

ACCESS TO

FINANCIAL RESOURCES FOR WOMEN ENTREPRENEURS IN GEORGIA:

CHALLENGES AND OPPORTUNITIES

Analytical Report
2025





implemented by



Access to Financial Resources for Women Entrepreneurs in Georgia: Challenges and Opportunities

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Disclaimer:

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ACRONYMS

ADB	Asian Development Bank
BDS	Business Development Solutions
BPfA	Beijing Declaration and Platform for Action
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
DEG	German Investment and Development Corporation (Deutsche Investitions- und Entwicklungsgesellschaft)
DFC	U.S International Development Finance Corporation
EBRD	European Bank for Reconstruction and Development
EFSD+	European Fund for Sustainable Development Plus
EFSE	European Fund for Southeast Europe
EIB	European Investment Bank
EPRC	Economic Policy Research Centre
FMO	Dutch Entrepreneurial Bank
GITA	LEPL Innovation and Technology Agency
GIZ	German Society for International Cooperation
HACCP	Hazard Analysis and Critical Control Point
ICT	Information and Communication Technology
IFC	International Finance Corporation
ILO	International Labor Organization
IMF	International Monetary Fund
ISSET	International School of Economics
Proparco	A subsidiary of a French Development Agency, focused on financing the private sector
RDA	NNLE Rural Development Agency
SDC	Swiss Agency for Development
SDGs	Sustainable Development Goals
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium-Sized Enterprise
STEM	Science, Technology, Engineering, Mathematics
UNDP	United Nations Development Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USAID	United States Agency for International Development
YES	Youth Entrepreneurship Skills
WB	World Bank
WEPs	Women's Empowerment Principles
WGDP	Women's Global Development and Prosperity Initiative

RESEARCH OBJECTIVE AND METHODOLOGY

This study aims to provide a comprehensive assessment of women entrepreneurs' access to financial resources in Georgia and, drawing on the perspectives of all stakeholders, to propose solutions to existing challenges. This involves identifying the opportunities, challenges, and barriers they face, as well as analyzing the systemic, institutional, socio-cultural, and economic factors that limit their access to financial resources, state support programmes, investment opportunities, and non-financial resources.

In addition to assessing the current situation, the study aims to develop evidence-based recommendations necessary for policy planning by public, international, and local financial institutions, with the goal of improving women entrepreneurs' access to finance and fostering a more inclusive and equitable economic environment.

The analysis draws on recent research conducted by local and international organizations alongside gender-disaggregated statistical data and expert assessments.

Both qualitative and quantitative research methods were utilized to analyze the goal and objectives of the study.

Quantitative Research

The target groups of the quantitative research included female entrepreneurs, male entrepreneurs, potential female entrepreneurs¹, and local financial organizations.

Specifically, current and potential entrepreneurs were interviewed face-to-face, whereas questionnaires were administered to examine the experiences and practices of financial institutions.

The statistical data and contact information required for surveying current entrepreneurs were obtained from the Business Register of the National Statistics Office of Georgia.

A total of **746 current entrepreneurs** participated in the survey, of whom, 377 were female and 369 were male.

In addition, to identify the barriers existing at the early stages of entrepreneurial activity, **51 potential female entrepreneurs** took part in the survey. A purposive sampling approach was used to identify these respondents. Given the specific nature of the target group, the 'snowball' method was also used, whereby intermediaries – including, where possible, individuals participating in the study – assisted in establishing contact with potential respondents.

To ensure a balanced perspective on the issue, the quantitative research also included **financial institutions**. In total, **23 institutions** were surveyed using a questionnaire, **comprising 14 commercial banks and 9 microfinance organizations**. The list presented in Table #a reflects the broad involvement of the financial sector and allows for an assessment of the experiences and positions of different institutions. It is worth noting that two commercial banks and 12 microfinance organizations declined to participate in the study, whilst no responses were received from an additional two

¹ A potential woman entrepreneur is defined as an individual who is either a) at the stage of developing a business idea or b) has developed a business idea and is seeking financial resources for its implementations.

commercial banks and eight microfinance organizations, despite the outreach from the research team.

Table #a presents the list of commercial banks and microfinance organizations that participated in the quantitative research.

TABLE #A

No	Bank
1	JSC ISBANK GEORGIA
2	BasisBank
3	TBC Bank
4	Credo Bank
5	Liberty
6	Microbank MBC
7	Pasha Bank
8	ProCredit Bank
9	Silk Bank
10	JSC Ziraat Bank
11	JSC Pave Bank Georgia
12	JSC Bank of Georgia
13	JSC Hash Bank
14	Khalik Bank
No	Microfinance Organisation
1	Lasika Capital
2	MFO Express Capital+
3	JSC Microfinance Organisation FinAgro
4	JSC MFO GIC
5	JSC MFO Swiss Capital
6	Georgian Credit
7	LTD Microfinance Organisation Global Credit
8	LTD MFO Moneta Express
9	LTD MFO Rico Express

The multiple methods used within the quantitative research enabled the issue to be examined from multiple angles, including both demand- and supply-side perspectives.

Qualitative Research

The qualitative research component included desk research, in-depth interviews, and focus group discussions.

More specifically, as part of the desk research, the entrepreneurial/business environment and key national trends were analyzed. The aim was not only to examine general entrepreneurial/business practices but also to focus specifically on the opportunities and needs related to women’s entrepreneurship. To this end, documents assessing entrepreneurial activity were reviewed, including the

national legislative framework, policy documents, recent studies conducted by local and international organizations, gender-disaggregated statistical data, and other relevant materials.²

The desk research covered the following key areas:

- The state of women’s entrepreneurship in Georgia: Analysis of key trends in the domain of entrepreneurship.
- Access to financial resources for women entrepreneurs: Identification and assessment of both demand and supply-side barriers.
- Review of policies, regulatory framework, and recent legislative changes.
- Opportunities for women entrepreneurs: Examination of support mechanisms available through the local financial sector, government programs, and financial and non-financial services/products offered by non-governmental and international organizations.

Local financial institutions with experience in designing and offering products tailored to women entrepreneurs were selected for in-depth interviews. This approach facilitated the collection and analysis of comprehensive information relevant to the research topics. Notably, the respondents included employees of financial institutions who possess direct knowledge of the specific needs of women entrepreneurs and the challenges they encounter.

Interviews were conducted with senior representatives of local financial institutions, including heads of social governance departments, heads of small and medium-sized business divisions, and other relevant officials. The selected respondents are responsible for areas directly related to the research topics, such as human rights, sustainable finance, the establishment and development of governance structures, the design of specialized financial products for diverse client segments (including women), customer support, the management of state programs, etc.

As part of the qualitative research, interviews were also conducted with representatives of key state institutions, including the LEPL Enterprise Georgia, LEPL Rural Development Agency, LEPL Georgia’s Innovation and Technology Agency, and the National Bank of Georgia. These employees hold positions directly related to the formulation and implementation of state policies in the business sector. Respondents included employees from departments such as the Micro-Entrepreneurship Development Department, International Relations and Donor Coordination Department, Strategic Planning and Data Protection Department, and the Consumer Rights Protection Department.

The study also included interviews with two gender specialists from international financial organizations, both of whom work in the field of gender economic inclusion. In addition, one economist also participated in the study.

A total of 11 individual and 5 group interviews were conducted, involving 27 respondents. The qualitative research fieldwork took place between May 20 and July 25, 2025. Depending on respondent preferences, interviews were conducted either in person or remotely. A questionnaire consisting of open-ended questions was used to guide the interviews. Details on the number of participating organizations and respondents are presented in Table #B.

² See used sources

TABLE #B

#	Type of Organisation	Name of Organisation	Interview Method	Number of Respondents
1	Commercial Banks	Bank of Georgia	Group interview	7
2		ProCredit Bank		2
3		TBC Georgia	Individual interview	1
4		Tera Bank		1
5		Credo Bank		1
6		Liberty Bank		1
7	Micro Banks	MBC		1
8		Crystal	1	
9	State Institutions (Stakeholders)	Enterprise Georgia (1)	Group interview	3
10		Enterprise Georgia (2)		2
11		Rural Development Agency		2
12		Innovation and Technology Agency	Individual interview	1
13		National Bank of Georgia		1
14	International Financial Organisations	Asian Development Bank	Individual interview	1
15		European Bank for Reconstruction and Development		1
16		International Monetary Fund		1
Total				27

Additionally, eight in-depth interviews were conducted with women entrepreneurs, four in Tbilisi and four in the regions, to enable the identification and analysis of regional characteristics. Furthermore, one focus group was held with potential women entrepreneurs, providing deeper insights into the barriers they face in starting a business, as well as their needs and expectations.

EXECUTIVE SUMMARY

The aim of the study was to assess the situation of women entrepreneurs in Georgia, specifically to analyze their access to financial resources and identify potential solutions to existing challenges. To achieve this objective, both qualitative (desk research, in-depth interviews (N=27; target groups: local and international financial institutions and state organizations)), focus group (N=1; target group: potential women entrepreneurs)) and quantitative research methods (survey (N=746); target groups: current entrepreneurs, potential women entrepreneurs and financial institutions) were employed.

The study revealed that in a market-oriented economy, access to capital is crucial for starting and developing a business, particularly for newly established and small enterprises. In Georgia, where the capital market is relatively underdeveloped, loans remain the primary source of external funding. Nevertheless, alternative avenues—such as state programs, international and local grants, and personal or family savings - are also regarded as significant financial resources for entrepreneurs.

Women's economic participation is increasing; however, women entrepreneurs continue to face multiple obstacles. These challenges are primarily associated with gender stereotypes, institutional barriers, and financial, infrastructural, and educational limitations. Women are disproportionately represented in traditional, lower profit industries such as beauty and aesthetic services, retail, and food service where sole proprietorship is prevalent. While this form of entrepreneurship allows for greater managerial flexibility, it also requires entrepreneurs to manage operational risks independently.

The study revealed that women face significant challenges in accessing financial resources, stemming from a range of barriers. Specifically, a) **barriers on the demand side include:** limited asset ownership (particularly real estate), which constrains their ability to provide collateral; insufficient financial literacy, including limited capacity to analyze banking products and prepare business plans; lack of awareness of available support programs and mechanisms; the prevalence of informal business practices, which hinders integration into the formal financial system; and persistent social pressures rooted in traditional gender norms, which restrict women's economic autonomy, particularly in rural areas; b) **on the supply side, barriers include:** the high collateral requirements imposed by banks and financial institutions; gender-biased practices and the underrepresentation of women in decision-making positions within the financial sector; and gender-neutral or ineffective financial products that fail to meet the specific needs of women entrepreneurs. Within such an environment, women entrepreneurs are placed at a competitive disadvantage and lack equal access to the resources essential for business development.

The gender-neutral approach adopted in the financial sector while intended to ensure equal conditions -fails in practice to address the specific needs of women. This is particularly evident in contexts where women systematically face obstacles related to credit history, collateral, family support, and financial education. The study findings demonstrate that the barriers faced by women entrepreneurs are multidimensional, encompassing psychological and cultural factors alongside institutional and systemic constraints.

The research reveals that **existing financial products are largely standardized, consisting primarily of business loans, microloans, agri loans, and digital services. Startup financing, grants, and insurance mechanisms still represent only a small share of the portfolio of financial offerings.** Moreover, even when startup financing is formally tailored to women, these are usually individual initiatives rather than systemic policies. Such products remain less accessible to women entrepreneurs who lack initial capital, credit history, or the necessary knowledge and support to carry out their business activities.

Most commercial banks and microfinance organizations recognize and positively assess the importance of women entrepreneurs' high solvency and financial responsibility, which makes them a reliable segment. However, these positive characteristics are often not taken into account when it comes to supporting business growth and developing innovative products.

Financial sector representatives emphasize that **creating products tailored to women entrepreneurs is essential not only for business success but also for fostering shared responsibility,** even though practical implementation has so far been limited. For the most part, financial institutions lack sufficient resources and institutional capacity to systematically introduce such products. This gap is particularly evident in the differing approaches of banks and microfinance organizations. Specifically, while some Georgian banks cooperate with international organizations and attempt to adapt financial products to the needs of women entrepreneurs, the microfinance sector has limited experience in such collaborations, resulting in a prevailing climate of skepticism and inertia.

Survey findings show that **women primarily rely on personal savings and family support when starting a business, as obtaining bank loans is often difficult due to high interest rates and insufficient collateral.** Furthermore, a lack of skills in long-term planning and financial analysis hinders the sustainability and growth of entrepreneurial activities over time.

Current and potential women entrepreneurs unanimously emphasize **the critical importance of financial literacy and access to non-financial support. In particular, knowledge of financial documentation, market analysis, and the tax system is considered to be essential. At the same time, deeply rooted discriminatory attitudes and societal expectations towards women remain a significant challenge.** Women often lack sufficient time to develop their resources, as the primary burden of family responsibilities continues to fall on them. This significantly limits their opportunities for professional development and business expansion. Moreover, the format and delivery channels of business training and consultations are frequently misaligned with the needs of those women entrepreneurs who require support the most. These challenges are particularly pronounced in the regions.

Despite existing obstacles, certain positive trends have also been observed. **Programmes offered by donor organizations and the state, along with international grants provide women entrepreneurs with opportunities to start or expand their businesses. Positive expectations are also associated with the emergence of specialized financial products and the expansion of non-financial support (training, mentorship, consultations).** Furthermore, platforms that foster professional knowledge and networking enhance women entrepreneurs' capacity to position themselves in the market. Nonetheless, the scale of this support remains limited, underscoring the need for developing and implementing systematic, consistent, and gender-sensitive policies.

The study indicates that **the financial participation of women entrepreneurs is influenced not only by their individual skills and experience but also by deeply rooted structural and gender-based inequalities. Overcoming these challenges requires more than legislative and policy interventions; it also calls for increased public awareness and coordinated efforts across multiple institutional levels.** In this context, the following priorities are particularly important: the development and reinforcement of gender-sensitive financial policies, including targeted incentive mechanisms; improved access to education and technical skills development; and the promotion of inclusive economic models.

In conclusion, strengthening women's entrepreneurial activity requires a coordinated, multi-level policy approach that integrates financial, infrastructural, educational, and gender-related factors into a unified systemic framework. Only such a comprehensive strategy can ensure that women's economic participation in Georgia is not merely supported, but structurally reinforced and made sustainable.

MAIN FINDINGS

Experiences and Assessments of Current Entrepreneurs

General Information/Socio-Demographic Data

- The age distribution of surveyed entrepreneurs indicates that the largest proportion belongs to the 45–64 age group (50%), followed by the 30–44 age group (34%).
- Approximately 82% of entrepreneurs are married, with a higher proportion of married men (84%) compared to women (77%).
- A significant majority of entrepreneurs (84%) are parents. Women entrepreneurs are more likely to have children (90%) compared to their male counterparts (81%). The study reveals that the highest proportion of surveyed entrepreneurs have two children (53%) (women - 62%; men - 49%).
- The largest proportion of entrepreneurs live in Tbilisi (36%); 84% of respondents reside in urban settlements, and 16% in rural areas. A similar trend is observed when analyzed by gender.
- Regarding educational attainment, half of the entrepreneurs hold a higher education degree (53%).
- 70% of entrepreneurs rely solely on their own business or production for income, with only 18% also employed in other jobs. In Tbilisi and other self-governing cities, the proportion of entrepreneurs without alternative income sources exceeds 70%. In municipalities, this percentage is slightly lower at 64%.
- Before starting their current entrepreneurial activities, 39% of respondents were employed in the private sector. This pattern is consistent across types of residence. Specifically, prior to launching their current ventures, the largest proportion of entrepreneurs in Tbilisi (45%), as well as in other self-governing cities (39%) and municipalities (30%), had been employed in the private sector.
- Statistical analysis of quantitative data indicates that the majority of entrepreneurs (68.4%) dedicate between 6 to 10 hours daily to business activities.

Current Entrepreneurial Activity

- ④ The majority of entrepreneurs (52%) are engaged in wholesale and retail trade, as well as maintenance/repair services (e.g., automobile and motorcycle repair). This trend is consistent across gender (55% of women and 50% of men) and by type of residence (57.6% in Tbilisi, 50% in self-governing cities, and 47% in municipalities);
- ④ Within the wholesale/retail trade and maintenance service sector, the leading areas of activity are general wholesale/retail trade (21%) and clothing stores (15%). In other service sectors, beauty and aesthetics services are prevalent (45%), whilst in the accommodation sector, food delivery (35%) and patisseries (26%) are most common. Gender and location-based differentiation of activities reveals that women are more frequently involved in clothing retail and beauty/aesthetic services, whereas men are more likely to engage in general wholesale/retail trade and furniture manufacturing. By type of residence, trade remains the dominant sector of entrepreneurial activity across all regions (Tbilisi - 22%; self-governing cities - 23%; municipalities - 18%).
- ④ The overwhelming majority of entrepreneurs (93%) operate a single business, indicating that multi-business entrepreneurship is not a common practice. Analysis by place of residence shows that the proportion of entrepreneurs with multiple businesses is low across all settlement types (the proportion of those with multiple businesses: Tbilisi - 3%; other self-governing cities - 10%; municipalities - 9%). Among the small segment of entrepreneurs (7%) who report owning more than one business, the most common areas of activity are wholesale/retail trade (36%), agriculture, forestry, fish farming (16%), and construction (13%).
- ④ Outside of their current business activities, only 13% of entrepreneurs report having prior experience in a different entrepreneurial field. The primary reasons for discontinuing previous ventures include lack of profitability (36%), the decision to start a new business (33%), and personal reasons (19%). A gender-based analysis reveals that the most common reason for women was pursuing a new business activity (32%), whereas for men, the leading factor was the lack of profitability of their previous business (39%). When analyzed by place of residence, starting another business was the most frequently cited reason in Tbilisi (40%). In other self-governing cities, both starting a new business (34%) and lack of profitability (34%) were equally significant. In municipalities, 47% of entrepreneurs identify the lack of business profitability as the primary reason for terminating their previous ventures.
- ④ The regional distribution of enterprises indicates that the largest proportion is located in Tbilisi (38%), followed by Imereti (14%) and Adjara (13%). Additionally, the vast majority of business activities (83%) are concentrated in urban areas, particularly in Tbilisi (98%) and other self-governing cities (83%). In municipalities, one-fifth of business activities operate in rural areas (20%), whilst 67% are located in cities.
- ④ A clear majority of entrepreneurs (65%) have been engaged in entrepreneurial activity for 1–5 years.
- ④ The leading reasons for starting a new entrepreneurial venture are possessing practical skills and experience (48%), as well as a lack of sufficient income prior to launching the business (41%). Among entrepreneurs in the capital, insufficient income is the primary motivating factor (45%), whereas in other self-governing cities (39%) and municipalities (44%), possession of practical skills and experience is the primary reason.
- ④ As per the findings of the qualitative component, a combination of factors drives women entre-

preneurs' motivation to start a business, including the desire to fulfill their professional potential, socio-economic (particularly in the regions) and other value-driven aspects, (e.g., working on environmental and ecological issues).

- ④ By size, the majority of enterprises are mini-microenterprises, accounting for 69.7% (turnover less than 100,000 GEL). Microenterprises (turnover between 100,000 and 1 million GEL) make up 21%, which is significantly higher than the share of small enterprises (with a turnover between 1 and 12 million GEL) and medium enterprises (a turnover of 12–60 million GEL). A similar pattern is observed when analyzed by gender and type of residence: mini-microenterprises are the most prevalent among both women (79%) and men (66%) entrepreneurs, as well as across Tbilisi (67%), other self-governing cities (71%), and municipalities (72%).
- ④ The majority of small enterprises (59%) have a turnover of no more than 1.5 million GEL, whilst higher turnovers are reported by 36% of small enterprise representatives. In addition, notably, 19% of all enterprises participating in the study had a turnover of 50 000 GEL or less over the past 12 months. Meanwhile, the proportion of enterprises with relatively high turnover account for 18%.
- ④ By legal form, 76% of enterprises are registered as individual entrepreneurs, whilst 23% operate as limited liability companies. Similarly, the majority of business/entrepreneurial activities for both women and men are conducted under the individual entrepreneur status.
- ④ The vast majority of entrepreneurs (85%) are sole proprietors. Sole proprietorship is more prevalent in Tbilisi (93%) than in other self-governing cities (82%) and municipalities (80%).
- ④ Among the entrepreneurs who report having co-owners (15%), the most common arrangements involve either two co-owners (43%) or one co-owner (32%). In most cases, these co-owners are friends or acquaintances (43%). This pattern is also observed by location: in Tbilisi (59%) and municipalities (64%), co-owners are primarily friends, whereas in other self-governing cities, they are mainly family members (61%).
- ④ Qualitative research findings indicate that, for women entrepreneurs, the structure of their businesses significantly influences their management style and the operational efficiency of their enterprises. In certain sectors, particularly trade and industry, partnerships are often family-based. Women typically focus on customer relations and product design, whilst their spouses handle the technical aspects of the business. Decision-making is generally based on skills rather than gender, although respondents note that women often exhibit greater attention to detail and creativity.
- ④ Among entrepreneurs who identify as sole owners or co-owners, an overwhelming majority (97%) manage their businesses independently. Women entrepreneurs participating in the qualitative research note that while individual management improves decision-making, it also increases work-related stress and reduces operational flexibility.
- ④ In 88% of enterprises, the number of employees ranges from 1 to 10.
- ④ The proportion of enterprises with no female employees (31%) is higher than that of those with no male employees (26%). Typically, the gender composition of employees reflects the gender of the enterprise manager: businesses led by women predominantly hire female staff, whilst those managed by men primarily employ male staff. In fact, in the vast majority of enterprises managed by women (67%), all employees are female, whereas in 42% of male-managed enterprises, the workforce is entirely male.

- In the majority of enterprises (84%), employees do not have access to maternity leave. Among those businesses that do offer it (8%), the duration typically does not exceed six months.
- The largest proportion of enterprises (41%) employ workers aged 45 to 54.
The majority of surveyed enterprises (80%) sell their products or services within their municipality/city. Sales on a regional (29%) or national (13%) scale are relatively uncommon, and only a small percentage of enterprises (4.3%) export to international markets. This pattern is consistent across gender and place of residence.
- The primary reason for not exporting products and services is the lack of desire or perceived need (43%). This is a dominant factor across all types of residence (Tbilisi - 65%, other self-governing cities - 27%, and municipalities - 30%).
- Findings from the qualitative research indicate that the ability of women entrepreneurs to export products and services is influenced by factors extending beyond economic stability and access to financial resources. Export activities are also affected by technological, structural, and political barriers within the country. Therefore, since small and medium-sized enterprises often lack the infrastructure and support needed to enter international markets, they are restricted to operating primarily in the local market. This challenge is especially pronounced in the agricultural and innovative sectors, where insufficient systemic support and lack of political stability significantly hinder business growth and expansion.
- According to the majority of entrepreneurs, the primary factor that distinguishes their businesses and ensures competitiveness is the pricing of their products and services (54%). This is followed by service quality (48%) and product quality (42%), which rank as the second and third most important factors, respectively. A similar pattern is observed across different types of residence.
- Qualitative research findings demonstrate that women entrepreneurs employ two main competitive strategies: values- and identity-based positioning, and price-oriented approaches tailored to market demand. In innovative and cultural business sectors, competitiveness is rooted in authenticity, creativity, and social responsibility, whereas entrepreneurs in everyday markets rely primarily on low prices and accessibility to maintain their competitive edge. In both cases, however, their vulnerability is exacerbated by structural shifts in the market, mass imports, and the lack of systemic support.

Financial Resources and Knowledge Needed to Start a Business

- The majority of surveyed entrepreneurs (59%) report that they did not have a business plan prior to starting their business venture, whilst 38% confirm that they did. A small proportion (3%) opted not to answer this question (responding “Don’t know + Refuse to answer”).
- Among entrepreneurs who started their business with a formal business plan, 82% report that it had a positive effect on the successful operation of their enterprises, whilst 17% found it to be less effective or not effective at all.
- Among entrepreneurs who did not develop a business plan prior to starting their activity, the most common reason cited is the perceived lack of necessity (47%). Other factors included lack of time (26%) and insufficient knowledge (21%). Analysis by place of residence indicates that the largest

proportion of entrepreneurs in Tbilisi (59%), as well as in other self-governing cities (33%) and municipalities (42%), also considered a business plan unnecessary at the outset.

- The vast majority of entrepreneurs (67%) started their business using personal savings, whilst 35.1% relied on financial support from family members. Borrowed funds were also common, with 28% reporting the use of bank loans and 12% borrowing from acquaintances. Across all types of residence, personal savings were the primary resource for starting a business (Tbilisi – 76%; other self-governing cities – 60%; municipalities – 64%). A similar pattern is observed in the qualitative research, where the majority of women entrepreneurs report relying primarily on personal savings and bank loans to start their businesses.
- Half of the entrepreneurs (50%) report that the initial capital required to start a business ranged from 1,000 to 10,000 GEL. In comparison, slightly more than one-fifth (22%) indicate needing a higher initial capital of 10,000–50,000 GEL. A similar trend is observed across different types of residence: the largest proportions of entrepreneurs in Tbilisi (52%), other self-governing cities (41%), and municipalities (56%) started their businesses with an initial capital of 1,000–10,000 GEL.

Bank Loans

- Among financial institutions offering bank loans for entrepreneurial activities, the Bank of Georgia accounts for the largest share (46%), followed by TBC Bank (25%) and Credo Bank (14%).
- Among entrepreneurs who have taken out bank loans, the largest proportion (29%) report a 5-year loan commitment, followed by those with a 3-year agreement (22%).
- In terms of loan size, the largest proportion of entrepreneurs (20%) borrowed between 5,001 and 10,000 GEL, followed by loans ranging from 10,001 to 20,000 GEL (17%).
- For the largest proportion of entrepreneurs (26%), the annual effective interest rate on bank loans ranged between 16% and 20%.
- For the largest proportion of entrepreneurs (26%), the annual effective interest rate on bank loans ranged between 16% and 20%.
- More than half of the entrepreneurs (53%) report that the bank loans obtained for business/entrepreneurial purposes were not secured by any form of collateral.
- Qualitative research findings reveal that entrepreneurs frequently obtain loans based on immediate needs, with limited prior analysis or financial planning. This often results in high interest rates and ends in financial difficulties. In contrast, a small number of entrepreneurs take a more deliberate approach—comparing options and planning long-term - which has proven more conducive to successful business development.

Concessional Bank Loans

- According to the quantitative data, the use of subsidized low-interest bank loans is uncommon, with only four entrepreneurs having received such financing. These loans were provided by Cartu Bank and TBC Bank, with repayment periods ranging from 2 to 9 years and loan amounts between 18,000 and 100,000 GEL. The annual effective interest rates ranged from 16% to 19%.

Bank Loans with Collateral Subsidy

- A total of 12 entrepreneurs report having obtained a bank loan with a collateral subsidy. The majority of these loans were issued by Rico Credit (N=4) and TBC Bank (N=3). Loan durations ranged from 2 to 10 years, with amounts varying between 12,000 GEL and 350,000 GEL. The annual effective interest rates ranged from 8% to 26%. In 10 out of the 12 cases, the loans were secured by property.

Microfinance Loans

- A total of 13 respondents reported having taken out a microfinance loan. The majority (N=7) had financial obligations with Crystal. Loan durations ranged from 2 to 5 years, with amounts between 5,000 GEL and 30,000 GEL. The annual effective interest rates varied, ranging from 17% to 56%. In some cases, the loans were secured by property (N=7), whilst in others, no collateral was required (N=6).

Loans from Informal Moneylenders

- Three respondents report borrowing from informal moneylenders (so-called “userers”). Two of these loans had a duration of six months, whilst one was for twelve months. Loan amounts varied, ranging from 8,000 GEL (N=2) to 20,000 GEL (N=1). The monthly interest rates were as follows: 25% - N=1; 35% - N=1; 37% - N=1. Only one loan was secured by property.

State Programmes

- According to the quantitative research findings, 10 respondents report participating in a state program to obtain startup capital for entrepreneurial or business activities. Of these, 8 were beneficiaries of programs under Enterprise Georgia. The amount of state funding received ranged from 2,000 GEL to 200,000 GEL, with funding durations varying significantly from as short as 2 months to as long as 84 months. Four respondents reported an annual effective interest rate of 0%, whilst one respondent indicated a rate of 25%. Notably, none of the respondents who took part in the **in-depth interviews** had prior experience with state programs.

Grants

- Nine entrepreneurs report receiving grant funding to start their businesses. The organizations providing these grants included both state and international entities (such as USAID, ELKANA, and Enterprise Georgia programs). The grant amounts ranged from 4,000 GEL to 60,000 GEL, with funding durations between 12 and 24 months. According to the qualitative research findings, women entrepreneurs often lack information about available grant opportunities.
- As per the quantitative study results, none of the entrepreneurs utilized leasing or startup mobilization programs to secure financial resources during the initial stage of their entrepreneurial activities.
- In the case of bank loans, most entrepreneurs demonstrate timely fulfillment of their financial obligations. Specifically, a substantial proportion of the loans (52%) are either fully repaid or serviced

according to the agreed repayment schedule (42%). This positive repayment behavior is consistent across other types of financing, with instances of delayed payments being relatively rare.

- ④ When making financial decisions to start a business, the most common source of support comes from family and relatives (57%), followed by friends/acquaintances (27%). Additionally, 28% of entrepreneurs report making such decisions independently. This trend remains consistent across both gender and place of residence.
- ④ Approximately one-third of entrepreneurs (33%) believe that having greater financial knowledge at the startup stage would be very helpful for managing their businesses effectively. Another 37% offer a more tentative view (“would probably be helpful”). 20% of respondents do not consider additional financial knowledge to be a significant factor.
- ④ Quantitative data indicate that, at the startup stage, entrepreneurs most commonly required knowledge in the following areas: determining initial costs and required capital (39%), calculating projected profits and losses (38%), and preparing a business budget (32%). While these needs are broadly consistent across different locations, specific variations emerge by place of residence. Entrepreneurs in Tbilisi cite limited knowledge in preparing financial documentation (24%); those in other self-governing cities report knowledge gaps in accounting (24%) and in understanding the tax system (23%), whereas respondents in municipalities identify difficulties in finding and comparing sources of financing (19%).
- ④ Consistent with the quantitative findings, women entrepreneurs interviewed in the qualitative study report limited financial literacy at the startup stage of their businesses. They particularly emphasize a lack of knowledge in budget planning and sustainable business development.
- ④ Entrepreneurs most frequently rely on personal savings as an additional financial resource for their businesses (61%), followed by family support (34%) and bank loans (29%) as secondary and tertiary sources, respectively. A similar pattern is observed across different types of residence, with personal savings remaining the primary additional financial source (Tbilisi - 68%, self-governing cities - 54%, municipalities - 59%).

Barriers to Starting a Business

- ④ Current entrepreneurs report facing financial, as well as interpersonal and emotional challenges, at the initial stages of their business activities. The most commonly cited barriers include financial constraints (21%), fear of failure or risk (13%), limited business contacts (11%), and a shortage of qualified personnel (11%). These difficulties are reported by entrepreneurs in Tbilisi (21%), other self-governing cities (29%), and municipalities (15%).
- ④ Among financial barriers, the most prevalent are high loan interest rates (60%), refusal to grant a lease (12%), and inability to meet guarantee/collateral requirements (11%). High loan interest rates are identified as the primary obstacle for entrepreneurs residing in municipalities (64%) (Tbilisi - 60%, other self-governing cities - 57%).
- ④ The survey reveals that, in addition to financial resources, several key factors are important for starting a business. These include facilitating market access (24%), providing tax breaks (18%), offering free business consultations (16%), and supporting the recruitment of qualified personnel (14%). Among these, facilitating market access (16%) and tax breaks (11%) are identified as the most significant.

- ④ In-depth interview participants additionally identify a lack of knowledge, information, and training as important barriers. These challenges are particularly pronounced for those residing in the regions, where access to such resources is generally limited.

Actors Supporting Entrepreneurial Activity

- ④ Membership in business associations/networks is not common among entrepreneurs, with only isolated cases of positive experiences in this regard. Qualitative research indicates that the extent of participation by women entrepreneurs in professional unions or informal networks often depends on sector-specific characteristics, as well as financial and institutional accessibility.
- ④ Membership in business networks is primarily driven by practical needs, as the associations provide specific benefits to entrepreneurs (for example, subsidized inventory purchases, support for laboratory testing, etc.). On the other hand, entrepreneurs often remain skeptical about joining formal unions due to concerns over cost-effectiveness.
- ④ Current entrepreneurs are largely unaware of existing programs that support entrepreneurial activity - on average, 53% report neither having heard of nor participated in any such initiatives. Among these, the “Enterprise Georgia” programs are relatively more recognizable, with 75% of respondents indicating awareness and 10% reporting participation. Women entrepreneurs demonstrate higher levels of awareness (39% on average) of these programs compared to their male counterparts (27% on average). According to qualitative findings, the low level of participation in support programs is primarily attributed to limited awareness of the programs, their terms and the agencies responsible for their implementation.
- ④ Respondents indicate that support for their business activities mainly came from their primary (family members/relatives - 61%) and secondary (friends/acquaintances - 30%) social circles. Notably, male entrepreneurs were relatively more likely to report operating independently, with one in four (25%) stating that they received no assistance (compared to 18% of female entrepreneurs).
- ④ It should be noted that that support from family members and relatives plays a more significant role outside Tbilisi: 55% in Tbilisi, 71% in other self-governing cities, and 62% in municipalities. This pattern may be linked to lifestyle and social interactions, as social relations in the capital tend to be more formalized compared to other target areas.
- ④ Respondents indicate that the most critical areas where support is needed are financial resources (69%) and improved access to markets (29%). Beyond these dominant areas, entrepreneurs in Tbilisi also emphasize the need for training/consultations (13%). In other target groups, the reported rates are lower: other self-governing cities - 6% and municipalities -10%.
- ④ The need for non-financial support was also emphasized during the in-depth interviews. According to entrepreneurs, the exchange of experiences and informal meetings are among the key mechanisms for personal and professional development.

Assessment of Financial/Non-Financial Products

- ④ Visiting bank branches (45%) and using mobile banking services (43%) are the most common methods for accessing financial services. The higher prevalence of branch visits in other self-governing

cities (44%) and municipalities (57%), compared to mobile application use in Tbilisi (52%), may reflect greater internet connectivity among capital residents relative to those living outside the capital.

- ④ The majority of entrepreneurs (on average 81%) do not utilize various financial/non-financial services. Among those with positive experiences, the most commonly used products include micro loans - 21%, business loans - 37%, digital finances/online services/online payments and transactions - 27%, bank business cards - 29%, and deposits - 21%. Notably, female entrepreneurs are more likely to seek startup financing (2%) compared to their male counterparts (0.2%), whereas business insurance is more commonly used by men entrepreneurs (13%) (women entrepreneurs - 6%).
- ④ Additionally, a larger proportion of Tbilisi residents have utilized business consulting services (Tbilisi -10%, other self-governing cities - 7%, municipalities - 5%) and legal aid (Tbilisi - 21%, other self-governing cities - 6%, municipalities - 9%) compared to residents of other target locations. This pattern likely reflects greater physical accessibility to these services.
- ④ The lack of experience in utilizing financial support is primarily due to having sufficient personal financial resources (35%) or having mobilized funds from alternative sources (29%). Additionally, more than one in ten current entrepreneurs (14%) report they did not expect to receive financing.
- ④ The lack of experience in using business insurance or bank business cards is primarily due to their perception as additional expenses and, more broadly, to limited awareness of their benefits. Non-use of deposits is primarily attributed to insufficient savings (56%) or a preference for holding cash (14%). For some entrepreneurs, unsatisfactory interest rates on deposits (11%) rendered the service unprofitable.
- ④ The lack of experience in using non-financial services is primarily due to a perceived lack of need (on average 57%), which may be linked to the specific nature of entrepreneurial activities. Additionally, the low level of awareness among current entrepreneurs (on average 25%) prevents them from benefiting from training, consultations, networking opportunities, or legal services.
- ④ A significant proportion of non-financial service users (43%) have attended meetings focused on accounting/reporting, whilst one-third (33%) have participated in business trainings/consultations on developing a business budget.
- ④ The majority of current entrepreneurs (85%) have not been denied financing by financial institutions. Among those who were, the main reasons for denial were insufficient personal income (45%) and/or the lack of real estate of sufficient value registered in the entrepreneur's name (24%).
- ④ In terms of improvements to financial products, 77% of entrepreneurs would like to see a reduction in loan interest rates, whilst 37% favor adjustments to loan terms, (e.g., extended repayment schedules, longer grace periods, etc.). When analyzed by type of residence, the only notable difference among target groups observed concerns leasing: one-fifth (20%) of entrepreneurs in the capital city consider the simplification of leasing opportunities a desirable change, compared to much smaller proportions in other self-governing cities (7%) and municipalities (3%) who indicate the same.
- ④ In terms of improving non-financial products, entrepreneurs most commonly identify the need for simplifying the design of mobile applications (20%), organizing introductory meetings with state agencies offering business support programs (21%), and providing thematic training sessions (17%). The fact that 36% of respondents were unable to pinpoint a specific area for improvement may indicate that entrepreneurs are generally more informed about financial products than non-financial services.

- ⤵ While a fifth of entrepreneurs in Tbilisi (21%) would like to have the design of mobile applications simplified (other self-governing cities – 17%, municipalities - 21%), entrepreneurs in self-governing cities (19%) and municipalities (26%) place greater emphasis on the need for meetings with state agencies offering business support programs (Tbilisi -17%).

Current and Future Conditions of Entrepreneurship

- ⤵ 78% entrepreneurs consider their enterprises to be financially stable. However, it should be noted that despite this overall positive assessment, a higher proportion of female entrepreneurs (25%) perceive their business as financially unstable compared to their male entrepreneurs (18%).
- ⤵ Currently, 78% of entrepreneurs do not face any barriers to conducting business. Among those who do encounter challenges, the most common are a lack of customers (53%), limited financial resources (42%), competition (47%), and low annual turnover (42%).
- ⤵ The majority of residents across all three types of target locations report facing no barriers: Tbilisi – an average of 86%, other self-governing cities – an average of 73%, and municipalities – an average of 77%. In contrast, low annual turnover (Tbilisi – 36.1%, other self-governing cities – 51.5%, municipalities – 42.1%) and competition (Tbilisi – 46.6%, other self-governing cities – 55.8%, municipalities – 40.3%) are relatively more common challenges in each location. Based on these findings and other data, it can be inferred that entrepreneurs in Tbilisi are more likely to maintain enterprise stability and successfully sell products/services, as they encounter fewer barriers to accessing both financial and non-financial support.
- ⤵ Seasonality impacts the business activities of 41% of current entrepreneurs. Consequently, the highest production turnover occurs between June and September (on average 48%), whilst the lowest is observed from January to March (on average 49%).
- ⤵ More than half of current entrepreneurs (53%) do not plan to expand their businesses in the future. The primary reasons for this decision include low sales (35%), high market competition (28%), limited financial resources (27%), and market unpredictability (26%).
- ⤵ Conversely, those who intend to expand their entrepreneurial activities (24%) have a clear plan for achieving this goal (59%). The majority of male entrepreneurs have a specific action plan (64%; women entrepreneurs - 42%), whereas women entrepreneurs are more likely to report negative experiences in this regard (42%; male entrepreneurs - 30%).
- ⤵ Future plans are primarily focused on introducing new products/services (55%), increasing the production of existing products/services (51%), and expanding into new locations (44%).
- ⤵ Qualitative research findings indicate that resource scarcity, limited access to finance, and insufficient knowledge of strategic planning hinder entrepreneurs' capacity to implement specific initiatives aimed at business expansion.
- ⤵ 60% of entrepreneurs report needing a loan, most commonly ranging from 10,000 to 50,000 GEL (42%). The primary intended use for these funds include purchasing new technologies (45%), expanding business operations/production (38%), acquiring raw materials (33%), and renovating enterprise premises (31%).
- ⤵ 45% percent of current entrepreneurs believe their business has remained unchanged compared

to one year ago, whilst 26% report a decline and 27% believe their business has improved. Furthermore, looking ahead, 42% of respondents have a positive outlook, expecting entrepreneurial activity to improve over the next six months.

- ⤵ Although the majority of both male (45%) and female (37%) entrepreneurs expect their business to improve, notably, negative sentiments are more pronounced among women. Specifically, 8% of female entrepreneurs anticipate a decline in their business, a figure nearly three times higher than that of men entrepreneurs (3%).

The Importance of Women's Participation in Economic Activity

- ⤵ 52% of entrepreneurs believe that women's participation in economic activities enhances the well-being of families, whilst 48% indicate that it provides women with financial independence. Women's economic participation is increasingly discussed at the societal level and it is widely recognized that this approach strengthens the role of women in the society
- ⤵ While the majority of female entrepreneurs (65%) consider women's participation in economic activities important for achieving financial independence, men entrepreneurs primarily view it as a means of enhancing family well-being (50%).
- ⤵ Qualitative research findings also indicate that, through engagement in economic activities, women seek to challenge social norms and stereotypes, fulfill their potential, and assert themselves in an environment where family responsibilities continue to be viewed as their primary obligation.
- ⤵ Free vocational education and training (35%), startup grants and financing (34%), and preferential loans/leasing options (31%) are identified as the key enabling factors for women's economic empowerment.
- ⤵ It should be noted that 21% of entrepreneurs consider the improvement of childcare services particularly important, as this would ease mothers' household responsibilities and free up time that could be devoted to entrepreneurial activities. Notably, the importance of providing women with childcare support - enabling them to have more time and greater emotional capacity for entrepreneurship - is especially emphasized by entrepreneurs in Tbilisi (22%) and municipalities (26%), whilst in other self-governing cities, the proportion is roughly half that (11%).
- ⤵ The most significant challenge for women engaged in business is balancing professional responsibilities with family obligations (36%). Other major obstacles include limited financial literacy among women (23%), prevailing gender stereotypes in society (17%), and/or limited access to childcare services (15%).
- ⤵ A higher proportion of women entrepreneurs (29%) identify limited financial literacy as a barrier compared to their male counterparts (20%). Discriminatory practices are also more likely to be reported by women. Interestingly, restricted access to childcare services - an issue that directly affects women's ability to engage in entrepreneurial activities - is more often cited as a challenge by men entrepreneurs (17%) than by women entrepreneurs (12%).

Experiences and Assessments of Potential Women Entrepreneurs

General Information/Socio-Demographic Data

- ④ The largest proportion of potential women entrepreneurs (49%) falls within the 45–64 age group. The vast majority are married (75%), whilst 12% are widowed. 77% of respondents have children, with the highest proportion having two children (54%). The majority reside in urban areas (84%). In terms of educational attainment, 49% have completed higher education. Regarding employment status, 43% are unemployed, and 26% are employed in the private sector.

