



SPECIAL STUDY

EBRD Women in Business Programme in Turkey – EvD Review



European Bank
for Reconstruction and Development

EvD ID: SS18-098

January 2020

EBRD EVALUATION DEPARTMENT

The Evaluation department (EvD) at the EBRD reports directly to the Board of Directors, and is independent from the Bank's Management. This independence ensures that EvD can perform two critical functions, reinforcing institutional accountability for the achievement of results; and, providing objective analysis and relevant findings to inform operational choices and to improve performance over time. EvD evaluates the performance of the Bank's completed projects and programmes relative to objectives. Whilst EvD considers Management's views in preparing its evaluations, it makes the final decisions about the content of its reports.

This report has been prepared by EvD independently and is circulated under the authority of the Chief Evaluator. The views expressed herein do not necessarily reflect those of EBRD Management or its Board of Directors. Responsible members of the relevant Operations team were invited to comment on this report prior to internal publication. Any comments received will have been considered and incorporated at the discretion of EvD.

EvD's Special Studies review and evaluate Bank activities at a thematic or sectorial level. They seek to provide an objective assessment of performance, often over time and across multiple operations, and to extract insights from experience that can contribute to improved operational outcomes and institutional performance.

Report prepared by Beatriz Perez Timermans (Principal Evaluation Manager), Aziza Khanbekova (Principal Evaluation Manager), Karin Becker (Associate Evaluation Manager), EBRD Evaluation department and the support of Disha Zaidi (Monitoring and Evaluation Specialist).

© European Bank for Reconstruction and Development, 2018
One Exchange Square
London EC2A 2JN
United Kingdom
Website: www.ebrd.com

Contents

| | |
|---|-----------|
| <i>Abbreviations</i> | |
| <i>Executive summary</i> | |
| 1. Introduction | 8 |
| 2. Relevance of TurWiB..... | 10 |
| 2.1 Alignment with EBRD thematic, sector and country strategies and initiatives at approval | |
| 2.2 Donor priorities | |
| 2.3 Other IFIs and agencies role in Turkey and complementarity | |
| 3. Effectiveness in the achievement of intended objectives | 16 |
| 3.1 Increase the offer for on-lending to women-led SME | |
| 3.2 Increase access to finance | |
| 3.3 Increase access to know-how | |
| 3.4 Broader or Unintended results | |
| 4. Efficiency of TurWiB structure, resources and management | 33 |
| 4.1 Use of Resourcing | |
| 4.2 Use of FLRC | |
| 4.3 Adequateness of reporting | |
| 4.4 Visibility of TurWiB | |
| 5. Conclusions and Recommendations | 41 |
| Annex 1: Evaluation questions..... | 45 |
| Annex 2: Evaluation matrix | 46 |
| Annex 3: Qualitative Data/ Focus Group Analysis for the Turkey Women in Business Programme's Phase 1 Evaluation..... | 51 |
| Annex 4: Advisory projects..... | 57 |
| Annex 5: Project implementation assessment | 58 |
| Annex 6: EBRD FI projects pre-WiB with gender component..... | 61 |
| Annex 7: TurWiB volume vs. FI volume..... | 63 |
| Annex 9: First and second risk loss cover..... | 65 |
| Annex 10: TurWiB Benchmarks due date | 66 |
| Annex 11: External Consultant's comments on 'Special Study: EBRD Women in Business Programme in Turkey – EvD Review' | 66 |
| Annex 12: Management Comments..... | 68 |

Abbreviations

| | |
|--------------------------------------|---|
| AFD | French Development Agency |
| AS | Advisory Services |
| ASB | Advice for Small Businesses |
| BL | Business Lens |
| EBRD | European Bank for Reconstruction and Development |
| EIB | European Investment Bank |
| EU | European Union |
| EvD | Evaluation Department |
| FI | Financial institution; the Bank's Financial Institutions Group |
| Finansbank or Finans | QNB Finansbank A.Ş. |
| FLRC | First Loss Risk Cover |
| FSFM, Frankfurt School or consultant | Frankfurt School of Finance and Management I |
| Garantibank or Garanti | T. Garanti Bankasi A.Ş |
| IFC | International Finance Corporation |
| IFI | International financial institution |
| Isbank | T. Is Bankasi A.S. |
| ISKUR | Turkish Employment Agency |
| KCG | Credit Guarantee Fund |
| KOSGEB | The SME Support Agency |
| MIS | Management Information System |
| MoLSS or Ministry | Ministry of Labour and Social Security |
| MSME | Micro, small and medium sized enterprise(s) |
| NPL | Non-performing loan |
| OECD | Organisation for Economic Cooperation and Development |
| PFi | Partner financial institution (i.e. EBRD client bank or non-bank financial institution) |
| SBI | Small Business Initiative |
| SBS | Small Business Support team (now renamed Advice for Small Business team ASB) |
| SGI | Strategic Gender Initiative |
| SGK | Social Security Institution |
| SME | Small and medium-sized enterprise(s) |
| TC | Technical cooperation |
| TEB | Türk Ekonomi Bankası |
| TurWiB | Women in Business programme in Turkey |
| Vakifbank or Vakif | Turkiye Vakiflar Bankasi Turk Anonim Ortakligi |
| YE | Year End |
| WiB | Women in Business |

Executive summary

The Women in Business programme in Turkey was the first EBRD approach to “support women’s access to finance and entrepreneurship, combining dedicated financing, backed by technical advice to local financial institutions and a direct engagement with women entrepreneurs through access to training, advisory services, mentoring and networking.” This study seeks to review the first phase of the programme in Turkey from 2014 to 2017 and assess its relevance, its effectiveness in achieving intended results and its efficiency. The Evaluation Department (EvD) aims to answer three evaluation questions to in this review:

1. Relevance: Has TurWiB been aligned with and supportive of EBRD’s strategic agenda, country and donor priorities?
2. Effectiveness: Has TurWiB achieved its intended objectives and what evidence is available to this?
3. Efficiency: Has TurWiB’s structure, resourcing and management supported efficiently the achievement of its intended results?

WiB programmes aim to promote women’s participation in business by addressing (i) bottlenecks on the supply side through the facilitation of access to finance (via EBRD credit lines, First Loss-Risk Cover, technical assistance to PFIs) and (ii) bottlenecks on the demand side through the increase of access to know-how (via advisory services and other activities that support women-led MSMEs). The WiB programme is co-led by three teams: the Advice for Small Business team (formerly SBS team), the Gender & Inclusion team and the Financial Institutions (FI) team.

The first phase in Turkey comprised seven credit lines to five PFIs. A dedicated credit line of up to € 300 million was intended for on-lending to at least six commercial banks and leasing companies in Turkey, each under a stand-alone project. The average size of a TurWiB loan was smaller for four out of five PFIs compared with the size of a SME loan identified during the baseline assessment. EvD notes that this is a positive result since PFIs managed to target women entrepreneurs that have harder access to finance in demand of smaller sized loans.

PFIs that joined the programme at the early stages, were incentivised to disburse as soon as possible to take full advantage of the risk-sharing scheme and were able to reach out to a diverse range of WiB clientele with WiB tailored financial products. Late joiners, on the other hand, appear to have merely rebranded some of their existing financial products and used special occasions like Women’s day or Mother’s day, to promote these “new” products.

EvD analysed the demonstration effect of TurWiB in the financial sector. Through EvD’s research and interviews with external and internal stakeholders, there is evidence that during the TurWiB period 2014-2017, some banks and IFIs started targeting the women segment. Even though these actions cannot be attributed solely to EBRD’s WiB programme, interviews with external stakeholders have revealed that TurWiB was seen as a reference in the Turkish market and helped raise awareness of the benefits of lending to women led SMEs.

The EBRD’s TurWiB programme was of interest to the EU and Turkey due to its capacity to increase participation of women in the labour market. The overall objective of the TC programme was to promote women entrepreneurship in Turkey, and more broadly their participation in business by assisting women led SMEs to access finance, know-how and non-financial business development services. Funding was provided by the EU Instrument for Pre-Accession Assistance (IPA) fund (€32.3 million) and the Turkish Ministry of Labour, Social Security and Family (€6.7 million)

This study presents the following findings and recommendations that may contribute to enhance further phases of TurWiB or WiB programmes in other countries.

Findings

TurWiB successfully increased the offer for on-lending to women-led SMEs and increased access to finance

TurWiB improved the offer for on-lending to women-led SMEs through an increase of the PFIs' WiB loan portfolios, targeting start-ups and first time loan customers. The programme also managed to allocate funding outside of the three big cities (i.e. Ankara, Istanbul and Izmir). TurWiB was essential to raise PFIs knowledge of the women-SME segment and make them realise of the segment's potential.

The availability of First Risk Loss Cover was essential to the success of the programme which indicates that the programme may not be sustainable without a risk sharing mechanism and may indicate a market distortion

The Economics, Policy and Governance team saw the introduction of FLRC as a distortion to the market normally decreasing the TI rating. However, in this case the use of FLRC was considered neutral because of a clear market failure in terms of access to finance for women entrepreneurs and the perception that women were in a riskier segment than men. Three out of four PFIs interviewed stated that FLRC was the main element that attracted them to the WiB programme. The FLRC helped incentivise PFIs to consider lending to the WiB segment and worked as a bridge between PFIs and borrowers. However, the continuity of lending to the WiB segment is questionable as at least two PFIs reported that they will not offer similar products to women after the terminations of the WiB loan. The central dilemma for EBRD going forward is does it continue to subsidise lending in a market that has demand from female business owners and a commercial banking sector with more than sufficient liquidity to lend or does it mainly and comprehensively work through policy dialogue and other tools like training to facilitate the Turkish banks to lend to this underserved market segment.

Synergies between financial and non-financial components of the programme were limited

Regional seminars proved to be successful by bringing together PFIs and women-led SMEs and by disseminating information on the components of the programme. Yet, EvD notes that there is little evidence that the diagnostic services helped women-led SMEs in obtaining a WiB loan. TurWiB programme also relied on PFIs to promote ASB services, but these services were not promoted effectively or at all by the PFIs, who were promoting their own products instead of informing women entrepreneurs on the availability of other services such as training or mentoring under TurWiB.

The sustainability of changes at PFI level is questionable

Despite the fact that all PFIs valued the baseline assessment carried out by FSFM, certain PFIs made only superficial changes to their existing products in order to obtain the EBRD loan and avoided making significant changes in their' management information systems, SME strategies, products offered to the women-led SMEs and collection of gender disaggregated data. During interviews with PFIs, most of them stated that the bank did not follow FSFM recommendations because the cost of implementing them was greater than the actual value that the implementation was supposed to create.

There is considerable scope to leverage other IFIs' resources

Despite the fact that EBRD often competes with other IFIs and international organisations in the same country, TurWiB could be used as a platform for wider policy engagement. This was noted in the 2015 country strategy as one of the intentions of the WiB programme in Turkey and it was not achieved under TurWiB I. Access to finance and know-how for women entrepreneurs tackled by the WiB programme are issues of interest for other IFIs and organisations and EvD found that collaborating on these issues with other IFIs was a missed opportunity for EBRD in the first phase of the programme.

Recommendations

1. **Envisage a strategy that will phase out the FLRC at the outset of the next programme phase:** The FLRC was an essential component of the programme that incentivised PFIs to lend to women-led SMEs. As the TurWiB board document points out, 'the goal [of the FLRC] is to obviate the need for the subsidised risk cover'. For that purpose, EvD recommends to design a strategy at the inception of the programme which would phase out the FLRC component in the medium to long-term horizon and avoid perpetuating PFIs' expectations of subsidised lending to finance the WiB sector. The strategy should include indicators signalling sufficient market development for lending to women-led businesses.
2. **Use TurWiB as a platform to engage in policy dialogue for greater access to finance for women:**
 - a) By collaborating with other IFIs: EvD recommends using the programme as a platform to engage in systematic policy dialogue with other IFIs and ministries and relevant bodies in the country to tackle issues arising from the lack of offer by PFIs and gaps in know-how of women entrepreneurs.
 - b) By expanding partnership with current partners like ISKUR: The engagement with ISKUR remained limited throughout the project both at the design and the implementation phases. Since ISKUR carries out trainings for small entrepreneurs throughout Turkey, their role could be expanded under TurWiB.¹ A potential future working partnership with ISKUR would also mean more outreach to potential WiB loan clients and to recipients of advisory services across Turkey and would provide the possibility for EBRD to engage in meaningful policy discussions with the Ministry of Labour and Social Security.
3. **Revise Donor funding dependence to ensure programme-wide administrative functions like monitoring and reporting are fully funded:** The dependence of the programme on donor funding made it exposed to donors' requests that were difficult or sometimes impossible to fulfil by EBRD (such as reporting on employment figures of women-led SMEs). EvD recommends for this type of programme to be funded using EBRD's own resources where possible but if not, ensure that the programme has sufficient baseline capacity and resources to deal with the donors' and corporate demands. WiB programmes (and blended finance more generally) are a significant part of the FI business volume and therefore robust monitoring and reporting should be appropriately resourced.
4. **Advance Advisory Services to a next phase to enhance outreach and provide more relevant services:** The programme design could have been strengthened with a beneficiary learning needs assessment of women-led SMEs as part of the design phase of the study, rather than via the Business Lens unique tool. There was a baseline assessment only of PFIs and not of women-led SMEs (the beneficiaries). This would have helped better understand the SME landscape of Turkey (especially in remote locations) and would have allowed for adapting and customising trainings for women-led SMEs to different knowledge levels from the start. Key areas for improvement are:
 - a) Improve the use of the Business Lens (BL) tool for WiB loan clients: There was little overlap between beneficiaries that received the loan and those who attended the Regional WiB Seminar and/or Business Lens promotion meetings. The BL tool can be used more effectively through better outreach (meaning that more potential WiB loan borrowers would take the BL assessment), followed by coaching, mentoring and other business development

¹ ISKUR reported training small entrepreneurs through an organisation (KOSGEB) which trains (through a 32 hours training) about 100,000 people annually of which 50,000 are women. Participants then apply to KOSGEB for funding. Of the 100,000 trained, around 10% of these people may be successful in getting finance.

trainings based on the needs and areas of improvement identified using the tool. Systematic access of borrowers to BL would be beneficial as WiB's advisory services can prioritise trainings, coaching and mentoring focused on the most urgent needs of the specific business.

- b) Enhance the mentoring programme: Adding a signed commitment between mentors and mentees to avoid absenteeism will improve the mentoring programme. Other suggestions are to: (i) limit the number of mentees in order to focus on the quality of the meetings, (ii) add other ways of communication between mentors and mentees in order to reach women entrepreneurs in remote areas and (iii) more effectively acknowledge and take into account women entrepreneurs' schedule and limited time availability. EvD acknowledges that ASB is exploring new ways of improving its services in the second phase of TurWiB.
- c) Consider revising the design and delivery of trainings: Trainings should be designed for different levels of financial knowledge and new ways of delivery should be considered such as online training via webinars.

5. Introduce a Results Framework at the outset of the next programme and ensuring monitoring and data collection focused on TurWiB's two layers structure (PFIs level and beneficiary level):

A Results Framework at the beginning of the programme will facilitate the comprehension of the programme by donors and Board members. The introduction of a Results Framework will improve clarity of the results of the two components (financial and non-financial) and also flag the programme's intended efficiencies that come principally from joint fundraising, reporting and marketing events.

Regarding data collection, EvD has recommended in previous studies the need to report on outcomes indicators at the beneficiary level for the financial components (credit lines). This may take the form of a review of at least a sample of sub-borrowers (both ex ante and ex post). A follow up of the programme over a long period would provide valuable information compared with the baseline assessment.

1. Introduction

The Women in Business (WiB) concept was designed to address challenges related to the mismatch between the financial products and know how offered by the market place and those demanded by women entrepreneurs. These challenges include:

- Women perceived as riskier clients for cultural reasons or for lacking traditional type of collateral.
- Women needing tailored support to develop managerial skills and inspiring role models.
- Gender/cultural bias in lending practices and financial products.
- Lack of adequate sex-disaggregated information on financial services.

WiB was presented to the EBRD Board of Directors in May 2014 by defining goals, components, transition impact expectations of the initiative and proposing a plan to implement it via programmes targeted at women entrepreneurs in Turkey, Eastern Partnership countries and Western Balkans.

In this context, WiB programmes aim to promote women's participation in business by addressing (i) bottlenecks on the supply side through the facilitation of access to finance (via EBRD credit lines, First Loss-Risk Cover, technical assistance to PFIs) and (ii) bottlenecks on the demand side through the increase of access to know-how (via advisory services and other activities that support women-led MSMEs). The WiB programme is co-led by three teams: the Advice for Small Business team (formerly SBS team), the Gender & Inclusion team and the Financial Institutions (FI) team.

By 2017, WiB programmes were approved in eight countries or regions. Turkey, Western Balkans, Eastern Partnership, Egypt, Croatia, Kazakhstan, Morocco and Tajikistan². These programmes are currently at different stages of implementation. Turkey was the first and largest application of the WiB concept that established the fundamental features adopted by the other programmes.

The approach and methodology used for this review and agreed with Management are set out in the Approach Paper³. This review focuses on the WiB programme in Turkey during the period 2014-17.⁴ This is the first phase of the WiB programme in Turkey (TurWiB) that comprised seven credit lines to five PFIs, as further analysed in Section 3.⁵

TurWiB was developed with the notion that gender specific gaps exist both in terms of access to finance and access to know-how, where the source of these gaps is determined by supply-side as well as demand-side factors, which are often interlinked.

In May 2014, EBRD's Board of directors approved the programme that consisted of (i) Women in Business Financing via dedicated credit line, (ii) First Risk Loss Cover scheme, (iii) Technical Cooperation assistance and (iv) Women in Business Advisory Services. These four components are summarised in Table 1 with their respective amounts and the source of funding.

² Tunisia Women in Business Technical Cooperation Programme approved in 2018 on a no-objection basis

³ Please see annexes 1 and 2 for further detail

⁴ In certain cases, when available at the time of the report, data from YE2018 has been used to provide the most updated assessment.

⁵ The second phase of the programme in Turkey, TurWiB II was approved by EBRD Board of Directors in December 2018.

Table 1: TurWiB Programme components

| Programme components | Amount (€, M) | Source of funding |
|--------------------------------|---------------|---|
| Dedicated Credit line (EUR, m) | 300 | EBRD |
| Grant components (EUR, m): | 38 | EU IPA Funds (85%) & Turkish Ministry (15%) |
| - First Loss Risk Cover (FLRC) | 29.4 | |
| - Technical Cooperation | 2.95 | |
| - ASB | 4.85 | |
| - EBRD Management fee | 0.8 | |

Source: DAQ BDS14-128, 28 May 2014

A dedicated credit line of up to € 300 million was intended for on-lending to at least six commercial banks and leasing companies in Turkey, each under a stand-alone project. Since the programme aimed to target women-led SMEs via marketing and outreach activities particularly in the regions outside of Istanbul, Ankara and Izmir, PFIs were required to have an established network of branches across the country with a speciality on SME-lending. Five⁶ Turkish financial institutions joined the programme: QNB Finansbank, Turkish Economy Bank, Vakifbank, Isbank and Garantibank. Due to macroeconomic events during 2016, the 6th intended participant, Sekerbank, made the decision to pull out of the programme and to focus on its core business instead. In the meantime, QNB Finansbank, which had deployed the first TurWiB loan between May 2015 and June 2016, requested an additional financing of up to €50 million. The TurWiB Framework, comprising the first phase of the TurWiB programme, is presented in the table below.

Table 2: Turkey WiB framework

| No. | PFI name | OPID | OP Name | Amount (million) | Currency | Signed date | Disbursement date |
|-------|------------|---------------------|----------------------------|------------------|----------|-------------|-------------------|
| 1 | TEB | 46563 | TurWiB TEB | 50 | EUR | 22-Apr-15 | b/t Jul-Oct 2015 |
| 2 (a) | Finansbank | 47030 | Loan I: TurWiB Finansbank | 50 | EUR | 19-Dec-14 | Feb-15 |
| 2 (b) | Finansbank | 48751 | Loan II: TurWiB Finansbank | 55 | USD | 10-Aug-17 | Aug-17 |
| 3 | Isbank | 47425 | Isbank | 55 | USD | 22-Mar-15 | Mar-15 |
| 4 | Garanti | 48248 / 48670 | Garanti DPR | 50 | EUR | 19-Dec-16 | Dec-16 |
| 5 (a) | Vakifbank | 48867 / 47070 | Vakif DPR | 30 | USD | 15-Dec-14 | Dec-14 |
| 5 (b) | Vakifbank | 48827 / 46104 | Project Cezanne | 25 | EUR | 26-Apr-16 | May-16 |

Source: DTM

In order to understand, how the multifaceted components of this approach supported the objective of supporting women-led businesses, donor priorities, sound banking and project performance, the Evaluation Department (EvD) posed three evaluation questions to guide the review:

⁶ FRM approved in December 2015. The Ministry of Labour and Social Security was notified of the change in March 2017.

1. Relevance: Has TurWiB been aligned with and supportive of EBRD's strategic agenda, country and donor priorities?
2. Effectiveness: Has TurWiB achieved its intended objectives and what evidence is available to this?
3. Efficiency: Has TurWiB's structure, resourcing and management supported efficiently the achievement of its intended results?

2. Relevance of TurWiB

The focus of this section is assessing the relevance of the programme with EBRD strategy and initiatives as well as with donor priorities and the complementarity with other IFIs and agencies in Turkey.

Key Findings

- Main themes related to gender and SMEs identified in the TurWiB programme were broadly reflected and present in all of the EBRD strategies and initiatives in force at the time of Board approval.
- Through providing first loss risk cover and technical assistance, EBRD's TurWiB was found to undermine the IFC's Banking on Women programme in Turkey due to competing directly with IFC's offerings to PFIs.
- TurWiB focus was found to be compatible with the programme of the Agence Française de Développement (AFD) which targets themes such as working conditions for women in finance (including childcare facilities, health and safety). Collaboration between EBRD and AFD was envisaged at the beginning of the TurWiB programme but was not achieved due to differences in commercial terms of the programmes and the reluctance of the Ministry of Labour and Social Security.
- EBRD could have used the TurWiB programme as a platform to carry out policy dialogue on legal and/or regulatory reforms in the WIB SMEs market as stated in the 2015 Turkey Country Strategy.⁷
- EU donor priorities related to the EU's Instrument for Pre-Accession's Human Resources Development Operational Programme were reflected in TurWiB's SBS logframe⁸, including employment, education, training and social inclusion (containing increasing labour force participation of women).
- Even though the SBI recommends developing a Results Framework for measuring and reporting on impacts achieved, tracking indicators and outcomes (which is also advocated in the TurWiB Board Document).

