the number of borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stabilization program – 1st tranche</td>
<td>2 812</td>
<td>89 557</td>
<td>736</td>
<td>8 004</td>
<td>26%</td>
</tr>
<tr>
<td>Stabilization program – 2nd tranche</td>
<td>3 092</td>
<td>167 971</td>
<td>843</td>
<td>13 777</td>
<td>27%</td>
</tr>
<tr>
<td>Stabilization program – 3rd tranche</td>
<td>3 153</td>
<td>210 836</td>
<td>803</td>
<td>14 995</td>
<td>25%</td>
</tr>
<tr>
<td>Damu-Regions</td>
<td>1 434</td>
<td>50 878</td>
<td>368</td>
<td>4 293</td>
<td>26%</td>
</tr>
<tr>
<td>Damu-Regions 2</td>
<td>121</td>
<td>6 259</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Damu-Ondiris (Manufacturing)</td>
<td>222</td>
<td>43 301</td>
<td>22</td>
<td>525</td>
<td>10%</td>
</tr>
<tr>
<td>Women entrepreneurship</td>
<td>547</td>
<td>2 362</td>
<td>547</td>
<td>2 362</td>
<td>100%</td>
</tr>
<tr>
<td>Leasing financing of SMEs</td>
<td>49</td>
<td>1 266</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program of SME financing in Zhanaozen</td>
<td>22</td>
<td>190.86</td>
<td>6</td>
<td>22</td>
<td>27%</td>
</tr>
<tr>
<td>Regional funding program for SMEs</td>
<td>17</td>
<td>1066.36</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>11 469</strong></td>
<td><strong>573 687</strong></td>
<td><strong>3 325</strong></td>
<td><strong>43 978</strong></td>
<td><strong>29%</strong></td>
</tr>
</tbody>
</table>

- Of the total number of borrowers within the framework of Fund’s programs 29% are women (IE).
- General statistics of women (IE): more than 3.3 thousand borrowers were funded for more than $43 billion, more than two thousand jobs were created.
Programs of “Damu“ Fund for financial support of entrepreneurship

- **Woman Entrepreneurship Microcredit Program**

**Purpose:** To promote economic activity of women entrepreneurs

**Conditions for borrowers:**
- effective rate for the end-borrower – up to 14.0%
- Lending period of the loan:
  - working capital - up to 36 months
  - fixed assets - up to 60 months
- Max. sum - up to 8000 MCI
- there is no restriction on sectoral focus of project financing

**Current results of the Program:**

<table>
<thead>
<tr>
<th>Second Tier Banks</th>
<th>Sum, mn. tenge</th>
<th>No of borrower s</th>
<th>Average time, month</th>
<th>rate</th>
<th>Jobs created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsesnabank</td>
<td>838</td>
<td>194</td>
<td>40</td>
<td>13,0%</td>
<td>13</td>
</tr>
<tr>
<td>CenterCreditBank</td>
<td>596</td>
<td>121</td>
<td>43</td>
<td>12,9%</td>
<td>35</td>
</tr>
<tr>
<td>Eurasian Bank</td>
<td>466</td>
<td>129</td>
<td>39</td>
<td>11,2%</td>
<td>37</td>
</tr>
<tr>
<td>Delta Bank</td>
<td>312</td>
<td>74</td>
<td>38</td>
<td>12,0%</td>
<td>30</td>
</tr>
<tr>
<td>Temir Bank</td>
<td>149</td>
<td>29</td>
<td>47</td>
<td>13,0%</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>2 362</strong></td>
<td><strong>547</strong></td>
<td><strong>41</strong></td>
<td><strong>12,5%</strong></td>
<td><strong>132</strong></td>
</tr>
</tbody>
</table>

- Trade 66%
- Services 29%
- other 5%
Results of Programs of “Damu” Fund on improving the competence of the entrepreneurs

As of 01.08.2011

4th direction of BRM-2020
✓ Support for business start-ups
✓ Service support for business
✓ Top-management training
✓ Project «Business connections»
✓ 6.8 thous. attendees (+ 28 thous. «Business Adviser»)
✓ 1,603 service support provided
✓ 210 attendees in 7 groups
✓ 107 people trained

Consultancy
✓ Creation of Business Support Centers (BSC)
✓ Call-center
✓ Business-portal
✓ 5 regional BSC created, 2 district BSC
✓ Call-center launched on March 2011

Information support and feedback
✓ Geographic Information System (GIS)
✓ Analytical Paper on SME
✓ “My Business. Kazakhstan” Magazine
✓ SME Round tables and Forums
✓ Site: www.gis.damu.kz
✓ 2 issues of analytical book published (annually)
✓ 17 issues of magazine (monthly)
✓ Panel session of Damu was held in May 2011 within the 4th AEF (plan: annually)

Support of entrepreneurs with disabilities
✓ “Damu-Komek” Program
✓ 237 entrepreneurs were supported
Programs of “Damu” Fund on non financial entrepreneurship support

- «Business Adviser» Program

There is a great interest of woman in participating in the program "Business Adviser": Stage 1 - 51% of the audience, stage 2 - 61% of the audience, Stage 3 - 63%

- «Damu-Komek» Program

Fund supported 237 businesses with Disabilities

- Gender distribution: 133 women (56%), 104 men (44%)
Thank you for your attention!