Entrepreneurial Experience

- ④ 75% of potential women entrepreneurs have previously owned a business but are no longer engaged in entrepreneurial activities.
- ④ Differentiation of potential women entrepreneurs' past business activities/attempts to start a business by economic sector shows that the largest proportion operated or sought to operate in whole-sale/retail trade and maintenance services (repair of automobiles and motorcycles) (41%).
- ④ The leading business activities within the wholesale and retail trade and maintenance sector were identified as grocery stores, fruit and vegetable shops, flower shops, and wholesale trade.
- ④ The key reasons for termination/failure of previous entrepreneurial activities were: lack of financial profit from small business operations (63%), difficulty attracting customers (50%), insufficiency of mobilized financial resources (41%), low demand for the product/service (39%), and inability to compete effectively in the market (35%).
- ④ Potential women entrepreneurs who participated in the focus group report having owned businesses in the past, which they were unable to sustain due to systemic barriers. The main challenges identified include incompatibility with family responsibilities, lack of reliable staff, economic instability, and the limited size of the consumer market in the regions.
- ④ For the largest proportion of potential entrepreneurs (59%), personal savings served as the primary source of financial resources needed to start a business, whilst 46% relied on support from family member(s).
- ④ 44% of entrepreneurs report having developed a business plan in advance for their most recent entrepreneurial activity, compared to 57% who did not.
- ④ Among respondents with a pre-developed business plan (N = 20), 11 found that the plan did not help them in operating their business, whilst nine indicated the opposite.
- ④ The most common reason for not developing a business plan in advance is a lack of time, primarily due to the urgent need to launch the business and focus on securing financial resources.
- ④ Among the obstacles that potential women entrepreneurs encountered when starting or attempting to start their most recent entrepreneurial activity, financial barriers (35%) and a lack of qualified personnel (30%) were the most prominent.
- ④ Limited financial and legal literacy was highlighted by focus group participants as a major barrier affecting potential female entrepreneurs' ability to start and manage a business. Respondents em-

phasize the need for improving their qualifications in areas such as business plan development, risk assessment, market analysis, and compliance with legal regulations. They believe these gaps can be effectively addressed through targeted training programs and professional courses.

- Potential entrepreneurs who encountered certain financial barriers when starting/attempting to start their most recent entrepreneurial activity identify high loan interest rates, denial of grant funding or loans/leases, and the inability to secure co-financing as the main causes.

Barriers to Starting a Business

- The largest proportion of potential women entrepreneurs (45%) are at the initial stage of entrepreneurship (having only developed a business idea). Meanwhile, 31% are actively seeking additional financial resources, 24% have prepared a business plan, and 18% are conducting labor market research.
- One in three potential women entrepreneurs wants to start a business in the service sector (excluding trade, transport, and tourism-related sectors), whilst 28% plan to enter the wholesale and retail trade sector.
- 24% of potential women entrepreneurs aim to start a business in the food industry - fast food/pastry/bakery - whilst 10% plan to open a grocery/fruit and vegetable store.
- Among the factors influencing the pursuit of entrepreneurial activity, having relevant practical skills and experience is identified as significant (57%). Other key reasons include insufficient income and the ability to run a business independently.
- Among the financial resources needed to start an entrepreneurial activity, women entrepreneurs identify personal savings as the primary source (45%), followed by support from family members (31%), bank loans (29%), and state programs (24%). A significant number of women entrepreneurs in the focus group report that they first turn to family support or their own savings when seeking financial resources.
- Every other potential entrepreneur (51%) requires between 10,000 and 50,000 GEL to start a business/enterprise, whilst one-quarter (25.5%) need less than 10,000 GEL.
- Every other potential women entrepreneur (51%) reports needing financial resources to purchase raw materials for their enterprise, whilst a slightly smaller proportion (49%) require them for infrastructure acquisition.
- 31% of potential women entrepreneurs report having been denied financing, whilst 69% have not. Among those who were denied (N = 9), one respondent each was rejected by TBC Bank (N=1), Bank of Georgia (N=1), and Credo Bank(N=1), and three received rejections from LEPL "Enterprise Georgia".
- Potential women entrepreneurs most frequently identify TBC Bank (N = 6) as their preferred financial institution for obtaining a loan. The estimated loan amounts vary widely (from less than 5,000 GEL to more than 160,000 GEL) as do the repayment terms (ranging from 1 to 10 years). However, only a small proportion of respondents have accurate information about the annual effective interest rate (according to four respondents, it is expected to range between 12% and 18%).
- Only one potential entrepreneur is seeking to obtain a subsidized, low-cost bank loan and is col-

laborating with Credo Bank for this purpose. He/she estimates the loan amount at 50,000 GEL with a repayment period of 5 years. None of the respondents, however, provide information about the annual effective interest rate offered by the bank for such loans.

- ④ Twelve potential women entrepreneurs report attempting to secure initial financial capital through state programs. Most of them (N = 8) are seeking financing via the “Enterprise Georgia” program. Requested loan amounts range from a minimum of 10,000 GEL to a maximum of 100,000 GEL, with estimated repayment periods spanning from 10 to 84 months. Only one respondent is aware of the estimated annual effective interest rate (18%).
- ④ Potential women entrepreneurs taking part in the focus group identify several barriers to participating in state programs. These include a misalignment between program priorities and women’s specific needs, geographical limitations, insufficient access to information, bureaucratic obstacles and high associated costs, unfavourable conditions from banks, and a mismatch between expectations and formal eligibility criteria.
- ④ A total of eight potential entrepreneurs indicate plans to use grant funding to finance their business activities; however, none have yet submitted an application or decided which granting organization they will apply to.
- ④ Two potential entrepreneurs intend to use startup financing. One reports that the state has provided co-financing, whilst the other does not specify the organization to which they have applied. One respondent plans to request financing for a period of six months, and the other for 24 months. Both potential entrepreneurs intend to request an amount of 20,000 GEL.
- ④ 57% of potential entrepreneurs currently report financial barriers to starting a business. For one-third of respondents, the most significant challenges are the lack of qualified personnel and fear of failure or risk. One-quarter identify the absence of business contacts and the lack of a pre-written business plan as primary concerns.
- ④ Potential women entrepreneurs report that the primary barriers encountered during the process of securing financial resources are high loan interest rates (38%) and the rejection of grant applications (28%).
- ④ Only one respondent points out that gender stereotypes and socio-cultural barriers pose significant obstacles, noting that financial institutions do not take women-led businesses seriously, thereby limiting access to necessary financing.

Actors/Mechanisms Supporting Entrepreneurial Activity

- ④ 94% of potential entrepreneurs are not members of any business association/network. Additionally, the majority of respondents (54%) have neither heard of nor participated in existing programs supporting women entrepreneurs. The proportion of those who have participated in the following initiatives is relatively higher: Enterprise Georgia programs (86%), Yes-Georgia (45%), Startup Georgia (45%), Women Entrepreneurs’ Development Program (47%), Women’s Fund in Georgia program (35%), and Programmes for Agriculture Development (ENPARD) (35%).
- ④ Focus group participants also indicate limited engagement in both professional and informal networks, largely due to a lack of awareness of specialized business associations or professional unions available to women entrepreneurs.

- ④ For potential women entrepreneurs, family members and relatives serve as the primary sources of both financial and emotional support (69%). A substantial proportion also regard secondary social groups, such as friends and acquaintances, as significant sources of support (41%). Additionally, more than one-fifth of respondents identify donor programs and grants as important support mechanisms (22%).
- ④ According to the majority of potential entrepreneurs, a successful female entrepreneur should be able to develop a business plan (57%) and prepare a business budget (51%). However, only 28% of respondents, on average, report possessing these skills. Furthermore, many believe that a successful woman entrepreneur should be able to determine startup costs/necessary capital (49%) and calculate expected profit/loss in advance (47%). Meanwhile, only one-third (33%) report the ability to determine startup costs and necessary capital. These findings indicate that, at this stage, the majority of potential female entrepreneurs do not yet possess the key skills they themselves associate with successful entrepreneurship.
- ④ Potential entrepreneurs who intend to start a business would benefit most from additional financial knowledge (88%). Specifically, 44% of respondents need support in developing a business budget, whilst 33% indicate requiring assistance with determining startup costs/necessary capital, identifying sources of financing, and conducting comparative analyses of alternative opportunities.
- ④ In addition to financial assistance, potential entrepreneurs emphasize the importance of facilitating market access (31%), providing information about existing programs (24%), organizing free business consultations (22%), and/or assistance in developing a business plan (20%). Among these, facilitating market access (22%) is identified as the most important form of non-financial support.
- ④ Focus group findings also underscore that, in addition to financial resources, potential women entrepreneurs require professional and specialized consultations, as well as the acquisition of both financial and practical knowledge. Additionally, it is essential to establish formal professional networks to enable aspiring women entrepreneurs to gain practical experience.

Assessment of Financial/Non-Financial Products

- ④ 85% of potential women entrepreneurs report having no prior experience with using financial or non-financial products/services. However, among those with such experience, microloans (41%), business loans (22%), digital financial services (20%), and deposit accounts (16%) are used somewhat more frequently.
- ④ The prevailing reasons as to why potential entrepreneurs have not used different types of financial assistance include a perceived lack of hope in obtaining financing (28%), having mobilized financial resources from alternative sources (18%), and having sufficient financial resources of their own (18%).
- ④ The main reasons for not using business insurance or bank business cards include their high costs, a perceived lack of necessity, and the belief that these services are an unnecessary expense. Furthermore, limited experience with deposit accounts is primarily attributed to insufficient savings (56%) and a preference for holding cash or investing in real estate and movable property (20%).
- ④ Non-use of non-financial services is largely driven by a perceived lack of need: trainings - 42%, consultations - 43%, networking meetings - 37%, and legal services - 58%. Furthermore, a relatively high

proportion of respondents report being unaware of specific services: trainings - 33%, consultations - 35%, networking meetings - 41%, and legal services - 17%.

- In terms of improving financial products and services, potential women entrepreneurs would like to see loans with lower interest rates (63%), customized loan terms (33%), and reduced collateral requirements or alternative guarantee options (29%).
- Regarding improvements to non-financial services, respondents identify the following as important: organizing introductory meetings with state agencies offering business support programs (41%) and facilitating communication with financial institutions and donors (29%). Additionally, about one in four respondents prioritize the organization of thematic trainings (26%).

Significance of Women's Participation in Economic Activity

- Potential women entrepreneurs view women's participation in economic activity as important primarily because it enables financial independence (61%), contributes to improving family well-being (55%), and helps strengthen the role of women in society (57%).
- Focus group participants also agree that women's involvement in entrepreneurial activities is perceived as a source of self-realization, creativity, and new ideas, which has or should have positive implications at both individual and societal levels.
- Potential entrepreneurs identify startup grants and financing (55%), free vocational education and training (47%), and preferential loans/leasing options (33%) as the key factors contributing to women's economic empowerment in Georgia.
- Focus group participants, drawing on their practical experience, highlight the need for professional training, educational and knowledge-sharing platforms, increased access to consulting services, etc.
- According to 41% of potential women entrepreneurs, the most common challenge women in business face is the difficulty of effectively balancing work and family responsibilities. On average, one in four respondents also emphasize the lack of financial education among women (26%) and the persistence of gender stereotypes and societal discrimination (24%).
- Focus group participants also highlight the impact of societal expectations, which categorize certain occupations as "feminine" or "masculine" based on traditional gender norms. This may explain why 22% of potential entrepreneurs believe women are characterized by low self-esteem and a lack of leadership skills - factors that, in turn, create significant barriers to their engagement in business activities. Participants of the discussion further note that women are often dependent on men for financial and legal matters and face challenges in making independent decisions, effectively managing a business, etc.

Experiences and Assessments by Local and International Financial and State Institutions

Products Tailored to Women Entrepreneurs

- Quantitative research findings indicate that the vast majority of local financial institutions (78%) lack strategies or programmes specifically designed for women entrepreneurs. Only 36% of banks have a tailored approach, while such an approach is entirely absent in the microfinance sector.
- Most financial institutions adopt gender-neutral policies (56%); limited information on the specific needs of women entrepreneurs is identified as the primary challenge (17%).
- Commercial banks actively collaborate with international financial organizations, including the EBRD (60%) and both the IFC and ADB (40% each). Additionally, 60% of commercial banks cooperate with other international organizations.
- Interviews with local financial institutions, conducted as part of the qualitative research, reveal that the development of financial products tailored to women entrepreneurs in Georgia is primarily encouraged by international organizations. Local financial institutions appear to be driven more by the opportunity to attract relatively low-cost financial resources than by a strategic commitment to reducing gender inequality within the business sector.
- In-depth interviews with representatives of state institutions indicate that support for women entrepreneurs in Georgia is gradually becoming more systematic and forming the foundation for inclusive policies. Various state agencies are developing specific financial and non-financial mechanisms for women, including interest subsidies, retraining programs, and access to training opportunities.
- However, according to assessments by international financial organizations, despite progress in developing a gender equality strategy, women's economic empowerment has not yet been translated into a stable, coherent, and institutionally anchored policy at the state level.

Lending Practices in the Financial Sector

- Based on quantitative research data, the most commonly offered products by financial institutions (banks and microfinance organizations) include business loans, microloans, agro loans, deposits, overdrafts, and digital services (within 60% range). Startup financing is offered by 40%, whilst grants and insurance products are less commonly available (20%).
- Quantitative findings indicate that loan volumes vary substantially depending on the type of financial product. Business loans, aimed at medium and large entrepreneurs, range from 51,750 GEL to 2 million GEL. Microloans range from 1,700 to 513,000 GEL, while agri loans start at 600 GEL and can reach up to 130,000 GEL. Startup financing typically ranges from 50,000 to 150,000 GEL. Grants are generally provided through cooperation mechanisms with international financial institutions, often in the form of cashback.
- The majority of banks report having no experience in providing business (67%), micro (67%), or agriloans (67%) to women at effective preferential interest rates over the past three years. A relatively more flexible approach is observed in startup financing, reported by half of the banks (50%). Among banks that do offer fixed preferential terms, the effective (rather than nominal) interest rate ranges from 0.25% to 0.50%, largely depending on international programs.

- ④ The average utilization rate of business overdraft services is 20%, with a limit set at 500,000 GEL. Among digital products, women entrepreneurs receive equal access to free business cards, internet/mobile banking services, and preferential transaction commissions (33%-33%), with preferential transfers being the most frequently used feature (67%).
- ④ The vast majority of women entrepreneurs already use a separate business account. According to bank estimates, this practice is observed in over 90% of clients overall, although in some banks the figure is as low as 20%.

Barriers Facing Women Entrepreneurs

- ④ Quantitative research findings indicate that the primary requirements women entrepreneurs must meet to obtain loans from financial institutions are a reliable credit history (70%), stable income (61%), complete documentation (57%), project profitability and experience in the relevant field (52%-52%). In the case of startups, financial profitability (44%), documentation and credit history (39%-39%) are particularly important. Regarding grants, financial institutions report difficulty specifying clear priorities; however, financial profitability is emphasized more frequently (banks - 14%, microfinance organizations - 11%).
- ④ The most common reason for loan and startup financing refusals by financial institutions is a poor credit history. This is cited by 64% of banks and 57% of microfinance organizations as the main reason for rejecting loan applications. The same factor applies to startup financing, though at lower rates (banks: 50%, microfinance organizations: 22%).
- ④ According to representatives of local financial organizations interviewed as part of the qualitative research, women entrepreneurs face multiple barriers to accessing financial resources, stemming from psychological and social challenges as well as institutional and systemic constraints. Key factors include the role of family support, additional household responsibilities, lack of property ownership, gender bias in credit allocation, absence or discontinuity of credit history, regional disparities, limited financial literacy, algorithmic scoring models, and fear of taking risks.
- ④ The assessments of state institutions coincide with the challenges identified by local financial institutions. Respondents additionally emphasize the lack of initial savings among women, which hinders their inclusion in co-financing programs. They also note the difficulty many women face in attending educational or counseling sessions due to family obligations.
- ④ Representatives of international financial organizations agree with the views voiced by other groups, noting that, in Georgia's current context, achieving engagement of women in the financial system remains a significant challenge.

Barriers to Business Implementation

- ④ According to representatives of local financial organizations interviewed as part of the qualitative research, women have limited access to influential business networks during their entrepreneurial activities, which restricts their opportunities for effective networking. A lack of financial education, limited access to training, and absence of family support further constrain women's ability to enhance their knowledge and competences. These challenges are compounded by cultural stereotypes that view women's participation in "non-traditional" economic sectors with skepticism.

- ④ According to representatives of the local financial sector, women-owned businesses are often small in scale and have limited growth potential, primarily due to insufficient financial education and a lack of strategic planning skills. Many women entrepreneurs face challenges in accurately calculating production costs, setting prices based on cost and market factors, and managing profits effectively, all of which significantly hinder the growth and expansion of their businesses.
- ④ On the other hand, representatives of local financial organizations note that women entrepreneurs are typically reliable and financially responsible, particularly in loan repayment and compliance with administrative requirements. Respondents observe that women tend to avoid high-risk financial products and are less inclined toward aggressive business expansion, reflecting both risk aversion and family-oriented social roles. As a result, financial institutions perceive women entrepreneurs as a reliable but moderately growing client segment.

Women Entrepreneurs and Startup Financing: Barriers, Approaches, and Institutional Differences

- ④ According to quantitative research findings, half (50%) of startup financing products include terms specifically tailored to women. In contrast, gender-specific approaches are found in only about one-third (33%) of other financial products, such as business loans, microloans, and agri loans.
- ④ During in-depth interviews, representatives of local financial organizations note that startups continue to be viewed as a high-risk sector, and financing remains limited - particularly for women, who often lack initial capital, have limited access to startup resources, and require not only financial support but also professional guidance and informational assistance.

Gender Bias in Decision-Making

- ④ Within the framework of the qualitative research, representatives of local financial organizations report that gender stereotypes and unconscious biases continue to influence decision-making processes, particularly in Georgia's regions. However, they also note that the situation is gradually improving due to internal training initiatives and strategies, and pressure from international partners.
- ④ Representatives of international financial organizations concur that gender bias in the lending process remains a significant barrier for women entrepreneurs in Georgia. Based on the EBRD's experience, when applicants have comparable income, collateral, and experience, loan officers tend to favor male entrepreneurs. This bias is not related to the gender of the officer but rather stems from deeply rooted unconscious gender stereotypes.

Areas of Economic Activity of Women Entrepreneurs in Georgia

- ④ Quantitative study results indicate that the following economic sectors are the most likely to get financing from commercial banks: retail and wholesale trade, arts, entertainment and recreation, and real estate and other types of service.
- ④ According to representatives of the local financial sector interviewed in the qualitative study, women entrepreneurs often choose areas where they have personal experience, knowledge and practical skills. Consequently, they are predominantly concentrated in the service, trade and agricultural

sectors. Women's participation is significantly lower in sectors with high turnover and technological complexity, such as manufacturing, logistics and construction, resulting in their limited presence in medium and large businesses.

- ④ Representatives of state institutions agree with the assessment of the local financial sector that the areas of women's entrepreneurial activity in Georgia are closely linked to social roles, access to family resources, prevailing stereotypes, and economic necessity. Women often start businesses driven by immediate needs rather than professional strategy, typically choosing sectors that can be managed within the household, require limited technical expertise, and demand relatively low initial investment.
- ④ According to representatives of international financial organizations, gender-based economic segregation remains firmly embedded in Georgia. High-income and technology-intensive sectors, such as transport, energy, and information technology, are predominantly male-dominated, whereas women are primarily concentrated in low-income, labor-intensive, and often informal forms of economic activities.

Reporting, Data Collection, and Gender Analysis

- ④ Quantitative research results demonstrate that collection and analysis of gender-disaggregated data are not systematic practices in the majority of local financial institutions. The situation is somewhat better in microfinance organizations (56%) than in commercial banks (43%). However, a large proportion of both types of organizations (banks – 63%; microfinance – 75%) do not consider it necessary to process customer data by gender. Other reasons (25%) cited include serving corporate clients and adhering to a gender-neutral approach.
- ④ Qualitative research findings suggest that the collection and analysis of gender-related data within the local financial sector are gradually becoming more systematic and strategic. This shift reflects both the evolution of banks' internal credit policies and the increasing requirements of international donors and investors.
- ④ Data obtained through in-depth interviews also show that state agencies are increasingly shifting toward evidence-based policymaking; however, comprehensive gender-specific analytics are still in the early stages of development.
- ④ According to representatives of international financial institutions, access to data is essential for making targeted and needs-based financial decisions; however, in practice, this process is often impeded by various barriers. They emphasize that developing a comprehensive understanding of gender and multidimensional vulnerabilities in Georgia remains a significant challenge.

Financial Literacy and Awareness of Available Opportunities

- ④ According to the quantitative study findings, business training is the most commonly offered non-financial service, available across all surveyed banks. Business consultations are also widely available (80%).
- ④ Representatives of local financial institutions surveyed as part of the qualitative study note that trainings, consultations, and informational activities designed for women entrepreneurs are often insufficiently flexible and not adequately tailored to those female entrepreneurs who need support

the most. They emphasize the need to revise the content of training and educational programs to ensure it is practical and applicable, supports everyday decision-making, and addresses the socio-cultural and psychological barriers faced by women entrepreneurs.

- Interviews with representatives of state organizations reveal that, despite the availability of various information dissemination channels, women residing in the regions often remain unaware of programs and opportunities available to them. This is attributed, on the one hand, to the limited accessibility or the low effectiveness of communication channels, and on the other, to psychological barriers—specifically, the perception among some women that the existing programs are not intended for them.

Financing Women Entrepreneurs and Fraud Management

- According to representatives of local financial institutions interviewed as part of the qualitative research, one of the key challenges of financial programs for women entrepreneurs is ensuring that loans are used for their intended purpose. This concern is particularly relevant in cases where financing is formally issued in a woman's name but is, in practice, utilized by a male family member. Nevertheless, respondents emphasize that such risks should not deter the development of programs specifically tailored to women.
- Representatives of state programs highlight the existence of monitoring mechanisms aimed at ensuring that microgrants are effectively reaching their intended beneficiaries - genuine women entrepreneurs. These monitoring activities include on-site visits, verification of business activities, and other related measures.

Service Access Preferences

- Quantitative research results reveal consistent consumer behavior patterns across banks and microfinance organizations. Specifically, women entrepreneurs primarily prefer to visit physical branches to obtain loans (48%), whilst active use of internet and mobile banking is observed only in the case of banks (50%).
- Analysis of in-depth interviews with local financial organizations indicates that preferred service forms and channels vary by generation, digital habits, and social experience. Younger women tend to favor remote options, such as mobile applications, online chats, and websites, whereas middle-aged and older women demonstrate a clear preference for in-person interactions and branch visits.

Gender Distribution of Employees in Financial Organisations

- Qualitative research findings indicate that, in regional financial institutions, the promotion of women to managerial positions remains limited due to persistent social stereotypes. The proportion of women in credit officer roles is low, largely due to the mobile and high-stress nature of the work, which tends to be less appealing to many women. Despite formal equality, the remuneration systems often favor men, as they are generally able to dedicate more time to work. Women are predominantly represented in middle- and lower-level office positions, although in some organizations they hold a majority in senior management roles, demonstrating that progress toward gender equality in the financial sector is uneven.

The Importance and Necessity of Developing Programmes Tailored to Women entrepreneurs

- ④ Quantitative survey findings reveal that a majority of financial institutions recognize the importance of services specifically tailored to women entrepreneurs (banks - 64%; microfinance organisations - 56%). However, skepticism appears more prevalent within the microfinance sector (“less important” or “not important” - microfinance organisations-22%; banks-7%).
- ④ Financial organizations demonstrate varying levels of readiness to develop and implement services for women entrepreneurs, with banks exhibiting greater proactivity. Specifically, one in three banks (36%) report being fully prepared to introduce specialized services. In contrast, although the majority of microfinance organizations (56%) indicate interest in offering such services, they also acknowledge a lack of readiness to implement them.
- ④ The primary benefit of introducing services tailored to women entrepreneurs, as reported by financial institutions, is the enhancement of their social responsibility profile (banks – 64%; microfinance organisations – 67%). Other significant benefits include the expansion of the client base and the strengthening of cooperation with donors. In contrast, relatively less emphasis is placed on other commercial advantages (such as loan diversification and repeat use of services).
- ④ Both banks (71%) and microfinance organizations (78%) regard donor funding as a significant source of support. Additionally, banks are more likely to prioritize market research (71.4%), product design, and team training (50%-50%). Financial organizations pay comparatively less attention to partnerships with community or women’s organizations.
- ④ As per the qualitative research, some representatives of local financial institutions support the availability of both financial and non-financial services tailored to women entrepreneurs—particularly in regions where unemployment is high and women require greater support to launch startups. Conversely, other respondents believe that designing products specifically for women may be perceived as a form of “positive discrimination.” They therefore emphasize the importance of raising awareness and improving overall systemic access to financial resources.
- ④ The dominant view among representatives of state institutions is that products tailored to women entrepreneurs should be introduced. However, some respondents express skepticism toward this approach, citing arguments similar to those raised by representatives of local financial institutions.
- ④ According to representatives of the ADB and EBRD, the prevailing gender-neutral approach in Georgia’s financial sector is often accompanied by unconscious bias in practice, which fails to reflect the specific challenges faced by women entrepreneurs. In this context, financial institutions should be supported and encouraged to consider women’s particular needs and to develop targeted products and services.
- ④ Some respondents express concern that the Georgian version of the Foreign Agents Registration Act (FARA), adopted in 2025, may jeopardize internationally supported products, including cashback programs, thereby undermining customer trust and willingness to cooperate.



PART ONE:

DESK RESEARCH

1. Policy on Women’s Entrepreneurship in Georgia, Legislative Framework

In 2021, the Government of Georgia approved SME (Small and Medium Enterprise) Development Strategy for 2021-2025. As part of this strategy, Action Plans for 2021-2022 and 2023-2025 were developed and endorsed. The primary goal of this strategy was to create favorable conditions for SMEs, enhance their competitiveness and innovation capabilities, and ultimately increase incomes, expand employment opportunities and promote an inclusive and sustainable economic environment.³

The Entrepreneurship Development Strategy (2021–2025) emphasizes that a key prerequisite for formulating policies and action plans to support the development of women’s entrepreneurship is the analysis of state program outcomes from a gender perspective. It also underscores the need for information and awareness-raising initiatives aimed at reducing and eliminating gender-stereotypical attitudes regarding women’s participation in entrepreneurial activities. To address existing challenges, the strategy—whose sixth priority area focuses on promoting women’s entrepreneurship—identifies several key tasks: 1. Promoting the Women’s Empowerment Principles (WEPs); 2. Improving gender-based statistics in state programs; 3. Encouraging women’s participation in state programs; 4. Strengthening digital skills among women; 5. Enhancing the capacity of state institutions to develop gender-responsive approaches.⁴

In recent decades, gender equality norms have been incorporated into numerous legislative acts and strategic documents in Georgia. These include the Labor Code of Georgia, the Law on the Elimination of All Forms of Discrimination, the Law on Gender Equality (renamed the Law on Equality between Women and Men as of April 2, 2025), and the Law on the Elimination of Violence against Women and/or Domestic Violence, and the Protection and Support of Victims of such Violence, among others. Georgia is also a party to key international treaties and frameworks, such as the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, ratified in 1994), the Council of Europe Convention on preventing and combating violence against women, including domestic violence (Istanbul Convention, ratified on 19 May 2027), and the Beijing Declaration and Platform for Action (BPfA, adopted in 1995). The country has additionally undertaken significant activities aligned with the core requirements of UN Security Council Resolution 1325 (2000) on Women, Peace and Security, and has engaged in the implementation of the 2030 Sustainable Development Goals (SDGs, adopted in 2015). Among the most recent legislative developments, it is noteworthy that on 19 February 2025, the Parliament of Georgia initiated amendments to the Law on Gender Equality. On 4 March 2025, Parliament approved the amendment package⁵ “On Gender Equality” at the first reading. Under these amendments, the terms “gender” and “gender identity” were removed from the legislation. The term “gender” was replaced with “women’s and men’s”; references to “gender issues” were changed to “issues of equality between women and men”; “gender intolerance” became “intolerance towards equality between women and men”; and the term “gender-sensitive” was revised as ‘sex-based sensitivity’.

³ „SME Development Strategy of Georgia 2021-2025 – 2004 Annual Report of the 2023-2025 Action Plan” (Ministry of Economy and Sustainable Development of Georgia) https://www.economy.ge/uploads/files/2017/ek__politika/2024/samoqmedo_gemis_shesrulebis_cliuri_angarishi_2024.pdf

⁴ SME Development Strategy of Georgia. 2021-2025” (Ministry of Economy and Sustainable Development of Georgia) https://www.economy.ge/uploads/files/2017/ek__politika/sme_strategy/sme_development_strategy_2021_2025_.pdf

⁵ ‘Parliament endorsing amendments to Law on Gender Equality in I reading’ (March 4, 2025, Parliament of Georgia) <https://parliament.ge/media/news/parlamentma-genderuli-tanastsorobis-shesakheb-kanonshi-tsvlilebebi-pirveli-mosmenit-miigho>

2. Overview of Women's Entrepreneurship in Georgia

Both women and men participate in entrepreneurial activities in Georgia; however, women predominantly operate microbusinesses and remain significantly underrepresented among owners of large enterprises.⁶ According to a 2018 report by the Asian Development Bank (ADB), nearly 40% of companies in Georgia have at least one female owner, yet only 19.7% have women in top management positions.⁷ The Gender and Entrepreneurship Survey conducted in the same year by the ADB and the National Statistics Office of Georgia (Geostat) found that entrepreneurship was the primary activity for 6.5% of men, compared with only 2.6% of women.⁸

Examining trends over the subsequent years, the Gender Impact Assessment of the Law of Georgia on Entrepreneurs⁹ reports that gender disparities in entrepreneurial activity persist despite a gradual increase in women's participation. In 2022, only 25% of the 77,864 newly registered businesses were founded by women, whilst 60% were founded by men (in 15% of cases, the founders' gender could not be identified). The report also highlights that the gender gap has widened significantly since 2017, indicating ongoing challenges in achieving gender parity. A report prepared by the World Bank¹⁰ further confirms these disparities, indicating that in 2023 only 29.5% of enterprises in Georgia had at least one woman shareholder. By enterprise size, the distribution was as follows: small enterprises - 28.7%, medium enterprises - 29%, and large enterprises - 39.2%. The proportion of enterprises employing women in managerial positions was 21% (by size, the distribution was as follows: small enterprises - 23.6%; medium - 17.1%; large - 15.2%). According to the Asian Development Bank (ADB), the primary motivations reported by women aged 32 to 60 for starting a business were the need to overcome unemployment and to secure flexible working schedules. Comparable findings emerge from the research conducted by UN Women, in which women most frequently identified flexible work arrangements (54%), independence (49%), and the potential for higher income (44%) as their dominant motivations for launching a business.¹¹ A joint study by UN Women and the International Labour Organization (ILO) indicates that, as of 2022, 59% of women engaged in entrepreneurial activity were concentrated in the trade sector, with significantly lower representation in other economic fields.¹² Geostat's 2024 study¹³ similarly demonstrates that, compared with their male counterparts, women entrepreneurs remain underrepresented in mining, construction, transport and storage, as well as agriculture, whilst they are more prevalent in education, healthcare, social services, trade, and other service sectors. According to the same report by Geostat (2024), in 2023, the number of businesses founded by men was nearly twice that of those founded by women (women - 27%, men - 61%).

⁶ There are no uniform national criteria defining what constitutes a woman-owned business in terms of ownership, management, and operation. According to the National Statistics Office, a business is classified as woman-owned if, at the time of registration, at least one woman is recorded as an owner. (Gender Impact Assessment of the Law of Georgia on Entrepreneurship) (ISET), 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

⁷ "Georgia - Country Gender Assessment" (Asian Development Bank) <https://www.adb.org/sites/default/files/institutional-document/479186/georgia-country-gender-assessment.pdf>

⁸ "Pilot Survey on Measuring Asset Ownership and Entrepreneurship from a Gender Perspective" (Georgia, 2018) <https://gender.geostat.ge/gender/img/publicationspdf/EDGE-Report-GEO-Final.pdf>

⁹ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (International School of Economics (ISET), 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

¹⁰ Enterprise Survey, What Businesses Experience (World Bank, 2023 - Country Profile) <https://www.enterprisesurveys.org/en/data/exploretopics/gender>

¹¹ National Assessment of Women's Entrepreneurship Development in Georgia (UN WOMEN, Tbilisi, Georgia, 2023) <https://crrc.ge/wp-content/uploads/2024/06/national-assessment-of-wed-eng.pdf>

¹² National Assessment of Women's Entrepreneurship Development in Georgia (UN WOMEN, Tbilisi, Georgia, 2023) <https://crrc.ge/wp-content/uploads/2024/06/national-assessment-of-wed-eng.pdf>

¹³ Women and Men in Georgia - Statistical Publication (National Statistics Office of Georgia, 2024) <https://www.geostat.ge/ka/single-archive/3418#>

According to the Gender Impact Assessment of the Law of Georgia on Entrepreneurs (2024)¹⁴, significant gender differences exist in the marital status and roles of entrepreneurs. Among male entrepreneurs, 82.8% are married, compared with 68.8% of female entrepreneurs. Men are also less likely to be widowed or divorced (3%) than women (24.7%). Gender disparities are also evident in household roles: only 28.7% of female entrepreneurs are considered heads of household, compared with 57.9% of male entrepreneurs. Educational attainment further highlights gender differences: female entrepreneurs are more likely to have completed secondary, non-higher education (34.8%) than male entrepreneurs (21%). Accordingly, the rate of having completed higher education also differs: 43% of male entrepreneurs hold a bachelor's degree or higher, compared with only 30.5% of female entrepreneurs.

For women entrepreneurs, personal savings are the most important resource for business expansion. According to a report by the Economic Policy Research Center (EPRC), among those women entrepreneurs who sought to expand their businesses (30%), 40% relied on their own savings, whilst 19% used savings from family members or spouses. Women residing in the regions are more likely to draw on personal and family financial resources, as well as loans from banks and microfinance organizations. Reliance on microfinance institutions is particularly pronounced in the regions, compared to the capital - women in Tbilisi are more likely to depend on family savings and grants from international organizations to support business growth¹⁵.

The Gender Impact Assessment of the Law of Georgia on Entrepreneurs (2024)¹⁶ drawing on the World Bank's Enterprise Survey, identifies significant disparities in the operations of businesses run by women and those run by men: **11.8% of companies headed by women experience difficulties in accessing credit, compared with only 3.2% of male-led businesses.** The report also highlights differences in financing sources: companies run by women are more likely to rely on banks for investment purposes (42.5%, compared with 33.5% of men). However, the opposite pattern emerges for working capital: male-led companies are more likely to use bank services (36.5% of men versus 26.1% of women). This trend is reflected both in the proportion of investments financed by banks (women - 28.3%, men - 22.4%) and in the proportion of working capital financed by banks (women - 17.1%, men - 10.9%). Furthermore, 17.9% of women-led businesses identify access to finance as their most significant constraint, following political instability (42.5%) and a shortage of adequately qualified personnel (20%). Data from the National Bank of Georgia's platform, wefinancegeorgia.ge¹⁷, indicate that, as of the third quarter of 2024, women own 16% (2,872) of enterprises established with business credit in Georgia, whilst men own 84% (15,050). The distribution of loans issued by financial institutions reveals that a) among small enterprises, 17% of loans were granted to women-led firms (2,231 businesses) compared with 83% to male-led firms (13,312). For medium and large enterprises, the distribution across genders is as follows: b) loans allocated to medium-sized enterprises: women - 10% (111 businesses), men - 90% (988 businesses); c) loans allocated to large enterprises: women - 5% of loans (15 businesses), men - 95% (292 businesses). Across economic sectors, the largest share of loans for both women and men was issued in the trade sector (women - 991 businesses and men - 5,584 businesses). For women, the next most frequently financed sectors were manufacturing and hospitality, whereas for men the leading sectors were construction and manufacturing. A substantial disparity is also evident in total debt volumes. Namely, women account for only 7% of the total loans issued to entrepreneurs for business establishment (2,029,467,141 GEL), compared to 93% for men (25,692,147,476 GEL). Within this overall distribution, loans issued to

¹⁴ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI) <https://iset-pi.ge/storage/media/other/2024-08-09/957838e0-564c-11ef-87a7-4d22d08c9968.pdf>

¹⁵ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/05/women_entrepreneurs_geo.pdf

¹⁶ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (2024, ISET-PI) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

¹⁷ Credit for MSME Business (2024) <https://www.wefinancegeorgia.ge/credit-for-msme-businesses>

women-led small enterprises constitute 9% of the total volume allocated to this category (1,094,717,639 GEL), whereas men-led small businesses account for 91% (10,923,970,945 GEL). Among medium-sized enterprises, women received a total loan of 318,173,465 GEL (6%), compared with 5,053,710,268 GEL (94%) issued to men. As for large enterprises, women-led businesses received the total loan volume of 465,775,994 GEL (8%), whilst men-led firms received 5,581,713,865 GEL (92%).

According to data from wefinancegeorgia.ge for the third quarter of 2024,¹⁸ at least one deposit account is registered for 16% of women-owned businesses (21,399) and 84% of men-owned businesses (110,320). A breakdown by business size shows that among women-led enterprises, 16% of small businesses, 9% of medium-sized businesses, and 4% of large businesses have a registered deposit account. The corresponding figures for men are substantially higher. For both women and men, deposit accounts are most frequently opened while operating in the trade sector. By gender of entrepreneurs, the distribution of funds accumulated in deposit accounts is as follows: women entrepreneurs - 5%, men entrepreneurs - 95%. In terms of deposit balance, small businesses account for the largest share for both groups (total savings among women-led small businesses amount to 407,217,760 GEL, compared with 3,711,558,971 GEL in men-led small businesses). A similar pattern is observed among medium- and large-sized enterprises, where men's deposit savings are significantly higher than those of women.

3. Limited Access to Financial Resources Among Women and Its Determining Factors

The information presented in Chapter 1 demonstrates that women entrepreneurs in Georgia face a range of systemic and practical barriers that significantly restrict their access to financial resources and impede their ability to start and grow a business. Existing studies and reports¹⁹ further highlight the multifaceted nature of these obstacles. These barriers emerge on both (a) the **demand** side and (b) the **supply** side, and encompass structural, social, and economic factors. Structural barriers are also evident within the legislative and policy environment.

a) Demand-Side Constraints:

- Lack of financial literacy and awareness
- Limited credit history
- Limited access to professional networks and technologies
- Insufficient knowledge of government support programs
- Informal business status
- Cultural and social norms
- Risk aversion
- Financial or decision-making dependence on spouse or other family members

b) Supply-Side Constraints:

- High collateral requirements imposed by banks
- Biased attitudes of financial institutions
- Limited representation of women in decision-making positions within the financial sector

The following subsections examine the above challenges, their causes, and their effects on the opportunities of women entrepreneurs in detail.

¹⁸ "Deposit accounts for MSME Businesses" (2024) https://public.tableau.com/views/Wefinance-Deposits-Businesses/Summarycreditmarket?:embed=y&:showVizHome=no&:host_url=https%3A%2F%2Fpublic.tableau.com%2F&:embed_code_version=3&:tabs=no&:toolbar=yes&:animate_transition=yes&:display_static_image=no&:display_spinner=no&:display_overlay=yes&:display_count=yes&:publish=yes&:loadOrderID=0&:increment_view_count=no#

¹⁹ UN Women & ILO joint assessment, ISET-PI Gender Impact Assessment and GeoStat gender statistics

3.1. Demand-Side Constraints

3.1.1. Limited Ownership of Real Estate and other Assets

Women and men have equal rights to inheritance and property under Georgian law. However, in practice, women frequently lack formal property ownership or cannot dispose of it independently. This limitation restricts their ability to use property as collateral for loans, a key requirement for accessing finance from formal financial institutions. Research by UN Women²⁰ confirms that even when property is formally registered in a woman's name, she may not have decision making power within the family regarding its use. According to the Economic Policy Research Center (EPRC), limited ownership of property and assets is a major reason women are denied loans, ranking second only to a negative credit history²¹.

According to the World Bank's 2021 report²² (Women, Business, and the Law), cultural norms and family/social practices in Georgia tend to favor men in the accumulation, inheritance, and management of property, creating additional barriers for women in securing the collateral needed to obtain loans.

According to a 2018 study jointly conducted by Geostat and the ADB, men in Georgia are more likely than women to be documented or declared owners of both housing and land²³. For instance, among surveyed households, 46% of men were documented owners of housing, compared with 33% of women. Gender disparities are also evident for agricultural land, where the proportion of documented male owners is more than twice that of female owners (women – 13%, men – 31%). In terms of declared ownership, the gender gap is 14% (women - 34%; men - 48%)²⁴.

As noted previously, discriminatory practices related to women's property ownership impede access to loans, particularly during the transition from micro to small- and medium-sized enterprises, where collateral is critically important. A report (2024) by the International School of Economics (ISET) indicates that women are more likely than men to be denied loans²⁵. Consistent with this finding, a 2024 World Bank study reports that 8.8% of women-led businesses surveyed were denied a loan, compared with only 1.9% of male-led businesses²⁶.

3.1.2. Lack of Financial Literacy and Awareness

Studies indicate that a portion of women entrepreneurs in Georgia lack sufficient financial literacy, which is crucial for completing tasks required by banks, such as navigating formal banking systems, analyzing loan terms, and preparing business plans. Poorly drafted business plans or project proposals are among the most common reasons for loan rejection (accounting for 22% of cases). These findings highlight the need for women entrepreneurs to enhance relevant qualifications and strengthen their management skills²⁷.

²⁰ National Assessment of Women's Entrepreneurship Development in Georgia (UN WOMEN & ILO, 2023) <https://georgia.unwomen.org/en/digital-library/publications/2023/05/national-assessment-of-womens-entrepreneurship-development-in-georgia>

²¹ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/10/women_entrepreneurs_eng_compressed.pdf

²² Women, Business and the Law (World Bank, 2021) https://wbl.worldbank.org/content/dam/sites/wbl/documents/2021/02/WBL2021_ENG_v2.pdf

²³ Pilot Survey on Measuring Asset Ownership and Entrepreneurship from a Gender Perspective (National Statistics Office of Georgia, Asian Development Bank, 2018) <https://gender.geostat.ge/gender/img/publicationspdf/EDGE-Report-GEO-Final.pdf>

²⁴ No updated data or more recent studies are available on this issue.