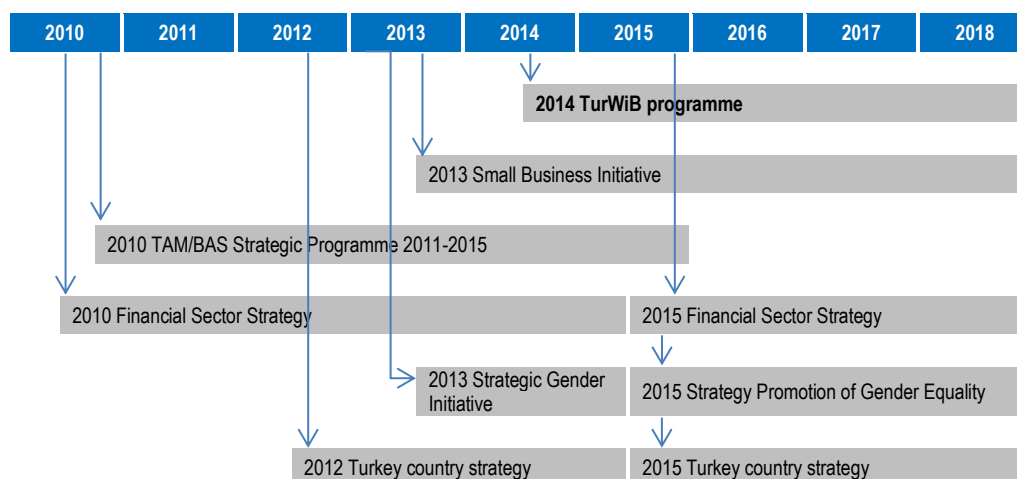
⁷ The 2015 Turkey Country Strategy states that Policy dialogue on the regulatory framework and taking into account the gender dimensions of investment climate reform will complement the investment side of the WiB in Turkey. P31 BDS/TK/15-1.

⁸ SBS logframe was developed by ASB to track progress of TurWiB programme's activities and report to Donors. It includes TurWiB programme objectives, indicators, sources of verification and progress to date and report to Donors.

2.1 Alignment with EBRD thematic, sector and country strategies and initiatives at approval

This section assesses how the 2014 Turkish WiB programme aligned with the EBRD's strategic planning documents. TurWiB was approved in 2014 under 3 strategies and 2 initiatives (see Table 3). The relevant strategies include the **2012 Turkey Country Strategy (BDS/TK/12-1)**, the **2013 Strategic Gender Initiative (BDS13-057)**, the **2010 TAM/BAS Strategic Programme (BDS10-289)**; the **2013 Small Business Initiative (BDS13-342)**; and the **2010 Financial Sector Strategy (BDS10-219)**.

Table 3: Strategies and TurWiB approvals



Cross analysis of themes in the TurWiB Board Document against overall priorities set out in strategies and initiatives is presented in the tables below.

Table 4: Themes in TurWiB 2014 Board Document appearing in relevant EBRD strategies and initiatives in force in 2014

| Themes expressed in TurWiB Board document* | 2010 TAM/BAS Strategic Programme 2011-2015 | 2010 Financial Sector Strategy | 2012 Turkey Country Strategy | 2013 Strategic Gender Initiative | 2013 Small Business Initiative |
|--|--|--------------------------------|------------------------------|----------------------------------|--------------------------------|
| Access to finance for women in business | ✓ | ✓ | ✓ | ✓ | ✗ |
| Supporting SMEs through credit lines at partner financial institutions | ✓ | ✓ | ✓ | ✓ | ✓ |
| Promoting new products for SMEs | ✓ | ✓ | ✓ | ✓ | ✓ |
| Capacity building, training at PFIs for SMEs | ✓ | ✓ | ✓ | ✓ | ✓ |
| Increasing SME access to advisory services | ✓ | ✗ | ✓ | ✓ | ✓ |
| SME needs assessment | ✓ | ✓ | ✓ | ✓ | ✓ |
| SME risk cover/support | ✗ | ✓ (p29) | ✓ | ✗ | ✓ |
| Access to employment | ✗ | ✗ | ✗ | ✓ | ✓ |

NB EvD identified themes. TurWiB SME themes are all specifically elaborated in relation to women owned or led SMEs, although relevance also covers broader SME development objectives. Therefore the gender based distinction is explicitly covered in this table only in the first theme.

Table 4 shows that TurWiB is therefore highly relevant across strategies in multiple areas, with unanimous relevance in terms of SME needs assessments, promoting new SME products and capacity building at PFIs

for SME finance. Almost unanimously, strategies showed support for access to finance for women in business, SME credit lines through PFIs and increasing SME access to advisory services. Less prevalent themes in the strategies and initiatives were access to employment and risk support for credit. Best coverage of the TurWiB themes was demonstrated in the 2013 Strategic Gender Initiative, 2013 Small Business Initiative, and the 2012 Turkey Country Strategy.

2.2 Donor priorities

The EBRD's TurWiB programme was of interest to the EU and Turkey due to its capacity to increase participation of women in the labour market. In particular, Turkey was interested in seeing involvement of key local stakeholder groups championing female employment and entrepreneurship. The donor agreement, signed in December 2013, included €38 million donor financing from the EU and the MoLSS, and was contracted through the MoLSS to compliment the EBRD financing of PFIs on lending to WiB SMEs introduced in 2014. The overall objective of the TC programme was to promote women entrepreneurship in Turkey, and more broadly their participation in business by assisting women led SMEs to access finance, know-how and non-financial business development services.

Funding was provided by the **EU Instrument for Pre-Accession Assistance (IPA) fund** (€32.3 million) and the **Turkish Ministry of Labour, Social Security and Family** (€6.7 million) with the following respective priorities:

2.2.1 *The EU Instrument for Pre-Accession Assistance (IPA) fund - €32.3 million*

This instrument was set up to help beneficiary countries to face the challenges of European integration and to implement reforms needed to fulfil the Copenhagen criteria for EU membership.⁹ This IPA is delivered through the EU Coordination Department within the MoLSS which is accredited by the European Commission.¹⁰ The priority of key relevance to this WiB programme is Measure 1.1: *To promote women's participation into the labour market, and increase female employment, including those formerly employed in agriculture.*

The €32.3m EU funding for this intervention aims to address the main challenges Turkey faces in employment, education, training and social inclusion. Measures for meeting priorities include increasing labour force participation of women and increasing adaptability of employees and employers by investing more in human resources.¹¹ In interviews with EvD, EU operational staff in Ankara agreed that the main issues were access to finance for women led SMEs and need for first loss risk cover to incentivise PFIs to lend to them. They liked the mix of activities which created significant impact and visibility. They found that the advisory side of the programme was an innovative aspect.¹²

2.2.2 *The Turkish Ministry of Labour, Social Security and Family - €6.7 million*

The funding was provided by the MoLSS for the priority of furthering women's employment. It chose to cooperate because of EBRD's experience providing support to SMEs through credit lines and technical

⁹ TurWiB Grant Contract, 20 December 2013, Annex 1, s3 p2 The Copenhagen Criteria are the rules that define whether a country is eligible to join the European Union. The criteria require that a state has the institutions to preserve democratic governance and human rights, has a functioning market economy, and accepts the obligations and intent of the EU. https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/accession-criteria_en

¹⁰ Ministry of, Labour and Social Security of the Republic of Turkey and Directorate of EU and Financial Assistance, HR Development Operating Structure <http://www.ikg.gov.tr/projects/?lang=en>

¹¹ TurWiB Grant Contract, 20 December 2013, Annex 1, s4

¹² EU Offices Ankara 4th April

assistance in Turkey since 2009.¹³ The Ministry was the contracting authority for the EU funding, designated as responsible authority for Human Resources Development and for the design and implementation of the programme.

The priorities agreed between the MoLSS and the EBRD were to provide financing and technical assistance to women owned and women managed enterprises for the purpose of i) facilitating access to finance, ii) increasing access to know how and non-financial business development services. The ultimate goal of the intervention was to increase employment and improve human resource development in assisted enterprises, including among women.¹⁴

Role of ISKUR

The Ministry wanted close involvement and promotion of ISKUR, the employment agency operating under its wing.¹⁵ The contract between EBRD and the Ministry states that the EBRD team would ensure that WiB ASB support projects and financing are coordinated with key local stakeholders including ISKUR, KOSGEB, KAGIDER, TOBB Women Entrepreneurs Boards, local business woman associations and development agencies.¹⁶ In an interview with EvD, ISKUR indicated that any unspent donor funds from the Ministry would be returned and allocated to ISKUR and was therefore particularly interested in a good use of the funds and clear reporting of results.¹⁷ ISKUR also viewed this as a learning experience as to whether it could be a useful way to increase women's employment in Turkey

The design of the WiB programme included benchmarks related to increased employment and turnover within women led SMEs it supported. The Ministry controlled the formulation of the design indicators on employment and turnover data for sub projects and ISKUR was unable to influence them despite preference for more information and more detailed indicators. In an interview with the EBRD, ISKUR indicated it felt the benchmarks on employment and turnover figures were too generic and inadequate to really measure success. ISKUR explained that due to the large number of audit organisations in Turkey there was an obligation to provide a lot of specific information about the sub projects. However there were issues around this during implementation due to a lack of a mechanism to gather this data. ISKUR did note that the provision of financing with technical assistance was a completely new model for Turkey and one that they had very little experience with.¹⁸

Table 5: Alignment of EU IPA Priorities, and Turkish ministry' priorities, and their reflection in EBRD planning documents

| EU IPA Priorities | Linkage | Agreed priorities between Turkish Ministry of Labour and Social Security and the EBRD | SBS Results FW? | Bmk in TurkWiB TIMS? |
|--|---------|---|-----------------|----------------------|
| Help beneficiary countries to face the challenges of European integration | | Provide financing and technical assistance to women owned and women managed enterprises | Y | Y |
| Implement reforms needed to fulfil the Copenhagen criteria for EU membership | | | | |
| Employment – measure increasing labour force participation of women | → | Increase employment | Y | Y |
| Education | → | Increasing access to know how and non-financial business development services | Y | N |

¹³ TurWiB Grant Contract, 20 December 2013, Annex 1, s5 & 6

¹⁴ Ibid., s8

¹⁵ EvD interview with ISKUR, Ankara 4 April 2019

¹⁶ TurkWiB Grant Contract, 20 December 2013, Annex 1, p7&15

¹⁷ EvD interview with ISKUR, Ankara 4 April 2019

¹⁸ EvD interview with ISKUR, Ankara 4 April 2019

| | | | | |
|--|---|---|---|---|
| Training - increasing adaptability of employees and employers by investing more in human resources | → | Improve human resource development in assisted enterprises, including among women (SMEs and PFIs) | Y | N |
| Social inclusion | → | Facilitating access to finance | Y | Y |

The SBS logframe was developed by ASB to track progress of TurWiB programme's activities and report to Donors. It includes TurWiB programme objectives, indicators, sources of verification and progress to date and report to Donors. The SBS logframe in Annex 2 of the TurWiB Eight Interim Donor Report 2017 includes objectives, indicators and sources of verification for each of the above donor priorities. Specific indicators were established regarding the number of women to be employed and trained under the programme.

As evidenced by a review of the contracts, discussions with the EU, the Ministry and analysis of benchmarks set out in the SBS logframe and TIMS, the design of TurWiB is of high relevance to donor priorities. Nevertheless, EvD notes that SBS logframe provides only a partial picture of the programme, comprising overall objectives, indicators to be achieved, sources and progress to date. It reflects mainly the activities (i.e. actions taken or work performed to transformed inputs into outputs). There is no clear indication in terms of outputs, outcomes and impact to help identify the different components of TurWiB and to relate them to one another and this hinders the reporting and evaluation of the programme.¹⁹

2.3 Other IFIs and agencies role in Turkey and complementarity

This section deals primarily with the activities of IFC and the Agence Française de Développement (AFD) which are the most active members of the international development community in the area of women in business in Turkey. Through discussions with relevant operational staff from these organisations in the field, EvD found that whilst agreement between the IFIs remained on the core challenges facing women in business, priorities and approaches to working in that sector diverged. In the case of IFC these divergences were detrimental to their programme. AFD, whilst fully supportive of the EBRD's programme, focuses on sharing of business know-how, and improvement to childcare facilities and working conditions for women in the workplace.

2.3.1 IFC

*IFC and the EBRD have not been aligned in their approach to improving access to finance for women in business in Turkey. Whilst there is agreement on the underlying issues, the EBRD has supplemented its lending programme with technical assistance and first loss risk cover, neither of which are part of IFC's offering.*²⁰

Unlike the EBRD, IFC does not provide free technical assistance and does not offer first loss risk cover, despite banks wanting it. This means that since the EBRD started working in Turkey, IFC has lost clients for their Banking on Women programme. For IFC, Turkey is one of the most developed countries it works in so there was no room for offering free technical assistance in that environment. In interviews with EvD, IFC staff explained that they wanted to create a sustainable long term market for women. They feel that the EBRD TurWiB programme is not sustainable due to its FLRC which is a subsidised funding that distorts market dynamics.²¹

¹⁹ OECD DAC definitions: Output= products capital goods and services resulting in changes relevant to outcomes, Outcomes= likely or achieved short-term and medium term effects and Impact= positive or negative long-term effects produced

²⁰ IFC classifies Turkey as a middle income country and this affects the offer of financial products to the country

²¹ EvD interview with IFC (voice conference), Ilker Cetin (IFC, FIG), Sammar Essmat (IFC) 15th April 2019.

According to IFC staff interviewed for this study, the EBRD TurWiB distorted the market to the extent that it suppressed temporarily the IFC programme as it only restarted in 2018, when IFC invested in the first emerging market gender 6 year bond of \$75 million by Garantibank to boost loans to Turkey's women in entrepreneurs.²² This enables Garantibank to increase its offering to female led SME clients. IFC are also focussing on supporting women in supply chains and women on boards of companies. Where IFC invests in a company it identifies and proactively reaches out to qualified women to fill board positions. IFC's approach therefore goes slightly further the EBRD in terms of building a more sustainable financing model. The EBRD did not anticipate this issue and designed TurWiB after EPG had conducted gap analysis on the market needs. Market distortion was not an issue that the FI team anticipated at the outset as it was working on addressing concerns of PFIs with regards risk protection and capacity building to generate sustainable product offerings for women.

IFC agrees with the EBRD on the priority areas to be addressed, and on the issues regarding women in business and access to finance. However there has been no cooperation on TurWiB. IFC collaborates more generally with the EBRD and other IFIs and they meet once a month in Turkey to discuss gender projects and exchange knowledge. IFC appreciates the awareness the EBRD has brought to the market and causing banks to start tracking gender in their portfolios to see the potential. EBRD and the IFC have cooperated very well on the restructuring agreement with the Banking regulator. They worked together seamlessly on that. The overall relationship with IFC is very good, apart from the differences on loss risk cover and technical assistance.²³

2.3.2 *The Agence Française de Développement (AFD)*

At the time of TurWiB approval in 2014, EBRD was in ongoing discussion with AFD regarding a co-financing proposal of \$100 million. AFD was ready to support the EBRD's TurWiB programme for female entrepreneurs. There were some discussions with the Ministry of Labour and Social Security (MoLSS) regarding including a third party under the grant contract. However, according to sources interviewed by EvD at AFD, commercial terms proposed by AFD differed to those offered by the EBRD, although interviewees were unable to say exactly how due to staff changes. Regardless of disagreement on terms, the MoLSS also expressed unwillingness to work with two lending parties under TurWiB, so the decision was made for the EBRD to proceed as sole lender.

AFD is most interested in improving working conditions for women in Turkey, following a study on what holds women back from entering the workforce. A lack of childcare and social security were key reasons cited in the study. AFD then proceeded with lending to one PFI \$100 million to improve occupational health and safety, and further loans to improve child minding facilities so that women can go to work.

AFD is particularly interested in how business know-how and experience is shared and platforms for this are particularly important for Turkey. Like IFC, they work with the Women Entrepreneurs Association KAGIDER.

As described above, during the early stage of design, EBRD attracted AFD's interest to participate in TurWiB. EBRD also informed other International Financial Institutions on the plan to develop a dedicated lending programme for women entrepreneurs. However, the cooperation did not materialise despite the fact of being an innovative product targeting a priority area for IFIs in Turkey due to the Ministry only being prepared to work with one multilateral lender.

²² IFC Invests in first emerging market gender bond by Garantibank with Support from Goldman Sachs 10,000 Women to boost loans to Turkey's women entrepreneurs 13 June 2018, [IFC Website](#)

EvD interview with IFC (voice conference), Ilker Cetin (IFC, FIG), Sammar Essmat (IFC) 15th April 2019

²³ EvD interview with IFC (voice conference), Ilker Cetin (IFC, FIG), Sammar Essmat (IFC) 15th April 2019

EvD notes that TurWiB offered opportunities for IFI collaboration that remain unrealised so far.

3. Effectiveness in the achievement of intended objectives

This section assesses performance related to increase on lending offer to women, increase access to finance and access to know how.

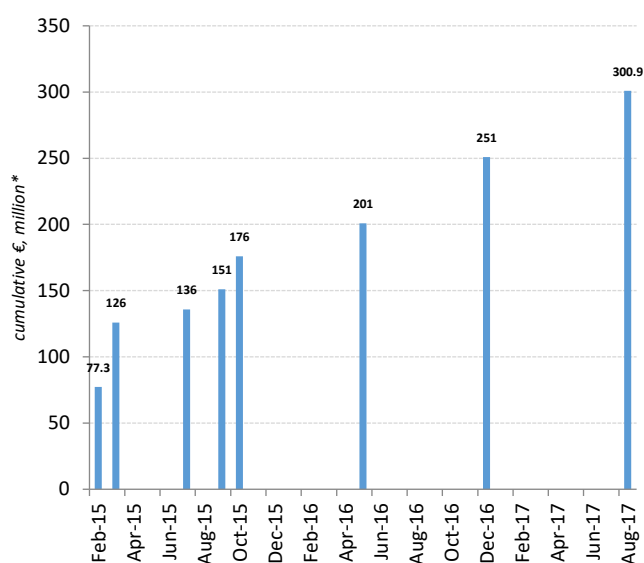
- EBRD disbursed €417 million to WiB SMEs by the end of 2017, which is €17 million more than expected. By the end of 2017, TurWiB disbursed 18,717 loans, and the amount allocated outside of Istanbul, Ankara and Izmir reached €194 million; overachieving the targets set at appraisal.
- The increase in the WiB loan portfolio comprised by WiB start-ups and first-time loan customers reached 32% of the EBRD financing, which is higher than the target set at appraisal.
- Insufficient evidence is available to assess if 40% of total loan proceeds were used in loans with lower collateral requirements and longer tenure. Changes at the PFI sub-borrower level were difficult to assess since PFIs were not able to collect data on employment and turnover.
- Despite the added value of the baseline assessment, EvD questions the effectiveness of the programme in terms of PFIs offering actual new products to the market and the sustainability of the PFIs' offer. In addition, gender disaggregated data was collected by certain PFIs only for the purpose to obtain the EBRD WiB loan and collection of such data was discontinued afterwards.

3.1 Increase the offer for on-lending to women-led SME

3.1.1. WiB sub-loan portfolio

The disbursement of the framework loan took place between 2014 and 2017. By August 2017, EBRD disbursed 100% the Framework's loan amount as illustrated below.

Chart 1: Timeline of EBRD-funded disbursements



* Variances in the approved total and cumulative disbursements is primarily due to FOREX fluctuations

Source: DTM

The implementation process took a multi-step approach. In October 2014, the Bank hired the Frankfurt School of Finance and Management to: (i) develop and strengthen Borrowers' capacities to effectively reach out to WiB SMEs, (ii) ensure synergy between all components of the programme, and (iii) perform a coordinating role that include monitoring, marketing, visibility and reporting.

As a starting point for assessing the increased on-lending offer, FSFM carried out an SME loan portfolio review at the level of each PFI namely a baseline assessment. The findings were used by EBRD to approve individual sub-loans. FSFM then designed tailored capacity building programmes aiming to assist each of the PFIs in making relevant adjustments, when needed, to its business model, lending practices and/or delivery mechanisms.

To assess if TurWiB managed to increase access to finance, this section looks at different indicators set at approval such as the evolution of WiB sub-loan portfolio, the composition of the WiB loan portfolio, the use of proceeds in loans with lower collateral and longer tenure and the sustainability of changes in financial products and in PFIs' MIS. Table 6 below reflects the indicators set at appraisal, their targets and the results as per December 2017.

Table 6: TurWiB results, December 2017

| Performance indicator | Board-approved Target level | | Actual results, December 2017 | | | Level of success |
|--|-----------------------------|-------------|-------------------------------|------------------|------------------|------------------|
| | EBRD | EBRD + PFIs | EBRD | (EBRD + PFIs) ** | (EBRD + PFIs)*** | |
| Number of sub-loans (#) | 12,000 | 12,000 | 16,836 | 18,717 | | Achieved |
| Total Disbursed amount (EUR, m) | EUR 300 | EUR 400 | EUR 266 | EUR 287 | EUR 417 | Achieved |
| - EBRD | EUR 300 | EUR 300 | EUR 266 | EUR 266 | EUR 266 | Achieved |
| - PFIs | | EUR 100 | | EUR 21 | EUR 151 | Achieved |
| Increase in WiB sub-loan portfolio in regions outside of Istanbul, Ankara and Izmir (EUR, m) | EUR 90 | EUR 120 | EUR 178 | EUR 190 | | Achieved |
| Average sub-loan size* (EUR) | EUR 25K | EUR 25K | ~EUR 16K | EUR 15.3k | | Achieved |
| Average maturity (months) | n/a | n/a | ~29 months | ~28 months | | n/a |
| % of start-ups and first-time borrowers (#) | 30% | 30% | 42% | 40% | | Achieved |
| % of start-ups and first-time borrowers (in vol.) | 30% | 30% | 32% | 32% | | Achieved |

* The average sub-loan amount was established by the consultant following a completion of the baseline assessment exercise at each PFI

** Consultant-verified PFIs use of own resources

*** Statements prepared by PFIs on the resources committed to TurWiB were NOT shared with the consultant at the time, but were shared with EvD as part of EvD's efforts to get consistent figures

Source: Turkey Women in Business Programme: Final Report, FSFM, December 2017 and BDS 14-128 p. 21-22

By December 2017, the programme's implementation end-date, the total WiB sub-loan portfolio disbursed was €417 million (by EBRD and PFIs), exceeding the €400 million target. The start-ups and first-time beneficiaries accounted for 32% of the cumulative amount sub-lent to the market, 6.7% higher than the 30% target level.²⁴

Table 7 below shows the results per PFI presented in the latest donor report. EvD notes that the baseline assessment reflects PFIs SME loan portfolio and this is compared with the TurWiB sub loan portfolio for each PFI at 3Q2017.

