

# EBRD Small Business Initiative Newsletter

January-June 2016, Issue 23

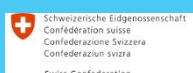
## Highlights

- \* EBRD marks its 25<sup>th</sup> anniversary
- \* Hospitality and meat processing sectors development activities
- \* Resorts on Kyrgyz lake Issyk-Kul can receive environmental upgrade
- \* Business forum in Jumgal
- \* EBRD loan in local currency to First MicroCredit Company
- \* EBRD, Switzerland strengthen support for small businesses in Central Asia
- \* Our Know-How's for SMEs
- \* Reaching out to the regions



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## Happy 25<sup>th</sup> anniversary, EBRD!

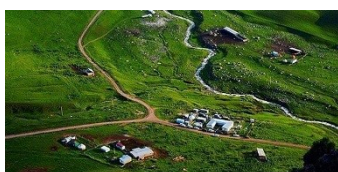


This year, the European Bank for Reconstruction and Development (EBRD) is celebrating its 25<sup>th</sup> anniversary, looking back on its successful support for emerging economies over the last quarter of a century and ahead with confidence to future challenges. Since its creation in 1991, the EBRD has played a key role in the transformation of a region that now spans three continents – from the Kyrgyz Republic in Central Asia to Morocco on the shores of the Atlantic Ocean, and from Estonia on the Baltic to Egypt on the Mediterranean.

The EBRD has helped to narrow infrastructure gaps and improve the quality of services delivered by local authorities. It has promoted the development of environmentally-friendly energy and has played a key role in supporting the growth of small- and medium-sized firms that are so crucial to job creation .

Looking forward, the EBRD is seeking to accelerate the process of convergence between emerging economies and their more advanced neighbours, raising levels of prosperity within fairer societies and promoting reforms. As the EBRD's sixth President, Sir Suma Chakrabarti, said at the ceremony to mark the anniversary: "We take pride in our achievements and relish our challenges."

As part of the run-up to the EBRD's anniversary and the 25th Annual Meeting and Business Forum, we approached our followers on social media and asked them to contribute with photos that illustrate the beauty and diversity of the lands where we operate. Several hundred took up the challenge. Take a look at selection of engaging images shared by you. This is why the Kyrgyz Republic #EBRDcountry is so special!



Chunkurchak valley @bosyakgz



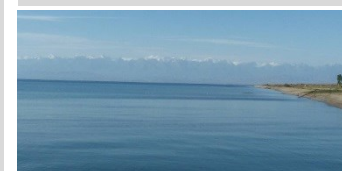
Osh mountains sunrise @bosyakgz



Osh @azatbarynbaev



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Issyk-Kul lake @jamiyla\_smile

## EBRD supports hospitality and meat processing industries in the Kyrgyz Republic

The EBRD continues to carry out a series of the sector development activities targeted at SMEs. During May, we have held two seminars with funding from the USA organised for representatives of the hospitality sector (hotels, resorts and guesthouses) and meat processing companies in the Kyrgyz Republic.

- For hotels and resorts, the seminar was organised at the lake Issyk-Kul, the most popular tourist destination in the Kyrgyz Republic, where numerous new resorts have been recently built or renovated. During the seminar, Gamil Selim, an Industry Adviser from the sector and Brian Ballingall, EBRD Team Coordinator, shared their own experience of the hospitality business management, such as facility planning, hospitality marketing, food & beverage services and environmental management.
- For the 20 representatives of meat processing companies, we invited Olivier Berthault, experienced sector advisor and Tapio Riihinen, Team coordinator, who discussed with the participants current trends in the global meat industry and potential opportunities for the Kyrgyz market.

In both seminars, the speakers prompted the entrepreneurs to undertake strategic decisions to increase the efficiency and competitiveness of their operations and review financing options to support their growth. The seminars shared best practices in the industry through real case studies from other EBRD countries of operations and provided access to international expertise via the quick business clinic approach. The events were followed by individual exploratory visits to companies interested in working with us on an advisory project.



## Resorts on Kyrgyz lake Issyk-Kul can receive environmental upgrade

The EBRD organised an environmental workshop in the Issyk-Kul region with a focus on wastewater treatment.

The EBRD organised an environmental workshop in the Issyk Kul region to disseminate information about successful advisory projects supported by the Bank and to stimulate further activity in this area. This is in response to the needs and concerns expressed by the Issyk Kul government and local resorts to reduce costs and preserve the ecological situation in the region.