²⁵ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET research institute, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

²⁶ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (International School of Economics (ISET), 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

²⁷ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024)

3.1.3. Lack of Credit History

Recent studies indicate that women in Georgia tend to have poor credit histories. This trend largely stems from unequal conditions and gender-stereotypical norms related to inheritance and property ownership. As a result, women often face higher interest rates than men when seeking loans²⁸. In 2014, access to finance for women entrepreneurs was constrained primarily because loan eligibility depended heavily on credit history and property ownership. Financial institutions were more skeptical of women-led businesses, viewing them as less viable and higher risk²⁹. These challenges have not significantly improved in subsequent years: according to a 2022 thematic survey conducted by the Permanent Parliamentary Council for Gender Equality (“Thematic Survey on Access to Financial Resources for Women and Girls”), only 19% of applications to financial institutions came from women entrepreneurs, a figure significantly lower than that of male applicants (81%). Despite this disparity in application rates, the same report notes that rejection rates do not differ substantially across genders. Data from one commercial bank show that, during the first six months of 2022, the rejection rate for women borrowers was 2.4%, compared with 3.3% for men³⁰. The report further highlights that high collateral requirements and lack of credit histories hinder access to bank loans not only for women entrepreneurs but for small and medium-sized enterprises in general³¹.

3.1.4. Lack of Access to Networks and Technologies

Research confirms that strong professional networks constitute a significant resource for entrepreneurs, facilitating access to finance and enabling the exchange of knowledge, contacts, and opportunities³².

For women entrepreneurs, joining professional networks is particularly important for overcoming gender-based barriers to bank financing. By developing strong professional networks within the entrepreneurial ecosystem, women can gain access to alternative sources of capital, including angel investors, venture capital funds, and peer-to-peer lending platforms. Limited access to investor networks further exacerbates these barriers for women, especially in contexts where men already benefit from established and stable connections within investment circles. Consequently, women often struggle to secure the critical financing required to launch, expand, and sustain their businesses³³.

Furthermore, women entrepreneurs often lack access to male-dominated business networks, even though these networks function as primary channels for securing financing and mentorship. Women face challenges not only in accessing financial resources and business development services (BDS) but also in reaching profitable markets and new technologies, both domestically and internationally. Gaps in information, skills, resources, production means, and networks are key factors contributing to these barriers. Moreover, women frequently have limited access to information and communication technologies (ICT), which could serve as a critical tool for expanding their businesses³⁴.

²⁸ A Meta-Analysis of the Impact of Entrepreneurs' Gender on their Access to Bank Finance (Journal of Business Ethics, Malmström, M., Burkhard, B., Sirén, C., Shepherd, D., & Wincent, J. (2023)) https://www.researchgate.net/publication/374780402_A_Meta-Analysis_of_the_Impact_of_Entrepreneurs'_Gender_on_their_Access_to_Bank_Finance

²⁹ Women's Economic Opportunities and Challenges (Association of Young Economists of Georgia, 2014) <http://www.economists.ge/storage/uploads/publication/141222053929a4c1.pdf>

³⁰ Thematic Inquiry on the Accessibility to Financial Resources for Women and Girls (Permanent Parliamentary Gender Equality Council) <https://web-api.parliament.ge/storage/files/shares/tematuri-mokvleva/genderuli/qalebis-cvdoma/mokvleva-ge.pdf>

³¹ Thematic Inquiry on the Accessibility to Financial Resources for Women and Girls (Permanent Parliamentary Gender Equality Council, 2022) <https://web-api.parliament.ge/storage/files/shares/tematuri-mokvleva/genderuli/qalebis-cvdoma/mokvleva-ge.pdf>

³² A Meta-Analysis of the Impact of Entrepreneurs' Gender on their Access to Bank Finance (Journal of Business Ethics, Malmström, M., Burkhard, B., Sirén, C., Shepherd, D., & Wincent, J. (2023)) https://www.researchgate.net/publication/374780402_A_Meta-Analysis_of_the_Impact_of_Entrepreneurs'_Gender_on_their_Access_to_Bank_Finance

³³ Female entrepreneurs' gender roles, social capital and willingness to choose external financing (Wang, X., Cai, L., Zhu, X., & Deng, S. Asian Business & Management, 2020) <https://link.springer.com/article/10.1057/s41291-020-00131-1>

³⁴ National Assessment of Women's Entrepreneurship Development in Georgia (ILO and UN Women, 2023) <https://crrc.ge/wp-content/uploads/2024/06/national-assessment-of-wed-eng.pdf>

3.1.5. Inaccurate or Insufficient Information on State Support Programmes and Challenges in Meeting Requirements

According to a study by UN Women (2021)³⁵, women constitute a minority of government grant recipients and are even less likely to receive larger grants³⁶. Similarly, a study (2021) conducted by the Economic Policy Research Center (EPRC) found that only 7% of women entrepreneurs seeking to expand their businesses applied for government grant programs. Low application rates are attributed to several factors: (1) insufficient information and limited promotion of the programs; and (2) challenges in meeting program requirements, such as land ownership or co-financing conditions, which many women are unable to fulfill. Additionally, applicants whose grant requests are rejected often do not receive feedback explaining the reason for the decision.

The report Gender Impact Assessment of the Law of Georgia on Entrepreneurship³⁷ notes that women comprised only 19.7% of participants in programs of the Ministry of Environmental Protection and Agriculture. Similarly, women accounted for just 11% of participants in trainings and consultations conducted in the regions by the LEPL Innovation and Technology Agency. However, it should be noted that the situation under the LEPL “Enterprise Georgia” state program is more varied. For instance: a) Within the universal industrial component (Business Universal) since 2021, 35% of approved projects and 31% of the total approved volume involve enterprises/companies where the founder or director is a woman, and/or where women constitute more than 50% of the company ownership; b) Under the micro and small entrepreneurship component (microgrants), female beneficiaries accounted for 43% of recipients between 2015 and 2023; c) Through the Credit Guarantee Mechanism³⁸ (March 2023–present), 32% of approved projects and 28% of the corresponding project volume are associated with companies founded or led by women, and/or with female ownership exceeding 50%. d) Under the State Program for Support of Micro-entrepreneurship, 64.5% of approved projects and 64.7% of project volume involve enterprises with a female founder or director, and/or where women hold more than 50% of ownership. Additionally, 64.1% of approved projects are allocated to companies in which women collectively own more than 50% of the business³⁹.

Despite the efforts of state programs and international organizations, only a small proportion of women benefit from these services, which are primarily targeted at business expansion rather than business start-up. This may be attributed to the fact that a key requirement of these programs is a down payment that women are unable to provide at the initial stage due to limited financial means⁴⁰.

According to the Gender Impact Assessment of the Law of Georgia on Entrepreneurship, both women entrepreneurs and representatives of local governments and program administrators consistently identify the primary barrier to women’s participation in state programs as a lack of awareness of the programs and how to utilize them effectively. Data from 2022 indicate that 33% of women were unable to independently prepare and submit the required documentation, whilst 24% experienced difficulties in accessing information about the programs⁴¹.

³⁵ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/10/women_entrepreneurs_eng_compressed.pdf

³⁶ Factsheet - Women entrepreneurs in Georgia (UN Woman, April 2021) https://eca.unwomen.org/sites/default/files/Field%20Office%20ECA/Attachments/Publications/2021/8/Expo%20Report/Georgia_Factsheet-min.pdf

³⁷ „Gender Impact Assessment of the Law of Georgia on Entrepreneurs“ (2024 ISET-PI) <https://iset-pi.ge/storage/media/other/2024-08-09/957838e0-564c-11ef-87a7-4d22d08c9968.pdf>

³⁸ Government Decree #163 ‘on Approval of the State Program Credit Guarantee Scheme’ (2019, 29 March) <https://www.enterprisegeorgia.gov.ge/uploads/files/publications/66a0e5e5ca6d2-163-Country Gender Assessment Georgia.pdf>

³⁹ Enterprise Georgia <https://www.enterprisegeorgia.gov.ge/ka/Business-Development/Business-Universal>

⁴⁰ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/10/women_entrepreneurs_eng_compressed.pdf

⁴¹ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (2024 ISET-PI) <https://iset-pi.ge/storage/media/other/2024-08-09/957838e0-564c-11ef-87a7-4d22d08c9968.pdf>

A 2018 ADB study⁴² found that government programs designed to create new opportunities for women entrepreneurs often fail to address structural barriers or ensure their removal. The study recommends implementing gender mainstreaming within relevant government agencies, establishing mechanisms to promote women's entrepreneurship, and enhancing women's access to finance.

3.1.6. Informal Status of Business

The 2023 National Assessment of Women's Entrepreneurship Development in Georgia found that women entrepreneurs perceive formalizing a business as an important step for improving access to finance. This highlights how informal entrepreneurship often limits women's ability to engage with financial institutions and obtain needed financial services. However, it is important to note that, particularly in agricultural sectors in the regions, small loans (often provided by microfinance organizations) are frequently granted to households without a formal business status. Consequently, the necessity of formalization may vary depending on the size and type of business. When analyzing this issue, it is therefore essential to consider both business scale and sectoral characteristics⁴³.

According to a 2023 UN Women study⁴⁴, women entrepreneurs identify the costs of business registration (21%) and compliance with post-registration regulations (21%) as the primary barriers to formalizing their businesses. Less frequently cited reasons include lack of skills to complete registration procedures online (16%), lack of information about registration processes (15%), limited time to collect and submit the required documents to the relevant agency (14%), and the obligation to submit reports to the state after registration (12%), among others.

3.1.7. Cultural and Social Norms

According to the 2024 Gender Equality Index, Georgia ranks 69th out of 146 countries, with an overall score of 0.716. This represents an improvement compared to the previous year (in 2023 Georgia ranked 76th with a score of 0.708)⁴⁵.

However, significant challenges remain in terms of gender equality. According to a 2024 UN Women study⁴⁶, traditional cultural and social norms continue to shape the entrepreneurial landscape for women. Conservative gender roles place primary responsibility for childcare, elder care, and household management on women, limiting their time, mobility, and flexibility to fully engage in entrepreneurial activities. At the same time, business and entrepreneurship are still widely perceived as male-dominated fields, particularly in sectors considered non-traditional or high-risk for women. This environment contributes to disillusionment, undermines trust, and reduces women's participation in business.

Due to these constraints, women entrepreneurs are often concentrated in informal, low-capital, and low-growth sectors, such as small-scale retail, food processing, beauty salons, and home-based handcraft workshops. While these enterprises play a vital role in supporting household incomes, they are limited in scale and exhibit low market penetration. Moreover, informal businesses frequently lack access to institutional support, including credit, training, and business networks, further constraining their potential for growth and expansion.

⁴² „გენდერული ნაპრაღის ანალიზი“ (ADB, 2018) <https://www.adb.org/documents/georgia-country-gender-assessment>

⁴³ National Assessment of Women's Entrepreneurship Development in Georgia (UN WOMEN & ILO, 2023) <https://georgia.unwomen.org/en/digital-library/publications/2023/05/national-assessment-of-womens-entrepreneurship-development-in-georgia>

⁴⁴ National Assessment of Women's Entrepreneurship Development in Georgia (UN WOMEN & ILO, 2023) <https://georgia.unwomen.org/en/digital-library/publications/2023/05/national-assessment-of-womens-entrepreneurship-development-in-georgia>

⁴⁵ Global Gender Gap 2024 – Insight Report (June 2024. World Economic Forum) https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

⁴⁶ Gender Equality Attitudes Study in Georgia (UN Women, Tbilisi, Georgia, 2024) <https://georgia.unwomen.org/ka/digital-library/publications/2025/03/genderuli-tanascorobis-mimart-damokidebulebis-kvleva-sakartveloshi>

Strong gender stereotypes in Georgia continue to shape perceptions of leadership and decision-making. In a business environment where women's authority is not always recognized or valued, women entrepreneurs may face difficulties negotiating with suppliers, accessing formal markets, or securing safe investments. This contributes to their underrepresentation in formal entrepreneurial ecosystems and in leadership positions within business associations. Additionally, women's decision-making autonomy within the family remains limited. According to the report by Economic Policy Research Center (EPRC), 64% of women decided to start a business independently, 23% received family support, and 12% started a business jointly with their partners or spouses⁴⁷. The International School of Economics (ISET) reports⁴⁸ that women's decision-making power is particularly constrained in the villages. For example, 43% of women surveyed in rural areas indicated that their husbands were involved in the decision to start a business, compared with 31% in Tbilisi.

3.1.8. Risk Aversion

The report Gender Impact Assessment of the Law of Georgia on Entrepreneurship⁴⁹ indicates that women entrepreneurs are generally less willing than men to engage in high-risk business activities, largely due to concerns about "losing everything." Family and society tend to demonstrate greater tolerance towards men, often viewing their risky and unprofitable business decisions more sympathetically. As a result, women have relatively limited access to the formal financial sector. The average loan size issued to women entrepreneurs in the small and medium business sector is also lower. Consequently, women typically pursue loans only when they are confident in the viability of their business initiatives and feel prepared to manage them.

3.2. Supply-Side Constraints

Although the rights of entrepreneurs - including women entrepreneurs - are formally protected in national strategic documents and legislation, the provision of financial products and services tailored to the specific needs of women entrepreneurs remains a systemic challenge. This gap is partly attributable to persistent supply-side constraints.

3.2.1. High Collateral Requirements from Financial Institutions

According to the World Bank's 2023 Enterprise Survey⁵⁰, women, compared to men, are 3.2% more likely to be required to provide collateral when applying for loans, whilst the value of collateral required relative to the loan amount is 19% higher when the loan is issued to a company managed by a woman. These elevated collateral requirements place women-led businesses at a financial disadvantage, undermining their long-term profitability and overall sustainability.

⁴⁷ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/05/women_entrepreneurs_geo.pdf

⁴⁸ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

⁴⁹ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

⁵⁰ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

3.2.2. Gender-Biased Attitudes of Financial Institutions

According to the report of the National Assessment of Women's Entrepreneurship Development in Georgia (ILO and UN Women, 2023)⁵¹, access to finance becomes particularly challenging for women entrepreneurs when loan officers demonstrate limited awareness of the importance of supporting women-led businesses, as well as gender-biased attitudes. This challenge is especially pronounced for women entrepreneurs living in the regions (outside Tbilisi). Overall, gender-sensitive financial programs are primarily supported by the state or international donors and only rarely offered by commercial banks.

In addition, commercial banks and microfinance institutions primarily provide working capital and rarely finance high-risk initiatives (for example, venture capital projects). The male dominance within venture capital and angel investor markets further concentrates investments in sectors dominated by men. Given the underdeveloped capital market and the limited availability of venture capital financing, women entrepreneurs operate under significantly constrained conditions and face substantial barriers in securing funding for high-risk and high-return projects⁵².

3.2.3. Limited Representation of Women in Decision-Making Positions, Including in the Financial Sector

The report of the 2024 Action Plan of the Small and Medium Enterprises Development Strategy⁵³ notes that, according to Geostat, the proportion of active business entities with a female founder was 33% by the end of 2024 (a total of 281,071 enterprises, number of women founders - 91,406). It is noteworthy that the number of active business entities with a female founder increased by 5,568 in 2023 compared to the previous year, and by 13,084 compared to 2021 (2021 – 63,707; 2022 – 71,223; 2023 – 76,791).

Although overall gender equality in economic participation and opportunities has improved, several areas continue to exhibit significant gender imbalances⁵⁴. Specifically, women constitute 55% of the labor force, compared with 73.05% for men. Employment rates in managerial and executive positions reveal a 27.75% gender gap⁵⁵ between women (36.13%) and men (63.87%) (in favour of the latter). Political empowerment remains limited: as of 2024, women are severely underrepresented a) in parliament, (a 61.4% gender gap in favor of men), and b) in ministerial positions (a 66.7% gender gap favoring men). Based on the quantitative data presented in the Table below, it can be said that women's economic participation and opportunities, as well as political representation, in Georgia continue to lag significantly behind those of men, underscoring the need for strengthened economic and social policies (see Table #1).

⁵¹ National Assessment of Women's Entrepreneurship Development in Georgia (ILO and UN Women, 2023) <https://crrc.ge/wp-content/uploads/2024/06/national-assessment-of-wed-eng.pdf>

⁵² Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

⁵³ SME Development Strategy of Georgia 2021-2025 – 2024 Annual Report on the 2023-2025 (Ministry of Economy and Sustainable Development of Georgia) https://www.economy.ge/uploads/files/2017/ek__politika/2024/samoqmedo_gegmis_shesrulebis_cliuri_angarishi_2024.pdf

⁵⁴ Global Gender Gap Report 2024 (Insight Report, June 2024) World Economic Forum https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

⁵⁵ The gender gap refers to differences in the participation of women and men across various spheres of public life, as reflected in social, political, cultural, and economic achievements and attitudes (Source: World Economic Forum; <https://www.weforum.org/stories/2017/11/the-gender-gap-actually-got-worse-in-2017/>)

TABLE #1: WOMEN'S ECONOMIC AND POLITICAL PARTICIPATION AND OPPORTUNITIES⁵⁶

Indicator	Position	Score	Gender Difference	Woman	Man
■ Economic participation and Opportunities	54 th	0.720	-	-	-
Labor market participation rate (%)	84 th	0.753	-18.04	55.00%	73.05%
Wage parity for similar work (1-7)	19 th	0.744	-	-	-
Estimated annual income (Intl \$)	89 th	0.604	-8.55	13.06	21.61
Managerial and senior positions (%)	63 th	0.566	-27.75	36.13%	63.87%
Professional and technical positions (%)	1 st	1.000	23.39	61.70%	38.30%
■ Political empowerment	88 th	0.179	-	-	-
Women in Parliament (%)	102 th	0.239	-61.40	19.30%	80.70%
Women in ministerial positions (%)	98 th	0.200	-66.67	16.67%	83.33%
Women as heads of state (in 50 year, years)	33 th	0.125	-38.93	5.54	44.46

In addition to the above, to further understand Georgia's gender profile, it should be noted that 2024 data indicate that 29.5% of enterprises/organizations have at least one female owner, whilst 14.8% are majority-owned by women. Women hold top management positions in 16.5% of organizations/enterprises⁵⁷. Notably, female representation in leadership has improved by 5.13 points. The employment rate of women in the informal sector⁵⁸ is 54.15%, slightly below the corresponding rate for men (56.94%)⁵⁹.

In 2018, the Corporate Governance Code for Commercial Banks was approved by order of the President of the National Bank of Georgia⁶⁰, establishing as a key requirement that commercial banks include at least 20% representation of the opposite sex (at least one member) on their supervisory boards. In May 2025, the Code was amended by the order of the President of the National Bank⁶¹, requiring that women comprise at least 40% of supervisory boards by June 1, 2025. If a bank's supervisory boards consist of three members, at least one member must be of the opposite sex. According to the National Bank's annual report (2024)⁶², as of December 2024, the overall proportion of women on the supervisory boards of commercial banks amounted to 37%. As for the National Bank itself, women accounted for 54.6% of its total employees, compared with 45.4% for men.

⁵⁶ The information presented in the table illustrates differences in the levels of participation and opportunities available to women and men in the country's economic and political life. In the gender gap column, red indicates a negative trend (favouring men), whilst green indicates a positive trend (favouring women). Global Gender Gap 2024 (Insight Report, June 2024), World Economic Forum https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

⁵⁷ Enterprise Survey, What Businesses Experience (World Bank, 2023 – Country Profile) <https://www.enterprisesurveys.org/en/data/exploretopics/gender>

⁵⁸ "An informal sector enterprise is (1) an unincorporated enterprise, (2) a market enterprise (i.e. it sells at least some of the goods or services it produces), and (3) meets at least one of the following criteria: (i) the enterprise is not registered, (ii) the employees of the enterprise are not registered, or (iii) the number of persons engaged on a continuous basis is below a threshold determined by the country (Global Gender Gap - 2024, Insight Report, 2024, World Economic Forum) https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

⁵⁹ Global Gender Gap - 2024, Insight Report (Insight Report, June 2024) World Economic Forum https://www3.weforum.org/docs/WEF_GGGR_2024.pdf

⁶⁰ Order of the Presidents of the National bank of Georgia #215/04 on approving the „Corporate Governance Code for Commercial Banks (2018 წელი, 26 September; National Herald of Georgia) <https://matsne.gov.ge/ka/document/view/4333402?publication=0>

⁶¹ Order #127/04 of the President of the National Bank of Georgia, on Amendments to Order #215/04 of 26 September 2018 of the President of the National Bank of Georgia on the Approval of the Corporate Governance Code for Commercial Banks (2025, May 29, Legislative Herald of Georgia) <https://matsne.gov.ge/ka/document/view/6508342?publication=0>

⁶² Annual Report 2024 – (National Bank of Georgia) https://nbg.gov.ge/fm/შუბლიკაციები/ანგარიშები/წლიური_ანგარიში/2024/annual-geo-2024.pdf?v=dhvi3

4. Existing Opportunities for Women Entrepreneurs to Access Finance

Institutional support for women entrepreneurs in Georgia includes the state, international organizations, and the banking sector. This study demonstrates that multi-level support mechanisms are being implemented within the business sector, offering not only financial benefits but also knowledge-sharing initiatives and professional empowerment (non-financial products). In this process, the role of international organizations is particularly significant, as they contribute to transforming the business ecosystem not only through the mobilization of financial resources but also through non-financial interventions⁶³.

4.1. Overview of Financial Sector Products Supporting Women Entrepreneurs

4.1.1 Financial Products

The financial products available in the financial sector to support women entrepreneurs differ in their terms and conditions:⁶⁴

ProCredit Bank's model of supporting women entrepreneurs is distinctive in both its structure and conditions compared to other commercial actors. With the support of the European Union, the Swedish Government, and the European Bank for Reconstruction and Development (EBRD), the bank offers women entrepreneurs loans of up to EUR 2 million in GEL, USD, or EUR for a term of up to five years. These loans include a number of preferential conditions: a 0.5% reduction from the standard interest rate (the standard ProCredit Bank business loan rate in GEL is 12.5%); a 20% reduction in collateral requirements (with the default value of property, equipment, or other types of collateral typically set at a minimum of 120%); and a 50% discount on commission fees⁶⁵

Terabank, under the Support of Micro-entrepreneurship Program of the LEPL Enterprise Georgia, offers loans to women entrepreneurs ranging from 20,000 to 50,000 GEL, with a fixed interest rate of 8.5% (the interest is fully subsidized by the state for the first five years), 0% commission, and up to an 80% state guarantee, significantly reducing financial barriers⁶⁶. The bank also actively participates in the NASIRA guarantee program, through which it provides consumer loans ranging from 500 to 390,000 GEL to women entrepreneurs, inexperienced or new startups, and young entrepreneurs. NASIRA supports financial institutions to expand their lending activities for micro, small and medium entrepreneurs, with particular emphasis on small farmers, women entrepreneurs, and young entrepreneurs who face difficulties in accessing finance due to limited collateral and high credit risks⁶⁷.

JSC Bank of Georgia and the International Finance Corporation (IFC) signed a five-year loan agreement totaling GEL 100 million aimed at supporting small and medium-sized enterprises (SMEs) in Georgia. A portion of the funds (25%) is specifically allocated for women entrepreneurs under the "Opportunities for Women Entrepreneurs" program, a global initiative of the IFC and the Goldman Sachs Foundation⁶⁸.

⁶³ Non-financial products, unlike financial products (e.g. loans, grants, etc.), focus on knowledge sharing and skills development (e.g., training, mentoring, consulting, and technical assistance)⁶³The

⁶⁴ The information presented below may not fully reflect the scope of activities undertaken by the country's financial sector to support women entrepreneurs.

⁶⁵ Financing Program for Women Entrepreneurs (ProCredit Bank) <https://procreditbank.ge/en/financing-program-women-entrepreneurs?list=300>

⁶⁶ Micro Entrepreneurs Support Program (Terabank) <https://terabank.ge/ka/business/loans/1035-mikro-metsarmeebis-mkhardamcheri-programa>

⁶⁷ Terabank Introduces FMO's NASIRA Guarantee Program (Terabank, 2023) <https://terabank.ge/ka/retail/news/3089-terabanki-fmo-s-sagarantio-programa-nasira-s-gankhortsielebas-Itskebs>

⁶⁸ Bank of Georgia signed 100 million GEL loan agreement (BOG, 2020) <https://bankofgeorgia.ge/en/about/news/details/5e3bd80e091d338999a01b75>

In 2024, **TBC Bank** introduced a special offer for companies with a female founder or director: loans ranging from GEL 50,000 to GEL 500,000 without collateral, with an interest rate capped at 10% for the first five years. Additionally, if the funds are used for investment purposes and the purchase of Euro-standard assets, a 10–15% refund is available. TBC Bank also provides additional benefits for women entrepreneurs across various banking products, including a three-month grace period on TBC POS terminal fees, a reduced 1.4% fee on transfers made with TBC cards (down from 1.5%), and a fee of 1.4% instead of 1.7% on transactions made with partner bank cards⁶⁹.

Other financial institutions provide relatively standard offerings. Liberty Bank, for example, offers women entrepreneurs quick loans and basic consulting services. However, these offerings are not accompanied by a systematic approach or an integrated framework for professional development.

4.1.2. Non-Financial Products

For women entrepreneurs, non-financial products in the form of services is as critically important as financial assistance. For example, **ProCredit Bank**, under a special financing program, offers high-profile training for women entrepreneurs in leadership, digital transformation, and financial management. This support targets women entrepreneurs whose businesses have moved beyond the initial stage and require growth and systematization. The prerequisites for receiving support are as follows: at least 50% of the company's board of directors must be women and the number of employees must not exceed 250. This approach helps establish an effective support framework, which is further strengthened through integration with the EBRD's Women in Business platform and provides beneficiaries with access to international resources⁷⁰.

The Bank of Georgia, in partnership with the United Nations Development Program (UNDP), has developed a "360-degree support approach"⁷¹, which aims to strengthen women entrepreneurs and provides intensive training in marketing, communication, financial management, sales strategies, the use of digital technologies, business planning, and leadership. Both aspiring and existing women entrepreneurs - regardless of region or sector - are given opportunities to join professional networks and build partnerships. Since 2022, more than 200 women entrepreneurs have received support within the program. This cooperation between the Bank of Georgia and UNDP demonstrates that women's economic empowerment requires an integrated, multifaceted support system that extends beyond financial resources to include education and networking⁷².

TBC Bank focuses on providing technical and administrative training, which is beneficial for startups and micro-businesses but does not, on its own, lead to systemic strengthening. In 2024, the bank entered into a partnership with the European Investment Bank (EIB), resulting in the development of a guarantee mechanism valued at more than €31 million. This guarantee is intended to provide incentives for women entrepreneurs, startups, and regional businesses. Although the mechanism does not involve the direct issuance of loans to women, it reduces lending risks for the bank and thus creates more favorable conditions for women entrepreneurs. Consequently, this initiative represents not a one-off, limited form of support, but a step toward transforming the broader institutional environment⁷³.

⁶⁹ Special offer by TBC Bank for women entrepreneurs (8 October 2024, Forbes) <https://forbes.ge/thibisis-spetsialuri-shetha-vazeba-metsarme-qalebisathvis/>

⁷⁰ Financing Program for Women Entrepreneurs (ProCredit Bank) <https://procreditbank.ge/en/financing-program-women-entrepreneurs?list=300>

⁷¹ Opportunities for Women Entrepreneurs (Bank of Georgia) <https://bankofgeorgia.ge/ka/business/360-entrepreneurs>

⁷² Development Program for Women Entrepreneurs (BOG) <https://bankofgeorgia.ge/ka/business/undp>

⁷³ Georgia: EIB Global and TBC Bank sign a guarantee agreement enabling over EUR 31 million to support businesses (European Investment Bank) <https://www.eib.org/en/press/all/2024-036-georgia-eib-global-and-tbc-bank-sign-a-guarantee-agreement-enabling-over-eur31-million-to-support-georgian-businesses>

4.2. State Support Programmes

4.2.1. Financial Products

The Resolution of the Government of Georgia No. 229 of July 12, 2024 approved the State Program for Support of Micro-Entrepreneurship⁷⁴, under which LEPL Enterprise Georgia is responsible for implementing the designated measures. The program aims to promote micro-entrepreneurship, create new jobs, and strengthen the competitiveness and entrepreneurial potential of the private sector. The program consists of three main components: a) a guarantee component, b) a subsidy component, and c) a grant component (the beneficiaries of which are individuals participating in the Mziskari project of the LEPL - Georgian National Tourism Administration). The maximum annual interest rate that banks may charge on loans issued within the program is determined by the agency (LEPL Enterprise Georgia) in accordance with the rules agreed with the Ministry of Economy and Sustainable Development. Women entrepreneurs⁷⁵ benefit from the program through a loan mechanism that provides full subsidization of the five-year interest rate from the moment the first tranche is issued. Within the framework of the program, the minimum loan amount available is 20,000 GEL and the maximum is 50,000 GEL.

Within the framework of the State Program for Support of Micro, Small and Medium Enterprises, approved by the Government of Georgia's Resolution No. 567⁷⁶ of December 14, 2022 and implemented by LEPL Enterprise Georgia, regional consulting centers have been established. The services offered under the program cover three main areas: consulting services, business skills development, and information services. Beyond general informational support, entrepreneurial entities may receive these services at the consulting center located in the region where they conduct their business activities. Under the consulting services component, entrepreneurial entities can obtain assistance across several modules, including sales and marketing, tax-related issues, legal services, finance and accounting, business modeling and strategic planning, and digitalization. According to the established rules on co-financing volumes and limits, the Agency may provide up to 10,000 GEL in co-financing within the consulting services (across all modules except digitalization). For services related to digitalization, the maximum co-financing or grant available from the Agency is 25,000 GEL.

The Agency's financing share for consulting services is determined based on the income received by the entrepreneurial entity during the calendar year preceding the signing of the contract is:

- 30,000-500,000 GEL: up to 90% of the total cost
- 500,000-2,000,000 GEL: up to 70% of the total cost
- 2,000,000-10,000,000 GEL: up to 50% of the total cost

The Agency's co-financing share may be increased by up to 5%, but not exceeding 95%, for entrepreneurial entities in which: more than 50% of the shares are owned by women, or more than 50% of the shares are owned by internally displaced persons, or more than 50% of the shares are owned by persons with disabilities receiving the social package provided under Resolution No. 279 of the Government of Georgia, dated July 23, 2012.

⁷⁴ Resolution of the Government of Georgia #229 on the approval of the State Programme for Support of the Micro-Entrepreneurship (12.07.2024, Legislative Herald of Georgia) <https://matsne.gov.ge/ka/document/view/6226236?publication=0>

⁷⁵ In the case of a legal entity, only entrepreneurs whose business has been fully owned by women for at least six months prior to, and at the time of, inclusion in the program are considered female entrepreneurs (Legislative Herald of Georgia) <https://matsne.gov.ge/ka/document/view/6226236?publication=0>

⁷⁶ Ordinance #567 of the Government of Georgia on the Approval of the State Program for the Support of Micro, Small, and Medium Enterprises (14.22.2022, Legislative Herald of Georgia) <https://matsne.gov.ge/ka/document/view/5643095?publication=0>

The Rural Development Agency (RDA) supports rural development, agribusiness, and entrepreneurship through co-financing, grants, loan guarantees, and investment mechanisms. While the agency maintains a gender-neutral policy, with the same participation conditions for both women and men, recent years have seen notable efforts to promote the involvement of women entrepreneurs. Although the RDA's main financial instruments - including the New Agrocredit Project, co-financing programs, and grants for small and medium-sized farmers - do not include gender quotas or special conditions for women, female participation is recorded in practice, particularly in small and family-run enterprises⁷⁷. Another notable initiative of the RDA is the Greenhouse Pilot Program for Women (launched in 2022) in partnership with UN Women and the Swiss Agency for Development (SDC), which aims to engage economically inactive women in agriculture through greenhouse installation⁷⁸. The program was initially implemented in the municipalities of Marneuli and Lagodekhi, where 37 female beneficiaries received financial and technical support to start or expand greenhouse farming. The pilot gradually expanded to include other municipalities⁷⁹ (Chokhatauri, Vani, and Tskaltubo municipalities), with the funding model shifting from international donors to state resources (from 2022 to December 31, 2024, 100 unique beneficiaries signed contracts under the program, representing a total investment of 2,043,132 GEL, of which 1,838,334 GEL was co-financed by the RDA).

4.2.2. Non-Financial Products

Among entities providing non-financial products to women entrepreneurs within state programs, the **LEPL Enterprise Georgia** is notable, establishing an institutionally developed and systematically operating framework to promote gender equality and support women's entrepreneurship. In 2020, the Agency approved its Gender Equality Strategy and Action Plan, and in 2021, a permanent coordination commission was established to oversee the implementation of gender mainstreaming⁸⁰ in internal regulations and strategic plans. Over 70% of the Agency's staff have received training on sexual harassment prevention, non-discrimination, gender equality, and women's economic empowerment, with support from international partners (such as UN Women, GIZ, USAID). A gender-disaggregated data collection system was also established to ensure gender-sensitive data processing and analysis, to monitor grant and financial support programs for micro and small enterprises from a gender perspective, etc. Additionally, with support from the German Corporation for Cooperation (GIZ), a framework methodology for assessing economic impact was developed. Supporting women and young entrepreneurs was identified as one of the key priorities of the microgrant program, which includes targeted trainings for women entrepreneurs (2,074 women participated in this trainings in 2021 alone). LEPL Enterprise Georgia offers a Certificate Course for Export Managers to retrain and improve the qualifications of export managers, thereby improving the effectiveness of export-oriented companies, boosting their competitiveness and developing export operations. This course is delivered in collaboration with educational institutions⁸¹. Beyond financial and non-financial support, Enterprise Georgia takes active measures to raise awareness and promotes the role of women in entrepreneurship. During 2020 and 2021, success stories of approximately 30 female entrepreneurs were published on the Agency's website and social media. In the industrial sector, the agency provided 800 beneficiaries with information on the principles of women's economic empowerment.⁸²

⁷⁷ Rural Development Agency - <https://www.rda.gov.ge/en/programs/archive>

⁷⁸ Pilot Program for Women (Rural Development Agency) <https://www.rda.gov.ge/en/programs/women-pilot-program>

⁷⁹ The Greenhouse Pilot Program for Women Farmers is being expanded (UN Georgia, 2023) <https://georgia.un.org/en/254532-greenhouse-pilot-programme-women-farmers-being-expanded>

⁸⁰ Gender mainstreaming is defined as a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes. Available at <https://www.un.org/womenwatch/osagi/pdf/ECOSOCAC1997.2.PDF>

⁸¹ Certificate Course for Export Managers – LEPL Enterprise in Georgia <https://www.enterprisegeorgia.gov.ge/ka/სიახლეები/ექსპორტის-მენეჯერთა-სახელმძღვანელო-3>

⁸² Gender Equality Reports 2020-2022" <https://www.enterprisegeorgia.gov.ge/ka/Gender-Policy/Reports>

The **LEPL Georgian Innovation and Technology Agency (GITA)** supports technology startups and their active collaboration with the international startup movement Start-up Grind, which aims to connect startups, investors, technology entrepreneurs and innovators worldwide. Start-up Grind, supported by Google for Startups, operates in more than 125 countries. Since 2014, its events in Georgia have included panel discussions, inspirational talks by successful women entrepreneurs, and network meetings. GITA has also added a +2-point advantage for women entrepreneurs to the evaluation criteria of the 'Innovation Grants for Regions' program, thereby prioritizing startup ideas and entrepreneurial activities led by women entrepreneurs. Additionally, it should also be noted that GITA has established a gender-segregated data collection system.⁸³

4.3. Support Programmes by the Non-Governmental Sector and International Organizations

4.3.1. Financial Products

In addition to the local financial sector, international financial institutions also provide financial support to women entrepreneurs. For instance, the **European Bank for Reconstruction and Development (EBRD)**, within the framework of its Women in Business initiative in Georgia, collaborates with commercial banks to develop financial products tailored specifically for women. The EBRD offers women entrepreneurs small grants and loan terms specifically designed to meet their needs. Between 2016 and 2021, the EBRD provided approximately €37 million in financing to more than 2,500 women-led businesses in Georgia (in partnership with TBC Bank and the Bank of Georgia). Notably, around one-quarter of this financing was directed to startups and first-time borrowers, indicating a clear focus on supporting women entrepreneurs who are in the early stages of their entrepreneurial careers and face limited access to finance. A key strength of the program is its close cooperation with commercial banks, which contributes to both wider outreach and greater service effectiveness⁸⁴. The **Netherlands Development Bank (FMO)** also supports women's financial inclusion through the NASIRA⁸⁵ guarantee program, which is funded by the European Union and focuses on women, youth and migrants. NASIRA creates a guaranteed financial space for banks to enable them to extend financing to women entrepreneurs with less stable financial histories⁸⁶. Several additional financial resources targeting women entrepreneurs are also noteworthy: grant competitions organized under the digital payments company Visa's She's Next initiative; International Finance Corporation (IFC); and grants and loans issued by the European Investment Bank (EIB) within the framework of the Sustainability Awareness Bond program.

4.3.2. Non-Financial Products

Within the framework of the "Women in Business" program, the **European Bank for Reconstruction and Development (EBRD)** provides women entrepreneurs with tailored technical support, training, consulting, and mentoring.⁸⁷

⁸³ Georgia's Innovations and Technology Agency <https://gita.gov.ge/news>

⁸⁴ National Assessment of Women's Entrepreneurship Development in Georgia (UN Women Georgia, 2023). https://georgia.unwomen.org/sites/default/files/2023-05/National%20Assessment%20of%20WED%20in%20Georgia_ENG.pdf

⁸⁵ Nascent Approach to Sustainable Investment in Risk Adjusted Assets

⁸⁶ „NASIRA: European Fund for Sustainable Development Plus (EFSD+) (European Commission) https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/funding-instruments/european-fund-sustainable-development-plus/nasira_en?prefLang=mt&utm

⁸⁷ Program – Women in Business (European Bank for Reconstruction and Development) <https://www.ebrd.com/home/what-we-do/products-and-services/support-for-start-ups-and-msmes/our-programmes/women-in-business.html#customtab-5808e48d39-item-3a27943abb-tab>

In addition to the above services, the digital payments company VISA offers women entrepreneurs a platform for sharing experiences through its “She’s Next” initiative.⁸⁸

The **International Finance Corporation** (IFC) implements initiatives focused on institutional adaptation of financial products and services, including the gender-sensitive redesign of banking products (creating low-barrier options for women with limited banking experience), as well as strengthening data collection and analysis capabilities (registering and analyzing borrowers by gender)⁸⁹.

The **European Investment Bank** (EIB) is actively developing instruments to support gender equality and is implementing risk-reduction policies across the financial sector through the “Sustainability Awareness Bond” project, which is particularly significant for women entrepreneurs, who often do not meet traditional banking criteria (such as having an established credit or financial history, stable income, or property for collateral, etc.). The EIB’s involvement establishes a fundamentally new model in which women entrepreneurs are recognized not merely as a vulnerable group but as actors with growth potential whose financing generates economic benefits. This approach provides a foundation for the development of future gender-sensitive credit policies⁹⁰.

In 2024, over 2,500 women participated in business management training courses under the **USAID** “YES – Youth Entrepreneurial Skills” program and also gained expanded access to legal and accounting services, mentorship, and networking opportunities⁹¹.

Another notable initiative is Tech Camp, launched by the U.S. Department of State in 2010, which empowers activists, civil society representatives, and entrepreneurs through technology. Tech Camp projects in Georgia are tailored to specific target groups, including youth, journalists, and women entrepreneurs. As part of Tech Camp, several trainings focusing on women entrepreneurs or on women’s empowerment were conducted. For instance, a 2021 Tech Camp event was attended by emerging women entrepreneurs, who were provided with information on digital marketing, product development, and fundraising.

⁸⁸ „She’s Next – Empowered by VISA“ https://www.visa.com/ge/en_GE/pay-with-visa/promotions/shes-next.html?utm

⁸⁹ Banking on Women: CREATING VALUE FOR BANKS AND BOOSTING ECONOMIC GROWTH (International Financial Corporation) <https://www.ifc.org/content/dam/ifc/doc/mgrt/08316-ifc-bow-finalweb.pdf>

⁹⁰ Closing the gender gap: why financing equality pays off – ensuring that women compete on a level playing field drives growth and innovation (Calvino Nadia, European Investment Bank, 2025) <https://www.eib.org/en/stories/women-equality-growth-innovation?>

⁹¹ Supporting Youth and Women Entrepreneurship (YES-Georgia) Mid-Term Performance Evaluation (USAID) https://www.integrallc.com/wp-content/uploads/2024/09/LEAP-III_YES-Georgia-MTE_Final-Report.docx.pdf?utm_source=chatgpt.com



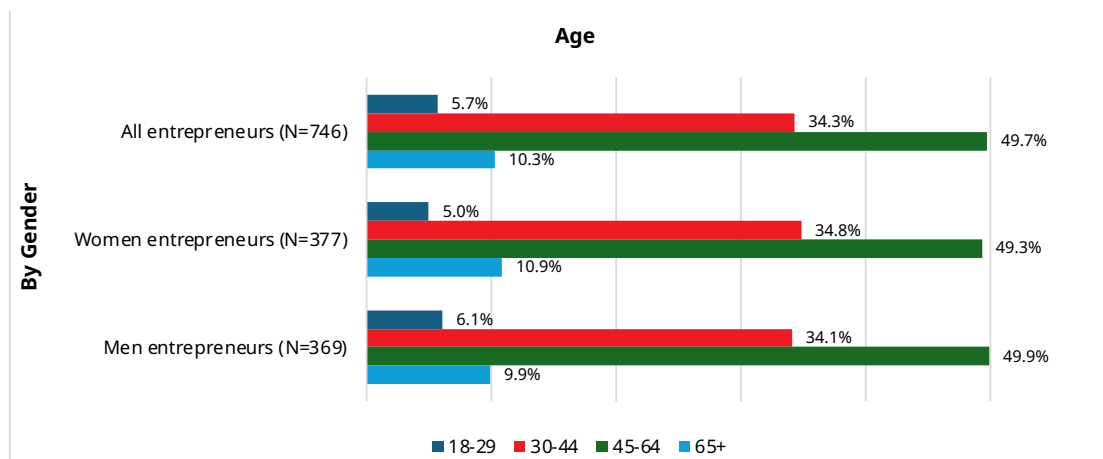
PART TWO:
QUANTITATIVE
AND QUALITATIVE
RESEARCH REPORT

CHAPTER 1. ENTREPRENEURIAL EXPERIENCES AND ASSESSMENTS OF CURRENT WOMEN AND MEN ENTREPRENEURS

1. Socio-Demographic Profile of Entrepreneurs

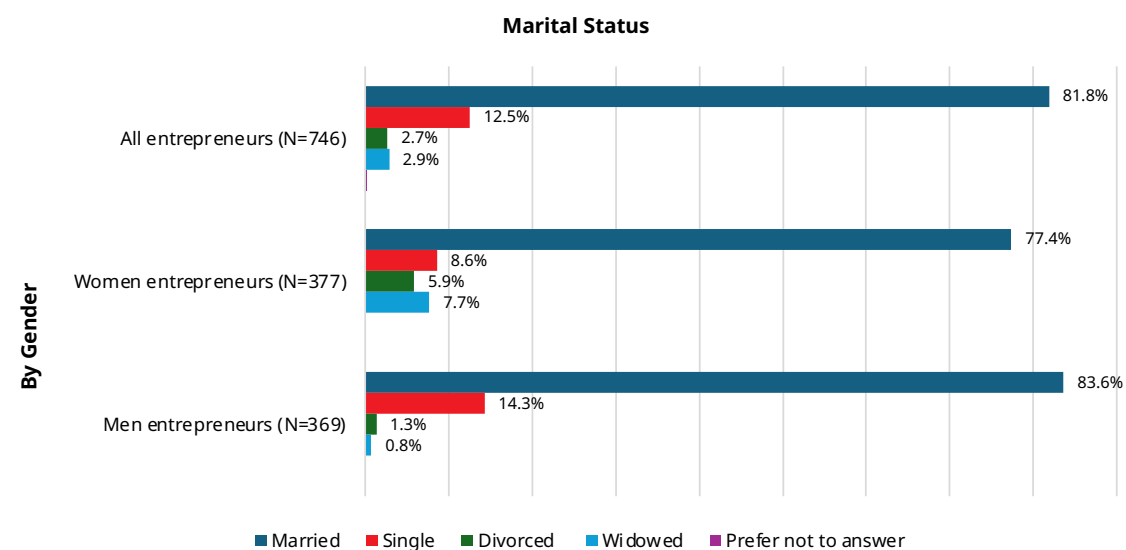
Female and male entrepreneurs are represented in nearly equal proportions in the survey. (women - 50.5%, men - 49.5%). Age-group distribution shows that the majority of respondents fall within the 45–64 years (49.7%) and 30–44 years (34.3%) categories. Analysis of age distribution by gender reveals no statistically significant differences (see Diagram 1.1).