²⁴ An aggregate of EBRD and PFIs' loan amounts

Table 7: PFIs' SME Loan portfolio at the baseline assessment vs. TurWiB portfolio at 3Q2017²⁵

| Performance Indicator | FinansBank | | TEB | | VakifBank | | IsBank | | GarantiBank | |
|---|------------|----------------------|----------|----------------------|-------------|----------------------------|-------------|------------|-------------|---|
| | Baseline | 3Q17 | Baseline | 3Q17 | Baseline | 3Q17 | Baseline | 3Q17 | Baseline | 3Q17 |
| Total women-led SME loan portfolio (EUR, m) | 950 | 79.3 | 1,107 | 67.9 | 542 | 28 | 704.6 | 32.4 | 592.4 | 25.8 |
| Sub-loan size, average (EUR '000) | 40.8 | 12.0 | 25.4 | 11.8 | 38.8 | 25.4 | 29.5 | 20.2 | 15.4 | 31.8 |
| # of women-led SMEs | 23,277 | 6,617 | 43,595 | 5,740 | 13,965 | 1,099 | 23,884 | 1,603 | 38,464 | 812 |
| Average maturity (months) | 24 | 27 | 26 | 29 | 24 | 29 | 35 | 29 | 38 | 28 |
| % of start-ups and first-time borrowers | 15% | 55% | 9% | 43% | 12% | 29% | 6% | 18% | 8% | 21% |
| % of loans secured with hard collateral | 24% | <i>no collateral</i> | 74% | <i>no collateral</i> | <i>n/a*</i> | <i>collateral required</i> | <i>n/a*</i> | <i>n/a</i> | <i>n/a*</i> | <i>collateral required up to 30% of loan amount</i> |
| % of total sub-loans issued outside of Istanbul, Ankara and Izmir (>=30%) | 34% | 77% | 51.5% | 59% | 44% | 65% | 41% | 72% | 38% | 60% |

* Collateral is not assigned to a specific loan. Collateral pool secures all type of loans of the borrower.

Source: "Turkey Women in Business Programme: Final Report", by Frankfurt School of Finance and Management, December 2017

Overall, the results show a positive picture, with a varying degree of success from bank to bank. Finansbank achieved the best results against all performance indicators, as it was the first PFI to join TurWiB. The PFI took advantage of the FLRC²⁶ mechanism to be able to lend to the first-time borrowers and start-ups and to offer a financial product free of collateral. This was done through small size loans, less than the €25,000 ceiling. TEB was another PFI that benefited early on from the programme, which helped the bank expand its clientele base, establishing relations with new clients, considered ineligible before TurWiB²⁷

EvD notes that insufficient evidence is available to conclude on whether 40% of total loan proceeds were used in loans with lower collateral requirements and longer tenure. Finansbank and TEB benefitted from the FLRC and managed to offer loans without the need of collateral. The average tenor of WiB SME sub loans increased for Finansbank, TEB and Vakifbank. Garantibank began disbursing EBRD's funds in March-April 2017 and nothing was reported at the time of the latest Donors' reports. There is no clear explanation for Garanti's and Isbank's shorter average tenor of TurWiB loans in the third quarter of 2017 compared to the average tenor identified during the baseline assessment. However their current offered tenor is in the same range as the other three PFIs.

The average size of a TurWiB loan was smaller for four out of five PFIs compared with the size of a SME loan identified during the baseline assessment. EvD notes that this is a positive result since PFIs managed to target women entrepreneurs that have harder access to finance in demand of smaller sized loans. During the interviews with FSFM, EvD learned that EBRD allowed some PFIs to disburse larger loans and eliminate the average loan size target of €25,000 as stated in the policy statement. For instance, Vakifbank focused on larger SMEs in order to disburse faster. Vakifbank's loan average was €38,808 during the baseline assessment and decreased to €24,600 within the programme which is an improvement. Garanti seemed to have used the same approach and focused on larger SMEs for a rapid disbursement.

3.1.2. Changes in financial products and MIS

A mismatch between demand and supply side was identified in the Turkish financial market, specifically between the types of products on offer through commercial banks and those demanded by women-led businesses. To bridge the gap, the programme offered technical assistance to PFIs aiming to help them

²⁵ The year of the baseline assessment varies among the PFIs: QNB Finansbank: 2013, Vakifbank: 2014, Isbank: 2014, TEB: 2014 and Garanti Bank: 2015

²⁶ The deadline for use of the FLRC facility was set at December 2017.

²⁷ Asymmetric information and agency problems limit access to credit by small businesses and start-ups.

getting a better understanding of the financial needs of WiB SMEs. TC was intended to help PFIs develop an adequate customer information system, optimise PFIs' lending procedures, and develop market products and services to respond to WiB SMEs' needs. The steps necessary to achieve these objectives involved: (i) a completion of a baseline assessment; (ii) an update of the MIS system to support data gathering, analysing and tracking of gender-based information; and (iii) an introduction of tailored financial products for WiB SMEs.

Following the baseline assessment, FSFM organised strategy planning sessions with each of the PFIs to present and discuss the results of the baseline study, the action plan, and the guideline for developing a proposal for the WiB SME segment. All PFIs expressed their willingness to develop marketing and outreach mechanisms to attain the WiB segment.

A detailed analysis of each of PFI's operational and HR systems allowed to (i) develop and deliver capacity building programmes and classroom trainings focused on gender responsive sales and communications; (ii) extend support to PFIs in the design process of dedicated products for their WiB clients, and (iii) optimise the existing MIS to monitor gender-disaggregated data to better track the performance of lending to WiB. The interviews held with four PFIs revealed that three out of four PFIs saw value in the baseline assessment but consider the recommendations that followed as a 'box ticking' exercise needed to secure the loan from EBRD.²⁸ The MIS system was updated in certain cases to monitor gender disaggregated data and better track the performance of lending to WiB segment, but largely remained the same after EBRD's involvement. The Gender Toolkit developed by the consultant and expected to guide the PFIs in approaching the WiB SME segment was generally seen by PFIs as guidelines to be applied only when working with EBRD. PFIs that joined the programme at the early stages, were incentivised to disburse as soon as possible to take full advantage of the risk-sharing scheme and were able to reach out to a diverse range of WiB clientele with WiB tailored financial products. Late joiners, on the other hand, appear to have merely rebranded some of their existing financial products and used special occasions like Women's day or Mother's day, to promote these "new" products.

It is also worth noting that one of the PFIs saw EBRD's loan proposal, focused specifically on women, as discriminatory in nature. Garantibank, having the longest experience in WiB SME lending, consider the requirement of appointing "at least 1 full staff member to the management of the WiB programme" as irrelevant.²⁹ In certain PFIs, this requirement was seen as temporary and they reassigned an existing headcount to manage the WiB SME segment for the duration of EBRD's programme only. The interviews have also unearthed that PFIs used the TurWiB programme primarily as a marketing tool to promote their brands and services.

All PFIs gave credit to FSFM for laying the ground for increasing their awareness of the WiB SME segment, including organising trainings and seminars for senior management. In particular PFIs were able to defend the business case of getting involved in TurWiB in front of their internal management thanks to the knowledge acquired through trainings and interactions with FSFM.

3.2 Increase access to finance

One of the objectives of the programme was to increase access to finance. In this section, EvD looks at the number of sub-loans disbursed to WiB SMEs, the evolution of WiB sub-loan portfolio outside the three big cities and the changes at the PFI sub-borrower level in terms of employment and turnover.

²⁸ Vakifbank, the fifth PFI, was not available for a meeting with EvD for various reasons, including working on funding proposals with tight deadlines, according to PFI.

²⁹ BDS14-128, page 22.

TurWiB reached 18,717 sub-borrowers over achieving the target of 12,000 borrowers and on average, increased loan maturity to 28 months. Also, the programme encouraged PFIs to expand their WiB lending operations to WiB SMEs in regions with low level of financial intermediation. As of December 2017, €190 million were allocated outside of Istanbul, Ankara and Izmir versus a target of €120 million.

Table 8: TurWiB results by number of sub-loans disbursed and volume of credits allocated outside of three big cities in Turkey³⁰

| Performance Indicator | QNB Finansbank | TEB | Vakifbank | Isbank | Garanti Bank | Overall |
|--|-------------------|-------|-----------|--------|--------------|---------|
| Number of sub-loans disbursed (#, min 12,000) | 7,876 | 6,005 | 1,319 | 2,375 | 1,142 | 18,717 |
| Total loans placed outside Istanbul, Ankara and Izmir (min EUR 120m) | 70 | 42 | 21 | 33 | 24 | 190 |
| Total loans placed outside Istanbul, Ankara and Izmir (min 30%) | 72% | 59% | 65% | 71% | 56% | 66% |

Source: Turkey Women in Business Programme: Final Report, by Frankfurt School of Finance and Management, December 2017

3.2.1 Changes at the PFI sub borrower level

TurWiB was also expected to bring changes at the sub-borrower level in terms of employment and turnover growth.

Based on the information obtained during meetings with PFIs and ISKUR, EvD found that no accurate data related to the employment figures was readily available or easily accessible. The Social Security Institution (SGK) that was expected to provide the required data to the consultant was only able to do so for a limited number of sub-borrowers using tax IDs or, in some cases, citizenship IDs.

Out of 2,152 end-borrowers³¹, 914 matched with information provided in the SGK database system, while others had either information missing or were not recorded in the system. FSFM used that short-list to conclude that as of September 2017: i) about 28% of end-borrowers achieved an increase in employment, measured from the time of the sub-loan application and the time of repayment (versus a target of 40%); ii) 36% experienced a decrease; and iii) 36% reported no change. The net result was negative: -545 employees.

Table 9: Overall Employment Impact Analysis

| | Number | Share | Total Number of Employees at Disbursement | Total Number of Employees at Repayment | Impact on Employment |
|--|------------|-------------|---|--|----------------------|
| End-borrowers with an employment decrease | 329 | 36% | 4,725 | 3,219 | -1,506 |
| End-borrowers with no change in employment | 329 | 36% | 841 | 841 | 0 |
| End-borrowers with an employment increase | 256 | 28% | 2,013 | 2,974 | 961 |
| TOTAL | 914 | 100% | 7,579 | 7,034 | -545 |

Source: Turkey Women in Business Programme: Final Report, by Frankfurt School of Finance and Management, December 2017

In terms of effect of TurWiB in turnover of PFIs sub borrowers, the financial analysis of data as of the first half of 2018 suggests that around 64% of sub borrowers reported an increase in turnover between the time of a loan application and the time of repayment. In Turkey, retail customers are not obliged to provide regular

³⁰ Third line percentage based on volume

³¹ Only two PFIs provided sub loan data that resulted in a list of sub-borrowers that was submitted to the SGK as of the end of 2017. This list comprised 2,152 end borrowers.

updates on the financial status of their businesses, during the loan repayment period and therefore this data was also limited.³²

Table 10 shows the percentage of sub-borrowers that reported increase in their turnover following the utilisation of the TurWiB loans made by each PFI.

Table 10: PFI Reporting in Annual Turnover data for sub-loans

| PFI | Percentage of sub-borrowers that achieved turnover increase between sub-loan application and repayment period |
|----------------|---|
| QNB Finansbank | 71 % enterprises (130 out of 183 sub-loans achieved increases in annual turnover between sub-loan application and repayment period) |
| Isbank | 59 % (23 out of 39 sub-borrowers) |
| TEB | No data yet |
| Vakifbank | 42 % (19 out of 45 sub-borrowers) |
| Garantibank | No fully repaid sub-loans in H1-2018 since portfolio is more recent. |
| Total | $172/267 \times 100 = 64 \%$ |

Source: TurWiB 10th Interim Report, 2018-H1

Based on the evidence provided above, EvD considers that a thorough due diligence should have been exercised to make sure the benchmarks included at the design stage were able to be monitored and reported on after the implementation of the programme.

3.3 Increase access to know-how

Key Findings

- Women receiving basic diagnostic services were successful in obtaining a loan from a PFI and/or small business support assistance, but it is not clear the extent to which the diagnostic services helped them in obtaining the WiB loan. The effect on revenues of women-led SMEs participating in the programme was positive.
- EvD found a lack of outreach and communication about the WiB loan programme to recipients of advisory services.
- Little overlap was observed between beneficiaries that received the WiB loan and those who attended the Regional WiB Seminar and/ or the Business Lens meetings.
- Training courses' targets were achieved thanks to the change of design from three-day paying course to one-day free course. EvD notes that some fine tuning should be considered by ASB to adapt the courses to different levels of financial skills. The focus group discussions showed that neither the loan clients nor the advisory services clients had received any WiB training

³² Amongst the PFIs, QNB FinansBank, Isbank, TEB and Vakifbank accepted to provide this data themselves. Garanti Bank accepted to provide contact information of WiB sub-borrowers (Source: Turkish WiB 10th Interim Report, 2018-H1, pg.6).

even though they expressed the need for business focused trainings, denoting a lack of visibility of ASB trainings.

- The provision of advisory services met the targets set at appraisal, and the services were found to be helpful to the enterprises that participated in them. This included services like strategic planning, situational analyses, and developing action plans through local consultants for the women-led SMEs.

To assess the 'Effectiveness' of the TurWiB programme, this section of the report evaluates the extent to which TurWiB removed barriers on the demand side by increasing access to know-how for women-led SMEs. 'Effectiveness' on know-how is measured along three dimensions that are aligned with the project design phase. Each dimension has indicators and associated targets to evaluate success of the programme.

The analysis relies on mixed methods including both quantitative and qualitative data including a participatory evaluation approach implemented through conducting focus group discussions with WiB clients/project beneficiaries.

Box 1 Focus group discussions

Humanising the data through focus group discussions

Methodology: A participatory evaluation approach was adopted for qualitative data collection through conducting focus group discussions with WiB clients/project beneficiaries. Four focus groups discussions were conducted with two sets of clients: (i) WiB loan receivers, and (ii) WiB clients for advisory services in Istanbul and Ankara.

Purpose: The goal of the focus group discussions was to identify best practices and challenges associated with access to finance and advisory services components of the programme and to assess outreach of the programme among clients through the focus group lens. Note that due to the small sample size of the focus groups, the findings cannot be generalised. However, the focus groups help with 'humanising the data' and provide better insights into WiB clients as well as the types of businesses they run, how are the businesses operated, and what the WiB 'client stories' are— sharing both barriers and successes in their life and work.

Findings:

- Outreach and communication issue: Majority of the clients who received the WiB loan had not heard about the WiB programme until a month before the focus group was held. They perceived the loan as a collateral free loan provided by the bank they had borrowed from before.

- Purpose of the loan: Majority of participants reported using loan money for buying new equipment or for purchasing raw material. Fewer cases reported using loans funds for reinforcing working capital, or for investing in upgrading software or other technology.

- Business growth after the WiB loan: The business owners attributed several aspects of business growth to the WiB loan like starting a business house, attending and showcasing work at international jewellery exhibitions thereby allowing access to international markets, and opening a new retail shop thanks to the WiB loan.

- Lack of formal outreach for WiB Advisory Services: Majority of the participants heard about WiB Advisory Services through informal networks of friends and colleagues rather than formal brochures, or other public announcements.

Annex 3 provides more details about the focus group discussions.

3.3.1 Success in getting a loan (from a PFI and/or small business support assistance) after receiving diagnostic services, and increases in employment, and turnover

The first dimension focuses on how receiving diagnostic services translates into success through getting a loan from a PFI and/or small business support assistance, and evaluates increases in employment, as well as turnover.

(i) Indicator: Success in getting a loan after receiving diagnostic services (from a PFI and/or small business support assistance)

Targets and progress on those targets for SMEs getting a WiB loan after receiving diagnostic services are summarised in Table 11 below.

Table 11: SMEs getting loan after receiving diagnostic services

| Indicator | Target | Progress until June 2018 |
|---|--------------------------------|--|
| % women receiving basic diagnostic services successful in obtaining a loan from a PFI and/or small business support assistance. | At least 50% of women get loan | 51% of women (1,171 out of 2,289 according to matching analysis). |

Source: Logframe, Turkey WiB 10th Interim Report by FSFM, Page 10

Overall, targets were met for women receiving basic diagnostic services who were also successful in obtaining a loan from a PFI and/or small business support assistance. However, it is not clear the extent to which the diagnostic services helped them in facilitating the loan since focus group findings and matching analysis data (discussed in detail below in Table 12) showed that there was little overlap or contribution of receiving basic diagnostic services and being familiar with the Business Lens tool into obtaining a WiB loan.

FSFM designed and organised 'Women in Business' seminars in cooperation with borrowers/ PFIs and ASB to provide basic diagnostic services to at least 2,000 beneficiaries and/ or potential beneficiaries. There were 16 Regional WiB Seminars held during the course of the TurWiB programme with a total of 1,821 participants who attended the Regional Seminars, of which 1,380 were women entrepreneurs.³³ The objectives of the seminars were (i) to build awareness on entrepreneurship as both an employment prospect, and opportunity for women; (ii) to train WiB participants on a specific subject for business development or access to finance; (iii) to attract potential sub-borrowers for receiving a loan from the PFIs; and (iv) to introduce the women participants to a diagnostics assessment tool developed within the programme, called the *Business Lens (BL)* as detailed in Box 2. The BL tool focuses on management competencies in seven categories: financial management, market knowledge, marketing & sales, human resources, strategy & organisation, risk management and operations. The consultant designed a specific reporting format and shared the progress with EBRD on a monthly basis to monitor the performance of seminars and Business Lens.

Box 2 Diagnostic Services provided through the Business Lens Tool

What are WiB diagnostic services and the Business Lens/ SME diagnostics tool?

WiB diagnostic services helped women-led SMEs to assess areas of strengths and improvement for their business, through an assessment tool called Business Lens (BL) with a focus on strategic, operational, and management

³³ Turkey Women in Business Programme, Final Report, September 2014-December 2017, C29917/ECTW-2014-09-06/01, written by the Frankfurt School of Finance and Management, pp.41.

processes. The BL tool was developed by FSFM in cooperation with EBRD. The diagnostic BL tool can be accessed through the “Business Lens” link on the EBRD’s Women in Business website. The assessment relies on an examination of management competencies in 7 categories:

- (1) **Financial Management:** Measures how well financial performance is monitored.
- (2) **Market Knowledge:** Measures how well you know the market you operate in, including your existing and potential clients and competitors.
- (3) **Marketing and Sales:** Measures how well you generate new business, track existing sales, monitor customer satisfaction and respond to customers' needs.
- (4) **Human Resources:** Measure how well you develop, motivate and retain employees.
- (5) **Strategy and Organisation:** Measures how well you set future strategic direction for your business and if the current organisational structure supports the growth of the business.
- (6) **Risk Management:** Measures how well you identify and mitigate the risks in your business.
- (7) **Operations:** Measures how well you manage company resources like product and service production and delivery, formal planning, process control measures and systematic quality assurance.

Source: Turkey Women in Business Programme, Final Report, Sep 2014-Dec 2017, page 137-138

Business Lens tool: The number of WiB participants that completed the Business Lens tool survey was 2,289 at the end of year 2017, exceeding the target of 2,000.³⁴ 495 women entrepreneurs filled out the Business Lens tool out of the 1,380 women who attended the seminars, leading to a 36 % conversion rate between the seminars and the Business Lens.³⁵

Business Lens Promotion meetings: According to the internal monitoring reports, the consultant team promoted the Business Lens throughout Turkey by arranging introduction meetings with local NGOs that had higher potential for access to women entrepreneurs. At the BL promotion meeting, the number of participants was smaller than the Regional WiB Seminars with 836 Business Lens assessments completed in 58 Business Lens promotion meetings.³⁶ Per the internal monitoring reports, these meetings have also allowed the promotion and visibility of the WiB programme.

According to the internal reports, promotion of Business Lens was also done through printed materials on the tool, dedicated introduction and application sessions during the WiB seminars, e-mailing to seminar participants, etc. EBRD and FSFM have developed a single web-portal for the WiB programme (www.kadinisletme.com) through which women entrepreneurs get access to relevant information on training programmes, diagnostics, leadership profiles, case studies/testimonials, training registration and programme news from a single source.

The Frankfurt School has also revealed success stories by conducting visits to PFIs' WiB clients/ women-led SMEs that benefitted from the programme offerings. Selected success stories were published on the programme website as well as in the project newsletter and in the booklet which was distributed at the closing event.

³⁴ Turkey Women in Business Programme, Final Report, September 2014-December 2017, C29917/ECTW-2014-09-06/01, written by the Frankfurt School of Finance and Management, pp.41.

³⁵ Turkey Women in Business Programme, Final Report, September 2014-December 2017, C29917/ECTW-2014-09-06/01, written by the Frankfurt School of Finance and Management, pp.41.

³⁶ Turkey Women in Business Programme, Final Report, September 2014-December 2017, C29917/ECTW-2014-09-06/01, written by the Frankfurt School of Finance and Management, pp.41.

Table 12 provides an overview of the matching analysis comparing beneficiaries of different services within the programme. Even though 2,305 participants attended the Regional WiB Seminars and BL meetings³⁷, only 139 beneficiaries (or 6%) got WiB loans who were either part of the Regional WiB Seminar and/or attended the BL meetings.

Table 12: Matching Analysis between receiving WiB loan and attending Regional WiB Seminars, or taking the Business Lens assessment

| Type of services | Number of Beneficiaries |
|--|-------------------------|
| WiB loan and BL | 81 |
| Regional WiB Seminars/ events, and WiB loan and BL | 38 |
| Regional WiB Seminars/events and WiB loan | 20 |
| Total | 139 |

None of the loan clients' focus group participants knew about the Business Lens tool, showing a crucial gap between the WiB loan clients and WiB advisory services clients; since tools like BL would also help loan clients to determine what services their business needs and build more synergies within the programme. There was also a time lag between loan disbursement clients and advisory services which could have contributed to this gap.³⁸ Also most participants had already been working with the current bank from which they borrowed WiB funding but were not notified that this was part of the WiB programme.

