

Advice for Small Business Newsletter

December 2015, Issue 22



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Dear friends,

It is this wonderful time of the year when we would like to share with you what we achieved in this year and what we plan to do in the year 2016.

- We want to help businesses throughout the entire country and this is the reason why in 2015 we have been promoting our services in various regions and cities of the country – in particular, in Batken, Tokmok and Kara-Balta. In the next year we will be increasing the share of regional businesses in our portfolio. As you are aware, we offer regional businesses a subsidy of up to 75% of the costs of consultancy, with a ceiling of 10 000 Euro per enterprise.

- We try to help those businesses that can serve as examples for others and can set higher standards of doing business. For example, this year, a cheese-making company from Issyk Kul received an ISO:22000 international certificate, the only company in the entire country. A hotel in Issyk Kul installed state-of-the-art waste treatment equipment, setting a benchmark by which other hotels will be measured.

- This year, our Bank has provided long-term financing and consulting support to five companies. This support allowed a confectionary maker to improve its operations, a hotel in Cholpon-Ata to start reusing its waste water, a plastic packaging company in Bishkek to increase its efficiency, a hotel in downtown Bishkek to offer a higher level of service and other examples. We remain committed to continue providing similar support to 2016 to a greater number of businesses.

- In 2015 we helped 8 consultants to obtain internationally-recognized credentials – Certified Management Consultant designation. We will continue this work in the future and hope that the Kyrgyz Institute of Management Consultants will become a fully-fledged member of the international community of consultants.

We are open to your suggestions and ideas and will do our best to continue helping businesses in these challenging times.

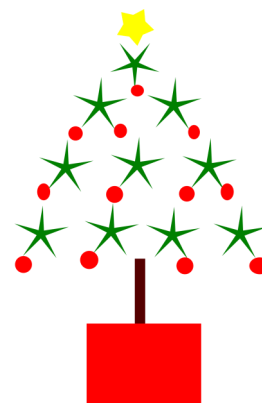
We extend greetings with the New Year and wish you and your families a year filled with happiness, kindness, health and success!

With best regards,

Bakai Zhunushov

Principal Manager

Advice for Small businesses in the Kyrgyz Republic



Export strategy development consultants capacity building

- The EBRD conducted a regional export promotion workshop at Issyk-Kul lake on 14-16 October, bringing together 35 consultants and trade support organisations from the Kyrgyz Republic, Tajikistan and Kazakhstan, helping them to enhance export consulting skills and foster links among them across countries. The EBRD teamed up with UNDP “Aid for trade”, who supported the regional work-shop, and Public Fund “Agrolead”, who organised the event. Over the two days, the participants heard success stories of export entrepreneurs, refreshed their knowledge on export strategy and export market analysis – assessing the potential of local goods on international markets in different sectors. They also discussed barriers on exporting, improving competitiveness of domestic products and technical regulation requirements in light of the Eurasian Economic Union. As part of the export promotion activities, a group of consultants and exporters were to attend the Central Asian Trade Forum in Almaty. The visit allowed participants to build real contacts with potential clients in the regional market.
- The EBRD together with the British Institute of Export (www.export.org.uk), conducted a three day training course on export strategy development. The three day programme of activity supported the initial training for consultants on market entry planning. The primary aim was to equip consultants with the knowledge and skills to develop an export market entry plan and export strategy that they can deliver as a consulting service to their clients. Target consultants of the course were consultants considering assisting local businesses to consider exporting and consultants already working with businesses who may be ready to look at overseas markets. The course uses a search for knowledge technique that requires the consultants to complete a workbook that takes them through each of the practical stages of the development of an Export Strategy and Market Entry Plan.



Energy efficiency press tour in Osh

Improving energy efficiency and energy-saving technologies is one of the most pressing problems for our clients of today. The EBRD supports the development of energy efficiency potential by enterprises and their production processes in all sectors of the economy by co-financing energy-efficient solutions. To increase visibility about energy efficient consulting projects, the EBRD organized a press-tour for mass media outlets from Osh on October 22, combining presentations about advisory support and KyrSEFF and a tour to EBRD clients that had received advice in energy efficiency. Several clients were visited: a farm that installed a biogas module to decrease energy costs, two hotels with a new solar systems and a drug-store that was advised on energy efficiency solutions to save costs.

Grow a thriving consulting business? Know how

We trained 22 participating consultants from Bishkek and Osh in how to better market and sell their consulting services. The course took place in October 2014 with a trainer, Vladimir Chernyavskiy, who has more than 15 years of experience in practical consulting.

Over the course of four full days, the participants in the Marketing and selling consulting services course learned a range of tools and approaches for marketing their services to potential clients, particularly SMEs. From the specifics of the structure needed to draft a marketing plan to putting SWOT (strengths, weaknesses, opportunities and threats) and PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis to work on their own business and practicing negotiation techniques, the participants emerged not only recognising clearly the unique selling point of their services, but with a range of ideas for how to approach potential clients.



EBRD's support to financial institutions

- Kompanion received a new EBRD credit line in the local currency, the som, to boost lending to micro, small and medium-sized enterprises (MSMEs) across the country. The three-year credit line for an equivalent of US\$ 9 million will be on-lent to Kompanion's clients, especially in rural areas. Kompanion is a long-standing partner of the EBRD in the Kyrgyz Republic. Since 2007 the EBRD has signed six loan agreements with Kompanion for a total of US\$ 17 million. To date, Kompanion has disbursed about US\$ 618 million to SMEs in the Kyrgyz Republic through more than a million loans.
- The largest bank in the Kyrgyz Republic, Optima Bank, and EBRD have teamed up to expand access to financing to Kyrgyz small businesses and to facilitate foreign trade for local corporates. Today, we have signed two loan agreements, for a US\$ 11 million credit line for micro, small and medium-sized businesses, and for a US\$ 2 million trade finance line under the EBRD Trade Facilitation Programme which will help Optima Bank to support more companies engaged in cross-border trade. Agreements for US\$ 20 million in risk-sharing facilities for the financing of local businesses are expected to be signed later. The EBRD and Optima Bank have already worked together expanding small business financing in the Kyrgyz Republic.



Switzerland and EBRD support water services in Naryn

The new investment will address huge water losses and the urgent need to upgrade water and wastewater infrastructure in Naryn, the city of 36,000 people situated en route to China. The Government of Switzerland and the EBRD will provide a total of €5.2 million to improve the water and wastewater infrastructure. The EBRD will provide a loan of up to €2 million, while the Government of Switzerland will provide capital grants of €3.2 million for the project. In addition, the municipal water company in Naryn will be supported by technical experts to improve the financial and operational management of Naryn Water Company.



Entrepreneurship day in Karakol

EBRD within the Global Entrepreneurship Week on November 26 organized a meeting for the management of the small and medium-sized enterprises of the Karakol city. For entrepreneurs this event, attended by about 50 people, became a good opportunity to meet each other, learn about products made in Karakol, the experience of solving various problems in other enterprises, as well as participate in a dialogue with the city administration. One of the decisions taken together was establishment of the annual contest "Business of the Year" with various categories for the entrepreneurs of Karakol.



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