Diagram #1.1: Age of Entrepreneurs



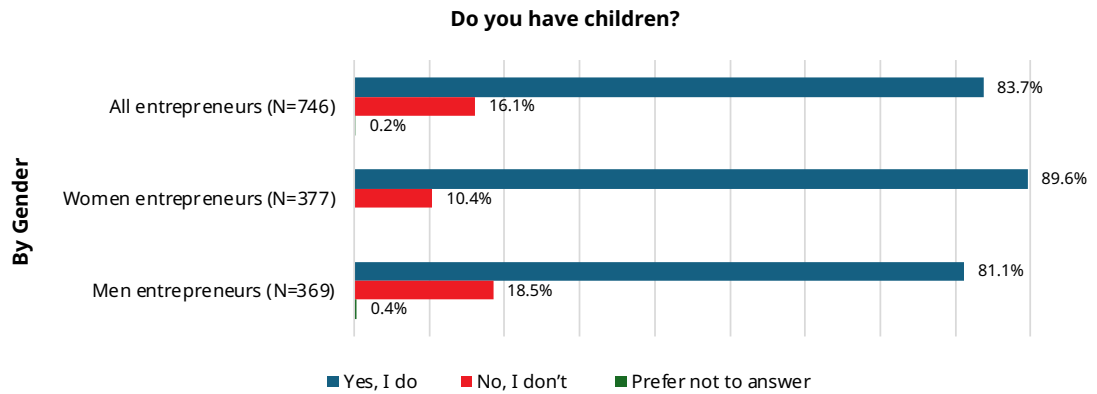
81.8% of entrepreneurs are married. Statistical analysis by gender shows that the proportion of married women entrepreneurs (77.4%) is lower than that of married men entrepreneurs (83.6%) (data are statistically reliable: $X^2= 45.653$, $p < 0.05$) (see Diagram 1.2).

Diagram #1.2: Marital Status of Entrepreneurs



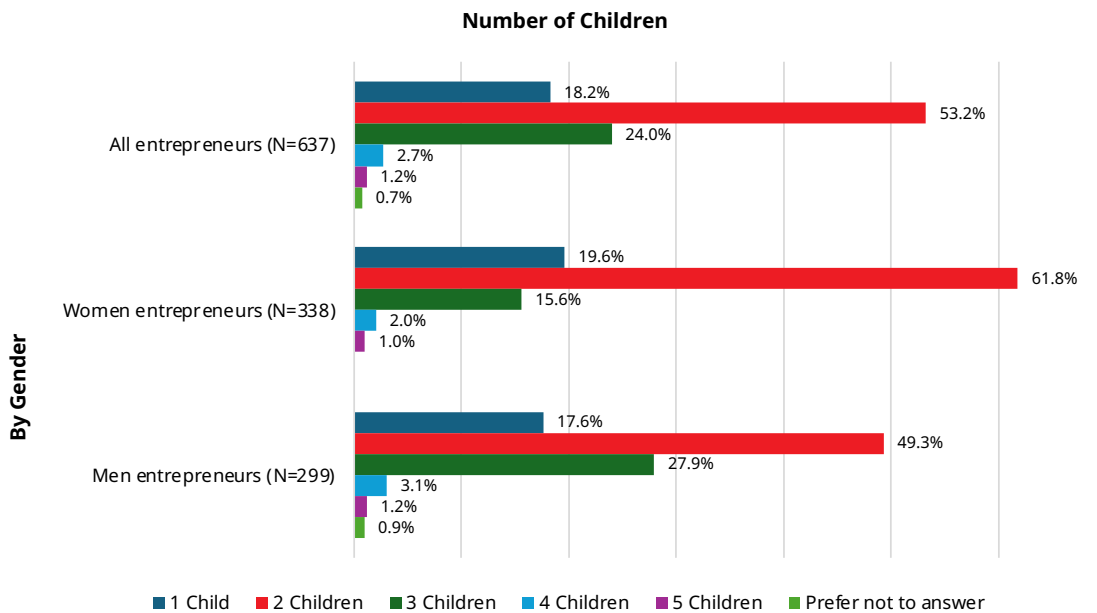
The vast majority of both men and women entrepreneurs (83.7%) have children, whilst 16.3% do not. Analysis by gender shows that a higher proportion of female entrepreneurs (89.6%) have children compared to male entrepreneurs (81.1%) (data are statistically reliable: $X^2= 8.465$, $p < 0.05$) (see Diagram #1.3).

Diagram #1.3: Having Children



Of the respondents who reported having children, every other has two children, and nearly one-quarter have three. The proportion of respondents with two children is highest among both female entrepreneurs (61.8%) and male entrepreneurs (49.3%) (data are statistically reliable: $\chi^2 = 15.345$, $p < 0.05$) (see Diagram #1.4).

Diagram #1.4: Number of Children among Entrepreneurs



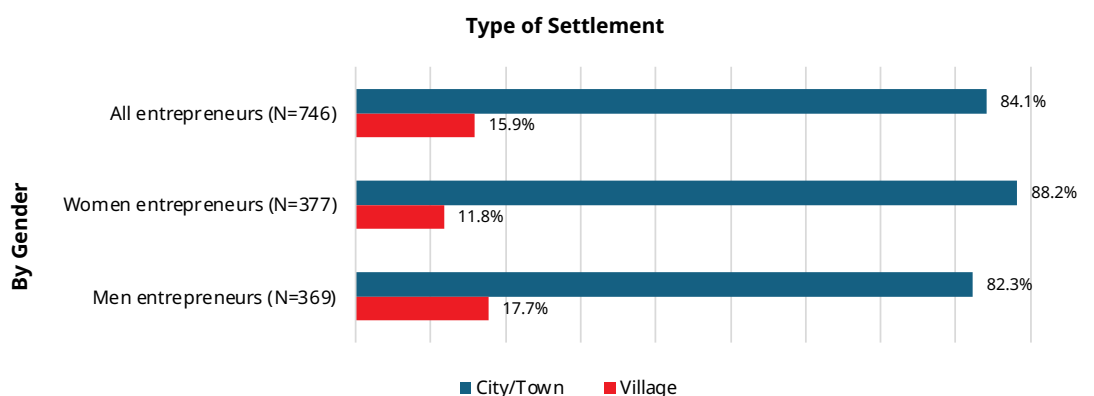
36.3% of entrepreneurs reside in Tbilisi, whilst the share of those living in other regions is significantly lower. The regional distribution of female and male entrepreneurs shows no statistically significant differences between the two groups (see Table 1.1).

TABLE #1.1: DISTRIBUTION OF ENTREPRENEURS BY REGION OF RESIDENCE

Region of Residence (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Tbilisi	36.3	34.5	40.9
Adjara	11.5	13.9	11.8
Guria	2.1	2.2	2.3
Imereti	14.1	14.3	14.3
Kakheti	8	8.1	4.4
Mtskheta-Mtianeti	1.9	2.2	1.7
Racha-Lechkhumi and Kvemo Svaneti	1.1	0.9	0.8
Samegrelo-Zemo Svaneti	8.3	9	6.8
Samtskhe-Javakheti	3.2	2.7	2.7
Kvemo kartli	6.2	5.4	7.6
Shida Kartli	7.2	6.7	6.8

84.1% of the entrepreneurs surveyed as part of the study live in urban settlements, whilst 15.9% reside in rural areas. This pattern is consistent across genders: namely, among both female (city - 88.2%; village - 11.8%) and male (city - 82.3%; village - 17.7%) entrepreneurs, the proportion of those residing in urban areas is substantially higher than that of rural residents (data are statistically reliable: $\chi^2= 4.106$, $p < 0.05$). A similar pattern is observed among potential female entrepreneurs (see Diagram #1.5).

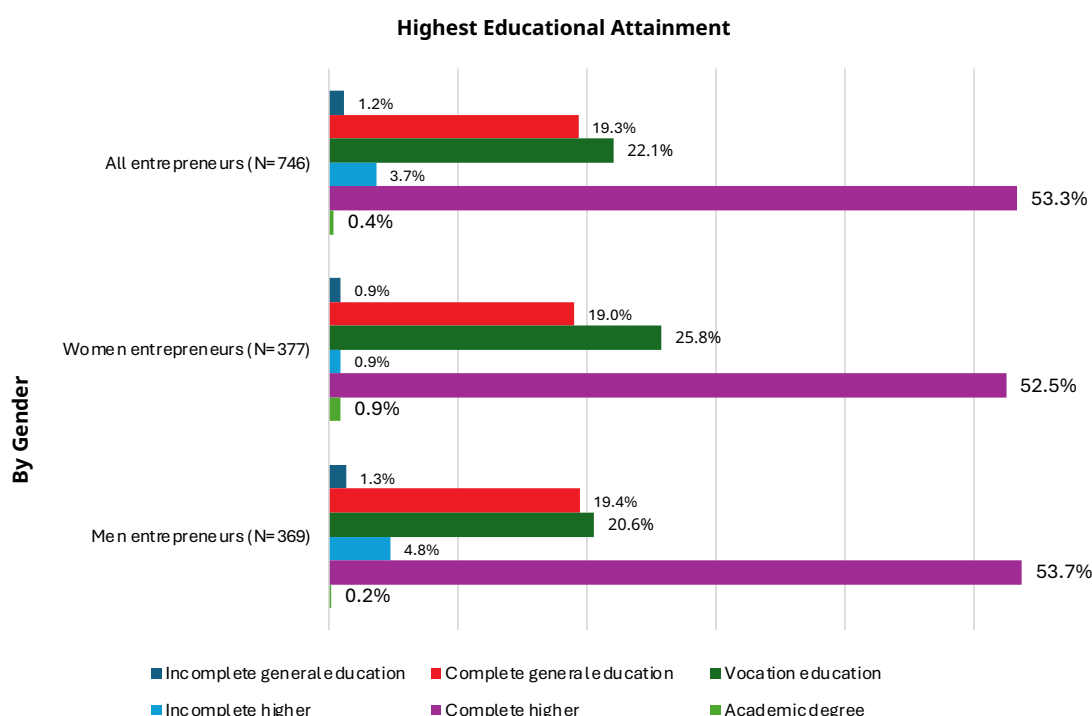
Diagram #1.5: Type of Settlement of Entrepreneurs



The respondents of the in-depth interviews conducted as part of the qualitative component of the study were women entrepreneurs residing in various regions of Georgia, operating in both urban and rural settlements.

In terms of educational attainment, findings from the quantitative study indicate that every other entrepreneur has higher education, 22.1% have vocational education, and nearly one-fifth have completed general education. Analysis by gender reveals no statistically significant differences in educational attainment between women and men entrepreneurs (see Diagram #1.6).

Diagram #1.6: Educational Attainment of Entrepreneurs



According to the survey findings, 69.5% of entrepreneurs do not have an alternative source of income beyond their own business/enterprise. In total, only 17.8% are employed in the public or private sectors. Analysis by gender yields no statistically significant differences (see Table #1.2).

TABLE #1.2: ALTERNATIVE SOURCE OF INCOME BEYOND ENTERPRISE/BUSINESS

Apart from your enterprise/business, do you have any other sources of income? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Yes, employment in the public sector	4.7	4	5
Yes, employment in the private sector	13.1	12.9	13.2
Yes, formally self-employed (pays taxes, e.g., individual entrepreneur)	7.8	6.8	8.2
Yes, informally self-employed (does not pay taxes, e.g., nanny, tutor, etc.)	3.9	4	3.9
Other	1.4	2.5	1
No other source of income	69.5	70.8	69
Prefer not to answer	0.4	-	0.6

Analysis by type of settlement shows that in Tbilisi and other self-governing cities, more than 70% of entrepreneurs report having no source of income beyond their own enterprise/business. In municipalities, this proportion stands at 64%. Nearly one-fifth of entrepreneurs in other self-governing cities are employed in the private sector, providing them with an additional source of income, whereas this proportion does not exceed 10.5% in Tbilisi and 11.4% in municipalities (data are statistically reliable: $\chi^2= 47.828$, $p < 0.05$) (see Table #1.3).

TABLE #1.3: ALTERNATIVE SOURCE OF INCOME BEYOND ENTERPRISE/BUSINESS (BY TYPE OF SETTLEMENT)

Apart from your enterprise/business, do you have any other sources of income? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Yes, employment in the public sector	3.1	1.8	8.8
Yes, employment in the private sector	10.5	19.1	11.4
Yes, formally self-employed (pays taxes, e.g., individual entrepreneur)	8.8	5.6	8.2
Yes, informally self-employed (does not pay taxes, e.g., nanny, tutor, etc.)	0.2	1.2	3
Other	73.8	70.4	64
No other source of income	1	-	-
Prefer not to answer	0.6	-	0.8

Before initiating their current entrepreneurial activities, 38.6% of respondents were employed in the private sector, 23.7% were self-employed, and 19.2% were unemployed. Statistical analysis by gender reveals that, among both female and male entrepreneurs, the largest proportion had worked in the private sector prior to launching their current business ventures (women entrepreneurs - 38.4%; men entrepreneurs - 38.7%). Additionally, 29.9% of male entrepreneurs reported prior self-employment, whilst the corresponding proportion among female entrepreneurs is 10% lower at 19.5%. Conversely, the proportion of individuals who were unemployed before starting their business is higher among women (23.7%) than among men (15%) (data are statistically reliable: $X^2= 19.998$, $p < 0.05$) (see Table #1.4).

TABLE #1.4: EMPLOYMENT STATUS OF ENTREPRENEURS PRIOR TO LAUNCHING THEIR CURRENT ENTERPRISE/BUSINESS

What was your employment status before starting your enterprise/business? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Employed in the public sector	14.6	16.6	13.7
Employed in the private sector	38.6	38.4	38.7
Self-employed	26.8	19.5	29.9
Worked without pay	1.1	1	1.1
Not economically active	3.5	3.9	3.3
Unemployed	17.6	23.7	15
Other	0.3	0.5	0.3
Difficult to say	0.4	-	0.6
Prefer not to answer	0.3	0.3	0.3

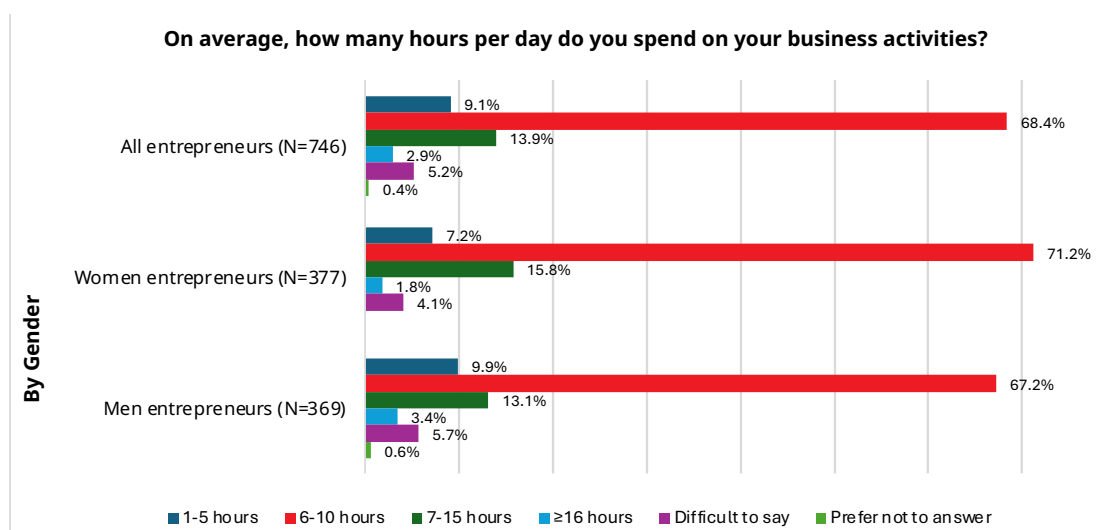
Analysis by place of residence indicates that, prior to initiating their current entrepreneurial activity, the largest proportion of entrepreneurs in Tbilisi (45.1%), as well as other self-governing cities (38.7%), and municipalities (30.1%), had been employed in the private sector. In addition, each target group shows a high share of individuals who were previously self-employed (29.1% in Tbilisi, 38.7% in other self-governing cities, and 30.1% in municipalities). It is also noteworthy that the proportion of individuals who were not working before starting their current entrepreneurial activities is higher in other self-governing cities and municipalities compared with Tbilisi (data are statistically reliable: $X^2= 52.793$, $p < 0.05$) (see Table #1.5).

TABLE #1.5: EMPLOYMENT STATUS OF ENTREPRENEURS PRIOR TO LAUNCHING THEIR CURRENT ENTERPRISE/BUSINESS (BY TYPE OF SETTLEMENT)

What was your employment status before starting your enterprise/business? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Employed in the public sector	13.3	10.4	18.6
Employed in the private sector	45.1	38.7	30.1
Self-employed	29.1	23.3	26
Worked without pay	1.2	1.1	0.9
Not economically active	3.6	4.7	2.3
Unemployed	11.4	21.3	20.8
Other	-	1	0.2
Difficult to say	-	-	1.1
Prefer not to answer	-	1.1	-

Statistical analysis of the quantitative data indicates that the majority of entrepreneurs (68.4%) devote between 6 and 10 hours per day to their business activities. Gender-disaggregated analysis does not reveal any statistically significant differences in this regard (see Diagram #1.7).

Diagram #1.7: Number of Hours Devoted to Business Activities per Day



The respondents of the in-depth interviews conducted as part of the qualitative component of the study were women entrepreneurs residing in various regions of Georgia, operating in both urban and rural settlements.

In terms of educational attainment, findings from the quantitative study indicate that every other entrepreneur has higher education, 22.1% have vocational education, and nearly one-fifth have completed general education. Analysis by gender reveals no statistically significant differences in educational attainment between women and men entrepreneurs (see Diagram #1.6).

2. Current Entrepreneurial Activity

Analysis of entrepreneurs' current activities by economic sector shows that the largest proportion is engaged in wholesale/retail trade and repair/maintenance (of automobiles and motorcycles) (51.6%). Additionally, 11.9% operate in other service sectors, whilst 9.1% are involved in the lodging and accommodation services. Analysis by gender indicates that the majority of both female (55.2%) and male (50.2%) entrepreneurs are concentrated in the wholesale and retail trade sectors. Compared to other sectors, a notable presence is also observed in accommodation services, food service activities, and a range of other service-related fields among both groups of entrepreneurs (data are statistically reliable: $X^2= 54.300, p < 0.05$) (see Table #2.1).

TABLE #2.1: ECONOMIC SECTOR OF BUSINESS/ENTREPRENEURIAL ACTIVITY

Economic Sectors (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Agriculture, forestry, and fishing	4.5	2.1	4.9
Mining and quarrying	0.8	0.3	1
Manufacturing	3.8	3	7
Construction	6	1.4	7.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	51.6	55.2	50.2
Professional, scientific, and technical activities	3.7	5.4	3.9
Education	0.6	1.5	0.2
Information and communication	0.6	-	0.8
Transportation and storage	2.4	0.3	3.3
Accommodation and food service activities	9.1	11.6	8.1
Arts, entertainment, and recreation	1	0.8	1
Administrative and support service activities	1.4	0.3	1.1
Human health and social work activities	1.9	3.7	1.2

Financial and insurance activities	0.3	0.6	0.3
Real estate activities	1.4	0.9	1.7
Electricity, gas, steam, and air conditioning supply	0.2	-	0.3
Water supply, sewerage, waste management, and remediation activities	0.4	-	0.8
Other service activities	11.9	14.5	8
Prefer not to answer	0.2	0.6	-

Analysis of the issue from a residential perspective shows that, in the capital, other self-governing cities, and municipalities, entrepreneurial/business activity is most prevalent in the wholesale/retail trade and repair and maintenance sectors (Tbilisi - 57.6%; self-governing cities - 49.5%; municipalities - 46.6%). These proportions are substantially higher than those observed in other economic sectors. For example, in Tbilisi, the construction sector represents the second most common area of entrepreneurial activity - 8.7%; in other self-governing cities, this position is occupied by the provision of other types of services; whilst in municipalities, activities related to lodging and accommodation services rank second - 11.3% (data are statistically reliable: $X^2= 119.928$, $p < 0.05$) (see Table #2.2).

TABLE #2.2: ECONOMIC SECTOR OF BUSINESS/ENTREPRENEURIAL ACTIVITY (BY TYPE OF RESIDENCE)

Economic Sectors (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Agriculture, forestry, and fishing	1.5	1.1	9.2
Mining and quarrying	-	0.3	2.1
Manufacturing	4.2	4.7	8.4
Construction	8.7	5.3	3.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	57.6	49.5	46.6
Professional, scientific, and technical activities	7.2	4.4	1.1
Education	0.6	-	1
Information and communication	0.5	-	1.1
Transportation and storage	1	6.1	1.1
Accommodation and food service activities	6.6	10	11.3
Arts, entertainment, and recreation	-	1	2
Administrative and support service activities	1.7	-	0.6
Human health and social work activities	1.2	2.4	2.4

Financial and insurance activities	0.4	-	0.5
Real estate activities	1.7	0.7	1.7
Electricity, gas, steam, and air conditioning supply	0.5	-	-
Water supply, sewerage, waste management, and remediation activities	1	-	0.6
Other service activities	6.8	15.3	9.3
Prefer not to answer	0.2	0.3	-

In addition to the above, respondents identified the specific business activities in which they are engaged within their respective sectors⁹². Within the wholesale/retail trade and motor vehicle repair and maintenance sector, the leading activities include wholesale and retail trade (21%), clothing stores (14.5%), general merchandise stores (9.4%), auto repair services (8.8%), fruit and vegetable trade (8.6%), and grocery stores (8.3%). Within the other service activities sector, beauty/aesthetic services constitute the dominant activity (44.6%), whilst furniture making (13.5%) and tourism-related activities (13.5%) also represent relatively prominent areas of engagement. Within the accommodation sector, dominant activities include food service activities (34.8%), pastry shops (26.1%), hotel–restaurant operations (18.8%), and fast-food establishments (13%).

Gender-based differentiation of activities shows that within the wholesale/retail trade and motor vehicle repair and maintenance sectors, women entrepreneurs are more likely to engage in clothing trade (22.6%), whereas among men, wholesale and retail trade constitutes the leading activity (21.1%). Within the other service activities sector, beauty/aesthetic services overwhelmingly dominate among women (76.5%), whilst among male entrepreneurs, the most prominent activities are furniture manufacturing (22.5%) and tourism-related services (22.5%). In the accommodation-related sector, production of pastry goods and cakes constitute the leading area of engagement for women (29.6%), whereas for men, food service activities represent the dominant activity (33.3%) (data are statistically reliable: $p < 0.05$) (see Table #2.3).

TABLE #2.1: ECONOMIC SECTOR OF BUSINESS/ENTREPRENEURIAL ACTIVITY

Wholesale and retail trade; repair of motor vehicles and motorcycles ($X^2=74.988$, $p<0.05$) (%)	All Entrepreneurs (N=393)	By Gender	
		Women Entrepreneurs (N=209)	Men Entrepreneurs (N=184)
Furniture store	2.1	4	1.1
Petrol station	0.8	-	1.1
Car sales	0.8	-	1.1
Car repair services	0.8	-	1.1
Auto parts store	2.3	0.8	3.1
Auto repair shop	8.8	0.8	12.6
Repair and sale of electrical materials	1.8	1.6	1.9
Tire repair and vulcanization services	0.8		1.1

⁹² The activities recorded in the three leading economic sectors identified in the study are discussed. Quantitative data for other sectors are presented in Appendix #1.

Tobacco kiosk	1	0.8	1.1
Linen, textile	0.5	0.8	0.4
Sale of cosmetology products	0.3	0.8	-
Sale of metal products	0.3	-	0.4
Beer Shop	0.8	1.6	0.4
Plant protection products store	0.3	0.8	-
Optical goods store	0.3	0.8	-
Printing supplies	0.3	-	0.4
Wholesale and retail trade	21	21	21.1
Toy store	1	0.8	1.1
Stationery shop	0.5	0.8	0.4
Agricultural goods	5.2	1.6	6.9
Jewelry shop	1	2.4	0.4
Industrial goods	0.5	1.6	-
Souvenir store	0.3	-	0.4
Grocery store	8.3	9.7	7.7
Clothing store	14.5	22.6	10.7
Telephone accessories	0.3	-	0.4
Chemical products store	0.3	0.8	-
Coffee shop	1.3	0.8	1.5
Flower shop	2.1	4.8	0.8
Mixed goods shop	9.4	11.3	8.4
Pet food	0.5	0.8	0.4
Variety store	1.3	2.4	0.8
Fruit and vegetable trade	8.6	4	10.7
Meat and ready-to-cook products shop	1.8	0.8	2.3
Prefer not to answer	0.3	0.8	-
Other Services ($\chi^2=41.526$, $p<0.05$) (%)	All Entrepreneurs (N=85)	Women Entrepreneurs (N=55)	Men Entrepreneurs (N=30)
Lawyer	1.4		2.5
Car service and car wash	5.4	2.9	7.5
Furniture manufacturing	13.5	2.9	22.5
Currency exchange office	1.4	2.9	-
Waste paper recycling	1.4	-	2.5
Service	2.7	-	5
Magazine publishing	1.4	-	2.5
Upholstered furniture restoration	2.7	-	5

Laundry services	4.1	-	7.5
Funeral and ceremonial services	1.4	-	2.5
Transportation services	1.4	-	2.5
Beauty salon, aesthetic center	44.6	76.5	17.5
Tourism	13.5	2.9	22.5
Handmade products	4.1	8.8	-
Prefer not to answer	1.4	2.9	-
Accommodation and Food Service Activities ($X^2=7.316$, $p<0.05$) (%)	All Entrepreneurs (N=73)	Women Entrepreneurs (N=43)	Men Entrepreneurs (N=30)
Accommodation, food	1.4	-	2.4
Food establishment	2.9	3.7	2.4
Mini bakery	1.4	3.7	-
Restaurant	1.4	3.7	-
Food service activities	34.8	37	33.3
Pastry shop	26.1	29.6	23.8
Hotel-restaurant	18.8	7.4	26.2
Fast food establishment	13	14.8	11.9

Residential-level differentiation of the data shows that, within the wholesale/retail trade and motor vehicle repair sector, entrepreneurial activities in Tbilisi, other self-governing cities, and municipalities are predominantly concentrated in wholesale and retail trade (Tbilisi - 22.2%; self-governing cities - 22.9%; municipalities - 17.6%). In the capital, sale of fruit and vegetables (16.2%) and clothing (15.6%) also occur with greater frequency compared to other activities. Clothing trade similarly ranks as the second most common activity in other self-governing cities (16.7%) and municipalities (11.8%) (data are statistically reliable: $X^2= 124.944$, $p < 0.05$) (see Table #2.4).

TABLE #2.4: TYPE OF BUSINESS/ENTREPRENEURIAL ACTIVITY (BY TYPE OF RESIDENCE)

Wholesale and retail trade; repair of motor vehicles and motorcycles (%)	By Type of Residence		
	Tbilisi (N=156)	Other Self-Governing Cities (N=98)	Municipalities (N=139)
Furniture store	-	6.3	0.8
Petrol station	-	-	2.5
Car sales	-	-	2.5
Car repair services	-	1	0.8
Auto parts store	1.8	4.2	2.5
Auto repair shop	10.8	8.3	6.7
Repair and sale of electrical materials	1.2	3.1	1.7

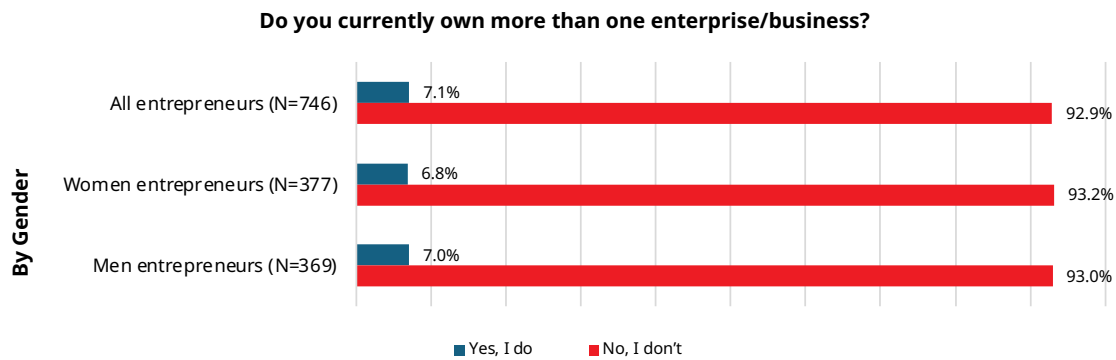
Tire repair and vulcanization services	-	3.1	-
Tobacco kiosk	1.2	2.1	-
Linen, textile	0.6	-	0.8
Sale of cosmetology products	0.6	-	-
Sale of metal products	0.6	-	-
Beer Shop	0.6	1	0.8
Plant protection products store	-		0.8
Optical goods store	-	1	-
Printing supplies	0.6	-	-
Wholesale and retail trade	22.2	22.9	17.6
Toy store	2.4	-	-
Stationery shop	-	-	1.7
Agricultural goods	3.6	5.2	6.7
Jewelry shop	1.2	1	1.7
Industrial goods	-	1	0.8
Souvenir store	-	-	0.8
Grocery store	6	10.4	10.1
Clothing store	15.6	16.7	11.8
Telephone accessories	-	-	1.7
Chemical products store	0.6	1	-
Coffee shop	0.6	2.1	0.8
Flower shop	1.2	1	4.2
Mixed goods shop	9.6	7.3	10.9
Pet food	-	-	1.7
Variety store	-	-	4.2
Fruit and vegetable trade	16.2	1	3.4
Meat and ready-to-cook products shop	2.4	-	1.7
Prefer not to answer	0.6	-	-

The entrepreneurial experience of the women participating in the qualitative study is diverse. Their economic activities span multiple sectors, including services (restaurant business in Tbilisi; beauty salon in Kutaisi), manufacturing (wine production in Akhaltsikhe; production of leather accessories in Tbilisi), trade (wholesale store in Mestia), agriculture (beekeeping in the village of Akura, Kakheti), and education/consulting, (consulting services in Tbilisi).

Both the documents reviewed within the desk research and the information obtained through the survey and in-depth interviews indicate that, despite the growing presence of women in entrepreneurship, substantial gender disparities in business activities persist. In addition, each component of the study highlights the sectoral concentration of women entrepreneurs (e.g., retail and wholesale trade, service sector, etc.), as well as their predominance in activities characterized by relatively low economic value and limited opportunities for growth (e.g., grocery stores, clothing stores, beauty salons, etc.). These patterns are shaped, on the one hand, by prevailing social and gender norms, and on the other, by women's limited access to financial resources, which significantly constrains both the initiation and expansion of entrepreneurial activities.

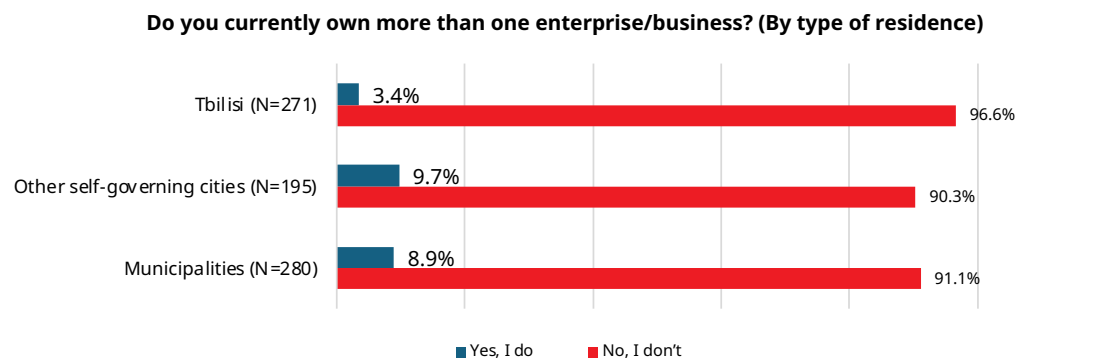
The vast majority of entrepreneurs surveyed in the quantitative component of the study do not own more than one enterprise (92.9%), whilst only 7.1% report owning multiple enterprises. No statistically significant differences were observed by gender in this regard (see Figure #2.1).

Diagram #2.1: Number of Enterprises/Business Owned by Entrepreneurs



Quantitative analysis across residential categories shows that in the capital, other self-governing cities, and municipalities, more than 90% of entrepreneurs do not own more than one enterprise/business. However, it is noteworthy that ownership of multiple businesses is relatively more common in other self-governing cities and municipalities than it is in Tbilisi (Tbilisi - 3.4%; other self-governing cities - 9.7%, municipalities - 8.9%) (data are statistically reliable: $\chi^2= 9.339$, $p < 0.05$) (see Diagram #2.2).

Diagram #2.2: Number of Enterprises/Business Owned by Entrepreneurs (By type of residence)



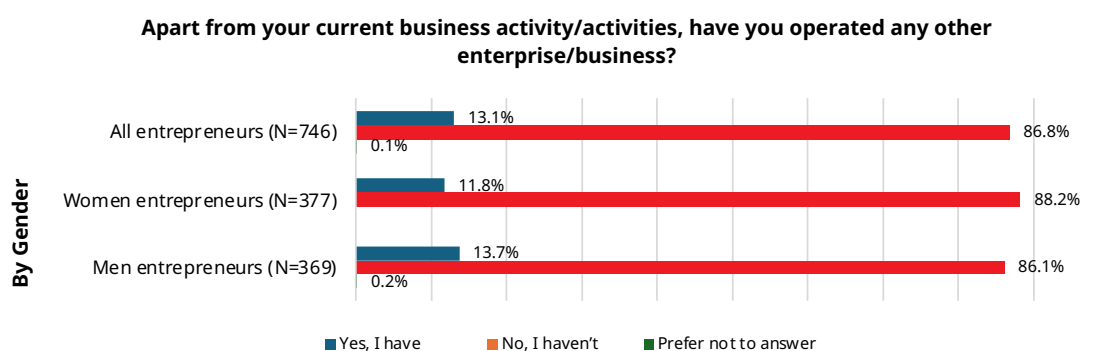
Among respondents who reported owning more than one business/enterprise, at least one in three (35.5%) indicated that their primary enterprise operates in the wholesale and retail trade sector. Additionally, 16% identified agriculture, forestry, and fishing as their main area of activity, whilst 12.8% reported construction as their primary business. Due to the small size of the subsample, analysis by gender does not reveal significant differences (see Table #2.5).

TABLE #2.5: PRIMARY BUSINESS/ENTERPRISE

Which enterprise/business do you consider to be a priority? (%)	All Entrepreneurs (N=50)	By Gender	
		Women Entrepreneurs (N=25)	Men Entrepreneurs (N=25)
Agriculture, forestry, and fishing	16	5.9	22.2
Mining and quarrying	1.1	5.9	-
Manufacturing	1.2	5.9	-
Construction	12.8	5.9	16.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	35.5	41.2	33.3
Education	2.6	-	2.8
Transportation and storage	2.8	-	2.8
Accommodation and food service activities	4.9	17.6	-
Arts, entertainment, and recreation	2.6	-	2.8
Administrative and support service activities	2.7	-	2.8
Human health and social work activities	5.4	5.9	5.6
Other service activities	12.5	11.8	11.1

Beyond their current business activities, 86.8% of surveyed entrepreneurs reported no prior experience owning a business in another field, whilst only 13.1% stated the opposite. Statistical analysis by gender does not reveal any statistically significant differences (see Figure #2.3).

Diagram #2.3: Prior Ownership of an Enterprise/Business Beyond Current/Active Business



Among entrepreneurs who had previously operated another business before their current entrepreneurial activity, 35.5% cited unprofitability as the primary reason for terminating their earlier venture, whilst one in three reported that they closed their previous business in order to start a new one. Nearly one-fifth (19.1%) attributed the termination to personal reasons. Analysis by gender shows that for almost one-third of women, the reason for ending their prior business activity was the initiation of a new venture (32%), whereas 24% reported unprofitability as the cause. The latter is a leading reason among male entrepreneurs (39.4%), followed by starting a new business (33.8%) (data are statistically reliable: $\chi^2= 11.962$, $p < 0.05$) (see Table #2.6).

TABLE #2.6: REASONS FOR TERMINATING PREVIOUS BUSINESS ACTIVITY

Why did you terminate your previous business activity? (%)	All Entrepreneurs (N=89)	By Gender	
		Women Entrepreneurs (N=41)	Men Entrepreneurs (N=48)
The enterprise/business was not profitable	35.5	24	39.4
I started another business	33	32	33.8
Personal reasons	19.1	20	18.3
Unforeseen circumstances	6	16	1.4
Change of residence	0.7	4	-
Other	5.6	4	7

Analysis of the issue by place of residence demonstrates that the largest proportion of surveyed entrepreneurs in Tbilisi (40%) cited the launch of another business as the primary reason for terminating their previous entrepreneurial activity. Among respondents in other self-governing cities, one in three identified both starting another business (34.4%) and the unprofitability of their previous enterprise/business (34.4%) as key reasons for termination. The latter emerged as the predominant factor for 47.2% of entrepreneurs in municipalities (data are statistically reliable: $\chi^2=25.339$, $p < 0.05$) (see Table #2.7).

TABLE #2.7: REASONS FOR TERMINATING PREVIOUS BUSINESS ACTIVITY (BY TYPE OF RESIDENCE)

Why did you terminate your previous business activity? (%)	By Type of Residence		
	Tbilisi (N=27)	Other Self-Governing Cities (N=29)	Municipalities (N=33)
The enterprise/business was not profitable	23.3	34.4	47.2
I started another business	40	34.4	25
Personal reasons	20	12.5	25
Unforeseen circumstances	16.7	3.1	-
Change of residence	-	-	2.8
Other	-	15.6	-

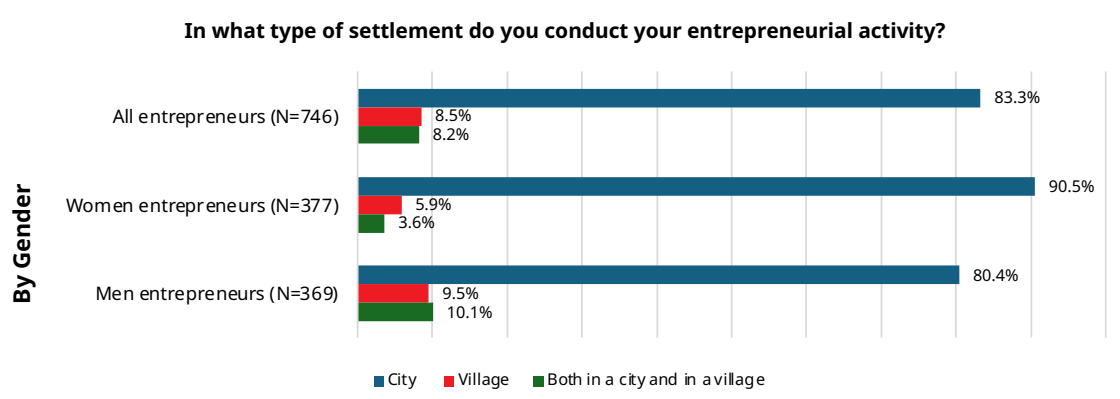
Analysis of the quantitative data shows that 37.8% of enterprises are located in Tbilisi, followed by Imereti (14.3%) and Adjara (12.5%). Statistical analysis by gender does not yield any statistically significant differences in this regard (see Table #2.8).

TABLE #2.8: GEOGRAPHICAL LOCATION OF ENTREPRENEURIAL/BUSINESS ACTIVITY - REGION

In which region is your current business activity located? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Tbilisi	37.8	34.2	39.2
Adjara	12.5	14	11.8
Guria	2.3	2.3	2.3
Imereti	14.3	14.4	14.3
Kakheti	6.4	8.1	5.7
Mtskheta-Mtianeti	2.1	2.3	1.9
Racha-Lechkhumi and Kvemo Svaneti	0.7	0.9	0.8
Samegrelo-Zemo Svaneti	7.5	9	6.9
Samtskhe- Javakheti	2.7	2.7	2.7
Kvemo Kartli	6.5	5.4	7
Shida Kartli	7.3	6.8	7.4

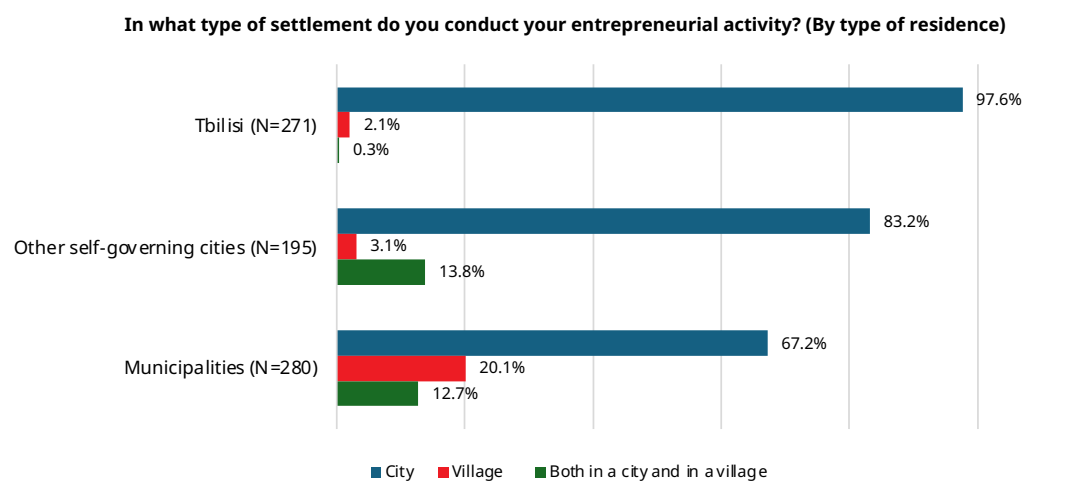
A total of 83.3% of enterprises operate in urban settlements, 8.5% in rural areas, and 8.2% in both urban and rural locations. This pattern - with only slight percentage variations - is also observed when the data are analyzed by gender (data are statistically reliable: $X^2= 12.327$, $p < 0.05$) (see Diagram #2.4).