A majority of the participants in the loan clients' focus group participants said that they did not hear of any WiB events except one of them that recalled an event organised by TEB.³⁹ Another participant saw a television advertisement from Garanti bank awarding women entrepreneurs. Overall they received little or no advice or support for business through seminars or through the BL assessment.

Findings from the Advisory Services (AS) clients' focus group showed little communication to these clients about the WiB loan availability. The majority of the AS focus group participants had not heard about the WiB loan programme and felt that their banks did not promote the WiB loan. One focus group participant with a women's entrepreneurs association said that she could have channelled this programme to their members who are women business owners (150 of them) but she did not know about WiB loans being disbursed as part of an EBRD WiB programme. This lack of communication about the WiB loan at the Regional Seminars and BL meetings may have contributed to the low overlap between WiB sub-loan clients and those who received basic diagnostic or advisory services. The focus group discussions indicated that the majority of participants heard about WiB Advisory Services through both social networks and professional networks (through colleagues or through consulting firms they were working with), mostly through word-of-mouth rather than formal communication (e.g. flyers, meetings, or other public announcements).

(ii) Indicator: Increases in employment one year after receiving advisory services

As seen in Table 13, the targets were met for this indicator since 43% of assisted enterprises reported increase in number of employees after receiving advisory services (versus a target of 40%). 43% of assisted enterprises reported an increase in the number of employees (108 out of 248 evaluated advisory projects).

³⁷ The consultant team promoted the Business Lens all over Turkey and arranged introduction meetings with the local NGOs where the women entrepreneurship potential was high and women NGOs were active.

³⁸ Further details provided in Section 4

³⁹ An event organised at the Point Hotel in Taksim about 2-3 years ago which focused on women entrepreneurs and had a women from a cargo company as the keynote speaker.

In total, 248 evaluated advisory projects contributed to the net creation of 887 jobs in assisted enterprises (530 of which are held by women).⁴⁰

Table 13: SMEs experiencing increase in employment

| Indicator | Target | Progress until June 2018 |
|--|---|---|
| % of women-led SMEs achieving increases in employment, including women employment, one year after completion of advisory projects | At least 40% of women-led SMEs report employment increase | 43% of assisted enterprises report increase in the number of employees (108 out of 248 evaluated advisory projects). In total, 248 evaluated advisory projects contributed to the net creation of 887 jobs in assisted enterprises (530 of whom are women). |

Source: Logframe, Turkey WiB 10th Interim Report by FSFM, Page 10

Hiring of additional staff after WiB loan was also confirmed through the WiB loan clients' focus group findings. One of the participants reported that she hired two staff, and another said she hired five staff. Another business owner said after the 2016 failed coup attempt her business was affected and her customers were struggling, but due to the WiB loan she was able to hire five people. Another participant said that the business grew due to WiB loan but she did not hire staff.

However, there were mixed findings from the advisory services focus groups. At the focus group in Istanbul, three out of six participants reported an increase in number of employees for their firm due to receiving WiB Advisory Services. In Ankara, the focus group attendees said that the number of employees increased, but she was not sure if she could relate or attribute the increase in employees to the WiB training.

(iii) Indicator: Increase in turnover one year after completion of advisory projects

Target numbers were met for increases in turnover for WiB enterprises one year after completion of advisory projects. As seen in Table 14, an estimated 77% of assisted enterprises (190 out of 248 advisory projects) reported an increase in turnover one year after completion of advisory projects (target was 50%). Even though the qualitative analysis (through focus groups) did not specifically gather data on turnover numbers, advisory services clients at focus groups indicated that these services helped them in many ways for business growth, and thereby potentially contributed to increase in turnover.. **Table 14: SMEs experiencing increase in turnover**

| Indicator | Target | Progress until June 2018 |
|--|---|--|
| % of women-led SMEs assisted achieving increases in turnover one year after completion of advisory projects | At least 50% of women-led SMEs report increases in turnover | 77% of assisted enterprises reported an increase in turnover (190 out of 248 evaluated advisory projects). |

Source: Logframe, Turkey WiB 10th Interim Report by FSFM, Page 10

⁴⁰ Source: Logframe, Turkey WiB 10th Interim Report by FSFM, Page 10.

3.3.2 *Impact of trainings like business skills development courses; coaching and mentoring programmes; and advisory services from local consultants and international advisors*

An overview of the quantitative data targets to measure WiB impact through indicators on trainings, coaching and mentoring programmes, as well as advisory services from local consultants and international advisers shows that all targets set at approval stage were met but in focus group discussions and stakeholder meetings, challenges were identified as discussed below.

Table 15: Targets and progress of Business skills development courses; coaching and mentoring programmes; and advisory services from local consultants and international advisors

| Indicator | Target | Progress until June 2018 |
|--|---|---|
| Trainings through Business skills development courses | | |
| Number of women (including unemployed women) trained through entrepreneurial business skill development courses | At least 640 women | 657 women trained through entrepreneurial skills development courses (38 WiB workshops implemented) |
| On-going business coaching, mentoring, advisory projects supported through local consultants or international advisers | | |
| Number of women-led enterprises assisted with on-going business coaching | At least 90 women-led enterprises | 96 women-led enterprises |
| Number of women-led enterprises assisted through the mentoring programme | At least 80 women-led enterprises | 80 women-led enterprises |
| Number of women-led enterprises supported with advisory projects through international advisers | At least 12 women-led enterprises | 12 women-led enterprises |
| Number of women-led SMEs supported with advisory projects through local consultants⁴¹ | At least 240 women-led SMEs | 244 women-led SMEs |
| Number of local business advisers trained in basic consultancy skills and in providing on-going business coaching support | At least 15 (Note that the target in the Approach Paper Evaluation Matrix is 95, while in the 10 th Interim Report target is 15 – clarify with FSB or ASB staff) | 21 local business advisors trained in providing on-going business coaching through webinars |
| Success and Sustainability of Advisory Services | | |
| % advisory projects rated successful or highly successful one year after completion | At least 70% | 90% (or 224 out of 248 evaluated advisory projects). |

⁴¹ AP says 420 which is a cumulative number for business skills dev etc., but the 10th Interim report says 240. Note that 240 (adv projects through local consultants)+90 (on-going business coaching)+80 (mentoring)+12 (adv project through local consultants)=422.

| | | |
|--|--------------|---|
| % assisted women-led SMEs report engaging a consultant again after completion of the advisory projects | At least 25% | 33% (or 83 out of 248 evaluated advisory projects). |
|--|--------------|---|

(i) **Indicator: Trainings through Business skills development courses**

Even though the target of providing training to 640 women on entrepreneurial skills development was met, the focus group discussions indicated an important gap between the need for trainings and what was offered to the women-led enterprises. In the loan clients' focus group, participants said they did not hear of any WiB training but clearly indicated that they were all in need for training to run different aspects of their business more efficiently. One of the participants said that she would *"like financing for trainings."* They felt that since SMEs are more at risk due to economic changes, *"Tricks and training based on specific sectors would be very helpful"*. Another participant said that *"maybe we should know options because I do not know what training I need."* An Advisory Services focus group participant in Ankara raised the sustainability issue with trainings and suggested *"they need to be continued, especially on things like time management, and crisis management"* indicating the constant needs for trainings to businesses on various topics in various stages of business growth. The gap between the offer of a certain type of training and the demand of other type of training was recognised by ASB during the interviews. ASB noted that they could not assess the level of financial skills of the participants before the design of the training and therefore they tried to adapt the same training to different women entrepreneurs' levels of financial knowledge.

Having to pay for the training was also an issue for women entrepreneurs since the offer of free training courses provided by the EU or other institutions is extensive in Turkey. Initially, the WiB advisory services team wanted the SMEs to pay for the three-day training, but the scope of the trainings was reduced to a free one-day training (from a paid three-day training) in an effort to meet the WiB target numbers for the trainings.

Box 3 ASB Training course

A set of five training modules were developed to achieve the training objective, including: (1) Leadership in Action, (2) Going Digital; (3) Keys to Financial Management; (4) ICT solutions; (5) from Entrepreneur to Enterprise.

Two types of training courses were offered:

- **4-day** course: The participant had (1) to commit to attend all workshops during that time period, which was assured through a fee of around €30 - €40 per person, and (2) to have some business-related work experience.
- **1-day** course that was offered free of charge and provided a similar packed content.

The 4-day option demanded too much of participants' time and therefore did not get many attendees, as explained by ASB during the interviews with EvD. Therefore, the 1-day training course was the preferred option resulting in 38 trainings organised between March 2015 and November 2017. As of December 2017, 38 trainings were carried out with over 650 participants meeting the set target of 640 participants. EvD recognises ASB's effort to deliver an overly ambitious target in a country where training courses' offer is huge and courses are often offered for free by the EU and other organisations.

Similarly, the Advisory Services focus group participants in Istanbul had not been to any training courses, but mentioned receiving other advisory services like working on strategic planning, receiving advisory services on situational analysis, as well as help with preparing action plans. The focus group discussions showed that even though PFIs were supposed to promote and inform clients about WiB's advisory services trainings, this was not being communicated to the clients.

Though training targets were met for providing entrepreneurial business skill development courses, the focus group discussions revealed that neither the loan clients, nor the advisory services clients had received any WiB training even though they expressed the need for business focused training, and also shared information around taking training outside of the WiB Programme.

(ii) Indicator: On-going Business Coaching projects

On-going business coaching projects address the need of beneficiary enterprises for medium-term general business coaching, as follow-on or in addition to the advisory project (which could focus on strategy, marketing, information and communication technology etc.).⁴² Through coaching, local consultants provide consultancy and guidance to women-led enterprises to implement business changes. The ASB consultancy team assists the beneficiary enterprises to (i) identify a suitably qualified consultant (coach), (ii) diagnose needs and priority improvement areas, like finance, sales and marketing, Human Resources, business processes and systems, etc., (iii) monitor implementation of the assignment, (iv) reimburse a part of the cost and (v) evaluate the project one year after completion. A typical on-going business coaching project lasts 8-12 months.⁴³ Table 15 indicates that targets for this indicator were also met as 96 women-led enterprises were provided on-going business coaching (compared to the target of 90).

(iii) Indicator: Mentoring programme for women-led enterprises

While mentoring targets were met as 80 women-led enterprises participated in the WiB mentoring programme (Table 15), the focus group discussions and stakeholder meetings indicated challenges with this programme. At the Istanbul focus group with Advisory Services clients, participants had mixed experiences with the mentoring programme. One of them found it challenging to communicate with her mentor. Another participant suggested that there should be a signed commitment between the mentor and the mentee to overcome challenges around 'volunteered time' by the mentor. None of the Ankara Advisory Services focus group participants had participated in the mentoring programme but had heard about it at the WiB trainings.

The mentoring programme was provided with the support of the Turkish Women's International Network (TurkishWIN) that provided mentors for the programme initially. During the interviews with ASB, it was noted that the rapid increase in the number of participants (from 15 to 30-35) in a short period of time, made difficult to provide a proper follow up of the quality of the mentoring sessions. It was also highlighted that towards the end of the mentoring programme, mentees wanted to become mentors, illustrating the success of this programme.

(iv) Indicator: Advisory projects using local consultants or international advisors

Advisory projects provide support through project development, monitoring during implementation, and evaluation one year after the project's completion. A wide range of advisory services were offered to women-led SMEs including strategy, marketing, operations, information & communication technology, engineering solutions, accounting and financial reporting etc. Advisory projects are provided on a partial-reimbursement basis and require the beneficiaries to share a portion of each project's costs. Cost-sharing is agreed with an agreement to be signed between the EBRD and the beneficiary SME. Annex 4 shows the cost of advisory services and clients' contributions. A so called top-up mechanism was offered by ASB to link TurWiB financial and non-financial components as detailed in Box 4.

⁴² Turkey WiB 10th Interim Report by FFSM, Page 7

⁴³ Turkey WiB 10th Interim Report by FFSM, Page 10

Box 4 Top-up mechanism

To encourage potential women-led SMEs to access finance under the TurWiB programme, higher reimbursement of AS project's cost⁴⁴ was offered to those who were able to secure a loan from a PFI under the programme within one year of the project's completion⁴⁵.

The reimbursement came as a 10% top-up mechanism⁴⁶ offered to ASB WiB clients who received a loan from a WiB PFI. Further details of the top-up system are provided below.

| | | |
|-----|---|--|
| (A) | Base grant per cent | As per country's Grant Guideline Matrix ⁴⁷ |
| (B) | WiB top up of 10 per cent | Available to enterprises that meet the WiB SME eligibility criteria |
| + | (C) Access to finance top up of 10 per cent | Available to enterprises that have signed a loan agreement with a partner bank under the WiB Programme by the time of project evaluation, including enterprises that signed a loan agreement under the WiB Programme prior to the project start date |
| = | (D) Total WiB grant, capped at 90 per cent | |

Source: *Operations Manual, Delivering business advice, September 2014, page 61*

In practice, while the tool did fulfil several useful functions (e.g. tracked linkages with access to finance in a reliable way and provided a point of marketing synergy between advisory projects and PFI lending), it proved difficult to manage and monitor. The following issues were encountered:

- i) lack of efficient MIS system on ASB side to effectively track allocations of grant funding;
- ii) A different grant agreement to a standard document was required as well as extensive discussions and explanations to clients;
- iii) Inefficiency in terms of cash flow management as funds were "reserved" for top up payments, which were not subsequently paid; and
- iv) ASB considered that the programme had evolved in such a way that the top-up mechanism was no longer needed for its marketing value.

The top-up mechanism was removed from all programmes where it was not specifically referenced in the donor agreement. For the few cases where it was included within the donor agreement (e.g. Kazakhstan), it was retained until the end of that agreement, and the new agreement did not include it. In 2018, the mechanism was replaced with a 10% higher grant for all projects with women-led SMEs in countries that had a WiB programme.⁴⁸

All targets for providing advisory services were met as showed in Table 15. Focus group discussions with Advisory services clients showed that AS assistance was received in creating strategic plans, situational analysis, action plans, as well as receiving trainings, and being part of the mentoring programme. For example, the oxygen chamber business kept mechanical equipment and electronics together, but based on the recommendation of the strategic planners, they separated the two warehouses. The business also has space for welding separately based on advice received as part of the AS programme. In the end, working with the strategic planner had an impact on efficiency and cost. Another recipient in the packaging and labelling industry received WiB Advisory services for 1.5 to 2 years by working with an AS firm, that helped with conducting a situational analysis followed up by an action plan.

"For the company, the advisory services helped a lot. This project triggered other things as well...Needs are always there so would appreciate a follow-up programme." *Advisory Services focus group participant, Turkey*

⁴⁴ "Advisory projects are provided on a partial reimbursement basis and require the beneficiaries to share a portion of each project's cost." TurWiB 9th Interim Report", June 2018, p.47.

⁴⁵ "Upon successful completion of an advisory assignment, the grant (typically 25-75 per cent of total net cost) is paid, and an evaluation is conducted one year after completion to assess impact and steps taken to continue growth, including access to finance." Operations Manual v.3.0, April 2018, p.6

⁴⁶ The WiB top up of 10 %was an additional amount to the WiB advisory services grant.

⁴⁷ The Grant Guideline Matrix indicates the size of grant available in each segment based usually on the size of firm, geographic location and type of advisory services.

⁴⁸ Source: Advice for Small Business team

Other focus group participants (mostly from the Ankara focus group) reported other types of Advisory Services like attending a leadership training (2017), software support through working with a consultancy (2016), as well as attending trainings that were given on behalf of EBRD.

“The leadership training in 2017 was a great environment. I became a member of Parliament in election due to effectiveness of this training...it would have helped if the mentoring step continued.” *Advisory Services focus group participant, Turkey*

None of the AS focus group participants (in Istanbul or Ankara) worked with international advisors, but worked with local consultants even though they expressed their willingness to work with international consultants.

To summarise, all targets for providing advisory services were met, and they were also very helpful to the enterprises that used them as confirmed through the focus group findings.

3.3.3 *Success and Sustainability of Advisory Services (measured through advisory projects rated successful one year after completion, and a business re-engaging with a consultant after completion of advisory services)*

All WiB advisory projects and business coaching projects are evaluated 12 months after their completion. The evaluation follows the OECD Development Assistance Criteria of project monitoring which entails questions related to the relevance, efficiency, effectiveness, impact, and sustainability of a project. The ratings cover: Highly Successful; Successful; Satisfactory; Unsatisfactory; Highly Unsatisfactory.⁴⁹ To track women clients who report back to ASB, the advisory projects are evaluated through a member of the local ASB team contacting the client directly to complete the evaluation template. The completion of the evaluation is one of the mandatory steps in the project lifecycle within the MIS.⁵⁰

Targets associated with ‘successful’ advisory projects one year after completion, and a business re-engaging with a consultant after completion of advisory services were met. Annex 5 provides the evaluation template used by ASB for ‘success’ measurement (Table 15).

3.4 Broader or Unintended results

EvD looked at the transfer of skills under the programme to check if TurWiB had broader results in the financial sector. One of the benchmarks that TurWiB had to achieve for each PFI was to deliver at least one seminar for middle and senior management to disseminate results of the baseline survey conducted by the programme consultant FSFM at the beginning of the programme. As per the latest TMS report dated YE2018, one seminar was delivered to senior and middle management presenting the baseline results at each PFI. In addition, the programme intended to provide technical training to at least 60 operational staff based on the results of the survey and the value proposition developed by FSFM. The overachieved results, as per the latest monitoring report dated YE2018, are presented in the table below:

⁴⁹ Turkey WiB 10th Interim Report by FSFM, Page 7.

⁵⁰ From internal EBRD staff communication.

Table 16 Technical training by PFI

| Participating Financial Institution | Results |
|-------------------------------------|--|
| QNB Finansbank TEB | A <i>Gender responsive sales</i> training programme was delivered to 12 staff. Training was delivered to 11 staff, who then trained 1,222 relationship managers of TEB |
| Vakifbank | Trainings were delivered to 203 staff working at regional offices or branches. A <i>Women in Business Consultant Certification Programme</i> training was delivered to 38 branch staff. |
| Isbank | Training was delivered to 108 Isbank regional office staff and relationship managers at branches. A tailor made e-learning training on gender awareness was prepared and uploaded to Isbank's e-learning platform. As of the end of 2017 more than 400 staff participated in the online training. |
| Garantibank | A training named " <i>Becoming a Gender Responsive Bank</i> " was delivered to 11 Garantibank trainers. An online training video to guide Garantibank's micro-SME relationship managers on how to approach, acquire, cross-sell and keep WiB customers and improve their communication skills with WiB customers was developed and delivered to Garantibank. |

The fact that the TurWiB programme managed to transfer skills to PFIs staff implied that these skills could then be used by other PFIs, organisations, employers when PFIs employees leave their respective banks.

EvD analysed the demonstration effect of TurWiB in the financial sector. Through EvD's research and interviews with external and internal stakeholders, there is evidence that during the TurWiB period 2014-2017, some banks and IFIs started targeting the women segment. Even though these actions cannot be attributed solely to EBRD's WiB programme, interviews with external stakeholders have revealed that TurWiB was seen as a reference in the Turkish market and helped raise awareness of the benefits of lending to women led SMEs. Examples illustrating this were provided by FI such as the following ones:

- Şekerbank developed a package for women artisans.⁵¹The bank signed an agreement with the Turkish Tradesmen and Artisans' Confederation (TESK) to encourage women's more active and entrepreneurial participation in the economy. Sekerbank prepared an insurance package to provide healthcare services and give support for problems that women may encounter in their workplaces. Sekerbank, together with TESK, organised entrepreneurship training (within KOSGEB and ISKUR entrepreneurship programmes) to help women who want to set up their own business.
- Ziraat Bank rolled out the *Ziraat Women Entrepreneur Support Package* to encourage women entrepreneur.⁵² As stated in Ziraat bank's website "*the attractive banking and/or loan products offered within this package are designed to support women entrepreneurs and are accessible to sole partnerships owned by women or stock corporations where women partners hold a stake of 50% or above*". In addition, Ziraat bank and the Credit Guarantee Fund have signed the Guarantee Support Agreement for Loans to Ziraat Women Entrepreneurs in order to offer loan guarantees to female entrepreneurs.
- In 2017, TSKB got a loan of €100 million from AFD to increase women's employment. Enterprises supporting women employment, women equality at work place and sustainability criteria are eligible.

⁵¹ It included financial support, insurance (both for health and workplaces), no fee for bank accounts, no fee for money transfers, free cheque book for a period of one year. Card for women entrepreneurs without fee for one year.

⁵² Some of the features of the loan are no commission for internet and mobile banking transactions, 50% discount in loan commissions, maturity up to 60 months, SME Card with no annual fee, advantageous pricing terms for POS, special commission rates for letter of guarantees, individual retirement plans, insurance packages with Ziraat Insurance, benefit of KGF guarantees.

4. Efficiency of TurWIB structure, resources and management

Section 4 assesses the efficiency of TurWIB with emphasis use of donor funding, FLRC, and monitoring and reporting. The section also discusses the complementarity of the integrated programme.

Key Findings

- The availability of the FLRC component played a key role in determining the success of TurWIB showing the potential vulnerability of a WIB concept without a risk sharing mechanism.
- TurWIB's dependence on donor funding influenced the introduction of employment and turnover benchmarks that proved difficult to report on. These benchmarks did not clarify methods of data collection, causing complications during implementation.
- Relying on donors' funds entails the need of strong reporting from EBRD, putting pressure on internal staff resources and time.
- PFIs use of its own resources reached the target level established but inaccuracies were found in the reporting of these figures.

4.1 Use of Resourcing

This section analyses how financial and non- financial resources were used for the TurWIB programme.

i) EBRD and donor resources

EBRD funding was combined with a technical cooperation and risk sharing package of €38 million funded from the EU Instrument for Pre-Accession 2013-2014 funds and a national contribution from the MoLSS. Table 17 below reflects the grant component of TurWIB by donor.