Organised in cooperation with the local administration, the workshop was tailored specifically to present and to discuss the EBRD's mechanisms of supporting environmental modernisation through various tools such as the Kyrgyz Sustainable Energy Financing Facility (KyrSEFF), financing and advisory services. The event's format included an interactive half-day workshop, a trade fair of best available technologies from advanced wastewater equipment providers, and one-to-one consultations with interested companies.

## Business forum in Jumgal

Organised on 7-8 June in cooperation with business associations, the investment business Forum held in the Chaek village of the Jumgal oblast served as a platform to discuss the investment potential of this underserved region. The Forum's format included simultaneous information sessions, where EBRD consultants delivered presentations on pond fishing, mini HES, biogas, greenhouses and beekeeping. Local government officials, local and foreign businessmen from Russia and India were among participants of the event.



## EBRD loan in local currency to First MicroCredit Company

US\$ 1 million som equivalent for on-lending to MSMEs

The EBRD is stepping up its support for small businesses in the Kyrgyz Republic with a new loan in the local currency som to First MicroCredit Company (FMCC). The loan, equivalent to US\$ 1 million, will allow FMCC to expand its local currency lending, especially in rural areas where access to finance remains limited and local currency funding is constrained. Borrowing in local currency, rather than in dollars, will help small businesses and farmers who do not have income in hard currency avoid foreign exchange risk. The EBRD three-year loan also comes at a time when medium-term local currency financing is very limited on the market. FMCC is a well-established micro-finance institution with a strong presence in the Southern Osh and Naryn regions where a third of the total population of the country lives. The company is majority-owned by the Aga Khan Agency for Microfinance, an entity supporting projects on microfinance in more than 15 developing countries worldwide.

## EBRD, Switzerland strengthen support for small businesses in Central Asia

Swiss funding will help stimulate SME sector in Kyrgyz Republic and Tajikistan through access to finance and know-how.

The Swiss State Secretariat for Economic Affairs SECO is increasing its support for small and medium-sized enterprises (SMEs) in Central Asia with a €4.5 million contribution to the work of the EBRD Small Business Initiative (SBI) in the Kyrgyz Republic and Tajikistan. This strategic Initiative focuses on providing SMEs with support including loans and investments through financial institutions and risk-sharing facilities as well as direct financing. It also assists SMEs with business advice through local consultants and international experts, to improve their competitiveness, innovation and growth.

### Our Know-How's for SMEs

- The Issyk-Kul Regional Centre for Development and Education centre was established in 2009 in the city of Cholpon-Ata in the Issyk-Kul region. The Centre has a special focus on social and gender equality, which is reflected in its contingent of students: about 70% of those trained by the centre are women. *With donor funding from the United States, we helped the IRCDE centre to create a development strategy, to upgrade to a modern accounting system and to contribute to the cause of gender equality.* For their services in the fields of gender equality promotion and creation of additional jobs, the Centre's management was nominated for the EBRD Award for the Promotion of Gender Equality, which was announced at the 25<sup>th</sup> anniversary Annual Meeting of the EBRD's Board of Governors in London in May 2016 .
- Zdorov'ye, a small medical laboratory, located in Karakol, was established as a locally-run laboratory in 2009 by a female entrepreneur. As demand rose fast, Zdorov'ye grew rapidly and is now equipped with new technologies, professional staff and several reception points in a few more villages of the Issyk-Kul region, making their services convenient for the local population. *We helped Zdorov'ye put in place internal documentation and procedures to receive ISO 9001:2008 certification in Health Care and Medical Laboratories from the British Standard Institute and become the only ISO certified medical laboratory in the Kyrgyz Republic.*



### Reaching out to the regions

- In Osh, our team hosted a **regional conference for consultants**, development partners and partner banks. This business event served as a platform for exchange of information, sharing experiences in business consultancy and building partnerships among all regional SME players.
- In Karakol, the EBRD held a workshop for a Horeca sector with Daniyar Derkembraev, a food safety consultant, on how to organise business processes in a HORECA company and on how to **improve quality standards**. As a result two clients are now in the pipeline for local advisory projects.
- In Naryn, we delivered a **Know-How event**, concluding the round of regional events of this type. The event gathered around 100 people, representing local SMEs, administration, partner banks and media.
- Three regional **export workshops** have been conducted for the business companies of Osh, Jalal-Abad, and Naryn oblasts. In total, the workshops were attended by over 75 representatives of exporting companies. As a result of the workshop, 7 companies applied for a local advisory project to improve their exporting strategies.

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