Diagram 2.4: Geographical Location of Entrepreneurial/Business Activity - City/Village



An overwhelming majority of entrepreneurs surveyed in the capital (up to 98%) conduct their business activities in urban areas. In other self-governing cities, this proportion is 83.2%, whilst in municipalities, it is 67.2%. On the other hand, in municipalities, entrepreneurs operating in rural settlements prevail (20.1%) (data are statistically reliable: $X^2= 112.452$, $p < 0.05$) (see Diagram #2.5).

Diagram #2.5: Geographical Location of Entrepreneurial/Business Activity - City/Village (By type of Residence)



The vast majority of entrepreneurs (64.5%) have been engaged in entrepreneurial activity for 1–5 years, whilst for 17.3% this period ranges from 6 to 10 years (based on measures of central tendency, the average duration of entrepreneurial activity is approximately five years (MEAN=61.85 months - 5.15 years). By gender, no statistically significant differences are observed (see Table #2.9).

TABLE #2.9: DURATION OF CURRENT ENTREPRENEURIAL ACTIVITY

How long have you been engaged in your current business activity? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
1-5 years	64.5	69.1	62.7
6-10 years	17.3	17.3	17.3
11-15 years	7.8	6.4	8.4
16-20 years	4.1	3.2	4.4
21-25 years	1.6	0.9	1.9
26-30 years	0.9	0.5	1.1
Difficult to say	3.4	1.8	4
Prefer not to answer	0.5	0.9	0.2

The predominant reasons for initiating current entrepreneurial activities are the possession of relevant practical skills and experience (47.8%) and insufficient income prior to launching the business (40.7%). Relatively less frequently identified reasons include the desire for independent management (26%), having relevant educational qualifications (22.1%), and the ability to invest financial resources in the business (21.5%). By gender, no statistically significant differences are observed (see Table #2.10).

TABLE #2.10: REASONS FOR STARTING CURRENT ENTREPRENEURIAL ACTIVITY

Why did you decide to start your current entrepreneurial activity? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
I had the relevant education	22.1	22.9	21.8
I had the relevant practical skills and experience	47.8	42	50.3
I had sufficient financial resources and decided to invest them	21.5	17.4	23.2
My income was insufficient for me	40.7	45.5	38.7
This activity is my hobby	13.4	13.4	13.4
The idea of starting an entrepreneurial activity was interesting for me	11.2	10.3	11.6
To manage my business myself	26	24.4	26.7
By chance - I was in the right place at the right time	6	5.1	6.3
Other	2.8	3.1	2.6

Among entrepreneurs surveyed in Tbilisi, the primary motivation for starting their current entrepreneurial activity was insufficient income (44.7%), followed by the desire for independent management (31.2%). In contrast, respondents in other self-governing cities (39.3%) and municipalities (44%) most frequently cited the possession of relevant practical skills and experience as the key driver, with insufficient income serving as the second most important reason (data are statistically reliable: $X^2=68.302$, $p<0.05$) (see Table #2.11).

TABLE #2.11: REASONS FOR STARTING CURRENT ENTREPRENEURIAL ACTIVITY (BY TYPE OF RESIDENCE)

Why did you decide to start your current entrepreneurial activity? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
I had the relevant education	22.5	23.6	20.6
I had the relevant practical skills and experience	57	39.3	44
I had sufficient financial resources and decided to invest them	21.4	15.9	25.9
My income was insufficient for me	44.7	32.9	42.2
This activity is my hobby	15.1	12.6	12.1
The idea of starting an entrepreneurial activity was interesting for me	11.6	12.9	9.5

I was running my own business	31.2	21	24
By chance—I was in the right place at the right time	6.5	4.5	6.4
Other	0.5	7.8	1.5

For women entrepreneurs surveyed within the qualitative component of the study, the key drivers behind launching a business are multifaceted and shaped by professional experience, socio-economic needs, and geographical circumstances. For some respondents, the primary impetus for starting a business lies in the professional experience accumulated over the years. They view entrepreneurial activity as a domain in which they can autonomously establish professional standards and make decisions aligned with their own visions/values. For these women, entrepreneurship extends beyond a source of income; it becomes a means of self-realization and an avenue for continued professional development.

“I returned from America in 2007 and nothing had changed in this field. One thing immediately stood out to me: Georgian cuisine was overshadowed, it was not in the forefront. Everyone was trying to introduce Western cuisine and they were focusing on foreign cuisine: Italian, French, etc. There were no professionals in this field either. The profession of chef did not exist at all. Most of the people involved were women who could cook well in their kitchen, but they were very constrained as they were unwilling to experiment in any way – ‘no, my grandmother made it this way, so I should make it this way too.’ (Woman entrepreneur, restaurant chain, Tbilisi)

One of the most common motivations for women’s entrepreneurship in Georgia is rooted in economic need/crisis. This is particularly evident among women living in regions where employment opportunities are severely limited, and entrepreneurship becomes an immediate response to pressing life challenges. Under such conditions, entrepreneurial activity emerges as an alternative, often a “last resort,” that provides household stability and a minimum level of financial security. Some respondents noted that they had not developed strategic plans or mechanisms for accumulating financial capital. Entrepreneurship often relies on informal networks, draws on family/relatives’ resources, and does not require significant financial investment at the initial stage. The viability of a business idea is largely shaped by the context in which it emerges (for example, market accessibility, locational advantages, the strength of internal support networks, etc.).

“Our family needed additional income and, as they say, we were in the right place at the right time. My relative owns a winery in Kakheti, and it was around 2010–2011; it was difficult to sell wine both on the local market and beyond. He was looking for a place that could serve as a local sales point. We live by the roadside, and we had space to build a wine cellar. He built half of it, and we built the other half.” (Woman entrepreneur, wine production, Samtskhe-Javakheti).

One distinctive form of entrepreneurship emerges when the purpose of a business extends beyond economic profit and becomes a value-driven activity. In such models, women entrepreneurs actively employ economic mechanisms to advance socio-ecological objectives, positioning entrepreneurial activity as a tool for fostering social change. For example, one respondent’s heightened sensitivity toward environmental protection and ecological issues motivated her to produce fashionable accessories from biodegradable materials. For her, entrepreneurship is not merely an economic endeavor but also a platform for social communication through which she seeks to raise public awareness of environmental issues and the principles of the circular economy⁹³.

⁹³ The circular economy is an industrial system that aims to eliminate waste by developing improved production materials, products, and systems, and by creating new business models based on these principles.

“We recycle polyethylene and plastic waste and create sustainable fashion items: raincoats, bags, umbrellas, and more. In Georgia, there is a harmful culture of disposing of waste into the environment, and awareness in this area is very low. That is why I created this brand, through which we speak about the circular economy and the negative consequences of leaving a harmful footprint on the environment. I am trying to cultivate in people the desire to live more mindfully.” (Female entrepreneur, manufacturer of accessories from biodegradable materials, Tbilisi)

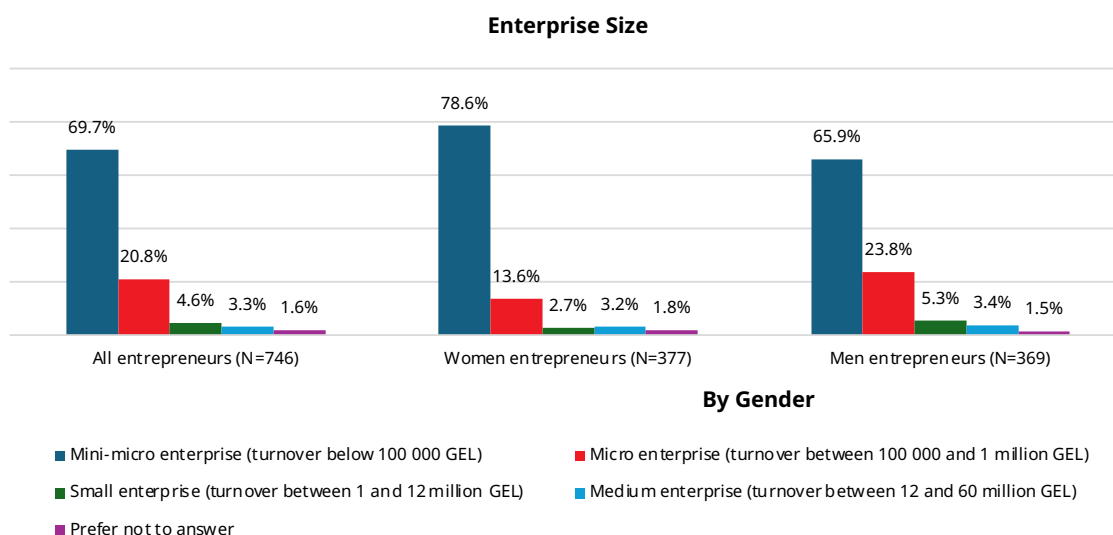
Another important form of entrepreneurial activity that merits attention is based on intellectual labor rather than the production of material goods. Intellectual entrepreneurship is often initiated by women with high levels of professional expertise (for example, by women with experience in research, consulting, or policy analysis). These activities are characterized by strong adherence to international standards, the use of innovative methodologies, and the application of interdisciplinary approaches. In this context, the primary assets are not physical infrastructure or products, but rather people - their knowledge, analytical skills, and professional networks.

A comparative analysis of desk research, survey findings, and in-depth interviews reveals that women’s motivations for starting entrepreneurial activities vary, but generally fall along a continuum between meeting social needs and pursuing self-realization. Specifically, both the review of secondary documents (e.g., ADB, UN Women) and the quantitative and qualitative data indicate that one of the key factors prompting women to start a business is economic necessity: insufficient income, unemployment, and the need to ensure household financial stability.

In contrast to the findings of the desk research, other components of the study (quantitative, qualitative) demonstrate that, beyond meeting economic needs, the primary motivations behind women’s entrepreneurial activities also include the monetization of professional experience, the pursuit of socio-ecological change, etc.

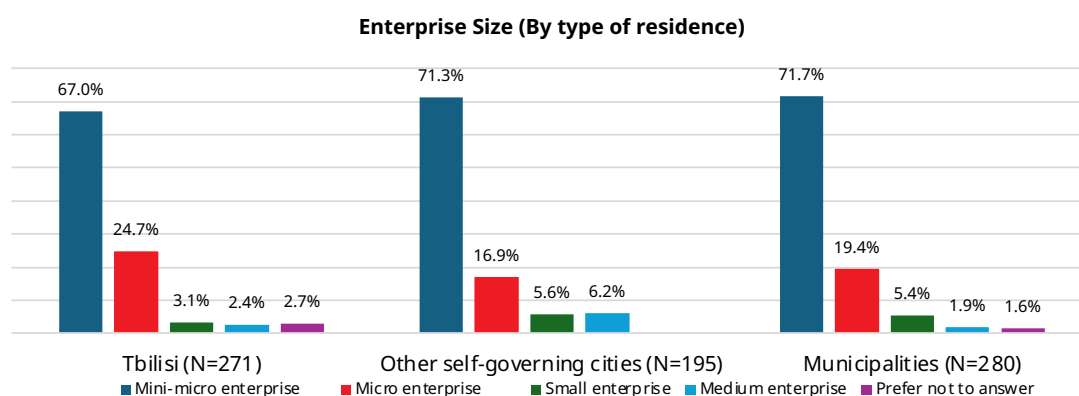
The results of the quantitative study indicate that, in terms of enterprise size, the largest proportion of businesses are mini-microenterprises (69.7%). One-fifth of respondents operate microenterprises, whilst the proportion of small- and medium-sized enterprises is considerably lower in comparison. Analysis by gender reveals a similar pattern: the majority of both female and male entrepreneurs own mini-microenterprises. The proportion of microenterprise owners is higher among men than among women (data are statistically reliable: $X^2= 13.738$, $p < 0.05$) (see Diagram 2.6).

Diagram #2.6: Enterprise Size



Analysis by residential location shows that mini-micro enterprises constitute the most common type of business in Tbilisi (67%), as well as in other self-governing cities (71.3%) and municipalities (71.7%). Microenterprises are most prevalent in the capital, whilst a comparatively higher proportion of small- and medium-sized enterprises is observed in other self-governing cities (data are statistically reliable: $\chi^2= 19.237, p < 0.05$) (see Diagram #2.7).

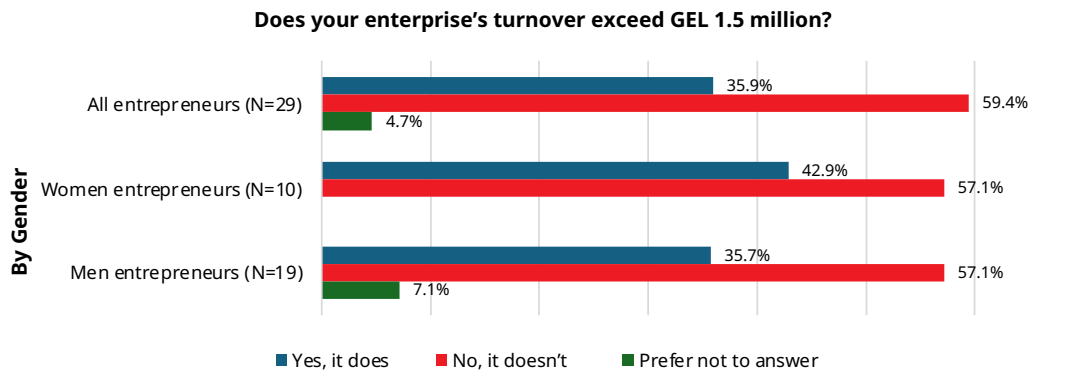
Diagram #2.7: Enterprise Size (By type of residence)



Findings from both the quantitative and desk research indicate that women’s entrepreneurship in Georgia is predominantly concentrated in mini-micro and microenterprises. Across both components, the data consistently show that women typically operate businesses under conditions of limited financial resources and constrained infrastructure. Furthermore, they are primarily represented as owners of microbusinesses, whilst their participation in medium-sized - and especially large - business ventures remains minimal. The factors contributing to this pattern, identified in both the quantitative and desk research, include limited access to financial resources and persistent gender-stereotypical approaches, which hinder the strategic decision-making necessary for business expansion. Overall, women’s entrepreneurship in Georgia continues to be oriented towards small-scale operations - a trend that has remained largely unchanged for years. This situation underscores the need not only for increased financial support but also for policy measures aimed at dismantling systemic barriers and enabling women to transition towards larger and more sustainable forms of enterprise.

According to the findings of the quantitative research, the turnover of at least one in three small enterprises (35.9%) exceeds GEL 1.5 million; this, however, is not the case for the majority (59.4%). No statistically significant differences are observed by gender (see Diagram #2.8).

Diagram #2.8: Enterprise Turnover



The largest proportion of survey participants (34.5%) found it difficult to specify how much the turnover of the enterprise/business was over the past 12 months, whilst a further 28.7% declined to answer. For one-fifth of enterprises, annual turnover amounts to GEL 50,000 or less. Only a small proportion of businesses reported relatively high financial turnover. No statistically significant differences are observed by gender (see Diagram #2.12).

DIAGRAM #2.12: AVERAGE FINANCIAL TURNOVER OF AN ENTERPRISE/BUSINESS OVER THE PAST 12 MONTHS

What was the average financial turnover of your entrepreneurial activity/business over the past 12 months? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
≤50000	19.1	22.2	17.7
50001-100000	8	8.6	7.8
100001-500000	5.2	3.2	6.1
500001-1000000	2.5	1.4	3.1
1000001-12000000	0.9	0.5	1.1
12000001 and more	1.1	1.8	0.8
Difficult to say	34.5	33.5	34.9
Prefer not to answer	28.7	29	28.4

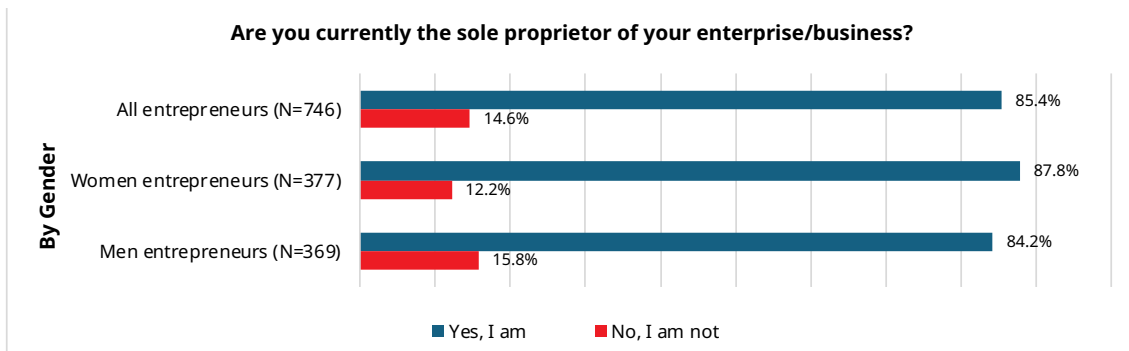
By legal form, 76.4% of enterprises operate as individual entrepreneurs, whilst 22.9% are registered as limited liability companies (LLCs). Statistical analysis by gender reveals a similar pattern: in both the women's and men's groups, the majority are individual entrepreneurs, followed by those operating LLCs. However, it is noteworthy that a higher proportion of women than men work as individual entrepreneurs (data are statistically reliable: $X^2= 14.545$, $p < 0.05$) (see Table #2.13).

TABLE #2.13: LEGAL FORM OF BUSINESS/ENTERPRISE

Legal form of business (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Individual entrepreneur	76.4	84.2	73
General partnership	0.3	0.5	0.4
Limited liability company	22.9	14.9	26.5
Joint-stock company	0.2	-	0.2
Cooperative	0.1	0.5	-
Other	0.1	-	-

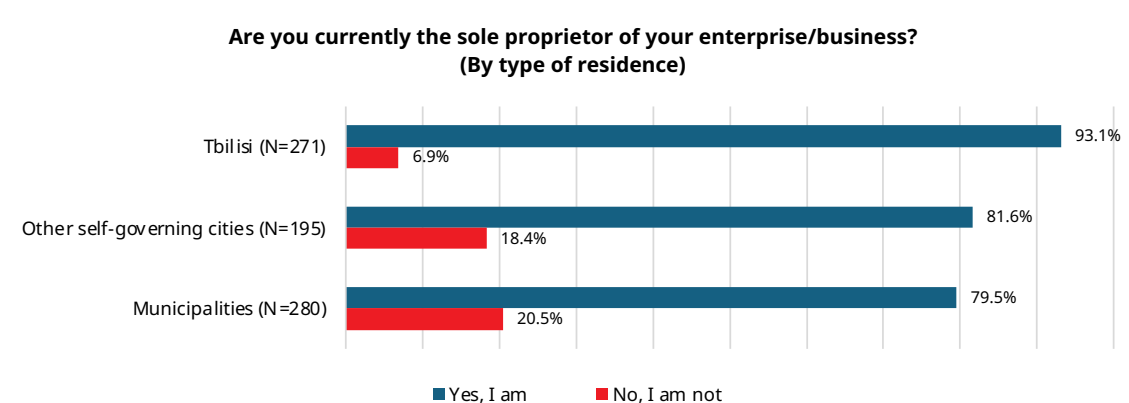
A total of 85.4% of entrepreneurs are sole proprietors of their enterprises/businesses, whilst 14.6% report otherwise. No statistically significant differences are observed by gender (see Diagram #2.9).

Diagram #2.9: Sole/Non-Sole Proprietorship of Enterprises



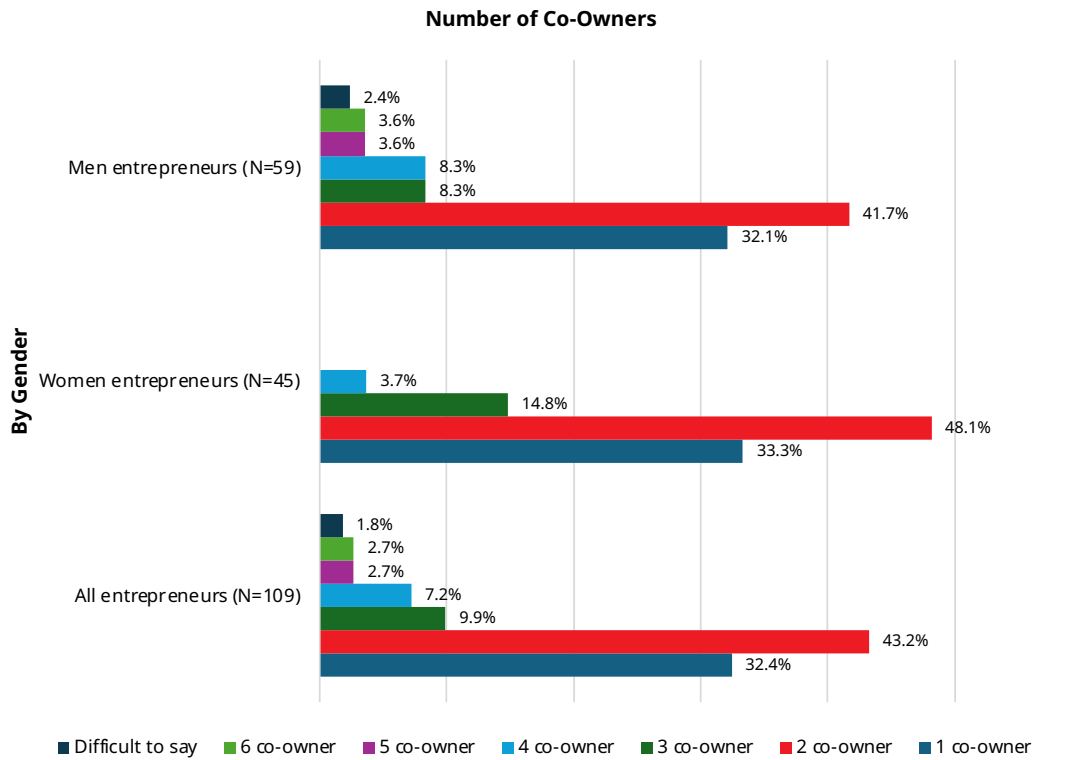
Analysis by type of residence shows that sole ownership of a business/enterprise is more common in Tbilisi (93.1%) than in other self-governing cities (81.6%) and municipalities (79.5%) (data are statistically reliable: $\chi^2 = 23.293$, $p < 0.05$) (see Diagram #2.10).

Diagram #2.10: Sole/Non-Sole Proprietorship of Enterprises (By type of residence)



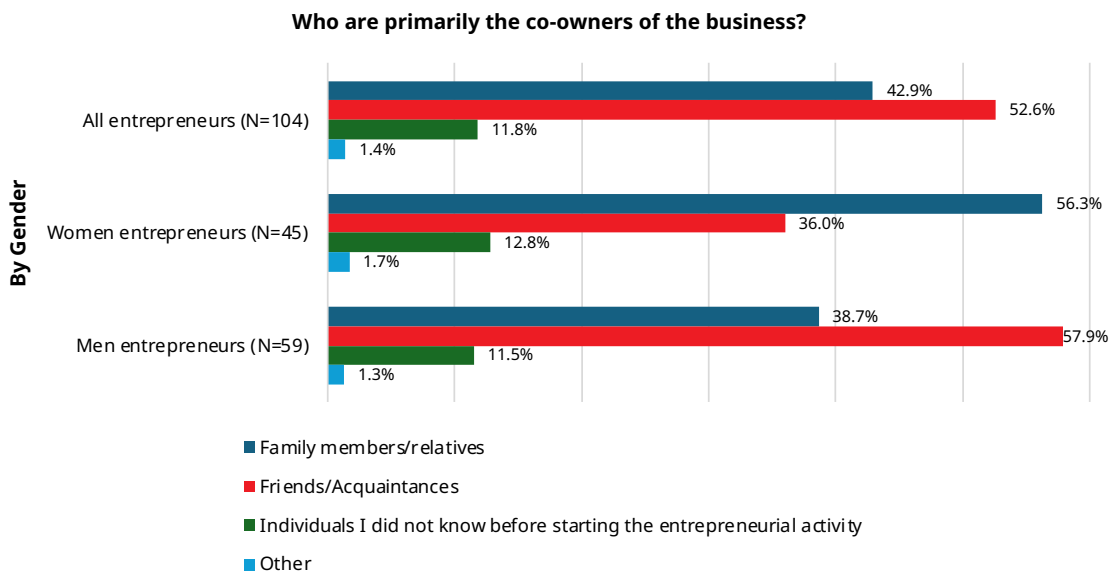
Among entrepreneurs who are not sole proprietors, 43.2% report having two co-owners, whilst 32.4% have one. A relatively small proportion of enterprises are managed by three or more co-owners. No statistically significant differences are observed by gender (see Diagram #2.11).

Diagram #2.11: Number of Enterprise Co-Owners



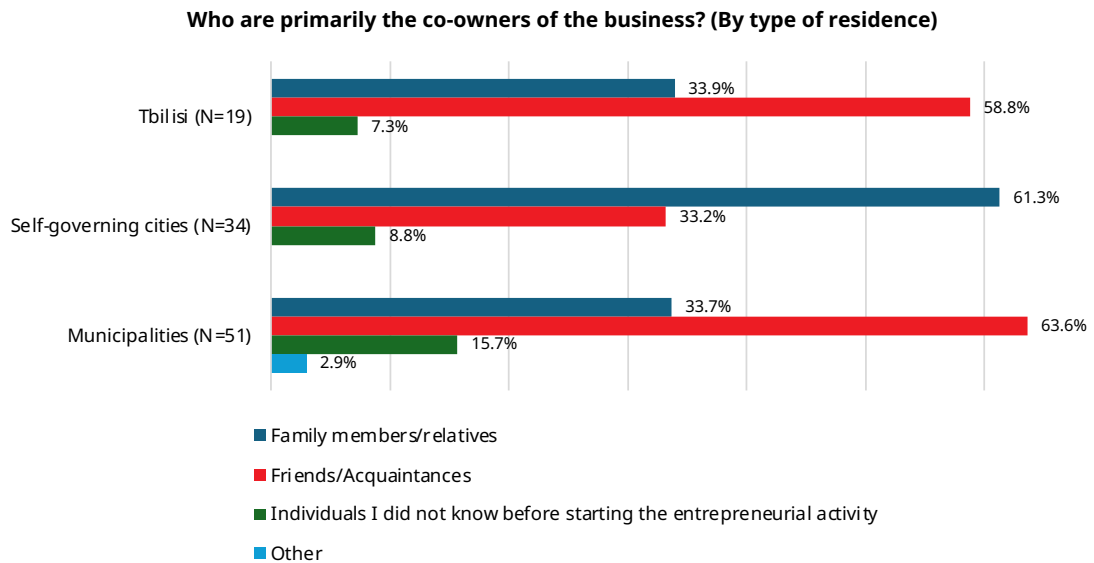
Every other entrepreneur has a friend/acquaintance as a co-owner of their business/enterprise, and in 42.9% of cases, the co-owner is a family member. Additionally, 11.8% have a co-owner whom they did not know prior to starting their entrepreneurial activity. No statistically significant differences are observed by gender (see Diagram #2.12).

Diagram #2.12: Business/Enterprise Co-Owners



At the residential level, the data show that the majority of entrepreneurs surveyed in Tbilisi (58.8%) and municipalities (63.6%) have friends as co-owners of their businesses, whilst one in three respondents identified a family member in this role (Tbilisi - 33.9%; municipalities - 33.7%). Businesses with family-member co-owners are most common in other self-governing cities (61.3%), where one-third of respondents identified a friend as a partner (33.2%) (data are statistically reliable: $X^2=18.932$, $p < 0.05$) (see Diagram #2.13).

Diagram #2.13: Business/Enterprise Co-Owners (By type of residence)



Based on the results of the qualitative research, the structure of women-owned businesses significantly shapes both their management models and the efficiency of day-to-day operations. Several types of structural arrangements were identified: functionally differentiated partnerships, individual management, and participation based on family networks.

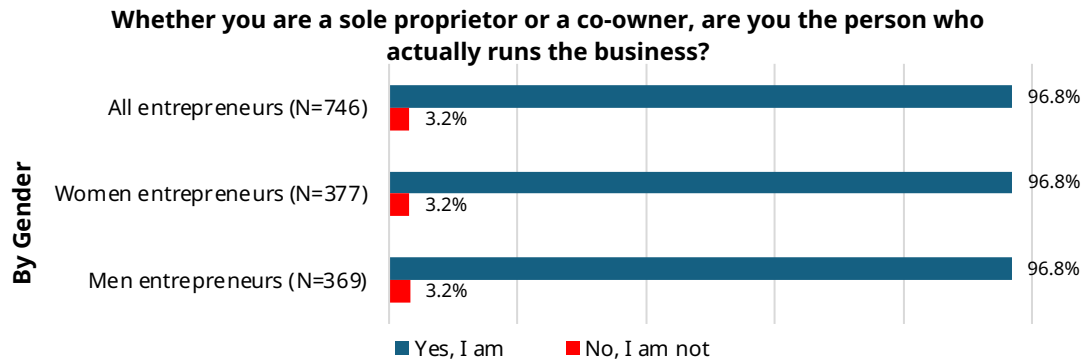
Multi-partner entrepreneurship is characterized by a clear division of functions and collective decision-making. In such models, each partner assumes specific responsibilities (e.g., finance, marketing, operations, etc.), which ensures continuity of activities, quality assurance, and the sustainability of strategic decisions. This division of responsibilities not only enhances the efficiency of organizational management but also supports a balance between work and personal life for women entrepreneurs.

In some sectors, particularly in trade and manufacturing, partnerships are organized on a family basis. Women entrepreneurs often take the lead in customer relations and product design, whilst their spouses assume technical or logistical responsibilities. Respondents suggest that women tend to be more detail-oriented and creative; however, as they also emphasize, this does not imply superiority of either women or men. Rather, all decisions are based on individuals' skills and competencies, not on gender.

"I wanted to give this activity a more organized structure and began looking for partners - like-minded people with the necessary competencies. Since there are not many specialists in Georgia, I found a few individuals with whom I founded this company. We started searching for projects, and there was already demand for these services based on my and my partners' prior consulting experience, so we shaped the company accordingly. My main motivation, of course, was to introduce this innovation in Georgia, because it has great potential." (Woman entrepreneur, consulting sector, Tbilisi)

The vast majority of respondents in the quantitative research (96.8%) reported that, as sole proprietors or co- proprietors, they are the ones who actually lead and manage their business in practice. Only 3.2% indicated otherwise. No statistically significant differences were observed by gender (see Table 2.14).

Diagram #2.14: Actual Manager of the Business



In addition to the above, it is worth noting that some of the women entrepreneurs participating in the in-depth interviews operate their businesses independently. According to them, such a structure may facilitate decision-making but can also increase stress levels and hinder operational flexibility and service quality. Partnerships in consulting, intellectual, and research-based businesses are primarily built on a shared professional vision, competence, and trust. In these models, decision-making is horizontal, and collaboration is grounded in the unity of knowledge, professional networks, and innovative vision.

Among the respondents who indicated that, despite owning/co-owning the enterprise, they do not manage the business themselves (a total of 23 entrepreneurs), six reported that the enterprise is managed by a co-owner; another six stated that a family member/relative who is not a co-owner oversees the business; and five indicated that management is handled by a friend/acquaintance who is also not a co-owner⁹⁴.

87.8% of enterprises employ between 1 and 10 people, whilst a significantly smaller proportion employ more than 10. No statistically significant differences are observed by gender (see Table #2.14).

TABLE #2.14: NUMBER OF CURRENT EMPLOYEES IN THE ENTERPRISE

Number of current employees in the enterprise/business (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
1-10 employees	87.8	92.3	85.9
11-20 employees	5	3.2	5.9
21-40 employees	2.7	1.8	3
41-60 employees	2.4	0.9	2.9
61-80 employees	0.5	0.5	0.6
81+ employees	0.1	-	0.2
Difficult to say	0.9	0.9	1
Prefer not to answer	0.5	0.5	0.6

⁹⁴ The circular economy is an industrial system that aims to eliminate waste by developing improved production materials, products, and systems, and by creating new business models based on these principles.

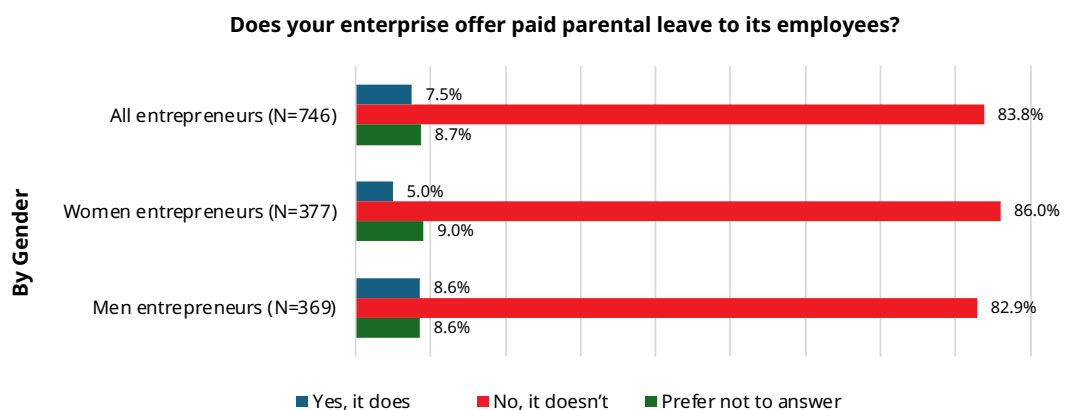
The distribution of employees by gender shows that 30.5% of enterprises have no female employees, whilst 25.9% report having no male employees. Likewise, 25.9% of enterprises employ exclusively women, whereas 30.5% employ only men. The proportion of enterprises employing 40–60% women and a similar proportion of men is nearly equal. Gender-disaggregated analysis indicates that both female and male entrepreneurs are more likely to employ workers of their own gender. Specifically, 66.2% of female entrepreneurs have no employees of the opposite sex, whilst this is the case for 42.1% of male entrepreneurs. It is particularly notable that in the clear majority of enterprises owned by women (66.8%), 100% of employees are female. On the other hand, the proportion of male-owned enterprises employing an all-male workforce is 42.1% (data are statistically reliable; female employees %: $X^2=305.763$; male employees %: $X^2=301.516$ $p<0.05$). (see Table #2.15).

TABLE #2.15: GENDER DISTRIBUTION OF ENTERPRISE EMPLOYEES

Gender distribution of employees in your enterprise/business (%)	All Entrepreneurs (N=746)		By Gender			
			Women Entrepreneurs (N=377)		Men Entrepreneurs (N=369)	
	Female Employee	Male Employee	Female Employee	Male Employee	Female Employee	Male Employee
None	30.5	25.9	2.7	66.2	42.1	8.8
1-10% of employees	4.2	3.2	1.4	4.5	5.3	2.7
11-20% of employees	3.3	2.5	1.4	3.2	4.2	2.1
21-40% of employees	4.4	7.5	1.8	5.4	5.3	8.4
40-60% of employees	19.1	18.6	13.2	12.6	21.5	21.1
61-80% of employees	8.3	6.7	6.8	3.2	8.8	8.2
81-99% of employees	3.4	4.2	5.5	1.8	2.7	5.3
100% of employees	25.9	30.5	66.8	2.7	8.8	42.1
Difficult to say	0.6	0.6	0.5	0.5	0.6	0.6
Prefer not to answer	0.5	0.5	-	-	0.8	0.8

According to the results of the study, employees in 83.8% of enterprises do not have access to paid parental leave. Only 7.5% of respondents stated this benefit is available. No statistically significant differences are observed by gender (see Diagram 2#.15).

Diagram #2.15: Availability of Paid Parental Leave for Enterprise Employees



Among enterprises that offer paid parental leave, 36.7% provide employees with up to six months of leave - a proportion notably higher than those offering either shorter or longer periods of leave. No statistically significant differences are observed by gender (see Table #2.16).

TABLE #2.16: POSSIBLE/ALLOWED DURATION OF PARENTAL LEAVE AVAILABLE TO EMPLOYEES

What is the maximum duration of parental leave available to employees? (%)	All Entrepreneurs (N=51)	By Gender	
		Women Entrepreneurs (N=18)	Men Entrepreneurs (N=33)
1 month	9.1	8.3	8.9
3 months	3.3	16.7	-
4 months	1	8.3	-
6 months	36.7	50	33.3
9 months	2.7	-	2.2
12 months	7.2	-	8.9
Difficult to say	23.1	8.3	26.7
Prefer not to answer	16.9	8.3	20

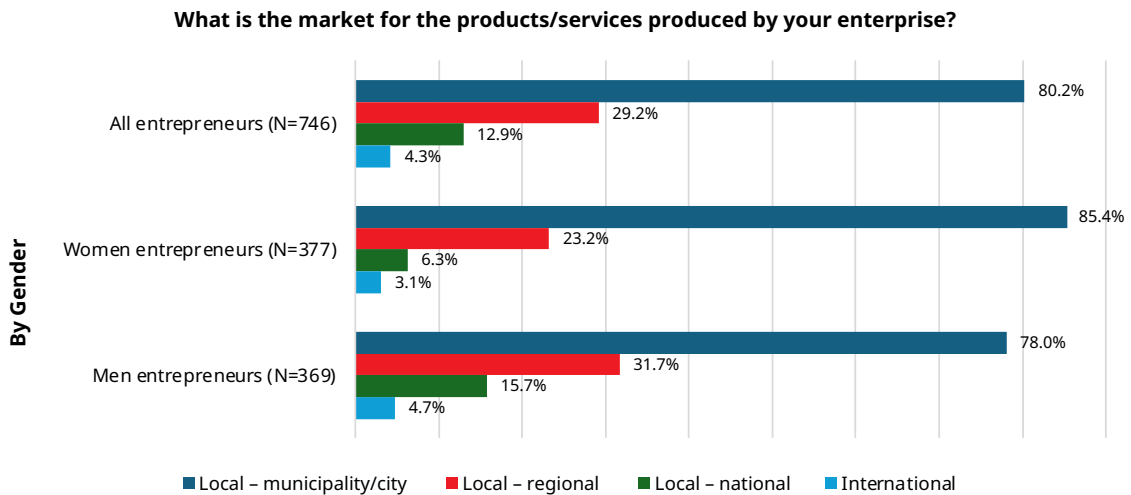
By age group, the employee structure of enterprises is as follows: 33% of enterprises have employees aged 45-54, whilst 40.8% have employees in the 30-44 age range. It is also noteworthy that, according to measures of central tendency, the average age of enterprise employees is 40.56 years (MEAN=40.56). No statistically significant differences are observed by gender (see Table #2.17).

TABLE #2.17: AGE OF CURRENT ENTERPRISE EMPLOYEES

Age of current employees (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
18-29	3.3	3.2	3.4
30-44	40.8	40.7	41
45-54	33	33.5	32.8
55-64	15.4	14.5	15.8
65+	6.6	6.8	6.7
Difficult to say	0.3	0.5	0.2
Prefer not to answer	0.4	0.9	0.2

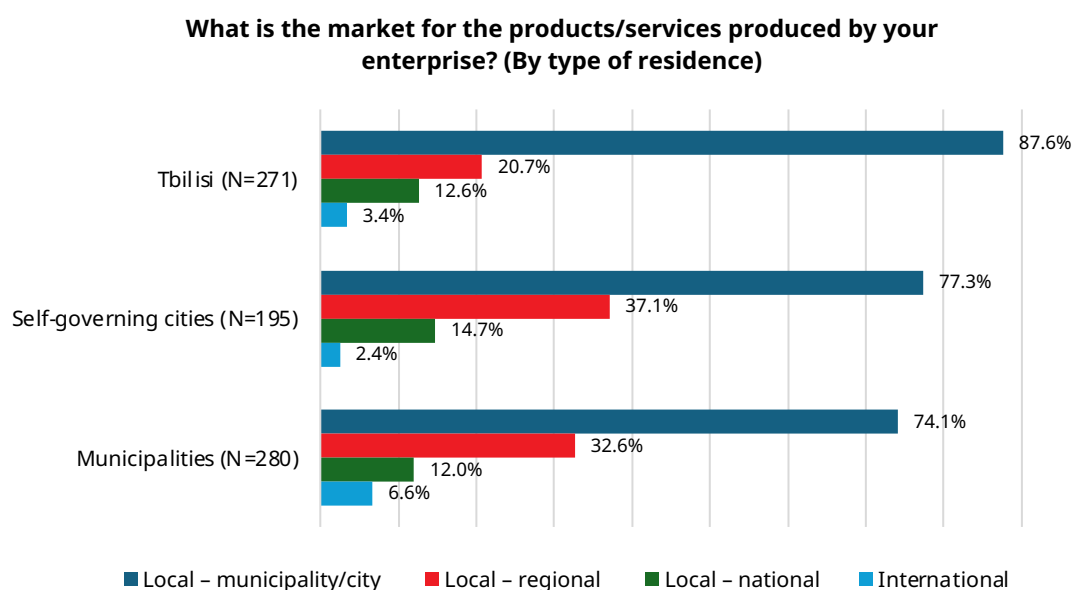
For 80.2% of enterprises participating in the study, the market for selling products/services is limited to the local municipality/city, whereas 29.2% sell their products/services at the regional level. Only 12.9% operate at the national level, and a very small proportion (4.3%) export to international markets. A similar pattern is observed across both female and male entrepreneurs (data are statistically reliable: $\chi^2=24.227$, $p < 0.05$) (see Diagram #2.16).