Table 17: Grant components and sources of funding

| Donor | Component | TC | | WiB | | FLRC | | Bank's | |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|
| | | (€, m) | % | SBS (€, m) | % | (€, m) | % | mgmt. fee (€, m) | % |
| EU | | 2.51 | 85% | 4.12 | 85% | 24.99 | 85% | 0.68 | 85% |
| Turkish Ministry of Labour and Social Security | | 0.44 | 15% | 0.73 | 15% | 4.41 | 15% | 0.12 | 15% |
| TOTAL | | 2.95 | 100% | 4.85 | 100% | 29.4 | 100% | 0.8 | 100% |

Source: BDS14-128 & DAQ

The grant component included i) €29.4 million for the Risk Loss Cover element; ii) €2.95 million for the Technical Cooperation programme, iii) €4.85 million under the Women in Business Small Business Support, and iv) €0.8 million for management fee. A total of €7.8 million of donor funding was set aside to i) build PFIs' capacity to reach out to WiB SMEs through institutional capacity building, product development, marketing and outreach events (€2.95 million cost) and ii) provide a comprehensive support, including trainings, mentoring and coaching to WiB SMEs to place them in a better position to access financing (€4.85 million cost).

The €38 million of donor funding demands the programme is subject to donor priorities. This had an effect on the inclusion of benchmarks that are not usually tracked by EBRD such as employment figures. EvD also notes that the inclusion of EU funding triggered an urge to use its IPA funds. This led to ASB activities being delivered before EBRD loans to PFIs, disabling the expected cross-referral mechanism. In the case

of TurWIB, EvD notes that other options could be looked at to fund the marketing, monitoring and control costs of WIB credit lines currently funded by donors. Taking into account the requisites that donor funding involves, and the fact that TurWIB accounts for an average of 8% of the FI Banking annual business volume in Turkey and around 17% of the FI net cumulative business volume (Annex 7), WIB programmes should therefore be part of regular operational costs for EBRD as opposed to special donor-funded projects.

ii) PFI resources:

To maximise the impact of TurWIB programme, the PFIs were expected to scale up the amount of EBRD dedicated credit lines by adding €100 million from their own funds. The sub-loan agreement required partner banks to use last efforts to sub-lend any excess above the EBRD-sourced funding which gave banks the freedom to choose between allocating more than EBRD funding, allocating less funding than expected or not committing anything out of their own resources. Table 18 below reflects these cases.

Table 18: Use of PFIs own resources

| PFI name | PFI own resources (EUR, m) |
|--------------|----------------------------|
| TEB* | 20.8 |
| Garantibank | 0 |
| Finansbank** | 0 |
| Isbank** | 120.2 |
| Vakifbank** | 10.03 |

Source: Reporting from Frankfurt school of Finance and Management (*) and the Statements of Lending presented by some PFIs (**) to the EBRD, which were not shared with the consultant.

EvD notes that the consultant was only able to report the results for two PFIs. Until EvD's inquiry, neither the consultant nor FI seemed to be aware of the Statements of Lending shared by the three other PFIs, reflecting a higher use of their own resources for two PFIs under the programme. Also, according to the latest TIMS report dated YE2018 and exchanges with FSFM, Garantibank had also used €900,000 from its own resources. However, after reiterative exchanges with FI, this amount was rectified since Garantibank notified that it had no use its own funds under TurWIB. This points to inaccuracies during the reporting phase and denotes a lack of management on the collection of data and reporting stages. As of May 2019, TIMS reports remains to be updated by FI to correct the information above. Taking into account the figures from Table 18, total disbursements reached €444.8 million out of which around €151 million came from PFIs' own resources, achieving the target of €100 million at the end of 2018.⁵³

EvD considers that the episode explained in the previous paragraph questions the capacity of FI to properly report on final results internally and to donors. In EvD's view this might be linked to the frequent change of Operation Leaders during the life of the programme and the time and effort that the monitoring and reporting of this type of programme requires. This led to inconsistent flow of information between EBRD and the consultant, leading to misreporting internally and to donors.

iii) Staff resources:

According to the FI team, around 15 EBRD staff from HQ and RO have been involved in the TurWIB programme. Since the programme has been running since 2014, there have been changes in the staff managing the programme but FI considers that this has not disrupted the management of TurWIB. Each

⁵³ Please note that FI provided a late update end of June that could not be reflected in this report. This included changes in Finansbank used of its own funds (10.7€million)

sub project OL is responsible for monitoring her/his project and providing the consultant with the relevant data for analysis. There is also a Framework OL that oversees the cooperation with the consultant at the FW level. Once these data are collected and shared with the consultant, the consultant analyses it to produce a quarterly report for EBRD. As per the evidence provided in the previous section, it seems that this method of collecting information and the amount of counterparts involved have not been optimal. EvD notes that WIB loans present certain challenges in terms of additional processing and reporting requirements due to its donor dependence and two layers structure (PFIs and women-led SMEs) and that these challenges may be further exacerbated by the capacity constraints on the FI team. Those difficulties could be alleviated by the allocation of resources to perform monitoring after the end of the programme for ASB components and PFIs related benchmarks. EvD also notes that only FI is in charge of overseeing FSFM's work and it might be useful to have staff from the Gender & Inclusion team also co leading this effort to provide their expertise.

4.2 Use of FLRC

The design of the programme incorporated a risk loss cover of up to 10% of each PFI's sub-loan portfolio amount. The structure of the mechanism allowed PFIs to recover losses in relation to the EBRD-funded financing only, losses resulting from defaults of up to 10% of a sub-loan amount under the programme. A second risk loss cover was also offered to PFIs that previously benefitted from the FLRC under the first EBRD credit line they received. The mechanism was the same than the FLRC with the exception that the PFI sustained at least the first 2% losses over its sub-loan portfolio financed by the second EBRD credit line.⁵⁴ EBRD had previously used this instrument in other projects as illustrated in Annex 8.

As of December 2017, two banks Finansbank and TEB made a claim under the risk loss cover in the amounts of €2.4 million and €1.3 million respectively. Finansbank's non-performing sub-loan portfolio was largely composed by agriculture sector sub-loans with more than 50% of the total in its portfolio. Therefore Finansbank, with the help of EBRD credit line and its FLRC mechanism, offered collateral free loans to women entrepreneurs operating in the agriculture sector. TEB also relaxed collateral requirements to penetrate into a new market and acquire new women in business borrowers.

As of December 2017 Vakifbank, Isbank and Garantibank had not claimed any FLRC. Vakifbank and Isbank's strategies were different from those of TEB and Finansbank; these banks did not soften collateral policy. Instead of disbursing sub-loans with relaxed collateral requirements, they reduced their default risk premium to penetrate the market and acquire new WiB borrowers.⁵⁵

At the end of 2018, Garantibank made a claim to benefit from FLRC and another one for the first quarter of 2019. The total cumulative FLRC paid for Garantibank was €400,000 at the beginning of 2019. Table 19 below collects the FLRC amounts per PFI.

⁵⁴ See Annex for further details

⁵⁵ A default premium is the additional amount a borrower must pay to compensate a lender for assuming default risk.

Table 19: NPL figures, FLRC paid and remaining available FLRC⁵⁶

| EUR mln | QNB Finans | TEB | Vakif | Isbank | Garanti | TOTAL |
|---|------------|------------|------------|------------|------------|--------------|
| EBRD loan amount | 100 | 50 | 50 | 50 | 50 | 300 |
| Total NPLs of WiB sub-loans (EUR mln)⁵⁷ | 4.3 | 2.4 | - | - | 0.2 | 7 |
| NPL ratio ⁵⁸ | 6.1% | 4.1% | 4.6% | 4% | 5.1% | 4.7% |
| NPL ratio (over EBRD loan)⁵⁹ | 4.3% | 4.8% | - | - | 0.4% | 2.4% |
| Max allowed FLRC | 9.9 | 5.0 | 3.5 | 4.7 | 4.4 | 27.49 |
| FLRC PAID- YE18⁶⁰ | 3.0 | 1.4 | 0.0 | 0.0 | 0.4 | 4.8 |
| Remaining available balance of FLRC | 6.9 | 3.6 | 3.5 | 4.7 | 4.0 | 22.7 |

Source: EBRD FI team

The introduction of FLRC is seen as a distortion to the market by the Economics, Policy and Governance team (EPG) and the presence of FLRC in a project would normally decrease the TI rating. However, during internal interviews with EPG, it was explained that under TurWiB the use of FLRC was considered neutral in this case because of a clear market failure in terms of access to finance for women entrepreneurs and the perception that women were in a riskier segment than men. EvD agrees with EPG's assertion that the second phase of TurWiB is alleviating the issue of continued subsidised lending to a certain extent. In TurWiB II, the FLRC is decreased to 7% of sub-loans (versus 10% for TurWiB I), and will be provided by KGF.

EvD notes that an indicator that helps PFIs decide to lend or not to a specific segment is the level of non-performing loans (NPLs). The gender-disaggregated data collected by PFIs enabled the consultant to analyse NPLs ratios which measure the effectiveness of PFIs in receiving timely repayments due on their loans. The data showed that, PFIs' NPLs ratios were lower on average for WIB loans than overall NPLs ratios. As of end of 2018, the average NPLs ratio under TurWiB stood at 2.4% below the maximum target of 3.2% set in the Board documents. While additional years of data collection and analysis are required to confirm this trend, EvD notes that the relatively low level of NPLs under the EBRD programme should act as an incentive for PFIs to keep lending to the WIB SME segment.

However, EvD found through the interviews with PFIs that the availability of donor-funded FLRC component played a key role in determining the success of TurWiB. Three out of four interviewed PFIs stated that they were very unlikely to offer loans to women-led SMEs without a third-party guarantee in place. It is therefore unclear whether short-term results achieved under TurWiB to date are sustainable in a medium to long-term future as there is no evidence that PFIs will replicate or continue lending to the WIB segment in the absence of a risk sharing mechanism in favour of the local banks. EvD considers that a strategy to phase out the FLRC component in the medium to long-term should have been implemented at the inception of the programme to avoid creating an overreliance on subsidised lending terms for the WIB sector.

⁵⁶ Amounts are subject to change since the window for claims under FLRC remains open until the project completion end-date, in 2020

⁵⁷ Financial data provided by FI enYE2018

⁵⁸ Financial data provided by FI enYE2018

⁵⁹ Ratio=Total NPLs/EBRD Loan amount

⁶⁰ 10% of EBRD loan or sub-loans disbursed by YE17

4.3 Adequateness of reporting

4.3.1 *Adequacy of reporting to donors, EBRD management and Board*

The main TurWiB reports reviewed under this section are the Donor reports and the EBRD's TIMS reviews. They are assessed for quality and the satisfaction of various stakeholders with the reporting.

i) Donor reports

Donor reports were prepared under the consultancy contract by FSFM. As per the agreement of the Steering Committee to bi-annual reporting, 10 interim reports were approved by the Steering Committee and submitted to donors from May 2014 to June 2018.⁶¹ Three more interim reports, May 2019, September 2019 and December 2019 were expected to be provided at the time of the EvD Mission to Turkey.

The first interim report was produced by the EBRD using a template it had used previously vis-à-vis EU donor reporting, rather than the template supplied in the contract agreement. The Ministry, as contracting authority, requested it be amended to the agreed template. The Ministry checked each interim report and raised queries on all draft interim reports. All donor reports are first approved by the Steering Committee prior to publication. The processes were thorough and utilised in full by the teams to provide reporting satisfactory to all parties involved in the programme.

The donor reports cover all technical assistance provided under the programme including baseline assessments at PFIs, capacity building activities with each of the PFIs, market and outreach activities (including seminars, online tools and programme visibility), and sub-loan portfolio analysis reporting at each of the PFIs level. It also includes a section on challenges and lessons. Overall EvD finds the reports to be thorough in coverage by area. EvD however identified a series of issues during the evaluation phase collected in Box 5.

Box 5 Monitoring and reporting issues

Benchmark and data collection issues: The Ministry was sceptical as to how the indicators for TurWiB would be monitored and where the data was coming from. It found that many targets were overly ambitious. It was concerned that EBRD could not provide progress on indicators on employment and turnover data.⁶² From interviews with donors and ASB, it was unclear where the proposed benchmarks on employment and turnover came from, as they were unrealistic based on the Turkish environment and difficult to reach as detailed in Section 3.3.

EvD's 2018 study on Credit lines highlights the issue of design of benchmarks and data collection when lending through PFIs which is applicable to the TurWiB programme. The EBRD's direct client is the PFI, whilst the intended effects of the intervention are with sub-borrowers.⁶³ Further, PFI funding is often fungible making the end use proceeds hard to track.⁶⁴ This leads to reliance on the relationship, terms of financing with the PFI and quality of reporting from PFIs to ensure that data can be collected from sub-borrowers.

⁶¹ The donor contract agreement stipulated establishment of a Steering Committee to meet at least once a year to monitor implementation of the facility with representation of the EC delegation, the Turkish Treasury, the EBRD team (including SBS and FI), the contracting authority (the implementation unit of the Ministry) and ISKUR. The implementation unit of the Ministry would chair the meetings. The function of the steering committee was to agree on a programme of joint monitoring missions to the projects supported; monitor the progress of the facility, review publications reporting on the facility and take into consideration experience gained during implementation. Decisions of the committee were to be on a unanimous basis.

⁶² EvD meeting with representative of Ministry of Labour, Social Security and Family, 4 April 2019

⁶³ EvD Special Study: Credit Lines 2018 Annex Project design and benchmarks

⁶⁴ Ibid.

Tracking of employment data: An issue raised in the February 2016 Steering Committee meeting was the tracking of employment numbers of 12,000 sub-borrowers as banks do not track employment data after loan disbursement. A proposed solution was for PFIs to supply the tax ID of clients, which would be provided to the MoLSS and the SGK for retrieval of employment data. The challenge was not to share individual data of clients to protect confidentiality.⁶⁵ The methodology had to be agreed with the Ministry and this was a topic of ongoing discussion throughout the implementation of TurWiB. One suggestion was to have the consultant sign a non-disclosure agreement with the Ministry and obtain agreement to allow the consultant to conduct the search in the social security system.⁶⁶ EvD notes that the EBRD team tried various approaches to resolve the issue. In the end, all parties agreed that SGK, via the Ministry would provide the employment figures for Tax IDs supplied for 2015, 2016 and 2017 (meeting the closing date criteria for the loan).⁶⁷

Turnover data: EBRD is in frequent contact with the PFIs to try to obtain annual turnover for repaid WiB sub-loans.⁶⁸ It took time and many discussions between stakeholders to reach agreement on this monitoring model. Based on this experience, EvD considers that having an agreement from PFIs in place from the outset to provide this information at the time of repayment of sub-loans would facilitate the collection of data in future WIB programmes.

Verification and spot checks: The contracting agreement contained standard clauses requiring the contracting authority (i.e. the Ministry) to conduct verification and spot checks to demonstrate proof of reporting. The Ministry visited the EBRD requesting all the documents, but were refused on confidentiality grounds. The EBRD team reasoned that it would be unable to provide every document to the Ministry, but was ready for them to conduct an audit for a reasonable sample.⁶⁹ During EvD's interview with the Ministry, the stakeholders stressed their responsibility for verification and willingness to audit all the data presented in the reports, but said that EBRD refused. This was important to the Ministry as a co-donor for the programme and because they were subject to a number of internal audit bodies in Turkey. EvD acknowledges that EBRD tried to accommodate the Ministry requirements and help organising a visit to one of the PFIs.⁷⁰

EvD concludes that the issues above emerged due to the fact that expectations in terms of reporting and results from EU and the Government of Turkey differed from EBRD's expectations, as the EU and Turkey were interested in job creation for women entrepreneurs, while EBRD was mainly expecting results in terms of market expansion, demonstration effect and skills transfers at PFIs level. Despite EBRD's effort to provide a satisfactory solution to all stakeholders, expectations should have been managed from the beginning.

ii) PFIs' reporting

EBRD had quarterly reporting in place with the PFIs, which included reporting requirements on sub loan disbursements.⁷¹ This included reporting on the location of the SMEs funded. It also included a request for the breakdown of sub-loans by reference to number of employees (within a range) for that quarter. The

⁶⁵ 4th TurWiB Steering Committee meeting minutes, 24 February 2016

⁶⁶ 5th TurWiB Steering Committee meeting minutes, 23 June 2016

⁶⁷ TurWiB 10th Interim Report 2018, 1H, p5

⁶⁸ TurWiB 10th Interim Report 2018 1H p6

⁶⁹ 6th Steering Committee meeting, 24 January 2017

⁷⁰ EBRD's ASB team also adds the following explanation: "While the Ministry was entitled to undertake such verification, it would entail that they follow a certain procedure to obtain the copies of the documentation requested, which they did not want to do. This is where a disagreement with the Bank arose. All verifications are routinely carried out on a representative sample basis, and the request by the Ministry to access supporting documents representing 100% of reported eligible costs and this did not seem justified".

⁷¹ See Loan Agreement 3.2 Reporting of the sub-loans portfolio

consultant would use this information to compare products and outcomes across PFIs and formulate lessons.⁷² The donor interim reports were to include the overall results from PFIs on Key Performance Indicators set for each sub-project.⁷³

As explained to EvD in interviews, however, the PFIs did not track information on employment as it was not part of their periodic data capture on clients. EvD notes that the ASB monitoring model comprising a baseline study of the beneficiary followed by a comparative assessment one year after the intervention cannot be used in the case of end beneficiaries reached through a financial intermediary due to the lack of a direct relationship with the EBRD of PFIs sub-borrowers.

iii) TIMS reviews

TIMS benchmarks were initially set out in the Board documents for each credit line under the framework. TIMS reviews were prepared at the framework level and for each PFI credit line under the framework. EvD notes the following points:

- Individual TIMS reviews for each PFI contain the same benchmarks and reporting information set out in the framework level TIMS. Monitoring of transition benchmarks is generally conducted at the framework level for frameworks. EvD considers that it would have been more efficient to file only one report at the framework level which sets out results for each PFI receiving a credit line or to have a more centralised mechanised method for data capture. EPG has since introduced new TI qualities and a new reporting approach which may address some of the duplication.⁷⁴
- EvD notes that the fact that PFIs benchmarks were designed to be reported at project level while ASB benchmarks are reported at framework level creates difficulties when telling an overall story of achievements when both components aim to contribute to changes at the sector level.
- All benchmarks were due end of 2017. However TIMS reporting continues beyond this date as each PFI was at a different stage of disbursement. This leads to the need of extending the consultant's contract beyond programme end implementation date to have an accurate report of results.

⁷² 3rd TurWiB Steering Committee meeting minutes, 22 June 2015

⁷³ 4th Steering Committee meeting minutes, 24 February 2016

⁷⁴ Under the new TI system based on transition qualities, the idea is to monitor at framework level halfway and at the end of the year as well as sub-projects yearly.

- Annex 10 provides further details. The last TIMS report on record for each PFI under the framework is end of 2018. TIMS monitoring officially ceased at the end of 2017 as this was the implementation period set out in the Board Document.⁷⁵ An update was provided by Frankfurt School on request of the donors at the end of 2018.⁷⁶
- EvD noted inaccuracies when reporting PFIs' use of their own funds as detailed in section 4.2.

Based on the evidence presented above, EvD considers that this type of programme, where EBRD cannot directly control the impact of its finance on sub-borrowers, requires a specific type of ex-post tracking and monitoring. Currently, EBRD relies on the information provided by the PFIs and tracks outcomes for the beneficiaries of ASB assignments through its practice of following up one year after the assignment. Nevertheless, EvD considers that this is not enough to tell an accurate story of the results of EBRD's investment, there is a need to switch to a new way of monitoring and reporting more focused on outcomes at sub-borrower level and over a longer period of time. A review of a sample of sub-borrowers should be considered to report on outcomes. EvD's report on Credit lines comes to a similar conclusion and also suggested using the ultimate recipients of funding to provide monitoring: Use of local consultants or CSOs, resident offices, mobile phone surveys and standardised reporting are also reported as way of getting relevant information to report on EBRD's results.

4.4 Visibility of TurWiB

Key findings

- Visibility of donors (the EU and the Republic of Turkey) for their contribution and support was satisfactory and as expected. .
- EvD considers that a comprehensive form of reporting to the EBRD Board of Directors is needed for WiB programmes.
- ASB and FSFM implemented a detailed communications and visibility plan involving website development, website publicity, emails, handouts, videos and presentations.

EBRD needed to provide visibility of the programme and its results from three angles: i) the donors needed recognition of their support and contribution; ii) EBRD needed to raise recognition of the results of the programme to donors and to the EBRD's shareholders; and iii) the programme needed to be visible to women in Turkey so that entrepreneurs had an opportunity to access the finance.

4.4.1 *Visibility of donors for their contribution and support*

The EU and the Ministry, as donors, made visibility of their contribution and support a critical component from the outset. The contract includes a commitment to a communications and visibility plan which must be implemented according to the visibility guidelines of the contracting authority (the Ministry) and general conditions set out in the contract about use of the EU logo.⁷⁷ Sub-borrowers and recipients of ASB support had to be made aware of the EU and the Republic of Turkey's support through marketing and publicity. Donor visibility would also be raised during general awareness raising and dissemination efforts during implementation.⁷⁸

⁷⁵ Information provided by FI team

⁷⁶ EBRD extended FSFM contract till May 2020

⁷⁷ TurWiB Grant Contract, 20 December 2013 p6 &7

⁷⁸ TurWiB Grant Contract Annex1 Article 3, 20 December 2013, p 5

During the interview with EvD, EU staff indicated that they were satisfied with the level of visibility given to the EU in this programme.⁷⁹ There were multi-media videos created with the EU and the EBRD that were broadcast on national TV in Turkey. They shot a campaign on International Women's Day in March 2019 which included interviews with women leading SMEs.⁸⁰

According to the Ministry, all stakeholders were happy with the visibility, and the rules were set out clearly to everyone from the outset.⁸¹ There was a national launch and 3 regional launches and international conferences.

4.4.2 *Visibility of results to donors and the EBRD's Board and shareholders*

Donors received interim donor and final donor reports on the TurWiB programme results implemented to date. These were also discussed by donor representatives at the Steering Committee Meetings.

The EU indicated that they had seen the success story booklet illustrating what clients did which was presented at the closing event. The EU office in Turkey reports back on successful projects but it is then up to the EU offices in Brussels to disseminate this information to member states as they see fit.⁸²

The Ministry was still awaiting the employment figures and therefore did not want to speculate on the final results which they do not expect until 2021. They are still awaiting 3 further reports on the programme.⁸³

While donors have been receiving regular reporting on the progress of TurWiB, shareholders have been informed indirectly on the progress via the Board approval document for PFI lending. In the 2017 Board Document for approval of Finansbank II, Annex IV provides a performance update on TurWiB to the Board of Directors with updates on the transition monitoring benchmarks and status of lending with PFIs.⁸⁴ In July 2018 the EBRD Board was invited to approve TurWiB II with Garantibank, which provides some indirect information about the results of TurWiB under the section Strategic Fit.⁸⁵ This current evaluation report will therefore provide the most comprehensive review of results to the Board up until 2019, but will not be able to speculate on final results of TurWiB due in 2020.

EvD considers that this type of programme should produce a comprehensive form of reporting to the EBRD Board of Directors taking into account the sector dynamic and gender gap in the country. This reporting should also include a formal discussion at, for instance, EBRD Board Committees or Board information session.

5. Conclusions and Recommendations

Conclusions

In summary, TurWiB mostly accomplished what the project intended. Referring back to the key questions for this evaluation, benchmarks and basic objectives were generally achieved.

Relevance: Has TurWiB been aligned with and supportive of EBRD's strategic agenda, country and donor priorities?

⁷⁹ EvD Interview with EU staff at EU offices in Ankara 4 April 2019

⁸⁰ Ibid.

⁸¹ EvD Interview with the Ministry of Labour Social Security and Family 4th April 2019

⁸² Ibid.

⁸³ EvD Interview with the Ministry of Labour Social Security and Family 4th April 2019

⁸⁴ BDS14-128/Add 7 Turkey WiB Programme Finansbank II 19 April 2017 p71

⁸⁵ BDS15-050 Turkey: Garanti (under Financial Intermediaries Framework "FIF") and Turkey Women in Business II ("TURWiB II") p 11

The main themes related to gender and SMEs identified in the TurWiB programme broadly reflect and are present in all of the strategies and initiatives which were in force at the time of Board approval. EvD found TurWiB highly aligned with and supportive of EBRD's strategic agenda, country and donor priorities. TurWiB is found highly relevant across strategies in multiple areas, with unanimous relevance in terms of SME needs assessments, promoting new SME products and capacity building at PFIs for SME finance. The report notes that EBRD could have also used the TurWiB programme as a platform to carry out policy dialogue on legal and regulatory reforms affecting women doing business in the SMEs market.

Effectiveness: Has TurWiB achieved its intended objectives and what evidence is available to this?

Despite market-driven constraints, TurWiB succeeded in increasing the offer for on-lending to women-led SMEs (allocating €417 million at the end of 2017, and exceeding the target set at appraisal by €17 million) and by targeting in particular start-ups and first time loan customers.

In terms of changes to PFIs products and MIS, it is undeniable that EBRD, through FSFM, raised awareness of the existence of the women-led SMEs segment and the importance to adapt PFIs' financial strategies as well as communication and marketing approaches to that segment. However, based on the evidence referred to in the report, EvD questions the effectiveness of the programme in terms of offering new products to the market and the sustainability of the offer. Management of certain PFIs did not see the value of having dedicated staff for WIB SME lending or designing a specific WIB SME strategy and ceased to collect gender-disaggregated data after EBRD's involvement.

TurWiB also managed to improve access to finance by increasing the number of sub loans disbursed to WIB SMEs and the amount of WIB sub-loans outside the three big cities of Istanbul, Ankara and Izmir. Changes at the PFI sub-borrower level were difficult to assess since PFIs were not able to collect granular data on employment and turnover data. EvD considers that data collection limitations should have been properly explained to donors who requested the introduction of these benchmarks, and more importantly to be able to report on the actual results of the programme.

The TurWiB programme managed to increase access to know how through the provision of diagnostic services, training, coaching and mentoring programme. Furthermore, regional seminars proved to be successful in bringing together PFIs and women-led SMEs and presenting the different components of the programme. However there is little evidence that the diagnostic services helped women-led SMEs in obtaining a WIB loan. TurWiB programme relied on PFIs to promote ASB services but PFIs promoted their own products and did not always inform women entrepreneurs on the availability of other services such as training or mentoring under TurWiB.

Efficiency: Has TurWiB's structure, resourcing and management supported efficiently the achievement of its intended results?

TurWiB is the first integrated programme where FI, ASB and Gender work in such close collaboration. The concept is innovative but its design and subsequent implementation did not fulfil all the expectations set at the approval stage. The bulk of the programme effectively resides in EBRD's credit lines provided to PFIs but more time and resources should have been spent to ensure more systematic synergies of both financial and non-financial parts of the programme.

The availability of a donor-funded FLRC component played a key role in determining the success of TurWiB creating uncertainty on whether short-term results achieved under TurWiB to date are sustainable in a medium to long-term future.

Expectations in terms of reporting and results from EU and the Government of Turkey differed from EBRD's expectations, as the EU and Turkey were interested in job creation for women entrepreneurs, while EBRD

was mainly expecting results in terms of market expansion, demonstration effect and skills transfers at PFIs level. The reports concludes that this type of programme, where EBRD cannot directly control the impact of its finance on sub-borrowers, requires a specific type of ex-post tracking and monitoring, a new way of monitoring and reporting more focused on outcomes at sub-borrower level and over a longer period of time.

EBRD provided good visibility of the programme and its results to the donors giving recognition of their support and contribution. However, EvD considers that a comprehensive form of reporting to the EBRD Board of Directors taking into account the sector dynamic and gender gap in the country is needed for this type of programmes. The programme would have also benefited from more visibility in Turkey where the evidence shows that WIB sub borrowers were not aware of TurWiB's component as an integrated programme.

In EvD's view, there is a strong need for future iterations of the programme to embrace working with the other IFIs to support the marketplace provide more capital to women-led businesses and to connect the lending and advisory components more closely. This should be supported by sufficient financial self-reliance to ensure appropriate monitoring and reporting are available regardless of donor funding.

Recommendations

1. **Envisage a strategy that will phase out the FLRC in the outset of the next programme phase:** The FLRC was an essential component of the programme that incentivised PFIs to lend to women-led SMEs. As the TurWiB board document points out, 'the goal [of the FLRC] is to obviate the need for the subsidised risk cover'. For that purpose, EvD recommends to design a strategy at the inception of the programme which would phase out the FLRC component in the medium to long-term horizon and avoid perpetuating PFIs' expectations of subsidised lending to finance the WIB sector. The strategy should include indicators signalling sufficient market development for lending to women-led businesses.
2. **Use TurWiB as a platform to engage in policy dialogue for greater access to finance for women:**
 - c) By collaborating with other IFIs: EvD recommends using the programme as a platform to engage in systematic policy dialogue with other IFIs and ministries and relevant bodies in the country to tackle issues arising from the lack of offer by PFIs and gaps in know-how of women entrepreneurs.
 - d) By expanding partnership with current partners like ISKUR: The engagement with ISKUR remained limited throughout the project both at the design and the implementation phases. Since ISKUR carries out trainings for small entrepreneurs throughout Turkey, their role could be expanded under TurWiB.⁸⁶ A potential future working partnership with ISKUR would also mean more outreach to potential WiB loan clients and to recipients of advisory services across Turkey and would provide the possibility for EBRD to engage in meaningful policy discussions with the Ministry of Labour and Social Security.
3. **Revise Donor funding dependence to ensure programme-wide administrative functions like monitoring and reporting are fully funded:** The dependence of the programme on donor funding made it exposed to donors' requests that were difficult or sometimes impossible to fulfil by EBRD (such as reporting on employment figures of women-led SMEs). EvD recommends for this type of programme to be funded using EBRD's own resources where possible and if not ensure that the programme has sufficient baseline capacity and resources to deal with the donors' and corporate demands. WIB programmes (and blended finance more generally) are a significant part of the FI business volume and therefore robust monitoring and reporting should be appropriately resourced.
4. **Advance Advisory Services to a next phase to enhance outreach and provide more relevant services:** The programme design could have been strengthened with a beneficiary leaning needs assessment of women-led SMEs as part of the design phase of the study, rather than via the Business

⁸⁶ ISKUR reported training small entrepreneurs through an organisation (KOSGEB) which trains (through a 32 hours training) about 100,000 people annually of which 50,000 are women. Participants then apply to KOSGEB for funding. Of the 100,000 trained, around 10% of these people may be successful in getting finance.

Lens. There was a baseline assessment only of PFIs and not of women-led SMEs (the beneficiaries). This would have helped better understand the SME landscape of Turkey (especially in remote locations) and would have allowed for adapting and customizing trainings for women-led SMEs to different knowledge levels from the start. Key areas for improvement are:

Improve the use of the Business Lens (BL) tool for WiB loan clients: There was little overlap between beneficiaries that received the loan and those who attended the Regional WiB Seminar and/or Business Lens promotion meetings. The BL tool can be used more effectively through better outreach (meaning that more potential WiB loan borrowers would take the BL assessment), followed by coaching, mentoring and other business development trainings based on the needs and areas of improvement identified using the tool. Systematic access of borrowers to BL would be beneficial as WiB's advisory services can prioritise trainings, coaching and mentoring focused on what the most urgent needs of the specific business.

Enhance the mentoring programme: Adding a signed commitment between mentors and mentees to avoid absenteeism will improve the mentoring programme. Other suggestions are to: (i) limit the number of mentees in order to focus on the quality of the meetings, (ii) add other ways of communication between mentors and mentees in order to reach women entrepreneurs in remote areas and (iii) more effectively acknowledge and take into account women entrepreneurs' schedule and limited time availability. EvD acknowledges that ASB is exploring new ways of improving its services in the second phase of TurWiB.

Consider revising the design and delivery of trainings: Trainings should be designed for different levels of financial knowledge and new ways of delivery should be considered such as online training via webinars.

5. Introduce a Results Framework at the outset of the next programme and ensuring monitoring and data collection focused on TurWiB's two layers structure (PFIs level and beneficiary level):

A Results Framework at the beginning of the programme will facilitate the comprehension of the programme by donors and Board members. The introduction of a Results Framework will improve clarity of the results of the two components (financial and non-financial) and also flag the programme's intended efficiencies that come principally from joint fundraising, reporting and marketing events.

Regarding data collection, EvD has recommended in previous studies the need to report on outcomes indicators at the beneficiary level for the financial components (credit lines). This may take the form of a review of at least a sample of sub-borrowers (both ex ante and ex post). A follow up of the programme over a long period would provide valuable information compared with the baseline assessment.

Annex 1: Evaluation questions

The evaluation team has identified three evaluation questions to guide this Review of TurWiB which broadly correspond to the OECD/DAC criteria of relevance, effectiveness and efficiency.

EQ1: Has EBRD's TurWiB been aligned with and supportive of EBRD's strategic agenda, country strategy and donor priorities in Turkey?

The evaluation team has identified a number of judgment criteria associated with the theme of 'relevance'. In particular, the evaluation team will assess to what extent the EBRD's strategies have contributed to shaping TurWiB's design and objectives, while addressing sector and stakeholders needs in Turkey. The evaluation team will assess whether (i) the WiB programme in Turkey is aligned with (and influences) EBRD's strategic planning documents; (ii) TurWiB design responds to country needs; and (iii) Donor's priorities influence the WiB programme in Turkey.

The Turkish WiB programme design will be analysed against the specificities of sector needs in the country, provided availability of data. Any evolution over the years of the programme's design will be analysed – to identify learnings from experience that might usefully be incorporated. Given the prominent role of donors, the evaluation team will also specifically look at how donors' priorities have contributed shaping TurWiB. Eventually, the evaluation team will investigate to which extent TurWiB has influenced EBRD's activities and strategic focus to date.

EQ2: Has TurWiB achieved its intended objectives and what evidence is available with respect to this?

This effectiveness evaluation question builds on the assumption that 'access to finance' and 'access to know-how' are the results that EBRD intends to achieve with the WiBs – as spelled out also in the Theory of Change. EBRD does not aim at higher level of results. The following judgement criteria will be used to answer this second evaluation question: (i) the WiB programme increases the offer for on-lending to women-led SMEs; (ii) the WiB programme increases access to finance; and (iii) the WiB programme increases access to know-how for women-led SMEs.

In particular, the evaluation team will look at all available quantitative data of TurWiB via desk work and a mission to Turkey. If possible, the business performance of a sample of sub-borrowers will be measured against base-line and ex-ante assessments by ASB and PFI.

EQ3: Has TurWiB's structure, resourcing and management supported efficiently the achievement of its intended results?

This efficiency related evaluation question focuses on the resources used to develop and deliver the results of TurWiB. The evaluation team will assess to which extent the integrated programme features have been coordinated, how resources have been used, and related efficiencies. To answer the third evaluation question, the team will assess (i): the complementarities of the integrated programme; (ii) the utilization of resources for TurWiB; (iii) the use of FLRC; (iv) the adequateness of reporting: to EBRD and to the donors; and (v) visibility (of PFIs, women-led SMEs, donor, EBRD).

Expressly, the evaluation team will assess to which extent the FLRC component has been instrumental for the success of TurWiB and its effects on the programme. More standard efficiency related judgement criteria will focus on: adequacy of monitoring, accountability mechanisms (such as reporting) towards EBRD's Board and WiB donors; and visibility (for PFIs, women-led SMEs, donors, EBRD).

Annex 2 presents the Evaluation Design Matrix, as appended to the Approach Paper.

Annex 2: Evaluation matrix

| OECD/ DAC criteria | Evaluation Questions | Judgement Criteria | Indicators | Data sources | Methods |
|--------------------------|--|--|--|---|---|
| Relevance | 1. Has EBRD's TurWIB been aligned with and supportive of EBRD's strategic agenda, country strategy and donor priorities in Turkey? | 1.1 Alignment (and influence) of TurWIB with EBRD's strategic planning documents | <ul style="list-style-type: none"> - Elements contributing to design of TurWIB - Influence/alignment of EBRD's existing strategies (country and sector) and initiatives (on gender and inclusion) on the design of TurWIB. - Evidence on how TurWIB influenced EBRD's strategies on gender, inclusion etc. - Evidence on how TurWIB influenced EBRD's country strategy (also in 1.2) - Influence of learning from experience in the design of the TurWIB. | EBRD Policies, Strategies and Initiatives EBRD Country Strategy TurWIB approval documents | Document review Key-informant interviews |
| | | 1.2 TurWIB design responds to country needs | <ul style="list-style-type: none"> - Evidence on how TurWIB influenced Turkey's country strategy (also in 1.1) - Existence of sector/segment analysis - Alignment with: <ul style="list-style-type: none"> o national SME development strategy (if any) o women-led SMEs needs – segment diagnostics o PFIs strategies - Existence of analysis of complementarity with Programmes implemented by other IFIs and donors | EBRD's Country Strategy National and local documents on SME development and gender International databases on access to finance for SMEs and women-led SMEs PFIs baseline assessments (diagnostic from TA to PFIs) Analysis of Programmes run by other IFIs in EBRD strategic documents and reports | Document review, Key informant interviews Literature scan |
| | | 1.3 Influence of donors' priorities on TurWIB | <ul style="list-style-type: none"> - Alignment of donor priorities on the WiB design - Donor arrangements to coordinate and implement WiB (including donor engagement during implementation) | Donor Agreements TurWIB approval documents (Board, OpsCom, SBIC) Reports to donors | Document review Key informant interviews |

| OECD/ DAC criteria | Evaluation Questions | Judgement Criteria | Indicators | Data sources | Methods |
|--------------------------|--|---|--|--|---|
| Effectiveness/ Efficacy | 2. Has TurWIB achieved its objectives and what evidence is available with respect to results accomplished? | 2.1 TurWIB increases the offer for on-lending to women-led SMEs | <ul style="list-style-type: none"> - Increase in WiB sub-loan portfolio - Increase in WiB loan portfolio for PFIs benefiting from RLC (increase in WiB loan portfolio comprised by WiB start-ups and/or first time loan customers by at least 30% of the EBRD loan) - Changes in financial products or PFIs benefiting from RLC (in Turkey, at least 40% of proceeds used in loans with lower collateral requirements, longer tenures, and/or other changes to financial products as identified in the PFIs baselines) - All PFIs to ensure MIS supports data gathering and analysis that enables tracking of gender-based segments from the point of application for a loan or account - At least 6 PFIs to tailor financial products for WiB SMEs - At least 6 PFIs to undertake changes in business models, and/or delivery mechanisms to reach out to WiB SMEs - Changes at the PFI sub-borrowers level in terms of growth, profitability and employment. <ul style="list-style-type: none"> o Growth in turnover by women-led SMEs in the Programme to be higher than average growth of turnover across the corporate sector - All PFIs allocate at least 1 full staff member to the management of the WiB programme - NPL ratio on WiB SME sub-loan portfolio below 3.2% | PFI Baseline Assessment PFI level data tracking gender PFI tailoring financial products for women-led SMEs TA to PFIs reports TIMS TurWIB ASB assignments follow up assessment (after one year) which measure changes in the client's business performance, compared against the baseline assessment ASB conducted at project initiation. Review of a sample of sub-borrowers using the PFI's ex ante assessment as a baseline Data on WiB's women led SMEs Reports on Programme activities Latest Turkey WiB programme interim report | Portfolio review Sub-loan clients feedback |
| | | 2.2 TurWIB increases access to finance | <ul style="list-style-type: none"> - Number of sub-loans disbursed from PFIs to sub-borrowers. | Data on TurWIB's women led SMEs BEEPS | |

| OECD/ DAC criteria | Evaluation Questions | Judgement Criteria | Indicators | Data sources | Methods |
|--------------------------|----------------------|---|--|--|--|
| | | | <ul style="list-style-type: none"> - Percentage of women-led SMEs which are more likely to see their loan applications rejected than firms led by men (rejection rate) - Increase in the WiB sub-loan portfolio by at least EUR 120 million in regions outside of Istanbul, Ankara, and Izmir | | |
| | | 2.3 TurWIB removes barriers on the demand side increasing access to know-how for women-led SMEs | <ul style="list-style-type: none"> - Success measured by proportion of SMEs that get credit after project implementation <ul style="list-style-type: none"> o % of women receiving basic diagnostic services who are successful in obtaining a loan from a PFI and/or small business support assistance. o At least 40% of women-led SMEs achieving increases in employment, including women employment, one year after completion of advisory projects o At least 50% of women-led SMEs assisted achieving increases in turnover one year after completion of advisory projects. - Number of trainings, mentoring programmes for women-led SMEs. <ul style="list-style-type: none"> o At least 640 women (including unemployed women) trained through entrepreneurial business skill development courses o At least 420 women-led SMEs supported with advisory projects, on-going business coaching and mentoring through local consultants and international advisers. o At least 95 local business advisers trained in basic consultancy skills and in providing on-going business coaching support - Advisory services provided | Data on TurWIB's women led SMEs Reports on Programme activities | Portfolio review, key-informant interviews, focus groups with women leading SMEs |

| OECD/ DAC criteria | Evaluation Questions | Judgement Criteria | Indicators | Data sources | Methods |
|--------------------------|--|---|---|---|--|
| | | | <ul style="list-style-type: none"> ○ At least 70% of advisory projects rated as successful or highly successful one year after completion ○ At least 25% of assisted women-led SMEs report engaging a consultant again after completion of the advisory projects | | |
| | | 2.4 Broader results of TurWIB as contribution to growth of women-led SMEs | <ul style="list-style-type: none"> - Wider financial sector demonstration effects <ul style="list-style-type: none"> ○ At least one seminars for middle and senior management to disseminate results of the baseline survey in each PFI ○ At least 60 operational staff having received technical training based on the results of the survey and the value proposition developed by the programme consultant - Spillover effects on income and employment opportunities | Macro indicators (gender inclusion) Interviews with key stakeholders | |
| | | 2.5 Broader unintended results of the programme on women-led SMEs or PFIs | <ul style="list-style-type: none"> - Country policies and laws on women-led SMEs - Unexpected changes in corporate policies of PFIs, etc. | Country level policies Focus groups results | Document review, key-informant interviews |
| Efficiency | 3 Has TurWIB's structure, resourcing and management supported efficiently the achievement of its intended results? | 3.1 Complementarities of the integrated programme | <ul style="list-style-type: none"> - Efficient cooperation/coordination among teams in conducting the work for the programme | EBRD staff TA to PFIs consultants Stakeholders | Interviews |
| | | 3.2 Use of resources for TurWIB | <ul style="list-style-type: none"> - % TA resources versus credit lines - % resources to increase access to finance versus resources for access to know-how - EBRD staff resources | EBRD internal reporting Donor reports | Portfolio review Key-informant interviews |

| OECD/ DAC criteria | Evaluation Questions | Judgement Criteria | Indicators | Data sources | Methods |
|--------------------------|----------------------|---|--|---|--|
| | | 3.3. Use of FLRC | <ul style="list-style-type: none"> - Compare TurWIB with and without FLRC - Increase of PFIs appetite for women-led SMEs - Market distortions - Other programmes using FLRC | PFIs reports TA to PFIs reports Donor reports Stakeholders views | Portfolio review Key-informant interviews |
| | | 3.4. Adequateness of reporting: to EBRD and to the donors | <ul style="list-style-type: none"> - Reports quality – actions derived from reports - Role of Steering Committees – actions derived from SC meetings | TIMS reviews Donor reports Other documents | Portfolio review Key-informant interviews |
| | | 3.5 Visibilities (PFIs, women-led SMEs, donor, EBRD) | <ul style="list-style-type: none"> - Role of fundraising events, e.g. PFIs and women-led SMEs under TurWIB get more publicity than others - Increased resources for EBRD TurWIB - Increased resources for other EBRD Programmes | Reports | Document review Key-informant interviews |

Annex 3: Qualitative Data/ Focus Group Analysis for the Turkey Women in Business Programme's Phase 1 Evaluation

Women in Business (WiB) Evaluation Methodology

The evaluation of the WiB programme is based on a theory of change that assesses how this programme helped to facilitate access to finance for women-led Small and Medium Enterprises (SMEs) through Participating Financial Institutions (PFIs), and provided technical assistance/ advisory services on running a business for women-led SMEs. The PFIs included five commercial banks in Turkey (in Phase 1). The WiB evaluation followed a mixed methods approach combining various methods for data collection and analysis, relying on both qualitative and quantitative data. Systematic validation and triangulation of data confirms the findings.

Quantitative data sources include internal and external EBRD data on access to finance like PFI baseline assessments, WiB loan portfolios for PFIs benefiting from First Loss Risk Cover (FLRC), and WiB on-lending to women-led SMEs.