Diagram #2.16: Geographic Reach of Enterprise Markets



Analysis by type of residence shows that, for 87.6% of enterprises operating in Tbilisi, the market for their products/services is limited to the local (city-wide) level. One-fifth sell their products or services regionally. A similar trend, with minor percentage variations, is observed in other self-governing cities and municipalities (data are statistically reliable: $\chi^2=40.935$, $p < 0.05$) (see Diagram #2.17).

Diagram #2.17: Market for Products/Services by Type of Settlement (By type of residence)



Representatives of enterprises that sell their products/services exclusively on the local market identify several key reasons for not entering/not being able to enter the international market. The most frequently cited reason is a lack of desire/perceived need to export (42.8%). The second most common factor is insufficient financial resources to support export activities (19.1%). No statistically significant differences are observed by gender (see Table #2.18).

TABLE #2.18: FACTORS BEHIND THE FAILURE TO EXPORT PRODUCTS/SERVICES

What are the reasons you are currently unable to export your product/service to international markets? (%)	All Entrepreneurs (N=715)	By Gender	
		Women Entrepreneurs (N=365)	Men Entrepreneurs (N=350)
Insufficient financial resources	19.1	23.7	17.1
Lack of qualifications/experience required for international trade	7.4	9.5	6.5
Lack of necessary contacts/partners	7.3	8.3	6.9
Lack of marketing resources	6	7.2	5.4
No desire/perceived need to export	42.8	37.4	45.2
Language barrier	0.5	1.1	0.3
Transportation difficulties	2.7	3	2.5
Export-related regulations	3.6	3.3	3.7
Other	9.4	7.8	10.1
Difficult to say	14.9	12.8	15.8
Prefer not to answer	2.2	3.2	1.7

The primary reason cited by entrepreneurs across all three types of settlements for not exporting their products/services is a lack of desire/perceived need to do so. However, it should be noted that the prevalence of this explanation is significantly higher in Tbilisi (Tbilisi - 64.6%; other self-governing cities - 26.6%; municipalities - 30.4%). Insufficient financial resources rank as the second most frequently reported reason for the inability to export products/services across all settlement types (data are statistically reliable: $X^2=207.529$, $p < 0.05$) (see Table #2.19).

TABLE #2.19: : FACTORS BEHIND THE FAILURE TO EXPORT PRODUCTS/SERVICES (BY TYPE OF RESIDENCE)

What are the reasons you are currently unable to export your product/service to international markets? (%)	By Type of Residence		
	Tbilisi (N=262)	Other Self-Gov-erning Cities (N=190)	Municipalities (N=263)
Insufficient financial resources	15.4	17.8	24.5
Lack of qualifications/experience required for international trade	2.7	8.9	11.8
Lack of necessary contacts/partners	5.4	3.8	12.4
Lack of marketing resources	5.1	3.7	8.8
No desire/perceived need to export	64.6	26.6	30.4
Language barrier	-	0.3	1.3
Transportation difficulties	1.4	2.4	4.4
Export-related regulations	0.4	3.5	7.3
Other	3.1	16.9	10.8
Difficult to say	11.5	19.7	15
Prefer not to answer	1	5.4	0.9

The experiences of women entrepreneurs interviewed as part of the qualitative research confirm that access to consumer markets and the ability to export depend not only on economic resources but also on structural, technological, and political factors.

Across all entrepreneurs participating in the in-depth interviews, it is evident that their markets are local and that the prospect of exporting is constrained by a complex set of barriers. For small- and medium-sized enterprises, entry into international markets is often hindered by insufficient material and technical resources. This challenge is particularly pronounced in the agricultural and other production-oriented sectors, where exporting requires bottling, labeling, certification, and appropriate technological infrastructure. Under conditions of limited resources, entrepreneurs are compelled to operate exclusively at the regional level and rely on purchases made by local consumers. It is also noteworthy that in the agricultural sector, entrepreneurs' strategies tend to focus on minimizing risks: their initial objective is to establish a presence in the local market and increase production capacity before considering the possibility of exporting.

“It is draft wine, and we do not export it to the international market because only bottled wine is sold there. We place an order, bring it in by tanker, and sell it in Adigeni, Aspindza, Borjomi, and Akhalkalaki [...]. It is a market issue. If we had access to a broader market, everything would be different and we would have more income. We would not be dependent on the population of these municipalities.” (Female entrepreneur, wine production, Samtskhe-Javakheti)

“Currently, we do not export our products abroad. We produce honey, beeswax, and candles, and we supply several hotels across the country - for example, in Gudauri and Tbilisi. I plan to export in the future, but at this stage we have been focused on increasing our [bee] colonies, and the harvest was relatively small, so I sold it locally.” (Female entrepreneur, agriculture, Kakheti)

The country's political instability has a marked impact on entrepreneurial activity. For example, one of the key sales channels for a handmade leather goods producer - street exhibitions and fairs - was frequently cancelled for political reasons. It is also important to note that entrepreneurs engaged in innovative activities (such as producing fashion accessories based on circular economy principles) clearly experience a lack of systemic support. Products made from biodegradable materials often remain outside the market, as there is no state-level institutional framework that prioritizes the development of environmentally oriented businesses. One female entrepreneur explicitly links her inability to export to the current political environment: the rise of autocratic tendencies, diminished Western support, and limited access to finance are identified as the primary factors hindering business growth. A similar trend is observed in the intellectual and consulting sectors, where the main barrier relates to declining international trust. One respondent directly attributed the suspension of several projects, the disruption of cooperation with international partners, and the indefinite postponement of investor engagement to the impact of the Law on Transparency of Foreign Influence. In his/her assessment, intellectual enterprises are highly dependent on external stability, and disruptions to this environment can lead to a paralysis of entrepreneurial activity.

“Our exhibitions used to be held near the Parliament building, but after the continuous protests they stopped entirely. Emotionally and physically, I no longer have the time to think about development [...] After the pandemic, the number of tourists also decreased, and I could no longer sell my products at the market.” (Female entrepreneur, production of leather accessories, Tbilisi)

“The ‘Russian law’ hindered us, and we had to close some parts of the business altogether. The uncertainty is significantly obstructing our ability to attract business partners, so even considering future investments is now on hold.” (Female entrepreneur, consulting services, Tbilisi)

Respondents participating in the quantitative research identified the main advantages that make their businesses distinctive and competitive compared with others. The most frequently cited factor is product/ service pricing (53.6%), followed by service quality (47.5%) and product quality (41.8%). No statistically significant differences are observed by gender (see Table #2.20).

TABLE #2.20: ADVANTAGES THAT MAKE A BUSINESS DISTINCTIVE AND COMPETITIVE COMPARED WITH OTHER BUSINESSES

Which of the following do you consider to be the main competitive advantages of your business? (%)	All Entrepreneurs (N=715)	By Gender	
		Women Entrepreneurs (N=365)	Men Entrepreneurs (N=350)
Product quality	41.8	46.6	39.8
Service quality	47.5	44.1	49
Price	53.6	53.2	53.8
Product uniqueness	7.8	7.2	8
Innovative technologies	1.9	1.9	2
Marketing	1.8	2.2	1.6
Product/service market reach	8.7	8.9	8.6
Other	1.2	2	0.9
Difficult to say	3	2.8	3.1
Prefer not to answer	0.7	0.9	0.6

Analysis by type of residence shows that the majority of entrepreneurs in Tbilisi, as well as in other self-governing cities and municipalities, identify price, service quality, and product quality as the three key advantages that make their businesses/enterprises competitive (data are statistically reliable: $\chi^2=51.798$, $p < 0.05$) (see Table #2.21).

TABLE #2.21: : FACTORS BEHIND THE FAILURE TO EXPORT PRODUCTS/SERVICES (BY TYPE OF RESIDENCE)

Which of the following do you consider to be the main competitive advantages of your business (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Gov-erning Cities (N=195)	Municipalities (N=280)
Product quality	41	38,7	45
Service quality	48.6	44.8	48.4
Price	48.7	62.9	52.1
Product uniqueness	6.8	7	9.5
Innovative technologies	0.9	1.3	3.5
Marketing	2.4	1.1	1.7
Product/service market reach	10.5	2	11.7

Other	0.9	2.1	0.8
Difficult to say	4.8	3.4	0.8
Prefer not to answer	-	2.3	0.3

Qualitative research demonstrates that competitiveness strategies among women entrepreneurs are diverse and closely linked to sector-specific dynamics and the entrepreneurs' own values, as well as to the structure of the market. Two main trends have been identified: value-driven positioning, on the one hand, and price-oriented strategies tailored to everyday market demands, on the other.

1. For some entrepreneurs, competitive advantage is not rooted in price or scale but in values. For example, the owner of a restaurant chain sees the business not only as a commercial venture but also as a cultural project - a space through which the country's identity, traditions, and aesthetic sensibilities are communicated. This approach creates a multidimensional experience for customers. A similar pattern is observed among innovative manufacturers who apply circular economy principles and integrate environmental and educational functions into their activities. In these cases, competitive advantage is built on authenticity, creativity, and a sense of social responsibility.

"What is valuable about our restaurants is that they are not only about profit. When I first began this work, it was a time of prosperity for our country, a moment when you felt you were presenting yourself to the world. Cuisine is a major part of every nation's identity. It was important to me that I was contributing something to this country and that it was not just khinkali and khachapuri. But if I see that this is all customers want, there is a chance I will leave this business altogether." (Female entrepreneur, restaurant chain, Tbilisi)

2. In the service sector, entrepreneurs primarily focus on high service quality, affordable pricing, and approaches tailored to customers. This model reflects a classic customer-oriented strategy in which business success depends on maintaining customer satisfaction over time. Competitive advantage in this context is expressed through three components: quality, affordability, and consistency of service. In the trade sector, the main competitive challenge relates to the asymmetry of market forces, specifically, the low-price strategies of large retail chains. These practices disproportionately affect small entrepreneurs working with perishable goods, whose logistics and stock management capacities are comparatively weak. One of the surveyed entrepreneurs noted that they relocated the business to a low-competition area and expanded the product range. Therefore, some entrepreneurs attempt to maintain their market position through low pricing; however, such an approach relies on stable daily turnover rather than on a systemic strategic vision: digital marketing, branding, online sales, and diversification are often absent, increasing vulnerability to structural shifts in the market.

"I started with bread and pastries, but when all the stores began selling similar products, I switched to fruits and vegetables. We used to bring the goods from Kutaisi by minibus, and for small quantities it wasn't worth making the trip - you had to carry a full load, but because the products were perishable, I often couldn't even sell them. When chain stores started selling them for pennies, I fell into debts and closed my store in Zugdidi. Now I have a wholesale flour store in Mestia. Such stores are rare here, and even if my prices are only 1-2 GEL lower, customers are happy [...] I also rented another space next to the store, where I sell clothes, flowers, and other mixed products."

(Female entrepreneur, wholesale store owner, Mestia)

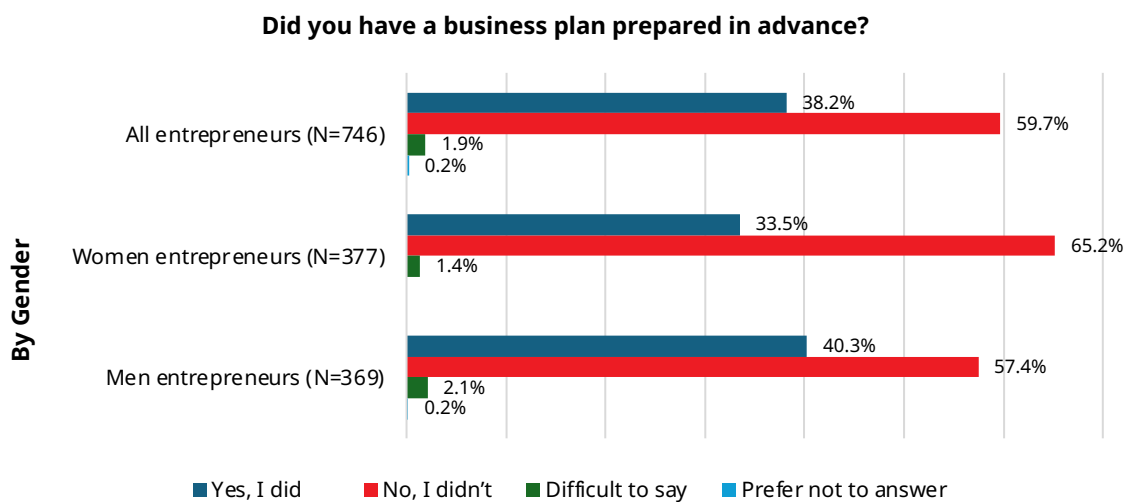
The experiences of some women entrepreneurs indicate that traditional markers of competitiveness, such as product uniqueness and high quality, are shifting. Market dynamics, globalization trends, and changing consumer behavior have gradually weakened the strength of these advantages. According to one wine producer, success in the initial stages was driven by high-quality raw materials and the absence of competitors in the region. Over time, however, the market became saturated, and local restaurants began producing their own wine, substantially reducing demand for entrepreneurs. Sales ultimately became confined to a specific cultural segment (ceremonial occasions), limiting opportunities for expansion. A manufacturer of handmade leather goods similarly noted that her primary competitive advantages had once been creativity, authenticity, and consumer-responsive pricing. Yet, increasing market commercialization, mass imports, the rise of “fast fashion,” and the proliferation of low-cost platforms (e.g., the Chinese application Temu) have created significant challenges for selling such products.

“The Temu platform has had a huge impact. Now, when I create and post a product, I always try to set a realistic price. I want people to be able to afford a bag. Yesterday I posted a new bag for 65 GEL, which is the minimum price, and I wondered who would buy it. On the Temu website, you can get two bags for 25 GEL. People in Georgia are struggling and have no money. Everyone has shifted to buying cheaper products. I even saw on social media that a six-year-old business had to shut down because nothing was selling anymore.” (Female entrepreneur, production of leather accessories, Tbilisi)

3. Financial Resources and Knowledge Required to Start a Business

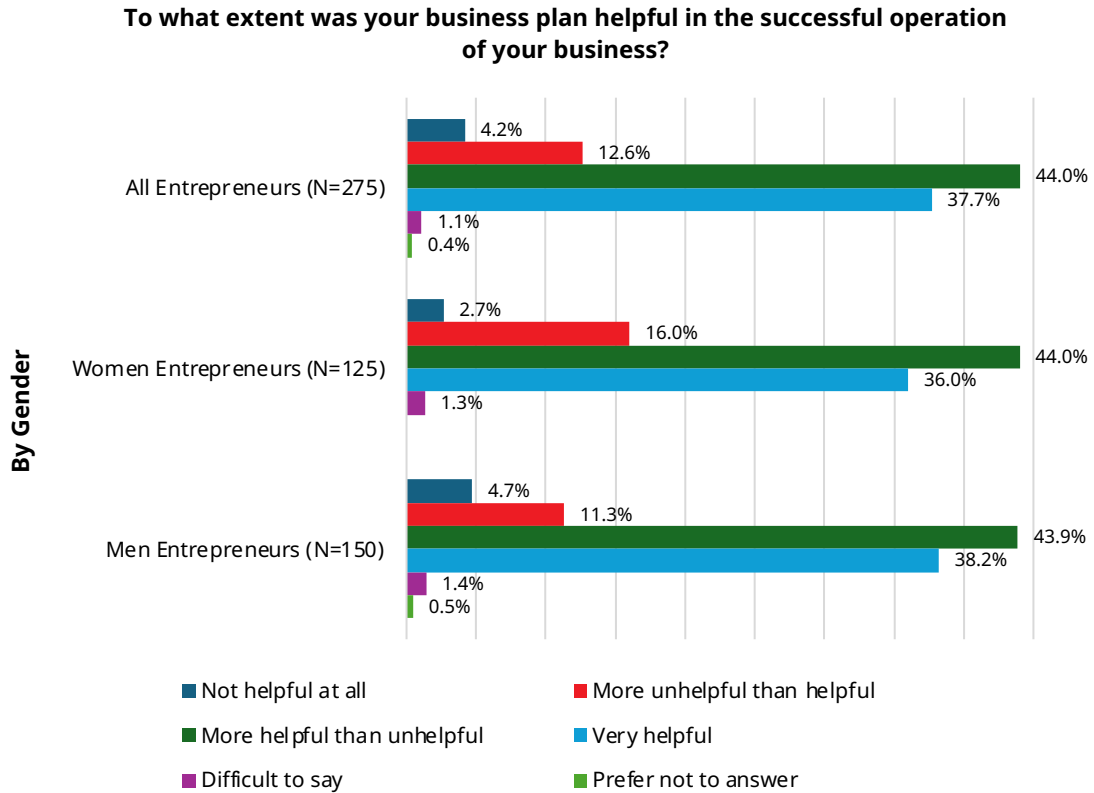
According to the survey results, 59.2% of entrepreneurs did not have a pre-developed business plan when starting their venture, whilst 38.2% had prepared one. No statistically significant differences are observed by gender (see Diagram #3.1).

Diagram #3.1: Practice of Developing a Business Plan Prior to Starting a Business



Among entrepreneurs who started their business with a pre-developed business plan, 81.7% reported that the plan was effective for the successful operation of their business (“Very helpful” + “More helpful than unhelpful”). Only 16.8% evaluated the usefulness of the business plan negatively (“Not helpful at all” + “More unhelpful than helpful”). No statistically significant differences are observed by gender (see Figure #3.2).

Diagram #3.2: The Role of a Pre-Developed Business Plan in Successful Business Operations



Respondents who did not prepare a business plan in advance identified several reasons for this decision. Specifically, 47.1% believed that a business plan was not necessary for starting an entrepreneurial activity, whilst 26.4% reported that they lacked sufficient time to develop one. One-fifth indicated that they did not have the necessary knowledge to prepare a business plan. No statistically significant differences are observed by gender (see Table #3.1).

TABLE #3.1: REASONS FOR NOT DEVELOPING A BUSINESS PLAN IN ADVANCE

Why did you not have a business plan prepared in advance? (%)	All Entrepreneurs (N=455)	By Gender	
		Women Entrepreneurs (N=246)	Men Entrepreneurs (N=209)
I lacked the knowledge to prepare a business plan	20.8	20.9	20.8
I did not consider a business plan necessary	47.1	45.2	48
I wanted to start the business quickly and did not have time to prepare a plan	26.4	28.9	25.1
We were focused on securing financial resources	9.8	7.5	10.8
I preferred to rely on my intuition when managing my company rather than develop detailed financial plans	10.5	8.9	11.3

Other	1.8	2.5	1.5
Difficult to say	3.9	3	4.4
Prefer not to answer	0.5	0.4	0.5

Analysis by type of residence shows that 59.1% of entrepreneurs in Tbilisi believed that a pre-developed business plan was not necessary for starting their entrepreneurial activity. This reason is also dominant among entrepreneurs in other self-governing cities (33.3%) and municipalities (41.9%). The second most frequently reported factor for not having a business plan was the desire to start the business quickly (Tbilisi – 22.9%; other self-governing cities – 29.1%; municipalities – 28.7%) (data are statistically reliable: $\chi^2 = 84.716$, $p < 0.05$) (see Table #3.2).

TABLE #3.2: REASONS FOR NOT DEVELOPING A BUSINESS PLAN IN ADVANCE (BY TYPE OF RESIDENCE)

Why did you not have a business plan prepared in advance? (%)	By Type of Residence		
	Tbilisi (N=179)	Other Self-Governing Cities (N=110)	Municipalities (N=166)
I lacked the knowledge to prepare a business plan	22.8	17.6	20.6
I did not consider a business plan necessary	59.1	33.3	41.9
I wanted to start the business quickly and did not have time to prepare a plan	22.9	29.1	28.7
We were focused on securing financial resources	2.7	23.4	8.8
I preferred to rely on my intuition when managing my company rather than develop detailed financial plans	4.2	13.7	16.2
Other	0.3	4.6	1.7
Difficult to say	5.5	2.5	3
Prefer not to answer	-	-	1.4

The largest proportion of entrepreneurs - 67.3% - started their current business using personal savings, whilst 35.1% relied on financial assistance from family members. Additionally, 27.5% reported having taken a bank loan to launch their entrepreneurial activity, and 12.3% had borrowed money from a friend/relative/acquaintance. No statistically significant differences are observed by gender (see Table #3.3).

TABLE #3.3: FINANCIAL RESOURCES USED TO START THE CURRENT BUSINESS

What financial resources did you use to start your current business? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Personal savings	67.3	61.3	69.8
Support from family members	35.1	43.5	31.7
Loan from friends/acquaintances/relatives	12.3	10.3	13.1
Bank loan	27.5	28.4	27.1
Subsidized low-interest bank loan	0.6	0.3	0.7
Bank loan with collateral subsidy	1.9	1.1	2.2
Microfinance loan	1.5	1	1.7
State program	0.9	1.9	0.4
Grant	1.1	1.2	1
Loan from an informal moneylender	0.5	0.3	0.6
Other	0.6	0.8	0.6
Difficult to say	0.8	0.3	1
Prefer not to answer	0.5	0.5	0.5

Personal savings were the primary financial resource for starting a business among the majority of entrepreneurs in Tbilisi (75.9%), as well as in other self-governing cities (59.5%) and municipalities (63.5%). In the capital, the second most common source is bank loans (28%), whereas in other self-governing cities (39.4%) and municipalities (43.3%), financial support from family members ranks second (data are statistically reliable: $X^2= 70.783$, $p < 0.05$) (see Table #3.4).

TABLE #3.4: FINANCIAL RESOURCES USED TO START THE CURRENT BUSINESS (BY TYPE OF RESIDENCE)

What financial resources did you use to start your current business? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Personal savings	75.9	59.5	63.5
Support from family members	25	39.4	43.3
Loan from friends/acquaintances/relatives	12.5	12.7	11.7

Bank loan	28	33.5	22.4
Subsidized low-interest bank loan	0.5	0.3	0.9
Bank loan with collateral subsidy	2.9	1.8	0.7
Microfinance loan	1.5	1	1.8
State program	-	0.6	2
Grant	0.5	1.7	1.2
Loan from an informal moneylender	1.2	-	-
Other	0.9	0.3	0.6
Difficult to say	0.7	-	1.6
Prefer not to answer	0.5	0.3	0.6

Analysis of the in-depth interviews conducted within the qualitative component of the study shows that the ways of mobilizing financial resources vary considerably, depending not only on sectors, but also on entrepreneurs' personal experience, educational background, and levels of awareness. At the start-up stage, most women relied primarily on two sources of funding: bank loans and personal savings.

Analysis of the survey and in-depth interviews demonstrates that women predominantly rely on personal and family savings to start a business/entrepreneurship, whilst the use of external financing remains limited. This finding aligns with the conclusions of the desk research, which indicate that women entrepreneurs in Georgia face multiple barriers to accessing financial resources - many lack sufficient assets to use as collateral for a loan or do not have a credit history that meets the requirements of financial institutions - factors that frequently result in loan refusals. Moreover, despite the existence of state and non-governmental support mechanisms, women often still rely on personal savings in practice, reflecting the persistent negative impact of systemic barriers.

According to the survey results, the initial capital of an enterprise/business ranged from 1,000 to 10,000 GEL for 50.4% of entrepreneurs, whilst slightly more than one-fifth reported an initial capital of 10,000 to 50,000 GEL. The proportion of entrepreneurs with higher levels of initial capital is significantly lower than these two categories. No statistically significant differences are observed by gender (see Table #3.5).

TABLE #3.5: AMOUNT OF INITIAL CAPITAL FOR AN ENTERPRISE/BUSINESS

Approximately how much was the initial capital of your enterprise/business? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Less than 1 000	11.5	14.4	10.3
1 000-10 000 GEL	50.4	51.4	50
10 000-50 000 GEL	21.7	19.4	22.7
50 000-100 000 GEL	4.8	4.1	5.2
100 000 GEL or more	3.5	2.7	3.8

Difficult to say	6.5	6.8	6.5
Prefer not to answer	1.5	1.4	1.5

Statistical analysis by type of residence reveals that the initial capital for starting an enterprise/business ranged from 1,000 to 10,000 GEL for the largest proportion of entrepreneurs in Tbilisi (51.9%), as well as in other self-governing cities (41.1%) and municipalities (55.6%). Among entrepreneurs who required greater financial resources to launch their business, those with initial capital between 10,000 and 50,000 GEL constitute the largest group across all three geographical categories (Tbilisi – 18.6%; other self-governing cities – 32%; municipalities – 17.4%) (data are statistically reliable: $X^2= 40.535$, $p < 0.05$) (see Table #3.6).

TABLE #3.6: AMOUNT OF INITIAL CAPITAL FOR AN ENTERPRISE/BUSINESS (BY TYPE OF RESIDENCE)

Approximately how much was the initial capital of your enterprise/business? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Less than 1 000	15.8	6.6	10.4
1 000 -10 000 GEL	51.9	41.1	55.6
10 000-50 000 GEL	18.6	32	17.4
50 000 -100 000 GEL	4.5	6.1	4.2
100 000 GEL or more	1	4.1	6.2
Difficult to say	6.9	8.1	5
Prefer not to answer	1.4	2	1.2

Bank Loan

Quantitative data of the research show that the Bank of Georgia holds the dominant position among financial institutions issuing bank loans (46.1%), followed by TBC Bank (25%) and Credo Bank (14%). According to the survey results, entrepreneurs have less experience cooperating with other financial institutions when mobilizing initial capital. No statistically significant differences are observed by gender (see Table #3.7).

TABLE #3.7: FINANCIAL INSTITUTIONS ISSUING BANK LOANS

Which financial institution issued the bank loan? (%)	All Entrepreneurs (N=206)	By Gender	
		Women Entrepreneurs (N=109)	Men Entrepreneurs (N=97)
Basisbank	0.3	1.6	-
Cartu Bank	0.3	1.6	-
TBC Bank	25	23.4	25.7
Credo Bank	14	10.9	15.4

Liberty Bank	5.5	6.3	5.1
ProCredit Bank	1.5	3.1	0.7
Bank of Georgia	46.1	46.9	45.6
Terra Bank	1	1.6	0.7
FINCA Bank	0.7	-	0.7
Prefer not to answer	3.8	3.1	3.7
Bank (name not remembered)	1.7	1.6	2.2

Among respondents who had taken out a bank loan, the largest proportion have/had a five-year loan commitment (29.1%), whilst slightly more than one-fifth reported having signed a three-year loan agreement (21.9%). Among those with shorter or longer loan terms, relatively high proportions reported four-year commitments (14%) or loan durations of six years or more (11.2%). No statistically significant differences are observed by gender (see Table #3.8).

TABLE #3.8: DURATION OF BANK LOAN

What was the duration of the bank loan? (%)	All Entrepreneurs (N=206)	By Gender	
		Women Entrepreneurs (N=109)	Men Entrepreneurs (N=97)
1 year	2.5	3.2	2.2
2 years	10.5	12.9	9.5
3 years	21.9	21	21.9
4 years	14	16.1	13.1
5 years	29.1	27.4	29.9
6 years and more	11.2	12.9	10.2
Difficult to say	2.9	-	4.4
Prefer not to answer	7.7	6.5	8.8

The amount of bank loans taken by entrepreneurs ranged from 5,001 to 10,000 GEL for one-fifth of respondents. For 17%, the loan amount fell between 10,001 and 20,000 GEL. Additionally, 14.7% reported having taken relatively small loans of 1,000 - 5,000 GEL, a proportion slightly higher than that of entrepreneurs whose loans ranged from 20,001 to 40,000 GEL (13.9%). No statistically significant differences are observed by gender (see Table #3.9).

TABLE #3.9: AMOUNT OF BANK LOAN IN GEL

What was the amount of the loan you took out (in GEL)? (%)	All Entrepreneurs (N=206)	By Gender	
		Women Entrepreneurs (N=109)	Men Entrepreneurs (N=97)
1 000 - 5 000	14.7	16.1	13.9
5 001 - 10 000	20.1	27.4	16.8
10 001 - 20 000	17	17.7	16.8
20 001 - 40 000	13.9	14.5	13.9
40 001 - 80 000	6.6	6.5	6.6
80 001 - 160 000	6	3.2	7.3
160 001+	5.4	4.8	5.1
Difficult to say	1.4	-	2.2
Prefer not to answer	14.9	9.7	17.5

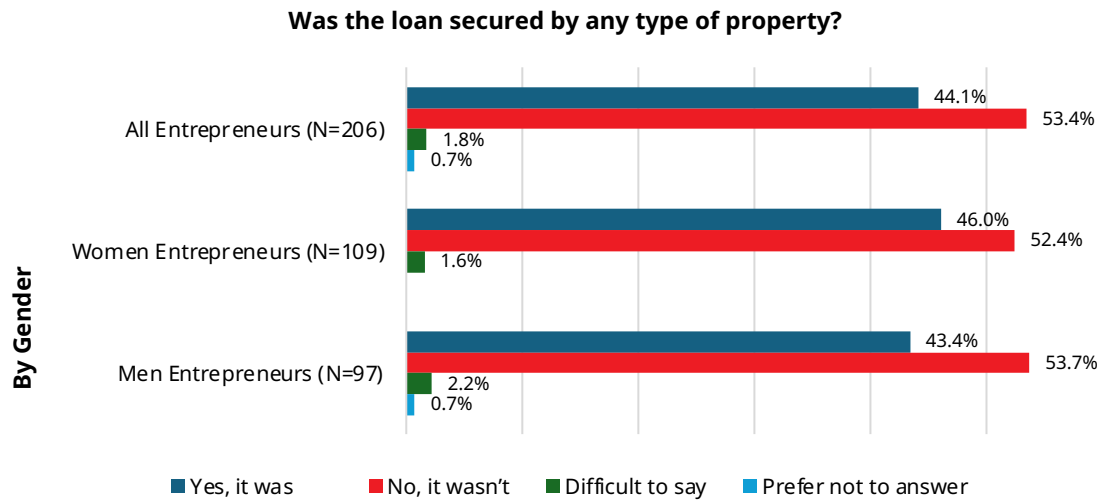
The annual effective interest rate of bank loans was between 16% and 20% for 26.4% of entrepreneurs, whilst 18.3% reported rates ranging from 10% to 15%. One in three respondent (34.2%) had difficulty specifying the annual effective interest rate of their loan. No statistically significant differences are observed by gender (see Table # 3.10).

TABLE #3.10: ANNUAL EFFECTIVE (NON-NOMINAL) INTEREST RATE OF BANK LOANS

What is/was the annual effective (not nominal) interest rate on your loan? (%)	All Entrepreneurs (N=206)	By Gender	
		Women Entrepreneurs (N=109)	Men Entrepreneurs (N=97)
10-15%	18.3	14.8	19.9
16-20%	26.4	32.8	23.5
21-25%	5.3	3.3	5.9
26-30%	2.1	3.3	2.2
31%+	1.2	3.3	-
Difficult to say	34.2	34.4	34.6
Prefer not to answer	12.3	8.2	14

Based on the findings for the study, 53.4% of entrepreneurs did not secure their loan with any type of property. Only 44.1% reported having pledged property as collateral. No statistically significant differences are observed by gender (see Diagram #3.3).

Diagram #3.3: Use of Property as Collateral for a Bank Loan



According to the qualitative research findings, respondents often take out loans without analyzing available alternatives, acting only in response to immediate needs. Under such urgent circumstances, the choice of credit provider is typically based on prior consumer experience. In one case, an adverse financial experience became a significant barrier: after acting as a guarantor, the entrepreneur was placed on the so-called “blacklist,” which resulted in the loss of access to financing from major commercial banks. Consequently, the entrepreneur was forced to turn to alternative organizations that issued loans under unfavorable conditions (with annual interest rates of 27-29%). Over time, this loan became a substantial financial burden; however, because the need for funding was so pressing, the entrepreneur did not carefully consider the interest rate at the time of borrowing. The data also reveal such financial practices in which business activities are undertaken spontaneously, without financial/strategic planning or without a business plan.

“I had previously acted as someone else’s guarantor and was blacklisted. No bank would give me a loan, and when I went to Credo Bank and they reviewed my turnover, they actually took a risk. I have been a Credo customer for four years. Later, when I went to Liberty Bank, they gave me a loan more easily because I had always paid everything honestly. Credo Bank had a very high interest rate - 29% - and Liberty Bank’s was 27%. At first, I really didn’t care about the interest rate, because we urgently needed to buy a minibus; we were renting one from someone else to transport the goods.” (Female entrepreneur, wholesale shop owner, Mestia).

One respondent reported comparing offers from several banks before selecting the one that provided the most favorable conditions for obtaining an agricultural loan. Initially, she took out a small loan and avoided making larger financial commitments until she was confident in her ability to manage her entrepreneurial activities. This approach enabled her to expand her business gradually, a process that was ultimately made possible by securing a relatively larger loan. Another case involved a female entrepreneur who, following consultation with her personal banker - and drawing on the strong financial history and high turnover of her business - was able to obtain a substantial loan from ProCredit Bank.

“The loan is for two years. Basis Bank offered me the best terms - it was an agricultural loan. I checked with four banks: Bank of Georgia, Credo, and TBC. The interest rate was around 15-16%. I didn’t take a big risk at first; I decided to request only five beehives totaling 5,000 GEL... Later, I gradually expanded through the same agricultural loan and have now reached 35 beehives.” (Female entrepreneur, agribusiness, Kakheti)

Subsidized Low-Interest Bank Loan

Within the quantitative component of the study, only four cases of obtaining a subsidized low-interest bank loan were identified. The financial institutions issuing these loans were Cartu Bank and TBC. For two entrepreneurs, the loan duration was two years, whilst the remaining two reported loan terms of eight and nine years, respectively. The amounts of the subsidized low-interest loans were as follows: one respondent received 18,000 GEL, another 19,000 GEL, and a third 100,000 GEL; the fourth respondent was unable to specify the loan amount. In one case, the annual effective (non-nominal) interest rate ranged between 16% and 19%. As for the use of property as collateral, two entrepreneurs reported that their loans were unsecured, whilst the other two had secured their loans. (Analysis by gender does not reveal any statistically significant differences (see Table #3.11).

TABLE #3.11: EXPERIENCE WITH SUBSIDIZED LOW-INTEREST BANK LOANS

Subsidized Low-Interest Bank Loan			
Which financial institution issued the loan?	All Entrepreneurs (N=4)	By Gender	
		Women Entrepreneurs (N=1)	Men Entrepreneurs (N=3)
Cartu Bank	1	-	1
TBC Bank	1	-	1
Prefer not to say	2	1	1
What was the duration of the loan?	All Entrepreneurs (N=4)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=3)
2 years	2	-	2
8 years	1	-	1
9 years	1	1	-
What was the amount of the loan (in GEL)?	All Entrepreneurs (N=4)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=3)
18000 GEL	1	-	1
19000 GEL	1	-	1
100000 GEL	1	1	-
Prefer not to say	1	-	1
What is/was the annual effective (not nominal) interest rate on the loan?	All Entrepreneurs (N=4)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=3)
16%	1	-	1
19%	1	-	1
Difficult to say	1	-	1

Prefer not to say	1	1	-
Was the loan secured by any type of property?	All Entrepreneurs (N=4)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=3)
Yes	2	1	1
No	2	-	2

Bank Loan with Collateral Subsidy

A total of 12 entrepreneurs reported taking out a collateral-guaranteed bank loan to start their business. Their loan obligations were distributed across several financial institutions: Bank of Georgia (N=1), TBC Bank (N=3), Credo Bank (N=1), Rico Credit (N=4), and Terabank (N=2). The duration of these loans ranged from 2 to 10 years. In total, four respondents specified the (collateral-guaranteed) loan amount (12,000 GEL - N=1, 15,000 GEL - N=1, 50,000 GEL - N=1, 350,000 GEL - N=1). The annual effective interest rate varied from 8% to 26%. Among entrepreneurs who received a bank loan supported by a collateral subsidy, ten reported that the loan was secured by property, whilst two indicated that it was not. (Analysis by gender does not reveal any statistically significant differences) (see Table #3.12).

TABLE #3.12: EXPERIENCE WITH BANKS LOANS WITH COLLATERAL SUBSIDY

Bank Loans with Collateral Subsidy			
Which financial institution issued the loan?	All Entrepreneurs (N=12)	By Gender	
		Women Entrepreneurs (N=4)	Men Entrepreneurs (N=8)
TBC Bank	3	1	2
Credo Bank	1	1	-
Rico Credit	4	1	3
Bank of Georgia	1	-	1
Terra Bank	2	1	1
Prefer not to say	1	-	1
What was the duration of the loan?	All Entrepreneurs (N=12)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=8)
2 years	2	-	2
3 years	1	1	-
5 years	2	-	2
7 years	2	-	2
10 years	1	1	-
Prefer not to say	4	2	2

What was the amount of the loan (in GEL)?	All Entrepreneurs (N=12)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=8)
12 000 GEL	1	-	1
15 000 GEL	1	1	-
50 000 GEL	1	-	1
350 000 GEL	1	-	1
Difficult to say	8	3	5
What is/was the annual effective (not nominal) interest rate on the loan?	All Entrepreneurs (N=12)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=8)
8%	1	1	-
11%	1	-	1
16%	1	-	1
18%	1	-	1
26%	1	1	-
Difficult to say	4	1	3
Prefer not to say	3	1	2
Was the loan secured by any type of property?	All Entrepreneurs (N=12)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=8)
Yes	10	3	7
No	2	1	1

Microfinance Loan

A total of 13 entrepreneurs took out a loan from a microfinance organization to start their business. Of these, the largest number – 7, had financial obligations to Crystal. In addition, Credo Bank and Swiss Capital were also identified among the microfinance/small-scale lending institutions used. The duration of these loans ranged from 2 to 5 years, and the loan amounts varied between 5,000 and 30,000 GEL. Regarding the annual effective interest rate, seven respondents declined to answer. Each of the remaining six entrepreneurs reported a different rate, with the lowest being 17% and the highest 56%. Among the entrepreneurs who borrowed from microfinance organizations, seven secured their loans with property, whilst six did not. (Analysis of these indicators by gender does not reveal any statistically significant differences) (see Table #3.13).

TABLE #3.13: EXPERIENCE WITH MICROFINANCE LOANS

Microfinance Loan			
Which financial institution issued the loan?	All Entrepreneurs (N=13)	By Gender	
		Women Entrepreneurs (N=4)	Men Entrepreneurs (N=9)
Credo	2	2	-
Crystal	7	2	5
Swisscapital	2	-	2
Bank (name not remembered)	2	-	2
What was the duration of the loan (in years)?	All Entrepreneurs (N=13)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=9)
2 years	3	2	1
3 years	6	1	5
5 years	4	1	3
What was the amount of the loan (in GEL)?	All Entrepreneurs (N=13)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=9)
5 000 GEL	2	1	1
6 000 GEL	2	2	-
7 000 GEL	1	-	1
10 000 GEL	2	-	2
20 000 GEL	3	-	3
30 000 GEL	2	1	1
Prefer not to answer	1	-	1

What is/was the annual effective (not nominal) interest rate on the loan?	All Entrepreneurs (N=13)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=9)
17%	1	1	-
18%	1	1	-
20%	1	-	1
30%	1	-	1
48%	1	-	1
56%	1	-	1
Difficult to say	7	2	5
Was the loan secured by any type of property?	All Entrepreneurs (N=13)	Women Entrepreneurs (N=4)	Men Entrepreneurs (N=9)
Yes	7	1	6
No	6	3	3

Loan from an Informal Moneylender

Three entrepreneurs reported having taken a loan from an informal moneylender to start their business. Of these, two obtained six-month loans, whilst one received a twelve-month loan. For two entrepreneurs, the loan amount was 8,000 GEL, and for the third it was 20,000 GEL. The monthly interest rates varied across all three cases: 25% - N=1, 35% - N=1, and 37% - N=1. Only one respondent indicated that the loan had been secured by property, whilst two reported the opposite. (Analysis of these indicators by gender does not reveal any statistically significant differences) (see Table #3.14).

TABLE #3.14: EXPERIENCE WITH BORROWING FROM AN INFORMAL MONEYLENDER

Loan from an Informal Moneylender			
What was the duration of the loan?	All Entrepreneurs (N=3)	By Gender	
		Women Entrepreneurs (N=2)	Men Entrepreneurs (N=1)
6 months	2	1	1
12 months	1	-	1
What was the amount of the loan (in GEL)?	All Entrepreneurs (N=3)	Women Entrepreneurs (N=2)	Men Entrepreneurs (N=1)
8 000 GEL	2	1	1
20 000 GEL	1	-	1

What is/was the monthly effective interest rate on your loan?	All Entrepreneurs (N=3)	Women Entrepreneurs (N=2)	Men Entrepreneurs (N=1)
25%	1	-	1
35%	1	1	-
37%	1	-	1
Was the loan secured by any type of property?	All Entrepreneurs (N=3)	Women Entrepreneurs (N=2)	Men Entrepreneurs (N=1)
Yes	1	-	1
No	2	1	1

State Programme

A total of 10 respondents indicated that they had participated in a state program to obtain initial financial capital. Of these, 8 were beneficiaries of the LEPL “Enterprise Georgia” initiative. Among the beneficiaries of the state program, one respondent received 2,000 GEL (the smallest reported amount), whereas the largest amount obtained reached 200,000 GEL. The duration of the financing also varied considerably, ranging from 2 months (N=1) to 84 months (N=1). The annual effective interest rate similarly showed variation: one entrepreneur reported an interest rate of 25%, whereas four entrepreneurs received financing at a 0% interest rate (women entrepreneur - N=3; man entrepreneur - N=1). (Analysis of these indicators by gender does not reveal any statistically significant differences) (see Table #3.15).

TABLE #3.15: EXPERIENCE WITH FUNDING RECEIVED THROUGH THE STATE PROGRAM

State Program			
Under which state program did you receive funding?	All Entrepreneurs (N=10)	By Gender	
		Women Entrepreneurs (N=8)	Men Entrepreneurs (N=2)
Enterprise Georgia	8	6	2
Plant the Future	1	1	-
Funding under the State Program for Social Rehabilitation and Child Care	1	1	-
What was the amount of funding received under the state program (in GEL)?	All Entrepreneurs (N=10)	Women Entrepreneurs (N=8)	Men Entrepreneurs (N=2)
2 000 GEL	1	1	-
5 000 GEL	3	3	-
15 000 GEL	2	1	1

80 000 GEL	1	-	1
200 000 GEL	1	1	-
Prefer not to say	2	2	-
What was the duration of the funding provided under the state program?	All Entrepreneurs (N=10)	Women Entrepreneurs (N=8)	Men Entrepreneurs (N=2)
2 months	1	1	-
24 months	1	1	-
84 months	1	1	-
Prefer not to say	1	5	2
What is/was the annual effective (not nominal) interest rate of the funding received under the state program?	All Entrepreneurs (N=10)	Women Entrepreneurs (N=8)	Men Entrepreneurs (N=2)
0%	4	3	1
25%	1	1	-
Difficult to say	3	3	-
Prefer not to say	2	1	1

None of the respondents in the in-depth interviews reported having participated in state programs. In this case, too, the primary reason cited was a lack of information about available initiatives. Respondents noted that their focus tends to remain on daily operations rather than on longer-term strategic planning. Additionally, distrust toward state initiatives emerges as a significant barrier. Several entrepreneurs stated that they had chosen not to apply because they believed that funding was primarily awarded to entrepreneurs with higher income/turnover, leading them to assume that their own efforts would be unsuccessful.