A participatory evaluation approach was adopted for qualitative data collection through conducting focus group discussions with WiB clients/project beneficiaries. Four focus groups discussions were conducted with two sets of clients: (i) WiB loan receivers, and (ii) WiB clients for advisory services in Istanbul and Ankara.⁸⁷ The goal of the focus group discussions was to identify best practices and challenges associated with access to finance and advisory services components of the programme and to assess outreach of the programme among clients through the focus group lens. Note that due to the small sample size of the focus groups, the findings cannot be generalised. However, the focus groups help with 'humanising the data' and provide better insights into WiB clients as well as the types of businesses they run, how are the businesses operated, and what the WiB 'client stories' are– sharing both barriers and successes in their life and work. Stakeholder meetings were also held with donor staff involved in WiB lending, and PFI staff at commercial banks to identify good practices and challenges associated with programme design, implementation, and sustainability issues.

The evaluation considers limitations such as the lag between different phases for the project. For example, in some WiB programmes, advisory services were initiated after increased credit lines making it harder to assess the effectiveness of advisory services like trainings and mentoring on access to finance issues.

(i) Findings from Focus Groups with Loan Clients

Client profile and Type of Business: Two focus groups were held in Istanbul with women who were business owners for small or medium enterprises (SMEs).⁸⁸ Their businesses belonged to various industries and ranged from apparel export to Germany and France, being a manufacturer of stretch films used in medical, automotive, and house gadgets, product designer for jewelry and home accessories, wholesale distribution of books, running a beauty salon, being the founder of a Communications Consultancy focused on advertising and public outreach, running a construction material business (for bricks and cement), running a Human Resources (HR) agency, being a glass artiste who runs her own studio and Gallery, as well as a Pilates studio owner, a lift/elevator construction engineering business owner, and the founder and owner of a pharmacy. Experience levels of the clients that were part of the focus group discussions also

⁸⁷ Of the four focus groups, three were conducted in Istanbul (two for loan clients, and one for advisory services), and one focus group (for advisory services clients) was held in Ankara. Each focus group consisted of 6 to 7 clients.

⁸⁸ Note that all 'loan client' focus group participants were business owners.

varied. For example, one of them had been running her business for 37 years; while another had started her business only 3 years ago. Most of them (except one) were experienced borrowers, since the WiB was not their first loan. They had been existing clients of the commercial bank for many years before they received the WiB loan.

Outreach and communication to clients on the WiB programme/How and when did clients hear about

WiB: The focus groups with WiB loan clients showed that none of the focus group participants had heard about the WiB programme when they borrowed the WiB loan from the PFI/ commercial bank. Majority of the participants said they heard about the WiB programme a month prior to the focus group being organised (in March 2019). Focus group participants also said that there was no ad material for the programme on loans for women-led SMEs. Some of them heard about the programme directly through the bank representative. For example, one of them reported that her bank (in this case Garantibank) called her and said they have a loan that supports women entrepreneurs but did not mention the “scheme” referring to WiB. Similarly focus group participants from Isbank and TEB bank also received calls saying there is a loan for women entrepreneurs that encourages them to borrow/ create a credit line.

Most of them said they received the WiB loan in 2016 or after (*but this is based on a very small sample size of focus group participants so cannot be generalised*).

They perceived the loan as yet another loan they are receiving from their already existing borrower bank. This suggests a gap in communication and outreach on the WiB loan between the PFIs and the loan clients.

Launching the Loan Application Process: Overall, the focus group participants did not report any difference in the loan application process for the WiB loan compared to previous loans they had taken from the same bank. They all reported that they were informed by their borrower bank (one of the five PFIs) about a women-focused loan, but this was a collateral free loan, and the interest rate was lower compared to previous loans according to the focus group participants.

Most participants had already been working with the current bank from which they borrowed WiB funding but were not notified that this is part of the WiB programme. They also reported that most of them received calls from their bank representative and told they fulfilled the criteria. The loan application process was the same. In fact some of them thought it's a Credit Guarantee Fund (CGF)⁸⁹ loan. Overall the loan application process was smooth. All applicants were already in the bank system for long, so “all they had to do was go to the local bank branch and sign the forms.”

Business Lens (BL) Tool: The Business Lens is a diagnostic tool for applicants who are part of the WiB to assess what type of trainings they would need moving forward in their business, be it financial, managerial, leadership focused trainings etc. None of the focus group participants knew about the Business Lens tool. This shows a lack of communication and a crucial gap between the WiB loan clients and WiB advisory services clients since tools like BL would also help loan clients to determine what services their business needs and build more synergies within the programme. There was also a time lag between loan disbursement clients and advisory services which could have contributed to this gap.

Purpose of loan (equipment, expansion, acquisition/ capital investment, working capital): Focus Group participants reported different purposes of their loan based on the type of business they had (both for the previous loan and the WiB loan). Majority of the participants reported using loan money for buying new equipment or for purchasing raw material. For example, one business owner reported purchasing raw material for apparel export, and another reported getting raw material for art work. Others reported purchasing materials like paper, as well as purchasing new equipment for their respective businesses (like

⁸⁹ Credit Guarantee Fund (CGF) is a government sponsored collateral free loan scheme for small and medium enterprises.

for a hair salon, a Pilates studio, construction equipment and, manufacturing material, and purchasing a porcelain kiln needed for making jewelry. Others reported reinforcing working capital and also using loan funds to upgrade technology to improve the system. One of the business owners also reported using loan money to take part in international fairs to promote her (jewelry) export business. Those in the services industry like an HR agency invested the loan funds in promotion ads and iOS technology. Another ad agency used the loan money as working capital for cash liquidity she needed for sudden business requests. A store owner used loan money to upgrade software and computer networks, installed camera and security equipment, and enlarged pharmacy stocks.

To summarise, majority of the WiB loan clients used these funds to buy raw material (for example for the apparel industry, or for art work), or purchasing new equipment (like construction equipment for her brick and cement business, or equipment for a hair salon, or a porcelain kiln for a jewelry business). Few reported reinforcing working capital (like for an ad agency), or for investing in upgrading software or other technology (like for the HR agency owner and the pharmacy owner).

Challenges in receiving the loan: No major challenges were reported in receiving the loan or being women entrepreneurs in Turkey. But this could be because most of them are experienced borrowers, know the system, and have leadership oriented personalities. However, one of the business owners reported of difficulty in receiving a loan more because she was “educated in design and did not know how to start a business”. She also said that she learnt by doing and in the last one year, she started working with a financial advisor, who talks to the bank, and “has lifted a burden from her shoulder”. In the Advisory Services focus group discussion, women reported of more challenges (mentioned later).

Receiving WiB Advice or Support for Business (through Consultants, workshops, seminars, trainings etc.): Majority of the focus group participants said that they did not hear of any WiB events but then one of them recalled an event organised by TEB (at the Point Hotel in Taksim) about 2-3 years ago which focused on women entrepreneurs and had a women from a cargo company as the keynote speaker. Another participant saw an ad on TV from Garanti bank awarding women entrepreneurs.

Need for Trainings: The focus group participants said they did not hear of any WiB trainings but they would like to get trainings. One of the participants who ran an ad agency said that she would “like financing for trainings.” They felt that since SMEs more at risk due to economic changes, “Tricks and training based on specific sectors would be very helpful”. Another participant said that “maybe we should know options because I do not know what training I need.”

Types of Trainings: When asked if they had attended trainings outside of WiB, a variety of trainings were reported. For example, a hair salon owner said she attended a training to enhance her beauty school training skills and also took some business management training. Another participant took part in the TEB training for women entrepreneurs. The training gives targets for 6 months about how to run your own business, and mistakes to avoid. It was a women’s only training and TEB bank informed her. Another participant trained for strategy on her own and was not informed by the bank. Another wanted training on human communication.

Hiring of additional staff after WiB loan: One of the participants who runs business on wholesale books said she hired 2 staff, and another said she hired 5 staff. The HR agency owner said after the 2016 failed coup attempt her business was affected and her customers were struggling, but due to the WiB loan she was able to hire 5 people. Another participant said that the business grew due to WiB loan but did not hire staff.

Business growth after the WiB loan: The business owners attributed several aspects of business growth attributed to the WiB loan. For example, one started a printing house due to WiB loan, while earlier they

were just wholesale book distributors. A jewelry designer went to two international exhibitions in two different countries to display her work due to the WiB loan funding and consequently started exporting to four new cities, working with new customers, and also opened a new retail shop two months ago.

One of the ad agency owners got new customers from new sectors and due to the loan her business expanded. A pharmacy owner upgraded the IT system so processing became faster and patient waiting time became less. Another ad agency owner said that the WiB loan had indirect benefits even though the 'loan was not a big number' (of 20,000 Turkish Liras), but she disseminated this loan amount on different things which led to better services for her customers and increased business.

Humanising the Data: WiB loan as Tipping Point for Business Growth

Several focus group participants reported direct impacts of the WiB loan that allowed them to do things for their business that were never done before, thereby leading to business growth in a new direction. This included diversification of business (for e.g. from book distribution house to a printing house), access to new international markets for export (for e.g. in the jewelry sector), upgraded IT systems for faster processing of retail, and tapping into new customers from a new sector.

Networking Opportunities: Overall, the business owners participating in the focus group said they had little opportunity for networking with other women business owners. One of them said that this is because she is the only female business owner in wholesale books in her sector. Another said that TEB event for networking was great. Others said that she is a member of the women's platform abroad, and another gets together with other lawyers to provide legal aid. For one of them this was the first time at the focus group as a networking event. They would like more such opportunities, and also said that EBRD can do promotion on their own rather than rely on local banks.

(ii) Findings from Focus Groups with WiB Advisory Services Clients

Advisory services' recipient profile and type of business/industry: Focus group discussions with WiB Advisory Services recipients included both business owners and administrators/ staff of the business. For example the focus group included participants who were a business owners in the music industry, the textile sector, the packaging and labelling industry, owner of a medical equipment company, a lighting company, and founder and owners of ad agencies and HR companies. There were others who were not business owners but worked for organisations like a Women Entrepreneurs Association that worked with women members who own SMEs on health, construction etc., and an Academy that was first established with EBRD support and provides training services across the country. Majority of the participants received WiB Advisory Services from 2014 to 2017. In the Istanbul focus group, of the 6 women in the FG, only 2 received WiB loans (from TEB bank and Garanti bank).

Outreach for WiB Advisory Services/How and when did you hear about WiB Advisory Services: The focus group discussions with WiB Advisory Services (AS) recipients indicated that majority of the participants heard about WiB Advisory Services through both social networks (through friends) and professional networks (through colleagues or through consulting firms they were working with), mostly through word-of-mouth rather than formal communication through flyers, meetings, or other public announcements. However, one of the participants mentioned getting an email on the mentoring programme in 2016 from Garanti bank. Another focus group participant heard about the programme since she was one of the finalists in a competition through Garanti bank, and is also part of the mentoring component. One of the other participants was in communication with EBRD as an institutional partner and heard about the Advisory Services programme through EBRD.

Outreach for the WiB loan programme: Majority of the AS focus group participants had not heard about the WiB loan programme and felt that their banks did not promote the WiB loan. One of the participants worked as a trainer at an EBRD funded academy, and also worked with the banks but did not hear about the WiB collateral free loan from Isbank or Garantibank. One of the participants in the advisory services focus group said that her business was having financial difficulty, but the banks did not tell her about the WiB loan.

Another focus group participant who worked with women business owners (150 of them) through an entrepreneurship association suggested she could have channeled WiB's loan to them, but had not heard about it herself until recently. This indicates a lack of outreach about the WiB loan programme to WiB advisory services clients.

Type of WiB Advisory Services received, and how they helped: The focus group participants received a diverse set of advisory services ranging from assistance in creating strategic plans, conducting a Situational Analysis, creating Action Plans, as well as receiving trainings, and being part of the Mentoring programme. An Advisory Services recipient reported that she received advisory services in strategic planning by working with a strategic planner from December 2014 to April 2015, and "it was very helpful for the professionals to observe their daily business." For example, an oxygen chamber business kept mechanical equipment and electronics together, but based on the recommendation of the strategic planners, they separated the two warehouses. The business also has designated space for welding separately based on advice received as part of the AS programme. In the end, working with the strategic planner had an impact on efficiency and cost.

Another AS focus group participant received WiB Advisory services for 1.5 to 2 years by working with an AS firm, that helped with conducting a Situational Analysis followed up by an Action Plan. They were working on issue of exports but realised that it trickles over to other sectors like HR etc., so thought would work with different experts (like on HR and infrastructure). "For the company, the advisory services helped a lot. This project triggered other things as well." The participant further added, "Needs are always there so would appreciate a follow-up programme."

Other focus group participants (mostly from the Ankara focus group) reported other types of Advisory Services like attending a leadership training (2017), software support through working with a consultancy (2016), as well as attending Izgoren Academy trainings that were given on behalf of EBRD. Another participant who runs an HR agency reported that "the leadership training in 2017 was a great environment." She further said, "I became a member of Parliament in election due to effectiveness of this training" and went on to say that "it would have helped if the mentoring step continued." Another focus group participant who does HR work at a copyright company said that she received consultancy support but did not attend any training.

Another participant raised the sustainability issue with trainings and suggested "they need to be continued, especially on things like time management, and crisis management" indicating the constant needs for trainings to businesses on various topics in various stages of business growth.

Trainings: The AS focus group participants in Istanbul had not been to any trainings, but as mentioned earlier they reported on receiving other advisory services like working on strategic planning, receiving advisory services on situational analysis, as well as help with preparing Action Plans.

Mentoring programme through WiB Advisory Services: Between the two focus groups with AS clients in Ankara and Istanbul, none of the Ankara focus group participants had participated in the mentoring programme but had heard about it at the WiB trainings. The Ankara participants were also not part of any on-going business coaching support.

At the Istanbul focus group, participants had mixed experiences with the mentoring programme. One of them found it challenging to communicate with her mentor (she tried to provide feedback on the mentorship programme, she could not save the form). Another participant suggested that there should be a signed commitment between the Mentor and the Mentee to overcome challenges around 'volunteered time' by the Mentor.

Utilising the Business Lens Diagnostic Tool: Based on the focus group analysis, there was better outreach of the Business Lens tool in Ankara (where all participants had used the tool either online or through a print-out) than in Istanbul (where less than 50 percent or 2 of 6 AS focus group participants knew about the tool).

Business Training with local consultants and International advisors: None of the AS focus group participants (in Istanbul or Ankara) worked with international advisors, but worked with local consultants. They did say though that "it would be nice to work with international advisers".

Increase in number of Employees due to receiving advisory services: In Istanbul, 50 % of focus group attendees (or 3 of 6 participants) reported an increase in number of employee for their firm due to receiving WiB Advisory Services. In Ankara, the focus group attendees say that the number of employees increased, but they are not sure if they can relate or attribute the increase in employees to the WiB training.

What was helpful from trainings and consultancy experience/Helpful Aspects of Advisory Services experience: Overall, the focus group participants report the trainings and consultancy services received as part of WiB AS to be very helpful. For example, a participant said that they got software support, and she learnt about establishing a digital system in an institution which included 5 offices with 80 staff. Digitising for them was important so she also learnt about CRM. Eventually the software rollout through the WiB AS was a learning process for the entire institution.

Another AS recipient reported that the finance and management skills she acquired through WiB AS were helpful to her for work on HR issues.

Networking: Most participants of focus groups agreed that the advisory services events, trainings and consulting services experience helped them connect with women coming from different sectors. One of them mentioned a networking event held at the Chamber of Commerce in Istanbul in November 2014. Also finalists of an SME focused competition were invited by Garantibank in Istanbul to meet an EBRD expert from Australia.

Issues unique to female entrepreneurs in Turkey: At the focus group with AS clients in Ankara, several women shared challenges around being women business entrepreneurs (not specific to the WiB programme though). They talked about several issues such as increase in violence against women, a decrease in women in the workforce, challenges around family environment, and barriers around access to finance (where women are not in position to give guarantee because real estate not in women's name). One of the participants shared her experience from remote districts where she delivered entrepreneurial and domestic communication training together "because women first have to communicate with family members to start a business and this itself can be challenging". The lack of childcare support was also identified as a barrier for women to start and run businesses. "The lack of childcare support, together with a lack of knowledge especially in rural areas creates a chain of problems that keeps women entrepreneurs away. So interventions are needed in this chain at various points."

Annex 4: Advisory projects

Advisory projects were tailored to women-led enterprises in need of targeted advisory services using local consultants or international advisers as required. They were provided on a partial-reimbursement basis and required the beneficiaries to share a portion of each project's costs. Cost-sharing is agreed with an agreement to be signed between the EBRD and the beneficiary SME. To encourage potential and existing women-led enterprises to also access finance under the Programme, higher reimbursement is offered to those who have obtained or are able to secure a loan from a PFI under the Programme within one year of the project's completion.

The table below collects the number of ASB projects started with local and international consultant and their cost at the end of 2017⁹⁰

| WiB Programme YE2017 | Start date ASB WiB | # advisory projects | project cost (€) | Client contribution | Advisory projects donor |
|--------------------------------|--------------------------|---------------------|------------------|---------------------|-------------------------|
| Local (standard + coaching) | Jul 2014 | 340 | 2,790,205 | 1,065,531 | EU, Turkey |
| International | Jun 2014 | 12 | 563,000 | 48,850 | EU, Turkey |
| TOTAL | | 352 | 3,353,205 | 1,114,381 | - |

Source: EBRD Advice for Small Business team, Donors report

⁹⁰ Please note that ASB includes cancelled projects within the project count (which correspond to 'projects started') and that these sometimes incurred costs prior to cancellation, which are eligible costs under the programme

Annex 5: Project implementation assessment

From BAS Project Summary Document

Completion date
EBRD total
disbursement

| | |
|--|-------------------------------------|
| Month/Year of Data: at completion stage | Annual Export volume: (Euros) |
| Number of employees: | Percentage of private ownership: |
| Percentage of women employees: | Percentage of local ownership: |
| Annual turnover: | Percentage of female ownership: |

| | |
|--|--|
| How often did the SBS team monitor the project? | |
| Was the SBS team instrumental in resolving any mid-project issues? | |
| Would the enterprise use consultants again in the future? | |
| Would the enterprise use this particular consultant again or recommend the consultant for similar tasks? | |
| Would the consultant consider working with the enterprise again? | |

| | |
|--|--|
| Do you feel that any of the activities or components of the project outlined in the TOR were unnecessary? <i>If yes, What? and Why?</i> | |
| Do you feel that there were any missing project activities or components in the TOR? <i>If yes, What? and Why?</i> | |
| Project Implementation 'Relevance' (max. 2) | |
| Were the activities of the project consistent with those outlined in the TOR? <i>If no, What? and Why?</i> | |
| Were all the expected deliverables achieved? <i>If no, explain</i> | |
| <i>Current situation diagrams</i> | |
| <i>Lean Techniques Implementation</i> | |
| <i>Planned Process Interaction Diagram</i> | |
| <i>Project Final Report</i> | |
| <i>Required Lean Techniques Report and Expected Output Analysis</i> | |
| <i>Revised Lay-Out Plan</i> | |
| <i>SWOT analysis report</i> | |
| Project Implementation 'Effectiveness' (max. 2) | |
| Were the activities outlined in the TOR carried out in a timely fashion and in accordance with the time schedule? <i>If no, explain</i> | |
| Were the activities outlined in the TOR carried out in accordance with the cost schedule? <i>If no, explain</i> | |
| Project Implementation 'Efficiency' (max. 2) | |

Actions taken during
the project
implementation
Lessons learned and
recommendations

External Financing Needs

External financing
required?
Investment type:
Investment amount:

I. Project evaluation

Evaluation date 29/09/2016

| | <i>Approval stage</i> | <i>Completion stage</i> | <i>Evaluation stage</i> |
|---------------------------------|-----------------------|-------------------------|-------------------------|
| Number of employees: | | | |
| Percentage of women employees: | | | |
| Annual turnover: | | | |
| Annual Export volume: (Euros) | | | |
| Labour productivity: | | | |
| Percent private: | | | |
| Percent of local ownership: | | | |
| Percentage of female ownership: | | | |

| | |
|---|--|
| External Financing Obtained? | |
| <i>If Yes, Source of Financing if other specify</i> | |
| Source of Financing | |
| Investment Type | |
| Status | |
| Year of Signing | |
| Investment amount | |
| Terms and Conditions | |

| | |
|--|--|
| Further Financing Required? | |
| Possibility of follow up projects? | |
| Has the enterprise used consultants since project completion (disbursement)? | |
| <i>If yes, for what type of advisory services?</i> | |
| Would the enterprise use consultants again in the future? | |
| <i>If yes, for what type of advisory services?</i> | |
| Would the enterprise use this particular consultant again or recommend the consultant for similar tasks? | |
| Actions taken at project completion | |
| Was the Business advice fully implemented in the year following project completion? | |

Changes in operations
after project end

| | Y / N | Units | Before | After |
|---|-------|-------|--------|-------|
| Was the associated business advice implemented? | | | | |
| - | | | | |

| | |
|--|--|
| Project rating .../10 'Relevance' .../2 'Effectiveness' .../2 'Efficiency' .../2 'Impact' .../4 | Project Rating Legend: 1-4 – Unsatisfactory 5-7 – Satisfactory 8- 9 –Successful 10 - Highly Successful. |
| Best Practice Reason | Project Rating Legend: 1-4 – Unsatisfactory 5-7 – Satisfactory 8- 9 –Successful 10 - Highly Successful. |