Although state programs - particularly the initiatives of LEPL Enterprise Georgia - have made more active efforts in recent years to support women's entrepreneurship, both the quantitative and qualitative findings of this study indicate that women's participation in these programs remains minimal. This limited involvement is largely attributable to insufficient awareness of available initiatives and low levels of trust in state programs. These findings align with trends identified in the desk research, which show that women entrepreneurs often do not meet program requirements (such as co-financing requirements) or lack clarity regarding the procedures and conditions for participation.

From a gender equality perspective, the unequal utilization of state support reflects both structural and systemic barriers. Despite ongoing programmatic adjustments intended to enhance women's engagement, there remains a clear need for targeted information campaigns, simplified administrative processes, and more attainable co-financing requirements to ensure that women entrepreneurs can meaningfully access public resources.

Grants

Nine surveyed entrepreneurs reported receiving grant funding to support their business activities. Grants were provided by the following organizations: USAID (N=2), ELKANA (N=2), Enterprise Georgia (N=2), ESB (N=1), the Rural Development Agency (N=1), and the Ceyhan Grant Program (N=1). The amounts awarded ranged from 4,000 to 60,000 GEL (three entrepreneurs received 4,000 GEL, one received 5,000 GEL, one received 25,000 GEL, and one received 60,000 GEL). The duration of grant funding also varied, including reported periods of 12-month (N=1) and 24-month (N=2), among others. (Analysis of these indicators by gender does not reveal any statistically significant differences) (see Table #3.16).

TABLE #3.16: EXPERIENCE WITH GRANT FUNDING

Grant Funding			
Which organization provided the grant?	All Entrepreneurs (N=9)	By Gender	
		Women Entrepreneurs (N=8)	Men Entrepreneurs (N=1)
USAID	2	1	1
Enterprise Georgia	2	1	1
ELKANA	2	2	-
ESB	1	1	-
Rural Development Agency	1	-	1
Ceyhan Grant Program	1	-	1
What was the amount of the grant received in GEL?	All Entrepreneurs (N=9)	Women Entrepreneurs (N=8)	Men Entrepreneurs (N=1)
4 000 GEL	3	3	-
5 000 GEL	1	-	1
55 000 GEL	1	-	1
60 000 GEL	1	1	-
Prefer not to answer	3	1	2
What was the duration of the grant funding?	All Entrepreneurs (N=9)	Women Entrepreneurs (N=8)	Men Entrepreneurs (N=1)
12 months	1	1	-
24 months	2	1	1
Prefer not to answer	6	3	3

According to the qualitative research, women entrepreneurs have comparatively less experience obtaining grants than securing loans. For example, one entrepreneur working in biodegradable material recycling who holds a Master's degree in Public Management and has extensively collaborated with international donor organizations, successfully obtained 50,000 GEL in financing from the Tree of Life Fund, largely due to her ability to prepare a detailed and competitive business plan and her strong managerial skills. The grant enabled the entrepreneur to purchase technological equipment, develop the enterprise, and subsequently participate in a Swedish government program. For this respondent, the grant served not only as financial support but also as a strategic development instrument and an opportunity for professional growth. In another case, a woman entrepreneur in the agricultural sector received small grants from World Vision and ASB Georgia. She prepared her business plan independently, drawing on practical training provided by these organizations. These examples collectively demonstrate that access to grants is closely associated with entrepreneurs' educational attainment, organizational skills, and access to institutional contacts.

The lack of information and consultation services is even more pronounced in rural and peripheral areas compared to urban settings. Respondents living in the regions reported limited access to consulting or information platforms, leaving them particularly vulnerable in a highly competitive market environment. For many women entrepreneurs, a significant barrier is the lack of time to pursue grant opportunities (such as drafting applications, awaiting results, etc.), which is often incompatible with the immediate needs of their businesses. Under these circumstances, bank loans remain the most realistic option, as pursuing grant funding becomes feasible only when advance planning is possible.

Quantitative findings indicate that none of the surveyed entrepreneurs made use of leasing or startup financing mechanisms to mobilize financial resources during the initial stages of their entrepreneurial activities

According to the survey data, 52.4% of entrepreneurs who had taken a bank loan for their entrepreneurial activities fully repaid the financing within the contractual period, whilst 41.9% are still in the process of repayment and make payments within the agreed schedule. A similar pattern is observed across other types of financing. Specifically, in most cases, entrepreneurs have either fully repaid their loans within the contractual timeframe or are in the process of repaying them according to the agreed-upon schedule. For all financing types, the proportion of respondents who are/were unable to meet the contractual deadlines is small. By gender, no statistically significant differences are observed (see Table #3.17).

TABLE #3.17: REPAYMENT PRACTICES FOR LOANS/CREDITS/STATE PROGRAM FINANCING USED FOR ENTREPRENEURIAL ACTIVITIES⁹⁵

Has the loan/credit/state program financing obtained for entrepreneurial activity been repaid in accordance with the contract terms?		Yes, fully repaid in accordance with the contract terms	Yes, fully repaid, but not within the contractually agreed timeframe	No, repayment is ongoing, and I am meeting the contract terms	No, repayment is ongoing, and I am not meeting the contract terms	Prefer not to answer
Bank Loan (% , N)	All Entrepreneurs (N=209)	52.4 (N=112)	4.7 (N=9)	41.9 (N=86)	1 (N=2)	-
	Women Entrepreneurs (N=109)	57.1 (N=62)	3.2 (N=4)	38.1 (N=42)	1.6 (N=1)	-
	Men Entrepreneurs (N=209)	50.7 (N=50)	4.9 (N=5)	43.7 (N=44)	0.7 (N=1)	-
Subsidized Low-Interest Bank Loan (N)	All Entrepreneurs (N=4)	2	-	N=2	-	-
	Women Entrepreneurs (N=1)	-	-	N=1	-	-
	Men Entrepreneurs (N=3)	N=2	-	N=1	-	-
Bank Loans with Collateral Subsidy (N)	All Entrepreneurs (N=12)	N=1	N=2	N=9	-	-
	Women Entrepreneurs (N=4)	-	-	N=4	-	-
	Men Entrepreneurs (N=8)	N=1	N=2	N=5	-	-
Microfinance Loan (N)	All Entrepreneurs (N=10)	N=7	-	N=2	N=1	-
	Women Entrepreneurs (N=4)	N=2	-	N=1	N=1	-
	Men Entrepreneurs (N=6)	N=5	-	N=1	-	-
Loan from an Informal Moneylender (N)	All Entrepreneurs (N=3)	N=7	-	N=2	N=1	-
	Women Entrepreneurs (N=1)	-	-	-	N=1	-
	Men Entrepreneurs (N=2)	N=1	-	N=1	-	-

⁹⁵ In Table 3.17, for subsidized bank loans, bank loans with collateral subsidies, microfinance loans, loans from moneylenders, and state programmes, absolute numbers are used instead of percentages due to the small number of respondents.

State Program (N)	All Entrepreneurs (N=10)	N=3	-	N=1	-	N=6
	Women Entrepreneurs (N=8)	N=3	-	N=1	-	N=4
	Men Entrepreneurs (N=2)	-	-	-	-	N=1

The individual most frequently assisting entrepreneurs in making financial decisions at the start of a business is a family member/relative (56.6%), followed by a friend/acquaintance (27.2%). It is also not uncommon for entrepreneurs to make all financial decisions independently (28%). Analysis by gender reveals a similar pattern (data are statistically reliable: $X^2= 19.950$; $p < 0.05$) (see Table #3.18).

TABLE #3.18: ASSISTANCE IN MAKING FINANCIAL DECISIONS WHEN STARTING A BUSINESS

Did anyone assist you in making financial decisions when starting your business?	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Family member/relative	56.6	63.6	53.7
Friend/acquaintance	27.2	22.7	29
Trainer/consultant	1.2	0.7	1.4
Representative of a financial institution	2.7	1.1	3.4
Accountant	3.7	3.5	3.8
Other	0.3	0.3	0.3
No, I made all decisions independently	28	22.2	30.4
Difficult to say	0.3	0.6	0.2

According to the analysis by type of residence, the largest proportion of entrepreneurs in Tbilisi (48.3%), other self-governing cities (67.2%), and municipalities (58%) received assistance from a family member/relative when making financial decisions at the start of their business. This is followed by support/recommendations received from friends/acquaintances. With regard to entrepreneurs who made financial decisions independently, the proportion is 33.6% in Tbilisi, 20.1% in other self-governing cities, and 27.6% in municipalities (data are statistically reliable: $X^2= 52.777$; $p < 0.05$) (see Table #3.19).

TABLE #3.19: ASSISTANCE IN MAKING FINANCIAL DECISIONS WHEN STARTING A BUSINESS (BY TYPE OF RESIDENCE)

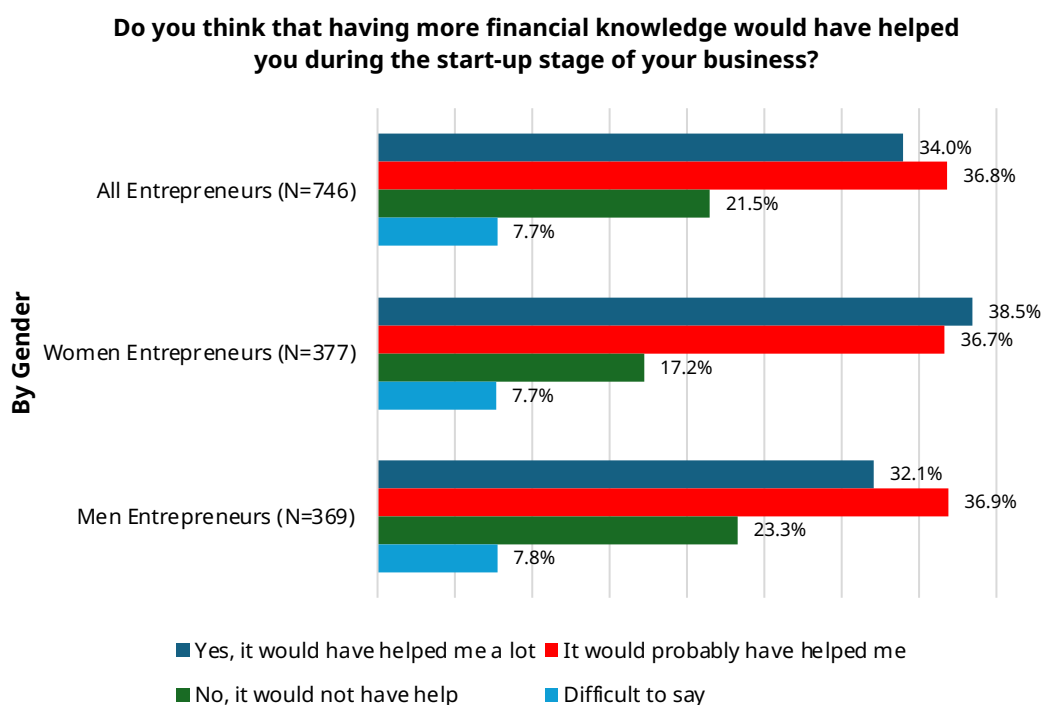
Did anyone assist you in making financial decisions when starting your business? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Family member/relative	48.3	67.2	58
Friend/acquaintance	28.3	24.7	27.8
Trainer/consultant	2.2	-	0.9
Representative of a financial institution	4	2.6	1.3
Accountant	5.4	4.4	1.4
Other	-	1	-
No, I made all decisions independently	33.6	20.1	27.6
Difficult to say	-	0.3	0.7

Based on the results of the quantitative study, when starting a business, many women entrepreneurs make financial decisions with the assistance or influence of family members or acquaintances, whilst independent decision-making is comparatively rare - especially among women residing in the regions. This trend aligns with findings from the desk research, which indicate that women's economic autonomy, particularly in relation to financial decision-making, is often constrained by family structures and prevailing gender norms. The desk research further highlights pronounced differences between urban and rural settings: in villages, women are less likely to make decisions independently and often rely on the approval of husbands or other family members.

This trend demonstrates that independent financial decision-making among women entrepreneurs remains a persistent challenge and addressing this issue requires responses at both cultural and institutional levels, particularly within regional contexts.

One-third of entrepreneurs believed that having more financial knowledge at the start-up stage would have been very helpful for their entrepreneurial activities, whilst 36.8% said that it would probably have been helpful. Slightly more than one-fifth of respondents did not view additional financial knowledge as a beneficial factor. By gender, no statistically significant differences are observed (see Diagram #3.4).

Diagram #3.4: Need for Greater Financial Literacy



Statistical analysis of the quantitative data shows that, when starting a business, entrepreneurs had the greatest need for knowledge in the following areas: determining initial costs and required capital (38.6%), calculating expected profits and losses (37.8%), preparing a business budget (32%). Additionally, guidance on developing a business plan (22.2%) and on registering and maintaining financial documentation (17.2%) is considered important. No statistically significant differences are observed by gender (see Diagram #3.20).

DIAGRAM #3.20: SPECIFIC AREAS OF FINANCIAL KNOWLEDGE NEEDED

What types of financial knowledge would have been helpful to you when starting your business? (%)	All Entrepreneurs (N=541)	By Gender	
		Women Entrepreneurs (N=285)	Men Entrepreneurs (N=369)
Business plan development	22.2	23.5	21.6
Business budgeting	32	26.5	34.5
Estimating initial costs and required capital	38.6	43.5	36.3
Forecasting expected profits and losses	37.8	41	36.4
Registration and maintenance of financial documentation	17.2	14.5	18.4
Forms of communication with banks / microfinance organizations and knowledge of one's rights	10.3	7.5	11.5

Detailed analysis of leasing and/or loan terms	3.2	0.6	4.4
Securing sources of financing (grants, programs, etc.) and comparative analysis of available options	12.6	12.9	12.4
Correct accounting practices	15.5	19.1	13.8
Knowledge of tax regulations	14.6	14.6	14.6
Financial security (payments, fraud, etc.)	6.3	8	5.5
Other	0.5	0.4	0.6
Difficult to say	4.4	3.3	4.9

Analysis by type of residence shows that entrepreneurs in Tbilisi, other self-governing cities, and municipalities have similar needs regarding financial knowledge at the start-up stage. Namely, across all three target groups, the most prominent areas of need include determining initial costs and required capital, calculating expected profits and losses, and preparing both a business budget and a business plan. Other important areas of financial knowledge identified across the target categories are as follows: in Tbilisi, registering and maintaining financial documentation (23.9%); in other self-governing cities, correct accounting (23.7%) and familiarity with tax regulations (23.1%); and in municipalities, identifying sources of financing and conducting comparative analyses of alternative financial options (19.4%) (data are statistically reliable: $X^2= 52.777$; $p < 0.05$) (see Table #3.21).

TABLE #3.21: SPECIFIC AREAS OF FINANCIAL KNOWLEDGE NEEDED (BY TYPE OF RESIDENCE)

What types of financial knowledge would have been helpful to you when starting your business? (%)	By Type of Residence		
	Tbilisi (N=195)	Other Self-Governing Cities (N=137)	Municipalities (N=209)
Business plan development	23.2	20	22.7
Business budgeting	43	23.2	25.6
Estimating initial costs and required capital	44.6	33.6	35.2
Forecasting expected profits and losses	43.4	30.9	36.3
Preparation and maintenance of financial documentation	23.9	9.7	14.8
Forms of communication with banks / microfinance organizations and knowledge of one's rights	15.8	5.6	7.2
Detailed analysis of leasing and/or loan terms	5.5	2.2	1.3
Securing sources of financing (grants, programs, etc.) and comparative analysis of available options	7.7	10.9	19.4

Correct accounting practices	10.8	23.7	15
Knowledge of tax regulations	10.3	23.1	13.5
Financial security (payments, fraud, etc.)	5.1	7.1	7.1
Other	-	-	1.6
Difficult to say	3.9	4.7	4.7

Almost all women entrepreneurs participating in the qualitative research acknowledged having insufficient knowledge of financial management, particularly during the start-up phase, when more effective budgeting would have helped them manage their businesses. Only a few report that their business plans accurately reflected reality, including considerations of financial sustainability.

“Knowing more is, of course, better. For example, I don’t know what kinds of support exist in agriculture or whom to approach. I have different businesses operating in one space, and I work seasonally. Now, I have clothes, right? I also have flowers outside, and when the flower season ends, I start working with fruit and vegetables. The only thing I know is how to bring goods and sell them; I have no other perspective.” (Female entrepreneur, wholesale store, Mestia)

“I had experience in drawing up a business plan because I have the relevant education. I have a Master’s degree in Public Administration and I work in international organizations. Therefore, I have the competence to do this. Everything I included in the business plan was implemented, including the sustainability component. My activities were not limited to receiving a grant; I continued to develop. I participate in competitions and have recently won a Swedish government competition, after which I attended a ‘market orientation mission’ to learn how similar work is carried out in Sweden. Sharing international experience is very important.” (Female entrepreneur, manufacturer of accessories from biodegradable materials, Tbilisi)

Findings from the quantitative and qualitative studies, as well as the desk research, consistently demonstrate that a lack of financial literacy remains one of the most significant barriers to starting and developing a business for entrepreneurs in general, and for women in particular. Determining start-up costs, analyzing profits and losses, and preparing a budget are identified by the majority of entrepreneurs as crucial areas of knowledge, the absence of which complicates strategic planning and heightens financial risk.

It is a general trend that women entrepreneurs - especially those in the regions - often start businesses without basic knowledge and lack access to tools that are critical for business sustainability and growth. Desk research further indicates that insufficient financial literacy affects not only women’s individual skills but also their ability to obtain key resources, including loans, grants, and government support.

As a result, limited financial education operates not only as a practical constraint but also as a structural barrier that impedes women’s full economic participation. This pattern has remained largely unchanged over the years, underscoring the need for systemic intervention

According to the quantitative data, the most common way to mobilize additional financial resources for entrepreneurial activities is through personal savings (61.2%). This is followed by family support (33.6%) and bank loans (28.9%). The use of alternative financing sources remains relatively limited. No statistically significant differences are observed by gender (see Table #3.22).

TABLE #3.22: WAYS OF MOBILIZING ADDITIONAL FINANCIAL RESOURCES FOR BUSINESS ACTIVITIES

In what ways have you sought / are you currently seeking additional financial resources for your business? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Personal savings	61.2	59.3	62
Support from family member(s)	33.6	36	32.6
Loan from a friend/acquaintance/relative	12.9	9.3	14.4
Business proceeds	7.4	6.6	7.7
Bank loan	28.9	26.8	29.8
Leasing	0.4	0.6	0.3
Trade credit (commodity credit)	0.8	1	0.8
Subsidized low-interest bank loan	0.7	0.5	0.8
Bank loan with collateral subsidy	1.1	1.1	1.1
Microfinance loan	1.3	1.1	1.4
State program	1.4	2	1.1
Grant	0.6	1	0.5
Start-up financing through non-governmental programs	0.5	0.4	0.5
Loan from an informal moneylender	0.8	0.6	0.8
Green financing credit	0.1	0.3	-
Other	1.1	0.8	1.3
Difficult to say	1.4	0.9	1.6
Prefer not to answer	0.3	0.5	0.2

The most common way entrepreneurs mobilize additional financial resources for their businesses is through personal savings, both in Tbilisi (68.1%) and in other self-governing cities (54.5%) and municipalities (58.6%). The second most prevalent source in other self-governing cities (40.7%) and municipalities (33.9%) is support from family members, whereas in the capital, bank loans rank second (31.3%). Bank loans, as a means of mobilizing additional financial resources for businesses, are used comparatively less in other geographic areas (data are statistically reliable: $X^2= 52.777$; $p < 0.05$) (see Table #3.23).

TABLE #3.23: WAYS OF MOBILIZING ADDITIONAL FINANCIAL RESOURCES FOR BUSINESS ACTIVITIES (BY TYPE OF RESIDENCE)

In what ways have you sought / are you currently seeking additional financial resources for your business? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Personal savings	68.1	54.5	58.6
Support from family member(s)	28.5	40.7	33.9
Loan from a friend/acquaintance/relative	15.6	11.8	10.8
Business proceeds	8.3	8.6	5.4
Bank loan	31.3	28.1	26.9
Leasing	0.5	-	0.5
Trade credit (commodity credit)	1	0.3	1.1
Subsidized low-interest bank loan	1	-	0.9
Bank loan with collateral subsidy	1.4	1.1	0.8
Microfinance loan	1.4	2.8	-
State program	0.2	1.6	2.5
Grant	-	1.3	0.8
Start-up financing through non-governmental programs	-	0.8	0.8
Loan from an informal moneylender	0.7	1.1	0.5
Green financing credit	-	0.3	-
Other	1.2	1	1.2
Difficult to say	2.9	0.3	0.4
Prefer not to answer	-	0.3	0.6

4. Barriers to Starting A Business

One-fifth of entrepreneurs (20.7%) found it difficult to identify specific barriers they faced at the start-up stage. Among those who did, the most frequently cited barriers were financial obstacles (21.3%), fear of failure or risk (12.9%), lack of business contacts (11.4%), and shortage of qualified personnel (10.9%). These findings suggest that, at the initial stage, entrepreneurs encountered a combination of financial, interpersonal, and emotional challenges. By gender, no statistically significant differences are observed (see Table #4.1).

TABLE #4.1: BARRIERS AT THE START-UP STAGE OF CURRENT ENTREPRENEURIAL ACTIVITY

What barriers did you encounter at the start-up stage of your current entrepreneurial activity? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Lack of credit history	6.6	6.1	6.8
Financial constraints	21.3	23.8	20.2
Legal difficulties	5.6	3.2	6.7
Tax system / bureaucracy	8.7	8.7	8.7
Limited / no access to consumer markets	9.2	8.6	9.5
Lack of business contacts	11.4	11.8	11.3
Lack of qualified personnel	10.9	11.6	10.5
Lack of non-financial / material resources (e.g., land for agricultural activities)	2.9	1.5	3.5
Lack of real estate required to secure a loan	3.1	1.9	3.7
Lack of technical knowledge and experience required for the business	7.1	4.5	8.2
Lack of financial knowledge	6.8	7.3	6.5
Absence of a pre-prepared business plan and reliance on intuition	3.4	3.5	3.3
Misconceptions about entrepreneurial activity	3.3	2.9	3.4
Lack of family support	0.2	0.6	-
Fear of failure or risk	12.9	16.6	11.3
Resistance from family members	0.5	-	0.8
Other	9.4	9.4	9.3
Difficult to say	20.7	18.1	21.8
Prefer not to say	2.0	1.9	2.0

In Tbilisi (21%), as well as in other self-governing cities (29.3%), and municipalities (15.4%), a substantial proportion of respondents reported encountering financial barriers at the start of their entrepreneurial activities. Nearly one in five entrepreneurs in the capital (19.2%) experienced fear of failure or risk at the initial stage. This concern was also noted by one-tenth of entrepreneurs in municipalities (10.9%), whereas the proportion decreases to 6.1% among entrepreneurs in other self-governing cities. In municipalities, the lack of qualified personnel (12.7%) (compared with 9.4% in Tbilisi and 10.6% in other self-governing cities) and limited access to consumer markets (12.2% compared with 9.9% in Tbilisi and 4.3% in other self-governing cities) were reported relatively more frequently (data are statistically reliable: $\chi^2=91.846$; $p < 0.05$) (see Table #4.2).

TABLE #4.2: BARRIERS AT THE START-UP STAGE OF CURRENT ENTREPRENEURIAL ACTIVITY (BY TYPE OF RESIDENCE)

What barriers did you encounter at the start-up stage of your current entrepreneurial activity? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Lack of credit history	6.7	8.8	4.8
Financial constraints	21.0	29.3	15.4
Legal difficulties	8.1	3.4	4.5
Tax system / bureaucracy	9.8	5.8	9.8
Limited / no access to consumer markets	9.9	4.3	12.2
Lack of business contacts	13.4	8.7	11.2
Lack of qualified personnel	9.4	10.6	12.7
Lack of non-financial / material resources (e.g., land for agricultural activities)	3.4	1.8	3.1
Lack of real estate required to secure a loan	3.0	4.2	2.5
Lack of technical knowledge and experience required for the business	8.0	5.9	7.1
Lack of financial knowledge	8.6	6.4	4.9
Absence of a pre-prepared business plan and reliance on intuition	2.7	6.5	1.7
Misconceptions about entrepreneurial activity	2.1	3.4	4.5
Lack of family support	0.2	0.3	-
Fear of failure or risk	19.2	6.1	10.9
Resistance from family members	0.5	-	1.0
Other	6.2	13.8	9.5
Difficult to say	22.0	16.6	22.4
Prefer not to say	1.4	2.5	2.2

Among entrepreneurs who experienced financial barriers, the majority identified high loan interest rates as the primary challenge (60.2%). Other notable barriers include refusals on loan/leasing applications (12.1%) and difficulties meeting guarantee/collateral requirements (10.8%). The remaining financial obstacles were each reported by less than 7% of respondents. No statistically significant differences are observed by gender (see Table #4.3).

TABLE #4.3: EXISTING BARRIERS TO ACCESSING FINANCIAL RESOURCES

What specific barriers did you face in obtaining financial resources? (%)	All Entrepreneurs (N=163)	By Gender	
		Women Entrepreneurs (N=89)	Men Entrepreneurs (N=74)
Loan / leasing application was denied	12.1	11.5	12.4
Grant application was denied	7.0	8.0	6.5
Inability to meet guarantee / collateral requirements	10.8	4.4	14.0
High interest rates on loans	60.2	64.3	58.2
Unsatisfactory loan / leasing / grant duration	5.2	4.7	5.5
Informal / unregistered business status	3.7	0.9	5.1
Inability to secure co-financing	6.5	8.6	5.5
Other	2.5	4.6	1.5
Difficult to say	6.4	5.6	6.8
Prefer not to answer	1.9	-	2.9

By type of residence, the data are statistically reliable ($\chi^2=36.039$; $p < 0.05$): across all three target groups of entrepreneurs, financial barriers are most commonly associated with high loan interest rates, particularly in municipalities: Tbilisi – 60.4%, other self-governing cities – 57.4%, and municipalities – 63.8%. In addition, a higher proportion of entrepreneurs in Tbilisi (15%) and other self-governing cities (13.8%) reported refusals of loan/leasing applications compared to those in municipalities (5.2%). In municipalities, two barriers are more prominent: a) refusals to provide grants (17.6%) and b) difficulties fulfilling guarantee/collateral requirements (up to 15%) (see Table #4.4).

TABLE #4.4: EXISTING BARRIERS TO ACCESSING FINANCIAL RESOURCES (BY TYPE OF RESIDENCE)

What specific barriers did you face in obtaining financial resources? (%)	By Type of Residence		
	Tbilisi (N=58)	Other Self-Governing Cities (N=58)	Municipalities (N=47)
Loan / leasing application was denied	15.0	13.8	5.2
Grant application was denied	2.4	4.5	17.6

Inability to meet guarantee / collateral requirements	8.2	10.8	14.8
High interest rates on loans	60.4	57.4	63.8
Unsatisfactory loan / leasing / grant duration	9.2	2.5	3.1
Informal / unregistered business status	4.8	2.3	3.9
Inability to secure co-financing	5.8	8.2	5.2
Other	-	6.9	-
Difficult to say	10.6	1.2	7.6
Prefer not to answer	-	5.3	-

Interviews conducted within the framework of the qualitative research also confirm that, at the initial stage of entrepreneurial activity, women entrepreneurs encounter both financial and non-financial barriers, which are often intertwined and collectively impede a successful start to business operations. The lack of financial resources emerges as the primary challenge for the majority of respondents, affecting not only the launch of a business but also its technical setup and long-term positioning in the market. Particularly significant is the issue of tenancy insecurity, which creates dependence on landlords and exposes entrepreneurs to unpredictable increases in operating costs.

“I face barriers related to the space I work in. Because I do not have premises of my own, I feel completely disadvantaged. When the landlord sees that business is going well, he wants to increase the rent.”

(Female entrepreneur, beauty salon owner, Kutaisi)

Beyond financial resources, starting a business requires a range of additional components. Surveyed entrepreneurs, reflecting on their own experiences, indicated that they most needed assistance with market access (23.9%), tax incentives (17.8%), and free business consultations (15.5%). A relatively high proportion also emphasized the importance of support in finding qualified personnel (14.1%) and the provision of information about existing programs (12.4%). Among the above mechanisms, market access support (15.7%) and tax incentives (11.4%) were assessed as the most effective measures. By gender, no statistically significant differences are identified (see Table #4.5).

TABLE #4.5: NON-FINANCIAL NEEDS AND THEIR IMPORTANCE AT THE BUSINESS START-UP STAGE

(%)	When starting your business, aside from financial resources, what did you need most?			What do you consider to be the most effective non-financial support mechanism for starting an entrepreneurial activity?		
	All Entrepreneurs (N=746)	By Gender		All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Free business training	12.7	15.3	11.7	7.0	8.3	6.5
Free business consultations	15.5	19.9	13.6	7.1	9.6	5.9
Digital skills development	6.5	7.3	6.1	3.2	4.1	2.9
Provision of information on existing support programs	12.4	11.0	13.0	7.4	5.0	8.4
Assistance with business plan preparation	9.2	7.6	9.9	3.4	2.8	3.6
Assistance with business budget preparation	9.2	6.8	10.2	3.4	3.2	3.4
Assistance in recruiting qualified personnel	14.1	13.7	14.3	9.3	9.2	9.4
Simplified legal registration procedures	5.0	2.1	6.2	1.6	0.5	1.9
Support with access to markets	23.9	25.0	23.5	15.7	17.4	15.1
Facilitation of connections with potential business partners	7.3	4.8	8.3	3.6	0.9	4.8
Legal assistance	2.9	2.9	2.9	0.7	0.5	0.8

Assistance with financial accounting / tax-related issues	10.0	11.3	9.5	4.3	5.0	4.0
Provision of tax benefits	17.8	16.9	18.2	11.4	13.8	10.5
Other	3.7	3.2	4.0	3.5	2.8	3.6
Difficult to say	16.8	15.4	17.4	16.9	15.1	17.8
Prefer not to answer	1.6	2.0	1.4	1.6	1.8	1.3

Analysis by type of residence also reveals that, beyond financial resources, entrepreneurs required various forms of support to start a business: a) Facilitating market access was identified as particularly important, with the highest proportion observed in Tbilisi (Tbilisi – 29%; other self-governing cities – 14.6%; municipalities – 25.3%); b) Entrepreneurs in other self-governing cities (21.9%) placed greater emphasis on the availability of tax benefits; c) Respondents in the capital indicated that they were most in need of free business consultations at the start-up stage (23.8%) (data are statistically reliable: $X^2 = 115.236$; $p < 0.05$). Among the listed support mechanisms, facilitating market access emerged as the most important for entrepreneurs in Tbilisi (20.5%) and municipalities (17%), whereas respondents in other self-governing cities considered tax benefits to be their top priority (13.6%) for launching entrepreneurial activities (data are statistically reliable: $X^2 = 80.383$; $p < 0.05$) (see Table #4.6).

TABLE #4.6: TYPES OF NON-FINANCIAL SUPPORT NEEDED AT THE BUSINESS START-UP STAGE AND THEIR IMPORTANCE (BY TYPE OF RESIDENCE)

(%)	When starting your business, aside from financial resources, what did you need most?			What do you consider to be the most effective non-financial support mechanism for starting an entrepreneurial activity?		
	By Type of Residence					
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Free business training	14.3	11.9	11.6	4.5	9.6	7.7
Free business consultations	23.8	6.7	12.9	10.6	3.5	5.8
Digital skills development	7.8	5.8	5.5	3.1	4.0	2.7
Provision of information on existing support programs	10.5	12.1	14.7	4.5	8.6	10.0
Assistance with business plan preparation	14.4	4.0	7.2	4.1	2.0	3.5
Assistance with business budget preparation	15.8	5.9	4.2	6.5	3.0	0.4
Assistance in recruiting qualified personnel	12.5	14.5	15.5	7.5	10.1	10.8
Simplified legal registration procedures	6.2	5.1	3.5	2.1	1.0	1.5
Support with access to markets	29.0	14.6	25.3	20.5	7.1	17.0
Facilitation of connections with potential business partners	4.2	10.8	8.1	2.1	4.0	5.0
Legal assistance	3.0	2.6	3.0	0.3	1.5	0.4

Assistance with financial accounting / tax-related issues	7.8	12.5	10.5	1.7	7.1	5.0
Provision of tax benefits	14.5	21.9	18.4	8.9	13.6	12.4
Other	3.1	5.9	2.9	2.4	6.1	2.7
Difficult to say	19.6	16.7	13.7	19.9	16.7	13.5
Prefer not to answer	1.2	2.0	1.6	1.4	2.0	1.5

In-depth interviews also demonstrate that non-financial barriers remain an equally significant challenge - most notably a lack of knowledge, information, and training. In the regions, particularly in rural areas, women entrepreneurs have more limited access to information channels and educational opportunities. This inequality is evident both in their awareness of grant programs and in their ability to access training and consulting services, which further constrains opportunities for business expansion. Respondents' accounts clearly indicate that entrepreneurs lack practical knowledge in areas such as budget planning, financial risk management, and strategic growth. Therefore, for them, training is not merely a means of acquiring knowledge but a necessary tool for reducing uncertainty and developing essential skills.

“Even trainings would be great - free or even paid - to help me understand how to move forward. My current knowledge is not enough for me to expand my business, so I would definitely participate in such trainings. Most of all, I would like support in developing a business plan. There are many women entrepreneurs in Akhaltsikhe, but no meetings have been organized for us.” (Female entrepreneur, wine production, Samtskhe-Javakheti)

Individual experiences of women entrepreneurs demonstrate that support should not be limited to financial resources alone; rather, an integrated approach is required, one that includes strengthening knowledge, ensuring access to information, and providing targeted training. Several respondents highlighted the need for specific programs: practical courses, training in advertising and social media management, website development, guidance on using various types of equipment, etc. These observations indicate a strong motivation for development among women entrepreneurs, despite persistent limitations in access to resources.

The desk research further indicates that inadequately prepared business plans or projects constitute a major reason for loan rejection, underscoring the importance of improving qualifications and strengthening management skills among women entrepreneurs⁹⁶.

⁹⁶ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET-PI, 2024)

5. Actors Supporting Entrepreneurial Activity

The overwhelming majority of respondents (98.4%) reported that they were not members of any business association/network. By gender, no statistically significant differences are observed (women entrepreneurs – 99.1%; men entrepreneurs – 98.1%). Among the few respondents who indicated membership, the Georgian Farmers Association (N=2) and the Georgian Chamber of Commerce and Industry (N=2) were the most commonly cited. All other associations or networks were mentioned only once (see Table #5.1).

TABLE #5.1: BUSINESS ASSOCIATIONS/NETWORKS/ORGANIZATIONS

Which specific business association / network / union are you a member of? (N=10)	N
Almond and Walnut Producer Association	1
Georgian Chamber of Commerce and Industry	2
Georgian Union of Choreographers	1
Social Enterprise Alliance	1
Tourism Association	1
Pharmacists Association	1
Farmers Association	2
Do not remember	1

In-depth interviews conducted within the qualitative research reveal that women entrepreneurs engage with professional organizations/associations or informal networks to varying degrees, depending on sector-specific factors as well as financial and institutional accessibility. In some cases, joining an association is driven by practical needs. Specifically, associations provide specific benefits for entrepreneurs (for example, subsidized equipment purchases, support with laboratory testing, etc.). On the other hand, respondents often feel skeptical toward joining formal associations due to concerns about cost-effectiveness. In addition, associations oriented primarily toward advertising purposes are generally viewed as unattractive. Most respondents reported that they were not part of any type of network. This situation is frequently linked to conditions in the regions. Specifically, in environments where opportunities for professional interaction are less developed, women are often compelled to operate in isolation, which further limits their access to experience, knowledge, and necessary resources.

“I am a member of the Kakheti Beekeepers Association. They offer discounts on purchasing equipment and on laboratory testing of honey. I am also part of the Association of Women Farmers. Its aim is to help exchange information, updates, and experience, such as which medicine to use for treatment or where to buy higher-quality equipment. [...] I have also shared my experience with other entrepreneurs, and we have even borrowed equipment from one another.” (Female entrepreneur, agrosphere, Kakheti)

“Involvement in various networks is often for advertising purposes, and these gatherings require significant financial resources. I do not participate personally. First of all, the question is how effec-

tive this advertising will be. Magazines are also published, and having an article printed about you costs at least 1,000 GEL, with even more required to appear on the front pages.” (Female entrepreneur, beauty salon, Kutaisi)


Regarding specific support programs for entrepreneurs, the survey reveals that the majority of respondents (on average 53%) had neither heard of nor participated in any of them. The only program with a predominantly positive level of awareness and engagement was the LEPL Enterprise Georgia: 74.9% of entrepreneurs had heard of the program, and one in ten (10.2%) had participated.

When examined from a gender perspective, statistically significant differences emerged among the target groups in terms of how certain support programs were assessed. More specifically, women entrepreneurs, were more likely than their male counterparts to demonstrate higher levels of awareness (female entrepreneurs – an average of 39%; male entrepreneurs – an average of 27%) and participation (female entrepreneurs – an average of 9%, male entrepreneurs – an average of 7%) in entrepreneurial support programs (see Table 5.2).

TABLE #5.2: AWARENESS OF AND PARTICIPATION IN ENTREPRENEURIAL SUPPORT PROGRAMS

Please indicate whether you have heard, and participated in, any programs supporting entrepreneurs? (%)	All Entrepreneurs (N=746)					By Gender									
						Women Entrepreneurs (N=377)				Men Entrepreneurs (N=369)					
	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer
Enterprise Georgia	74.9	10.2	11.3	0.2	3.3	79.7	9.0	7.2	-	4.1	72.6	10.8	13.1	0.4	3.0
YES-Georgia (a program funded by the United States Agency for International Development – USAID)	42.0	7.6	45.9	0.4	4.1	48.0	9.0	38.0	-	5.0	39.6	6.9	49.3	0.6	3.6
Women Entrepreneurs Development Program (a joint initiative of the Bank of Georgia and the United Nations Development Programme – UNDP)	37.3	7.8	50.0	0.2	4.7	45.2	9.0	39.8	-	5.9	33.9	7.2	54.3	0.4	4.2

GENIE Project (an initiative supported by the World Bank)	28.1	7.8	59.3	0.2	4.6	33.3	8.6	51.8	-	6.3	25.9	7.4	62.5	0.4	3.8
Women's Fund in Georgia	34.6	7.7	52.4	0.3	5.0	45.5	9.0	38.7	0.5	6.3	30.0	7.2	57.8	0.4	4.6
Agricultural Development Programs (ENPARD)	41.6	7.1	46.6	0.2	4.4	44.8	8.1	41.2	-	5.9	40.3	6.7	48.9	0.4	3.8
Mentoring Women in Tech Programmes (an initiative of the Business and Technology University – BTU)	24.2	7.4	63.6	0.2	4.6	31.2	8.6	53.8	-	6.3	21.1	7.0	67.6	0.4	3.8
EU4Youth / EU4Business (European Union support programs for women entrepreneurs)	28.7	7.9	58.2	0.3	4.9	34.4	8.6	50.7	0.5	5.9	26.3	7.4	61.3	0.4	4.6
“Startup Georgia” (Ministry of Economy and Sustainable Development of Georgia)	41.8	7.7	45.4	0.2	4.9	43.9	7.2	42.1	-	6.8	41.0	7.8	46.7	0.4	4.2
Women's Economic Empowerment Program (UN Women)	27.2	7.6	59.7	0.2	5.2	34.4	8.6	50.7	-	6.3	24.1	7.2	63.5	0.4	4.8
Women's Economic Empowerment (GIZ)	26.5	7.3	61.1	0.4	4.8	34.8	7.2	51.1	0.5	6.3	23.0	7.2	65.2	0.4	4.2
Support and grants for women's business groups (CARE Caucasus)	22.9	7.3	64.2	0.2	5.3	30.3	8.6	54.3	-	6.8	19.8	6.7	68.4	0.4	4.8
TASO Foundation	20.4	7.9	65.2	0.7	5.9	25.0	8.6	58.2	0.9	7.3	18.5	7.4	68.2	0.6	5.3

 Not statistically significant

When analyzing the data by type of residence, the general trend remains consistent: across all three target groups, a sizeable proportion of entrepreneurs show limited awareness of each support program: Tbilisi - 62% on average, other self-governing cities - 44% on average, and municipalities - 49% on average. The findings indicate that the proportion of those who have heard of or participated in specific programs is lowest in Tbilisi. Notably, residents of other self-governing cities exhibit the highest levels of involvement in certain support programs: Tbilisi – an average of 5%; other self-governing cities – an average of 11%; municipalities – an average of 9%. A detailed breakdown of the data is presented in Table 5.3.