Annex 6: EBRD FI projects pre-WIB with gender component

| Project name | Board approval date | Purpose | Results |
|---|---------------------|--|---|
| Yapi Kredit Bank - SME Asset Guaranteed Bond (43777) | July 2012 | To finance women-managed and owned SMEs and to develop an approach to SMEs which are managed and owned by women. Transition impact was expected to derive from market expansion by providing a source of funding that YKB can use to lend in local currency to MSMEs in the agricultural sector and to women entrepreneurs. | It was successful in on-lending the proceeds of the bond to agribusinesses and women businesses. However, lending to women businesses was not developed as a specific business line, as targeted under this project. Training was provided to bank staff and entrepreneurs but there was no evidence that staff has been allocated to serve women-led businesses as a standalone segment. ⁹¹ |
| Garantibank - Women Owned and Managed SMEs Credit Line (43784) | September 2012 | To support Garanti in increasing its loan portfolio for women-owned and managed SMEs with a special focus outside the three main cities (Istanbul, Izmir and Ankara). | It was successful in using the proceeds of the EBRD loan for women-owned and managed SMEs with 63% outside the three main cities and in increasing the tenor of the sub-loans to 28 months. Reporting requirements related to the sub-loans did not ensure robust assessment of the results and the impact on the end-borrowers. Also a number of activities aimed at contributing to the project's objectives were implemented but aggregation of results was missing. Training scheme/certification programme for women in business was carried out with a total of 950 participants, out of which 608 certified through session in seven cities between 2012 and 2013. However, difficulties and delays have been encountered in the implementation of the tracking mechanism. ⁹² |
| Isbank - Women in Business (45301) | May 2013 | To support of SMEs in Turkey especially in underdeveloped or less developed regions, with a focus on the underserved segment of women entrepreneurs. The project will contribute to market expansion by enhancing Isbank's internal capacity to identify and serve women-owned or managed businesses, to design financial services for women-owned or managed SMEs, and to increase the share of women owned or managed SMEs in Isbank's loan portfolio. | All benchmarks were achieved. The baseline assessment for the transaction focused on acquiring information that will assist in the development of a new gender intelligent customer value proposition. This formed the basis for strategic planning around product and service development, customer service charter, sales training, corporate social responsibility, branding and marketing and customer education, training and networking programme. ⁹³ |
| Sekerbank-MSME Financing Facility (44964) | September 2013 | To on-lend to female-owned and managed SMEs. They project was supposed to have a positive impact of the female entrepreneurs portion through: (i) market expansion by helping | None of the quantitative benchmarks had adequate reporting and no new information was provided (e.g. (i) Pilot new segment strategy in selected branch hubs within regions and Develop, (ii) implement specific |

⁹¹ TIMS 2015

⁹² PEX14-560 SME Loan Garanti Women Turkey 43784

⁹³ TIMS December 2018

Sekerbank to create a new Women in Business program and providing funding to an underserved segment; (ii) skill transfer via training of bank staff with respect to gender issues and of women entrepreneurs to improve entrepreneurial capacity; and (iii) demonstration of new products optimised for women entrepreneurs, to be developed by Sekerbank, with TC.

programme on provision of non-financial assistance to female entrepreneurs and (iii) Minimum 200 women entrepreneurs trained to improve entrepreneurial capacity). Sekerbank managed to train a minimum of 50 bank lending (or 11% of the SME lending staff) and middle management staff, in gender awareness, and also to develop a strategy to target the women in business segment. The final TIMS however labelled most benchmarks as "Cancelled"; as *it is impossible to judge the client's performance towards most of the important TI benchmarks, the project is assessed to have made Satisfactory transition impact based on the few observable ones.*⁹⁴

⁹⁴ TIMS June 2016

Annex 7: TurWiB volume vs. FI volume

TurWiB vs. FI Net Cumulative Business Volume in Turkey

| Year-end | FI (€ million) | WiB (€ million) | % |
|--------------|----------------|-----------------|--------------|
| 2014 | 2,214 | 152 | 6.90% |
| 2015 | 3,142 | 265 | 8.45% |
| 2016 | 3,634 | 320 | 8.82% |
| 2017 | 3,993 | 346 | 8.66% |
| TOTAL | 12,985 | 1,085 | 8.36% |

Source: DTM

TurWiB vs. FI Annual Business Volume in Turkey

| Year-end | FI (million €) | WiB (million €) | % |
|--------------|----------------|-----------------|---------------|
| 2014 | 447 | 153 | 34% |
| 2015 | 806 | 101 | 12% |
| 2016 | 525 | 102 | 19% |
| 2017 | 559 | 46 | 9% |
| TOTAL | 2,336 | 404 | 17.29% |

Source: DTM

Annex 8: EBRD's main risk sharing products with partner financial institutions during the period 2010 to 2014

EBRD used the risk sharing mechanism in certain projects before the launch of TurWIB, as showed in the table below.⁹⁵

| Financing facilities | Energy efficiency, sustainable energy | Private sector support, micro, small and medium enterprises, (agribusiness and women in business) |
|----------------------------|---|--|
| Early Transition Countries | Moldova REEFF – €0.3m Procredit Bank Moldova MAIB MICB Mobiasbanca | Central Asia Risk Sharing Special Fund (for Small and Medium Enterprise lending in Turkmenistan) Early Transition Country Local Currency Risk Sharing Special Fund €40m Georgia Agricultural Financing Facility (GAFF) €0.7m : VTB Georgia Bank II; Bank Republic Turkmenistan Micro, Small and Medium Enterprises Facility €0.04m: Halk Bank US/EBRD Small and Medium Enterprise Finance Facility |
| Western Balkans | | Italian Investment Special Fund (for Local Enterprise Facility in Western Balkans) Western Balkans Women in Business (WiB) Romania Micro-Finance Facility |
| South-eastern Europe | Bulgaria REECL II €1.3m : DSK Bulgaria ; CIB ; United Bulgarian Bank; Piraeus Bank Bulgaria; CIBank; Raiffeisenbank | |
| Turkey | | Italian Investment Special Fund (for Local Enterprise Facility in Turkey) Turkey Micro, Small and Medium Enterprises / agribusiness/ Women in Business €12.7m : Finansbank; Vakifbank |
| Other | | Local Enterprise Facility in South Eastern Mediterranean Russia Small Business Investment Special Fund |

Source EvD's Special Study January 2017 *The EBRD's use of subsidies-Phase 1*

EvD's special study on the use of subsidies shows that the use of this sort of mechanism, or more broadly speaking, the use of subsidies⁹⁶ "is intended to make them sufficiently attractive to clients (and in some cases also sub-borrowers) to be agreed...." In some cases, they are also "intended to be enablers of Bank operations, without specific objectives distinguishable from those of the relevant operations or facilities." This was the case for the FLRC component under the TurWIB programme. According to three out of four interviewed PFIs, it was an essential tool that attracted them to the programme. It is however difficult to assess the effectiveness of FLRC since there are no separate objectives from the overall programme objectives and an analysis of effectiveness will also require an assessment of the success of the programme without FLRC or with less FLRC.

As pointed out in the study, since this risk sharing component uses donor resources, it is important to monitor and report back if the use was efficient to avoid "unnecessary repetition of subsidies in later phases [...] when context is right".

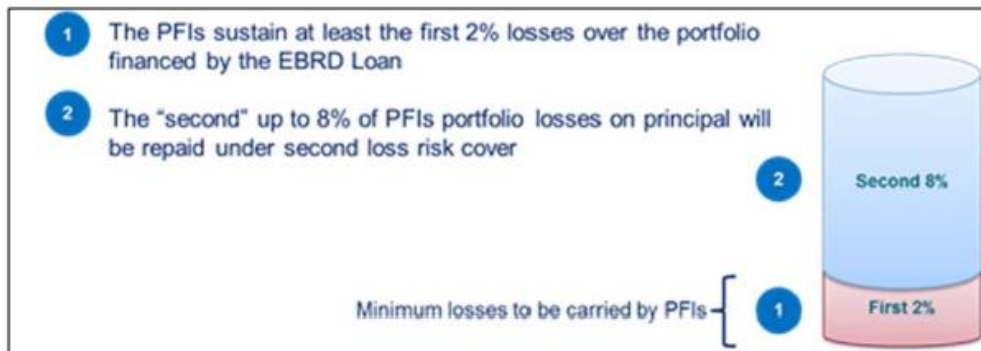
While it is clear that the FLRC was an essential tool to attract PFIs in Turkey, little analysis was done before, during and after the use of FLRC to assess how to avoid undermining the commerciality of this type of lending. It was also not considered how to decrease the use of FLRC with time or under TurWIB II to avoid becoming an ongoing subsidised funding. TurWIB II does not solve this problem, it only externalises it to the local Credit Guarantee Fund (KGF).⁹⁷

⁹⁵ Risk sharing - assumption by donor-provided funds of part of the Bank's or PFIs' credit risks in specified kinds of lending, mostly as first loss risk cover for PFIs (p7 The EBRD's use of subsidies – phase 1)

⁹⁶ Subsidies are defined in the study as non-TC grants, in the four forms of investment grants, concessional loans, incentives and risk sharing.

⁹⁷ In TurWiB II, the FLRC was administered by the local Credit Guarantee Fund (KGF). KGF is a joint-stock company majority owned by the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the Small and Medium Business Development Support Agency (KOSGEB), and 27 Turkish banks and a few SME foundations holding minority

Annex 9: First and second risk loss cover



Source: BDS14-128 Annex IV

stakes. Its role is to support access to finance for SMEs that cannot benefit from bank financing due to insufficient collateral.

Annex 10: TurWIB Benchmarks due date

| Project | | BMKs due date | Last report |
|--|------------|------------------------|-------------|
| 44455 Turkey WiB Programme (framework level) | Active | End 2017 | YE2018 |
| 48827 Turkiye Vakiflar Bankasi T.A.O Project Cezanne (linked to 46104) | Signed | End 2016 or life of FW | June 2017 |
| 46563 TurWIB- TEB - (led by) | Repaying | End 2017 | June 2018 |
| 47030 TurWIB - Finansbank - (led by) | Repaying | End 2017 | June 2018 |
| 47070 Vakifbank - DPR - (led by) | Repaying | End 2017 | June 2018 |
| 47425 Isbank - WiB Programme - DPR - (led by) | Signed | End 2017 | June 2018 |
| 48248 Garanti DPR 128;50m WiB proceeds (linked to 48670) | Signed | End 2017 | June 2018 |
| 48751 FIF - TurWIB- Finansbank II - (led by) | Disbursing | End 2017 | June 2018 |

Source DTM

Annex 11: External Consultant's comments on 'Special Study: EBRD Women in Business Programme in Turkey – EvD Review'

The report is well-organized in structure and evaluates the various dimensions of the Turkey WiB Programme, answering the evaluation questions laid out in its approach paper systematically, using both qualitative and quantitative data, and provides action-oriented findings and recommendations. Specifically, the value-added to the evaluation methodology through qualitative data collection including focus group discussions with project beneficiaries is commended, and proposed for other EvD reports as well.

The findings capture well some of the issues addressed by the TurWIB programme like increasing credit flow at PFIs and providing financial access to women-led SMEs, but also points to shortcomings in design and implementation of the programme reflected in the lack of synergies between financial and non-financial components of the programme, outreach of ASB services to project beneficiaries, and raises well the question of sustainability of the programme if there was no first loss risk cover (FLRC) component.

However, the evaluation report can benefit from a section on 'Challenges' faced during project implementation by various stakeholders like internal EBRD staff, the consultants (FSFM), implementing agencies (Ministry of Social Services, and ISKUR to some extent), the PFIs as well as project beneficiaries (women-led SMEs) so these challenges/ barriers can be addressed (as needed) in other countries implementing the WIB programme.

Design elements: The programme's design could have been strengthened with a beneficiary leaning needs assessment of women-led SMEs as part of the design phase of the study, rather than coming in at the Business Lens phase. There was a baseline assessment only of PFIs and not of women-led SMEs (the beneficiaries). This would have helped better understand the SME landscape of Turkey (especially in remote locations) and would have allowed for adapting and customizing trainings for women-led SMEs to different knowledge levels from the start.

Mid-term programme assessment/ review: A mid-term assessment or reporting for the programme could have helped address issues like the PFIs not following FSFM recommendations after the baseline

assessment of the PFIs was conducted by FSFM. The evaluation report recommends more robust M&E mechanisms to be included as part of forthcoming WIB programs (for example in Morocco and Romania), but a mid-term reporting would be especially helpful and can be incorporated as part of implementation. Similarly, the fact that PFIs using FLRC to promote their own programs first than promoting women-led SMEs should have been made clear/ aware of earlier. The evaluation report also points in the same direction by suggesting that “thorough due diligence should have been exercised to make sure benchmarks included at the design stage were monitored and reported after implementation of the programme” (pp.14, EvD report). Similarly the EvD report also recommends ex-post tracking (pp.2 of recommendation), which also indicates that mid-term assessment and monitoring of programme goals would have helped.

Relevance: As mentioned in the EvD report, the Turkey WIB aligned well and was highly relevant across EBRD strategies. However, an ongoing dialogue with other IFIs in the international funding landscape would have been helpful throughout the course of the programme. For example, while IFC and AFD were informed in the design phase, IFC concerns on market distortions created due to FLRC were not fully addressed. Exploring a meeting ground for IFIs on FLRCs and women-led SMEs can lead to more innovative, collaborative, and sustainable solutions, rather than current approach of Turkey WIB in context of the IFI landscape. Also issues like childcare that AFD was focusing on and how they connect with challenges faced by women-led SMEs would have been helpful. For the evaluation report, a comparison table on gender priorities/ program areas for the IFC, AFD, and EBRD would be useful to see how they align or not.

Effectiveness: All PFIs gave credit to FSFM for increasing their awareness of the WiB SME segment including training to PFI management who were able to defend the case for getting involved with WiB to internal senior management (pp.12). The evaluation report has captured this, but can further emphasize and frame it as a lack of “trickle-down effect” of the trainings by FSFM to the PFIs, the PFI staff (like the loan officers) and eventually potential loan clients, i.e. the women-led SMEs.

Efficiency: The report mentions that there was lack of synergies in the financial and non-financial components of the programme that did not fully materialize (pp.28) and identifies reasons for this: partly due to the two year lag between the start of ASB services (which started 2 years earlier before loans were given) and loans disbursed by the PFIs, a mismatch between ASB and PFI target groups etc. The report can frame this as ‘challenges faced due to piecemeal implementation that caused inefficiencies at many levels’ like PFIs, EBRD internal units, and SME beneficiaries (heard in focus group discussions).

Annex 12: Management Comments

Executive Summary

- Management welcomes the extensive analysis and insightful findings of the Evaluation Department's (EvD) special study on Women in Business Programme in Turkey (TurWiB).

- Management appreciates the study acknowledgement of the positive demonstration effect that the TurWiB had in the Turkish financial sector. This includes in particular how the Programme has grown to become a reference in the Turkish market and helped raise awareness of the benefit of lending to women-led SMEs.

- Management also welcomes the recognition in the study of the value of the provided advisory, mentoring, training and other services, particularly as echoed through the focus groups, including the qualitative feedback on its influence on the development and growth of women-led SMEs.

- Management agrees with the study recommendations that are in line with ongoing management work for the next phase of the programme. These include ensuring long-term sustainability of lending to women-led SMEs by local banks, further enhancing outreach of advisory services and strengthening results monitoring.

- Management recognizes the value of measuring and reporting outcomes at the level of the final beneficiary, particularly for customer groups with insufficient access to credit and banking services (i.e. women-led SME). Management is exploring various approaches that could allow assessing and reporting on outcomes at the level of final beneficiary in efficient and effective manner. However, the lack of a direct relationship of the EBRD with the ultimate beneficiaries and the operating difficulties and costs associated with gathering the required information represent significant challenges that may impede the process of finding and implementing cost efficient solutions, which makes it difficult to fully agree with this recommendation at present.

- Management notes that ensuring sustainability of lending to women-led SMEs by local commercial banks is at the core of Bank's operating principles and business model. Management is conscious of the challenge in deciding whether to continue to allow subsidized lending in a market with high demand from women - led SMEs and a commercial banking sector with more than sufficient liquidity to lend or rather work through policy dialogue and other tools to facilitate the Turkish banks to lend to this underserved market segment. Management takes the view that EBRD should deploy every possible tool to support and accelerate financing (while applying market failure principles), complemented by advisory and other services to banks and women-led SMEs and policy engagement to reduce impediments to lending to this segment (for instance on collection of sex disaggregated data, alignment of national definition on women-led SMEs etc.).

Management's response to study's recommendations is provided below. More detailed comments and amendments provided in the draft version of this study were already reflected by EvD in this final version.

Recommendation 1: Envisage a strategy that will phase out the FLRC at the outset of the next programme phase. The FLRC was an essential component of the programme that incentivised PFIs to lend to women-led SMEs. As the TurWiB board document points out, 'the goal [of the FLRC] is to obviate the need for the subsidised risk cover'. For that purpose, EvD recommends to design a strategy at the inception of the programme which would phase out the FLRC component in the medium to long-term horizon and avoid perpetuating PFIs' expectations of subsidised lending to finance the WIB sector. The strategy should include indicators signalling sufficient market development for lending to women-owned businesses.

Management agrees with the study's recommendation to phase-out the First Loss Risk Coverage (FLRC) component in an effort to focus on the long-term sustainability of the WiB programme in Turkey beyond EBRD engagement. Management notes that this has already happened as part of TurWiB – Phase II with

the downscaled FLRC to 7 per cent. Management will consider continuing to phase out the FLRC component in subsequent phases of the programme. Staff Guidelines for the Use of Concessional Finance in EBRD Operations anchored on market failure principles will continue to guide all the Bank's operations supported by co-investment grants (including capital grants, incentive payments and guarantees) and concessional loans and equity that are blended with EBRD's and other investors' commercial financing.

Recommendation 2: Use TurWiB as a platform to engage in policy dialogue for greater access to finance for women

a) By collaborating with other IFIs: EvD recommends using the programme as a platform to engage in systematic policy dialogue with other IFIs and ministries and relevant bodies in the country to tackle issues arising from the lack of offer by PFIs and gaps in know-how of women entrepreneurs.

b) By expanding partnership with current partners like ISKUR: The engagement with ISKUR remained limited throughout the project both at the design and the implementation phases. Since ISKUR carries out trainings for small entrepreneurs throughout Turkey, their role could be expanded under TurWiB. A potential future working partnership with ISKUR would also mean more outreach to potential WiB loan clients and to recipients of advisory services across Turkey and would provide the possibility for EBRD to engage in meaningful policy discussions with the Ministry of Labour and Social Security.

Management agrees with the recommendation on the need to cooperate with other stakeholders to engage jointly with local authorities and stakeholders on the need to promote greater access to finance for women. Throughout the Programme implementation the Bank has made multiple efforts to collaborate with other stakeholders. This has resulted in the policy engagement effort as part of TurWiB Phase II with KGF, the credit guarantee fund, in relation to the alignment of the national definition of women-led SMEs with the EBRD's one and collection of the sex-disaggregated data. The Bank will need to continue to champion this effort.

Recommendation 3: Revise Donor funding dependence to ensure programme-wide administrative functions like monitoring and reporting are fully funded: The dependence of the programme on donor funding made it exposed to donors' requests that were difficult or sometimes impossible to fulfil by EBRD (such as reporting on employment figures of women-led SMEs). EvD recommends for this type of programme to be funded using EBRD's own resources where possible but if not, ensure that the programme has sufficient baseline capacity and resources to deal with the donors' and corporate demands. WiB programmes (and blended finance more generally) are a significant part of the FI business volume and therefore robust monitoring and reporting should be appropriately resourced.

Management partially agrees with this recommendation. Management acknowledges the challenges coming from donor requests and agrees on the need to find effective ways to better align reporting requirements between what the Bank collects as part of its operations, and what the Donor may request. It agrees in principle on the need for further funding support from Bank's own sources to ensure robust monitoring and reporting and meet demands of various stakeholders. This is a common issue that has been raised in the past EvD studies also more generally in the broader context of looking at the Bank's business model, ambitions and level of associated necessary costs related to robust monitoring and reporting, in particular in relation to the impact at the borrower level from intermediated lending. Management notes that the implementation of this recommendation that requires an increase in resources would not be possible in the short term given the current budgetary constraints in the Bank. In the case of TurWiB, management values donor support in results assessment and reporting.

Recommendation 4: Advance Advisory Services to a next phase to enhance outreach and provide more relevant services. The programme design could have been strengthened with a beneficiary needs

assessment of women-owned SMEs as part of the design phase of the study, rather than via the Business Lens. There was a baseline assessment only of PFIs and not of women-owned SMEs (the beneficiaries). This would have helped better understand the SME landscape of Turkey (especially in remote locations) and would have allowed for adapting and customizing trainings for women-led SMEs to different knowledge levels from the start. Key areas for improvement are:

- a) Improve the use of the Business Lens (BL) tool for WiB loan clients
- b) Enhance the mentoring programme
- c) Consider revising the design and delivery of trainings

Management agrees with the recommendation. The Advisory for Small Business (ASB) team is actively exploring new ways of enhancing outreach and effectiveness of the services. This includes a range of additional formal and informal channels to enhance outreach in addition to the set printed material made available for training and outreach events.

Recommendation 5: Introduce a Results Framework at the outset of the next programme and ensuring monitoring and data collection focused on TurWiB's two layers structure (PFIs level and beneficiary level): A Results Framework at the beginning of the programme will facilitate the comprehension of the programme by donors and Board members. The introduction of a Results Framework will improve clarity of the results of the two components (financial and non-financial) and also flag the programme's intended efficiencies that come principally from joint fundraising, reporting and marketing events.

Regarding data collection, EvD has recommended in previous studies the need to report on outcomes indicators at the beneficiary level for the financial components (credit lines). This may take the form of a review of at least a sample of sub-borrowers (both ex ante and ex post). A follow up of the programme over a long period would provide valuable information compared with the baseline assessment.

Management partially agrees with this recommendation. Management recognizes the value of measuring and reporting outcomes at the level of the final beneficiary, particularly where the use of proceeds target customer groups with insufficient access to credit and banking services more generally (i.e. women-led SME). Management is exploring various approaches that could allow assessing and reporting on outcomes at the level of final beneficiary in efficient and effective manner. However, the lack of a direct relationship of the EBRD with ultimate beneficiaries, the need for a control group for outcome measurement to be meaningful, and the operating difficulties and costs associated with gathering the required information represent significant challenges that may impede the process of finding and implementing cost efficient solutions, which makes it difficult to fully agree with this recommendation at present.

Management notes that currently the Chief Economist Office, in close cooperation with banking and other teams across the Bank, has started an ex-post evaluation of the WiB programme in Turkey to assess its impact on sub-borrowers level (such as on employment, revenues etc.) against a control group. The evaluation uses tax identification to collect information from the Turkish Revenue Administration about the sub-borrowers under the programme and firms in the control group (finding information for 8,000 sub-borrowers out of 13,264 provided by the Bank consultant working for WiB). Management would like to stress that such research depends on the quality of local statistical information on firm-level data - Turkey provides a "unique" setting. It is unlikely that this type of analysis can be replicated in most other COOs due to limitations on the quantity and quality of firm-level data available from government sources.