TABLE #5.3: AWARENESS OF AND PARTICIPATION IN ENTREPRENEURIAL SUPPORT PROGRAMS (BY TYPE OF RESIDENCE)

Please indicate whether you have heard, and participated in, any programs supporting entrepreneurs (%)	By Type of Residence														
	Tbilisi (N=271)					Other Self-Governing Cities (N=195)					Municipalities (N=280)				
	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer
Enterprise in Georgia (X ² =77517, p<0.05)	75.3	5.2	19.6	-	-	74.1	8.6	8.6	1.0	7.6	75.2	17.1	3.9	-	3.9
YES-Georgia (a program funded by the United States Agency for International Development – USAID) (X ² =56422, p<0.05)	37.1	4.8	58.1	-	-	44.4	9.7	35.2	1.5	9.2	45.8	8.8	40.4	-	5.0
Women Entrepreneurs Development Program (a joint initiative of the Bank of Georgia and the United Nations Development Programme – UNDP) (X ² =14328, p<0.05)	35.4	3.8	60.8	-	-	37.2	11.7	39.3	1.0	10.7	39.8	8.9	45.9	-	5.4
GENIE Project (an initiative supported by the World Bank) (X ² =51553, p<0.05)	25.8	5.5	68.7	-	-	27.9	11.2	48.7	1.0	11.2	30.9	7.7	56.4	-	5.0
Women’s Fund in Georgia (X ² =52576, p<0.05)	33.0	5.5	61.5	-	-	31.1	10.7	45.4	1.0	11.7	39.1	8.1	47.3	-	5.4
Agricultural Development Programs (ENPARD) (X ² =60288, p<0.05)	38.0	3.8	58.2	-	-	36.7	10.7	41.8	1.0	9.7	49.4	8.1	37.1	-	5.4
Mentoring Women in Tech Programmes (an initiative of the Business and Technology University – BTU) (X ² =44990, p<0.05)	24.1	5.2	70.8	-	-	25.0	11.2	52.6	1.0	10.2	23.3	7.4	64.0	-	5.4
EU4Youth/EU4Business (X ² =47371, p<0.05)	25.4	5.8	68.4	-	0.3	27.0	10.7	50.5	1.0	10.7	33.6	8.1	52.9	-	5.4
“Startup Georgia” (Ministry of Economy and Sustainable Development of Georgia) (X ² =42092, p<0.05)	47.1	6.5	46.4	-	-	33.5	9.1	45.2	1.0	11.2	42.1	7.7	44.4	-	5.8

Women's Economic Empowerment Program (UN Women) (X ² =53993, p<0.05)	26.5	5.5	68.0	-	-	24.7	11.1	50.5	1.0	12.6	29.7	7.7	57.1	-	5.4
Women's Economic Empowerment Program (GIZ) (X ² =54192, p<0.05)	22.7	4.8	72.5	-	-	27.0	11.7	49.5	1.0	10.7	30.5	6.6	56.8	0.4	5.8
Support and grants for women's business groups (CARE Caucasus) (X ² =55885, p<0.05)	22.0	4.8	73.2	-	-	21.3	11.2	53.8	1.0	12.7	25.5	7.3	61.4	-	5.8
TASO Foundation (X ² =53240, p<0.05)	18.9	5.2	74.6	0.7	0.7	18.4	12.8	54.1	1.0	13.8	23.6	7.3	62.9	0.4	5.8

The level of awareness among qualitative interview respondents regarding women's support programs (e.g., LEPL Enterprise Georgia, Startup Georgia, Yes-Georgia, GENIE, TASO, etc.) varies considerably. Despite strong interest and generally positive attitudes towards these initiatives, participation remains limited due to a range of barriers. Some women noted that they lacked information about the purpose of the programs, the eligibility requirements, and the responsible agencies, which constrained their ability to apply.

Actors and programs supporting entrepreneurs are also examined in detail within the desk research. The analysis covers state, local, and international actors (LEPL Enterprise Georgia, the Rural Development Agency, UN Women, SDC, GITA, USAID, EBRD, FMO, EIB, IFC, and others) whose programs are aimed at supporting women entrepreneurs. These initiatives encompass both financial and non-financial forms of assistance. Although survey findings indicate limited awareness of specific programs among entrepreneurs, the documents reviewed within the desk research demonstrate that the aforementioned programs and other initiatives actively provide a wide range of support services. These include business management training, access to legal and accounting services, mentoring, networking opportunities, investor linkages, consulting services, grants, startup support, etc., - mechanisms that are essential at both the initial and subsequent stages of entrepreneurial activity.


When examining support actors, the findings reveal that the majority of entrepreneurs (61.3%) received assistance from family members in implementing their business activities. Nearly 30% identified friends/acquaintances as sources of support. Notably, approximately one-quarter of entrepreneurs (22.5%) reported implementing their business activities independently, without any external assistance. Among all identified actors, family members and relatives played a dominant role: 70.8% of respondents indicated that support from this group was the most important.

Analysis by gender reveals that the main support actors are similar across the target groups: the majority of both female entrepreneurs (67.2%) and male entrepreneurs (58.8%) received assistance from family members /relatives when carrying out their business activities (although this support is more pronounced among women). Friends/acquaintances also played a significant role (this factor is more important for men): female entrepreneurs – 26%; male entrepreneurs – 31%. Notably, male entrepreneurs were more likely to have implemented their business activities independently, with approximately one in

four (24.5%) indicating that they received no support. The proportion of women who reported the same is comparatively smaller, at 17.7% (data are statistically reliable: $\chi^2 = 34.406$; $p < 0.05$). An analysis of the actor considered most important by gender does not reveal any statistically significant differences (see Table #5.4).

TABLE #5.4: SUPPORT ACTORS AND THEIR IMPORTANCE IN THE IMPLEMENTATION OF BUSINESS ACTIVITIES

(%)	Who/what helped you implement your business activities?			Based on your experience, which form of support was the most important?		
	All Entrepreneurs (N=746)	By Gender		All Entrepreneurs (N=585)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)		Women Entrepreneurs (N=308)	Men Entrepreneurs (N=275)
Family members / relatives (financially or emotionally)	61.3	67.2	58.8	70.8	77.7	68.2
Friends / acquaintances	29.5	26.0	31.0	19.2	13.4	22.1
In-person consultation/ consultations	4.2	3.0	4.7	2.8	2.2	3.1
Online consultation/ consultations	2.1	1.5	2.3	0.9	-	1.3
In-person training program(s)	1.7	1.9	1.5	0.6	1.1	0.3
Online training program(s)	1.2	0.8	1.4	0.3	-	0.3
Business partners	2.1	1.3	2.4	2.0	1.1	2.6
Non-governmental organization	0.4	1.3	-	0.1	-	-
Local government	0.5	0.5	0.5	0.1	-	-
State program	0.9	1.7	0.5	0.5	0.6	0.3
Donor-funded programs / grants	1.7	1.9	1.6	1.6	1.7	1.5
Other female entrepreneur(s)	0.5	1.8	-	0.4	1.1	-
Online resources, including videos	1.1	1.6	0.8	0.3	-	0.3
No one/nothing, I did everything independently	22.5	17.7	24.5			
Difficult to say	1.3	1.7	1.1	0.6	1.1	0.3

 Not statistically important

When analyzed by type of residence, the general trends remain consistent. Across all three target groups, family members and relatives were identified as the dominant support actors. However, their importance was more pronounced outside Tbilisi: Tbilisi - 54.6%; other self-governing cities - 70.5%; municipalities - 61.8%. Members of secondary social groups - friends and acquaintances - were also viewed as significant sources of support (particularly in Tbilisi): Tbilisi - 34.4%; other self-governing cities - 27.4%; municipalities - 25.6%. In addition, the proportion of entrepreneurs who carried out their business activities without any assistance was higher in the capital compared to other areas: Tbilisi - 25.9%; other self-governing cities - 16.5%; municipalities - 23.2% (data are statistically reliable: $X^2 = 69.306$; $p < 0.05$) (see Table #5.5).

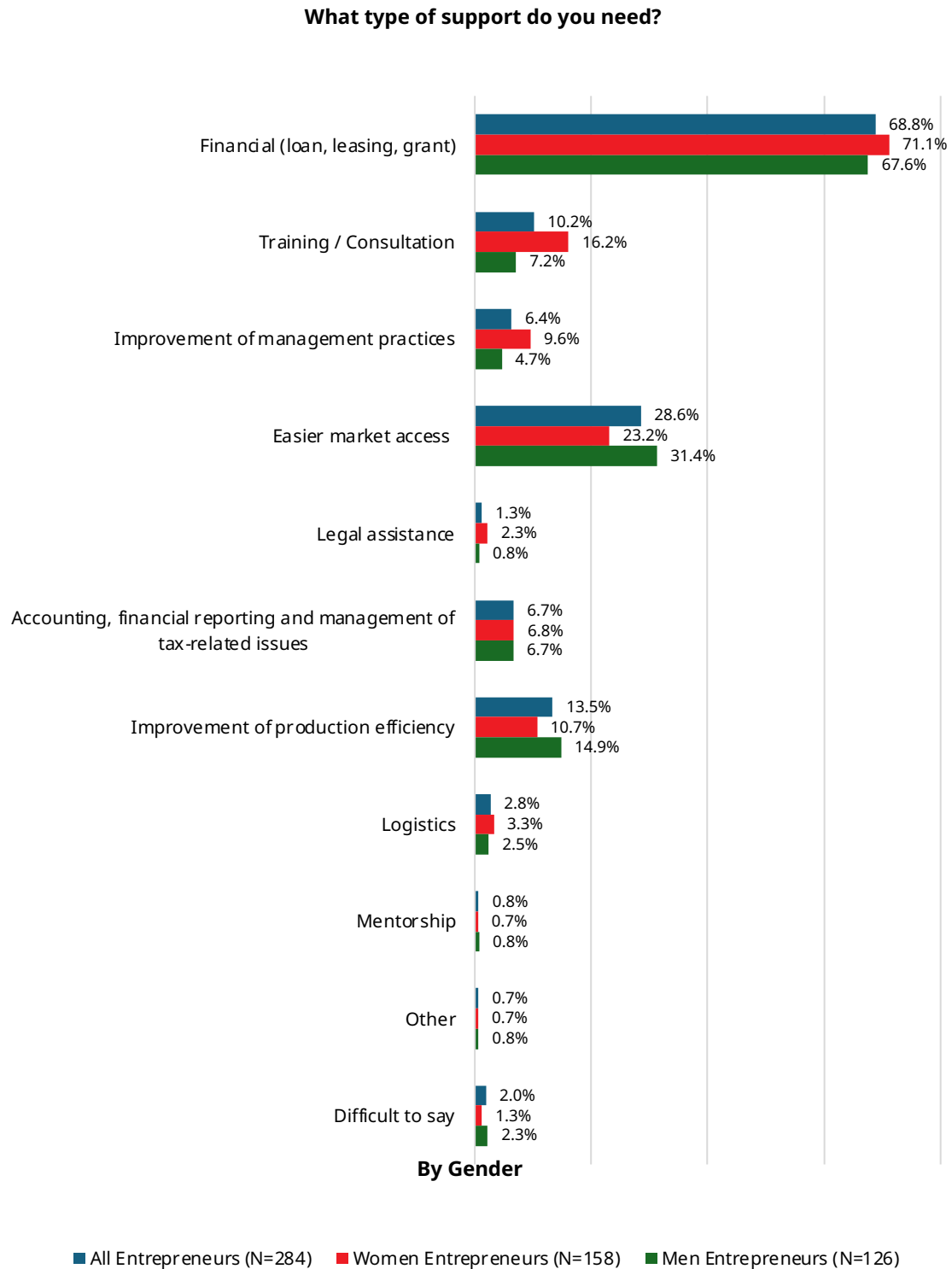
TABLE #5.5: SUPPORT ACTORS AND THEIR IMPORTANCE IN THE IMPLEMENTATION OF BUSINESS ACTIVITIES (BY TYPE OF RESIDENCE)

Who/what helped you implement your business activities? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Family members / relatives (financially or emotionally)	54.6	70.5	61.8
Friends / acquaintances	34.4	27.4	25.6
In-person consultation/consultations	4.7	2.5	5.0
Online consultation/ consultations	3.4	0.8	1.5
In-person training program(s)	0.9	3.0	1.5
Online training program(s)	2.2	1.0	0.2
Business partners	1.5	2.5	2.4
Non-governmental organization	0.2	0.6	0.4
Local government	0.2	0.7	0.6
State program	0.2	1.3	1.4
Donor-funded programs / grants	-	2.0	3.4
Other female entrepreneur(s)	0.8	-	0.6
Online resources, including videos	1.9	0.3	0.6
No one/nothing, I did everything independently	25.9	16.5	23.2
Difficult to say	3.1	0.3	-

The majority of respondents (63.7%; female entrepreneurs - 58.4%, male entrepreneurs - 66.1%; $p > 0.05$) reported that they did not currently require additional support. More than one-third (36.1%), however, indicated a need for various types of assistance, most notably financial support (68.8%) and support in facilitating market access (28.6%). There was also a demand for training and consulting services (10.2%)

and for measures aimed at improving production efficiency (13.5%). By gender, no statistically significant differences are observed (see Diagram #5.1).

Diagram #5.1: Types of Support Needed



An analysis of specific support mechanisms reveals statistically significant differences by type of residence ($X^2 = 56.359$; $p < 0.05$). Entrepreneurs in other self-governing cities (73.8%) and municipalities (73%) most frequently reported a need for financial support. Although financial assistance was also the dominant need in Tbilisi, it was comparatively less pronounced (62.5%). Conversely, the need for improved market access was substantially higher in the capital (44.1%) than in other areas (13.8% in other self-governing cities and 19.6% in municipalities). In addition, 13.1% of Tbilisi residents reported the need for training/consultation services, with lower rates observed in the remaining target groups: other self-governing cities - 6.2%; municipalities - 9.5% (see Table #5.6).

TABLE #5.6: TYPES OF SUPPORT NEEDED (BY TYPE OF RESIDENCE)

What type of support do you need? (%)	By Type of Residence		
	Tbilisi (N=113)	Other Self-Gov- erning Cities (N=66)	Municipalities (N=105)
Financial support (loans, leasing, grants)	62.5	73.8	73.0
Training / consultation	13.1	6.2	9.5
Improvement of management practices	1.6	8.2	11.0
Easier market access	44.1	13.8	19.6
Legal support	-	0.9	3.3
Accounting, financial reporting, and management of tax-related issues	3.4	10.3	8.3
Improvement of production efficiency	13.0	12.9	14.5
Logistics	5.3	-	1.6
Mentoring	-	0.9	1.6
Other	0.5	-	1.5
Difficult to say	-	3.4	3.5

According to the women entrepreneurs participating in the qualitative research, opportunities for experience-sharing and informal meetings serve not only as sources of additional support but also as critically important mechanisms for personal and professional development. The respondents emphasized that the availability of such spaces was essential, particularly for mentoring and the exchange of practical knowledge. They believed that even a few targeted meetings per year would provide valuable opportunities for entrepreneurs to share accumulated experience in business management, successful practices, and strategies for managing risks.

"I have information about Enterprise Georgia; many people in Mestia have received funding from them, and I truly welcome this kind of support. We have abandoned such a large village in Zugdidi and so much land, but I do not know whom to approach or, if I were to apply to Enterprise Georgia, how to secure funding. I do not even know how to write a business plan. [...] I have my own flower

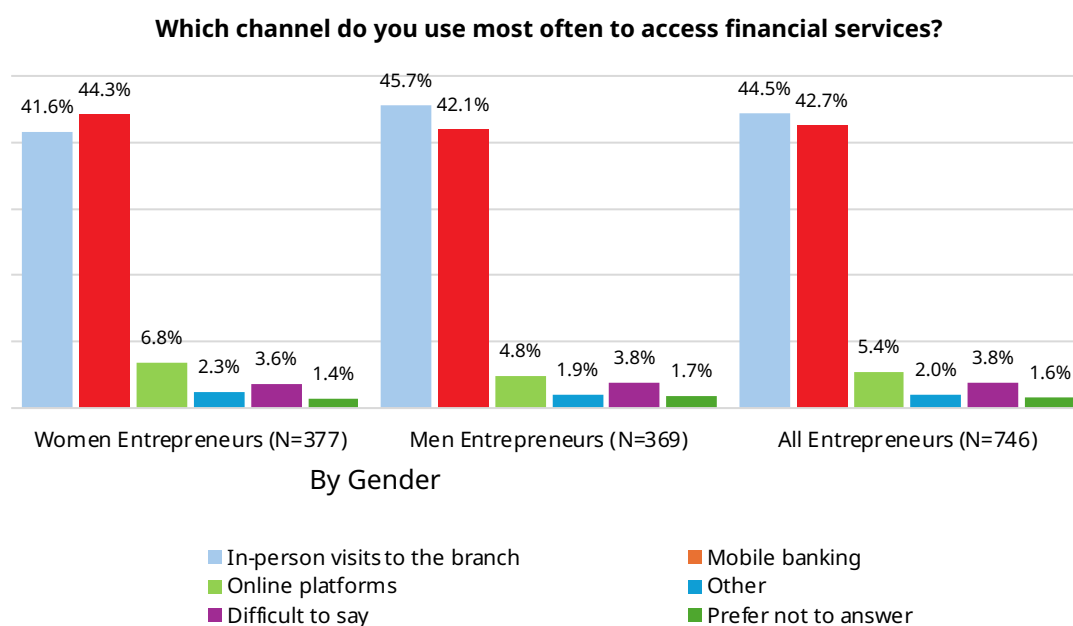
shop and would be happy to build flower greenhouses. Sometimes we bring flowers from Kutaisi and sometimes from Batumi. It is very difficult.”(Female entrepreneur, owner of a wholesale shop, Mestia)

“I very much want to gain more opportunities for sharing knowledge with one another to learn how to manage risks, exchange best practices, and discuss what mistakes we have made in business so that others can avoid them. Even meeting two or three times a year would be helpful. Sharing experiences is the key to success.”(Female entrepreneur, wine production, Samtskhe-Javakheti)

6. Evaluation of Financial/Non-Financial Products

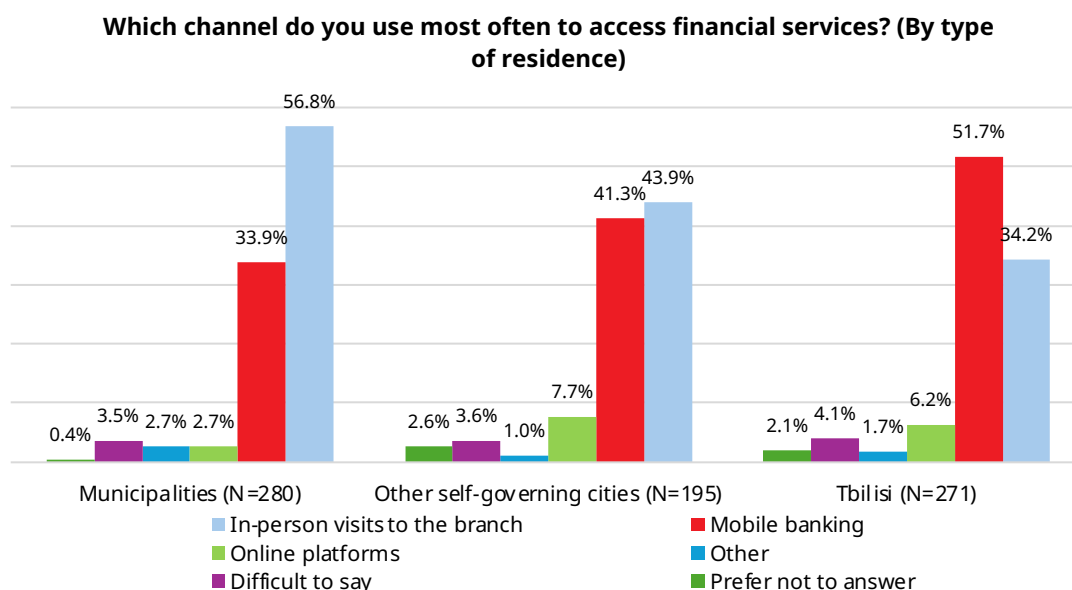
Among entrepreneurs, in-person visits to bank branches (44.5%) and the use of mobile banking services (42.7%) to access financial services were nearly equivalent. The least frequently used channels were online platforms - the websites of financial institutions, online operators, etc. (5.4%). An analysis of these patterns by gender does not reveal any statistically significant differences between female and male entrepreneurs (see Diagram #6.1).

Diagram #6.1: Channels Used to Access Financial Services



Analysis by type of residence shows that the majority of entrepreneurs in Tbilisi (51.7%) used mobile banking services most frequently, whereas visiting bank branches was the dominant practice in both other self-governing cities (43.9%) and municipalities (56.8%) (data are statistically reliable: $X^2 = 37.324$; $p < 0.05$). This pattern may be linked to the availability of more consistent Internet access in Tbilisi compared to municipalities (see Diagram #6.2).

Diagram #6.2: Channels Used to Access Financial Services (By type of residence)



The majority of entrepreneurs (an average of 81%) reported that they did not use a range of financial or non-financial services. Among those who did, several products stand out for their relatively higher prevalence: microloans - 21.4%, business loans - 37.3%, digital financial services/online payments and transactions - 26.6%, business bank cards - 28.9%, and deposits - 21.3%. In addition, more than one-tenth of entrepreneurs reported using legal assistance (12.6%) or having business insurance (10.9%).

Analysis by gender reveals statistically significant differences for only two products. Although lack of experience with using both startup financing (women entrepreneurs - 94.6%; men entrepreneurs - 95.8%; data are statistically reliable: $X^2=10455$, $p<0.05$) and business insurance (women entrepreneurs - 90.1%; men entrepreneurs - 82.7%; data are statistically reliable: $X^2=9463$, $p<0.05$) was dominant across both groups, women entrepreneurs (2.3%) were relatively more likely to utilize startup financing than their male counterparts (0.2%), whereas business insurance was more commonly used by men entrepreneurs (13.1%) (women entrepreneurs - 5.9%) (see Table #6.1).

TABLE #6.1: EXPERIENCE IN USING FINANCIAL/NON-FINANCIAL PRODUCTS/SERVICES

Please select all financial / non-financial services / products that you currently use / have used (%)	All Entrepreneurs (N=746)				By Gender							
					Women Entrepreneurs (N=377)				Men Entrepreneurs (N=369)			
	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer
Microloan	21.4	75.3	0.7	2.5	22.6	74.7	-	2.7	20.9	75.5	1.1	2.5
Business loan	37.3	61.2	0.1	1.4	37.7	60.9	-	1.4	37.1	61.4	-	1.5

Start-up financing	0.8	95.5	0.6	3.1	2.3	94.6	-	3.2	0.2	95.8	1.0	3.0
State program	3.1	93.6	0.4	3.0	4.5	91.9	-	3.6	2.5	94.3	0.6	2.7
Grant	3.9	92.2	0.7	3.3	5.9	89.6	0.5	4.1	3.0	93.1	0.8	3.0
Leasing	1.9	93.9	0.9	3.3	1.8	94.1	0.5	3.6	1.9	93.7	1.1	3.2
Business insurance	10.9	85.0	0.9	3.2	5.9	90.1	0.5	3.6	13.1	82.7	1.1	3.0
Digital finances/ online services/on- line payments, and transactions	26.6	69.6	0.6	3.2	27.6	68.8	-	3.6	26.3	69.9	0.8	3.0
Business bank cards	28.9	67.5	0.6	3.0	28.5	68.3	-	3.2	29.0	67.2	0.8	3.0
Deposit	21.3	74.1	1.5	3.2	23.0	73.0	0.5	3.5	20.6	74.5	1.9	3.0
Business training programs	5.2	91.0	0.6	3.2	5.9	90.5	-	3.6	5.0	91.2	0.8	3.0
Business consulting services	7.5	88.5	0.8	3.3	5.5	90.9	-	3.6	8.4	87.5	1.1	3.0
Networking meet- ings	4.9	91.0	0.8	3.3	4.5	91.9	-	3.6	5.0	90.7	1.1	3.2
Legal assistance	12.6	83.5	0.6	3.4	8.6	87.8	-	3.6	14.3	81.6	1.0	3.2
Other	0.2	49.9	9.7	40.1	0.9	51.1	8.6	39.4	-	49.3	10.1	40.6



Not statistically reliable

When analyzed by type of residence, the data reveal statistically significant differences, although the substantive variations between groups are less pronounced. Consistent with the overall trend, the majority of entrepreneurs across all three residence categories reported having no experience using various financial/non-financial services. Among the products used comparatively more frequently, entrepreneurs in Tbilisi, other self-governing cities, and municipalities most often identified the following:

- **Business Loan:** Tbilisi - 34.6%, other self-governing cities - 42.9%, municipalities - 36%
- **Digital finances:** Tbilisi - 30.6%, other self-governing cities - 26.4%, municipalities - 22.5%
- **Business bank cards:** Tbilisi - 33%, other self-governing cities - 29.9%, municipalities - 23.6%

It should also be noted that a larger proportion of Tbilisi-based entrepreneurs have used business consultations (Tbilisi - 10%; other self-governing cities - 7.1%; municipalities - 5%) and legal assistance (Tbilisi - 20.6%; other self-governing cities - 5.6%; municipalities - 8.9%) compared to entrepreneurs in other locations. This pattern may be linked to the physical accessibility of such services – it can be suggested that consultation and legal assistance providers are mainly concentrated in the capital (see Table #6.2).

TABLE #6.2: EXPERIENCE IN USING FINANCIAL/NON-FINANCIAL PRODUCTS/SERVICES (BY TYPE OF RESIDENCE)

Please select all financial / non-financial services / products that you currently use / have used (%)	By type of residence											
	Tbilisi (N=271)				Other self-governing cities (N=195)				Municipalities (N=280)			
	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer
Microloan ($X^2=34118$, $p<0.05$)	14.1	85.6	0.3	-	27.9	66.0	1.0	5.1	24.7	70.7	1.2	3.5
Business loan ($X^2=14003$, $p<0.05$)	34.6	65.4	-	-	42.9	56.1	-	1.0	36.0	60.9	-	3.1
Start-up financing ($X^2=19621$, $p<0.05$)	0.3	98.6	1.0	-	1.0	92.3	1.0	5.6	1.2	94.2	-	4.7
State program ($X^2=38337$, $p<0.05$)	0.7	99.0	0.3	-	1.5	91.3	1.0	6.1	6.6	89.5	-	3.9
Grant ($X^2=41742$, $p<0.05$)	1.0	98.6	0.3	-	2.0	90.9	1.0	6.1	8.5	85.7	0.8	5.0
Leasing ($X^2=17606$, $p<0.05$)	1.4	97.6	1.0	-	2.0	90.8	1.0	6.1	1.9	92.2	0.8	5.0
Business insurance ($X^2=18721$, $p<0.05$)	12.3	86.3	1.4	-	9.7	83.2	1.0	6.1	10.1	84.9	0.4	4.7
Digital finances/online services/online payments, and transactions ($X^2=21186$, $p<0.05$)	30.6	69.1	0.3	-	26.4	66.5	1.0	6.1	22.5	72.5	0.4	4.7
Business bank cards ($X^2=21581$, $p<0.05$)	33.0	66.7	0.3	-	29.9	63.5	1.0	5.6	23.6	71.4	0.4	4.6
Deposit ($X^2=45067$, $p<0.05$)	30.6	69.1	0.3	-	14.2	76.1	3.6	6.1	16.6	77.6	1.2	4.6
Business training programs ($X^2=18704$, $p<0.05$)	5.5	94.2	0.3	-	6.1	86.8	1.0	6.1	4.3	90.7	0.4	4.7
Business consulting services	10.0	89.0	1.0	-	7.1	85.7	1.0	6.1	5.0	90.0	0.4	4.6
Networking meetings ($X^2=18549$, $p<0.05$)	5.8	93.1	1.0	-	4.1	88.8	1.0	6.1	4.3	90.3	0.4	5.0
Legal assistance ($X^2=45796$, $p<0.05$)	20.6	78.4	1.0	-	5.6	87.3	1.0	6.1	8.9	86.0	-	5.0
Other ($X^2=60303$, $p<0.05$)	0.3	59.1	16.2	24.4	-	44.7	7.6	47.7	-	43.8	4.3	51.9

At the next stage of the survey, the reasons for not using particular financial products/services were assessed. More than one-third of entrepreneurs with no experience using financial support indicated that they had sufficient financial resources (34.6%), and therefore did not need to use additional financial products. A relatively large proportion (28.7%) reported that they were able to mobilize financial resources from alternative sources. More than one-tenth (14.4%) stated that they did not expect to receive financing and, for this reason, did not apply to banks, grant-making organizations, state programs, or similar institutions. No statistically significant differences in the use of financial services are observed between men and women entrepreneurs (see Table #6.3).

TABLE #6.3: REASONS FOR LACK OF EXPERIENCE IN USING MICROLOANS/BUSINESS LOANS/STARTUPS/GRANTS/STATE PROGRAMS/LEASING

Why did you not use a microloan/business loan/start-up/grant / state program/leasing? (%)	All Entrepreneurs (N=724)	By Gender	
		Women Entrepreneurs (N=365)	Men Entrepreneurs (N=359)
I had sufficient financial resources	34.6	31.5	35.9
I obtained financial resources from other sources	28.7	25.5	30.0
I did not expect to be approved for financing	14.4	20.9	11.7
The terms of the loan / start-up financing / leasing were not fair	2.3	1.7	2.6
The terms of the loan / start-up financing / leasing did not match my capacities	2.0	2.1	1.9
Due to bureaucratic difficulties	3.2	3.6	3.1
Due to the risk of being unable to meet financial obligations	2.8	3.7	2.4
Application for financing / leasing was rejected	0.7	0.6	0.8
Due to lack of information	9.7	10.0	9.6
Due to the inability to provide the required collateral for the loan	3.5	3.0	3.7
Other	4.8	3.8	5.2
Difficult to say	10.2	9.8	10.3
Prefer not to answer	0.3	0.3	0.3

Some entrepreneurs perceive business insurance as a primarily unnecessary expense and do not consider it essential to their activities (27.6%). This perception is reinforced by the experience of nearly one-fifth of respondents (19.9%), who indicated that insurance packages were too costly for them, leading them to forgo this product. Another important factor is that certain businesses carry relatively low levels of risk and, consequently, entrepreneurs do not see a need for business insurance (15%). Another issue identified by respondents is that they find insurance terms and conditions unsatisfactory (13.3%), or they lack information about the benefits of business insurance (12.8%). Overall, entrepreneurs are less likely to consider this product necessary, due to a combination of limited information, the specific characteristics of their business activities, and the high cost of insurance packages. No statistically significant differences in the use of business insurance are observed by gender (see Table #6.4).

TABLE #6.4: REASONS FOR LACK OF EXPERIENCE IN USING BUSINESS INSURANCE

Why did you not use business insurance? (%)	All Entrepreneurs (N=649)	By Gender	
		Women Entrepreneurs (N=343)	Men Entrepreneurs (N=306)
The insurance package was too expensive	19.9	21.5	19.1
The insurance terms and conditions were not satisfactory	13.3	10.8	14.5
I consider insurance an unnecessary expense and do not see the need for it	27.6	24.9	28.9
I lacked sufficient information about the benefits of business insurance	12.8	11.9	13.2
My business is low-risk and does not require insurance	15.0	17.1	14.0
I do not trust insurance providers and doubt that I would receive adequate compensation in case of problems	4.3	5.2	3.9
I had no information about the availability of business insurance	10.5	11.5	10.1
Other	2.2	0.9	2.7
Difficult to say	9.0	6.6	10.2
Prefer not to answer	1.1	0.6	1.4
Other	4.8	3.8	5.2
Difficult to say	10.2	9.8	10.3
Prefer not to answer	0.3	0.3	0.3

According to 26.6% of entrepreneurs, a business bank card was an unnecessary expense, whilst 23.7% reported that they did not need this product due to the specific nature of their business activities. As with business insurance, a considerable proportion of respondents (19.2%) indicated that they had no information about this product, and were unaware of its benefits 11.5%. Analysis by gender reveals no statistically significant differences between female and male entrepreneurs (see Table #6.5).

TABLE #6.5: REASONS FOR LACK OF EXPERIENCE IN USING A BUSINESS BANK CARD

Why did you not use a business bank card? (%)	All Entrepreneurs (N=514)	By Gender	
		Women Entrepreneurs (N=263)	Men Entrepreneurs (N=251)
I consider a business card an unnecessary expense and do not see the need for it	26.6	32.8	24.0
The limits of a business bank card do not meet my needs	9.8	9.1	10.1
I do not need a business card for my entrepreneurial activities	23.7	21.4	24.7
I lacked sufficient information about the benefits of a business card	11.5	10.7	11.9
I had no information about the availability of a business card	19.2	18.1	19.7
Other	0.2	-	0.3
Difficult to say	13.3	11.4	14.2
Prefer not to say	2.2	0.8	2.7
Difficult to say	9.0	6.6	10.2
Prefer not to answer	1.1	0.6	1.4

With regard to the lack of experience in using a deposit, the majority of entrepreneurs in this category did not use this product due to insufficient savings (56.1%). It was also relatively common for entrepreneurs to prefer keeping money in cash or investing it in real estate rather than placing it in a deposit account (13.9%). Additionally, more than one-tenth of respondents (11.3%) indicated that the interest rate on deposits was not satisfactory and, therefore, did not view this service as beneficial. By gender, no statistically significant differences are observed (see Table #6.6).

TABLE #6.6: REASONS FOR LACK OF EXPERIENCE IN USING A DEPOSIT

Why did you not use a deposit? (%)	All Entrepreneurs (N=557)	By Gender	
		Women Entrepreneurs (N=280)	Men Entrepreneurs (N=277)
I did not have sufficient savings to open a deposit	56.1	56.7	55.8
The interest rate on the deposit was low, and I didn't think it was profitable.	11.3	9.3	12.1
I prefer to keep my money in cash or invest it in real estate/moveable property	13.9	14.1	13.8
I lacked sufficient information about the benefits of a deposit.	6.8	6.2	7.1
I do not trust banks.	3.1	3.4	3.0
I had no information about the deposit service at all	5.3	4.0	5.8
Difficult to say	9.1	9.6	9.0
Prefer not to answer	2.2	1.1	2.6
Difficult to say	9.0	6.6	10.2
Prefer not to answer	1.1	0.6	1.4

The in-depth interviews further highlight that women entrepreneurs often lack sufficient financial resources to generate savings. Respondents' accounts indicated that their income was primarily directed toward meeting family needs (supporting children and grandchildren, covering daily expenses, etc.) which constrained their ability to accumulate capital or engage in long-term financial planning. In some cases, savings were kept at home, but the amounts were so minimal that they could not be used to open a deposit or reinvest in the business. In other cases, entrepreneurs reinvested all available resources directly into their businesses, for example, to purchase goods. This pattern suggests that their activities remain largely turnover-oriented, and that opportunities for real growth are systematically limited

"I keep my savings at home and use them for both family and business purposes. I can't accumulate enough to open a deposit. We have so many expenses that nothing is left. We put everything back into the business to purchase products." (Female entrepreneur, wine production, Samtskhe-Javakheti)

The lack of experience in using non-financial services is predominantly attributed to an absence of perceived need (on average 57%), which may stem from the specific nature of entrepreneurial activities (answer category "did not need"): trainings – 51.8%; consultations – 54.2%; networking meetings – 57%; and legal services – 65.4%. In each case, a considerable proportion of respondents also reported a lack of information, resulting in approximately one-quarter of entrepreneurs not using various non-financial services (answer category "I had no information"): trainings – 25.9%; consultations – 26.9%; networking meetings – 26.2%; and legal services – 19.5%.

When analyzed from a gender perspective, the dominant reasons for not attending consultations are similar for both female and male entrepreneurs - the majority of respondents did not consider this ser-


vice necessary: female entrepreneurs - 42.1%; male entrepreneurs - 59.5%. Identical assessments were provided in regard to networking meetings as well: the proportion of men entrepreneurs who saw such support as unnecessary was particularly high (61.7%), a view shared by 45.9% of female entrepreneurs. These assessments may be linked to the specific nature of entrepreneurs' activities. The second most common reason for not attending both consultations and networking meetings was a lack of information (answer category "I had no information"):

- **Consultations:** women entrepreneurs - 30.9%, men entrepreneurs - 25.2% ($X^2=25121$, $p<0.05$)
- **Networking meetings:** women entrepreneurs - 31.8%, men entrepreneurs - 23.8% ($X^2=35693$, $p<0.05$)

Analysis by gender does not reveal any statistically significant differences in the assessment of trainings or legal services (see Table #6.7).

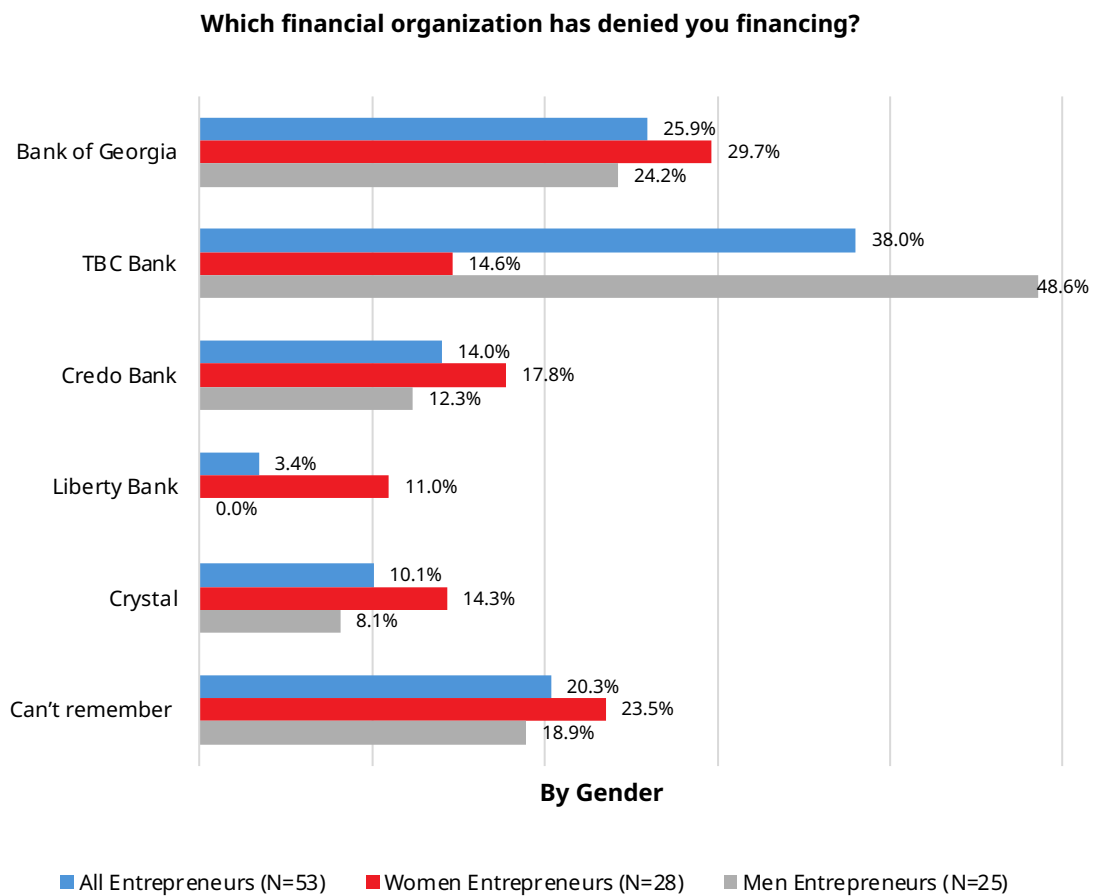
TABLE #6.7: REASONS FOR LACK OF EXPERIENCE WITH ENTERPRISE-/BUSINESS-RELATED TRAININGS, CONSULTATIONS, NETWORKING MEETINGS, AND LEGAL SERVICES

Why haven't you or your employee participated in a enterprise/business-related ...? (%)	Training			Consultation			Networking Meeting			Legal Service		
	All Entrepreneurs (N=681)	By Gender		All Entrepreneurs (N=669)	By Gender		All Entrepreneurs (N=684)	By Gender		All Entrepreneurs (N=637)	By Gender	
		Women Entrepreneurs (N=343)	Men Entrepreneurs (N=338)		Women Entrepreneurs (N=344)	Men Entrepreneurs (N=325)		Women Entrepreneurs (N=348)	Men Entrepreneurs (N=336)		Women Entrepreneurs (N=334)	Men Entrepreneurs (N=303)
It was too expensive	4.5	6.7	3.6	2.8	5.2	1.8	2.2	4.8	1.1	3.5	5.1	2.8
Had no trust	2.0	2.4	1.8	1.0	0.5	1.2	0.6	0.8	0.6	0.7	0.9	0.7
It was not physically accessible	3.4	4.5	3.0	2.6	4.4	1.8	1.7	2.9	1.1	1.9	2.6	1.6
I did not have time to participate	15.9	19.6	14.3	14.5	18.8	12.7	13.8	14.8	13.4	10.0	10.7	9.6
I did not have information	25.9	27.4	25.2	26.9	30.9	25.2	26.2	31.8	23.8	19.5	20.4	19.1
I did not need it.	51.8	44.5	54.9	54.2	42.1	59.5	57.0	45.9	61.7	65.4	62.1	66.8
Other	-	-	-	0.2	-	0.3	-	-	-	0.2	-	0.3
Difficult to say	2.9	2.4	3.1	2.6	2.4	2.8	2.8	4.3	2.2	2.7	1.7	3.1

 Not statistically significant

The vast majority of entrepreneurs (84.5%) reported that they had not been refused financing by different types of financial institutions (women entrepreneurs - 86%; men entrepreneurs - 83.8%; $p>0.05$). The proportion of those who were rejected is 14%, with the highest rate of refusals coming from TBC Bank (38%; N=16) and the Bank of Georgia (25.9%; N=14). The microfinance organization Crystal also ranked relatively high in this regard (10.1%; N=6). An analysis of the issue by gender does not reveal any statistically significant differences (see Diagram #6.3).

Diagram #6.3: Experience of Being Refused Financing by a Bank or Microfinance Organization



The dominant reason for financing refusals was insufficient income of entrepreneurs (44.8%). According to one in four respondents (24.2%), refusal was due to the absence of real estate of sufficient value registered in their name. Additionally, 10.4% of entrepreneurs had no credit history, which prevented them from obtaining financing. A further 15.2% reported that no reason for the refusal was provided, leaving them uncertain as to why they were unable to receive financial support from a bank or microfinance organization. An analysis by gender does not reveal any statistically significant differences (see Table #6.8).

TABLE #6.8: REASONS FOR BEING REFUSED FINANCING

What was the reason for being refused financing? (%)	All Entrepreneurs (N=53)	By Gender	
		Women Entrepreneurs (N=28)	Men Entrepreneurs (N=25)
I did not have sufficient income	44.8	36.2	48.7
I had no credit history	10.4	7.1	11.9
I did not have a reliable credit history	6.2	10.1	4.4
I did not have real estate of sufficient value registered in my name	24.2	25.8	23.4
I did not have any real estate registered in my name	1.1	3.4	-
Lack of the required co-financing	2.2	-	3.2
I am/was employed unofficially	4.0	3.7	4.1
The project was expected to have insufficient profitability	3.9	3.5	4.1
I lacked experience in the relevant business/entrepreneurship	5.1	7.6	4.0
I submitted incomplete documentation	2.0	6.3	-
Stereotypes	2.2	7.2	-
Other	2.4	7.7	-
I was not given a reason for the rejection	15.2	20.8	12.6
Difficult to say	8.9	3.7	11.3

Consistent with the survey data, the findings of the desk research also indicate that women are less likely to have real estate registered in their own name and/or to have the authority to independently manage it. According to a UN Women study, property may be formally registered under a woman’s name, yet family members may still restrict her right to make independent decisions regarding its use⁹⁷. Limited ownership of property and assets thus frequently results in women being denied loans⁹⁸. In general, according to 2024 data, women are more likely to be denied credit than men⁹⁹.

⁹⁷ Ge National Assessment of Women’s Entrepreneurship Development in Georgia (UN WOMEN & ILO, 2023) <https://georgia.unwomen.org/en/digital-library/publications/2023/05/national-assessment-of-womens-entrepreneurship-development-in-georgia>

⁹⁸ Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/10/women_entrepreneurs_eng_compressed.pdf

⁹⁹ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (ISET Research Institute, 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

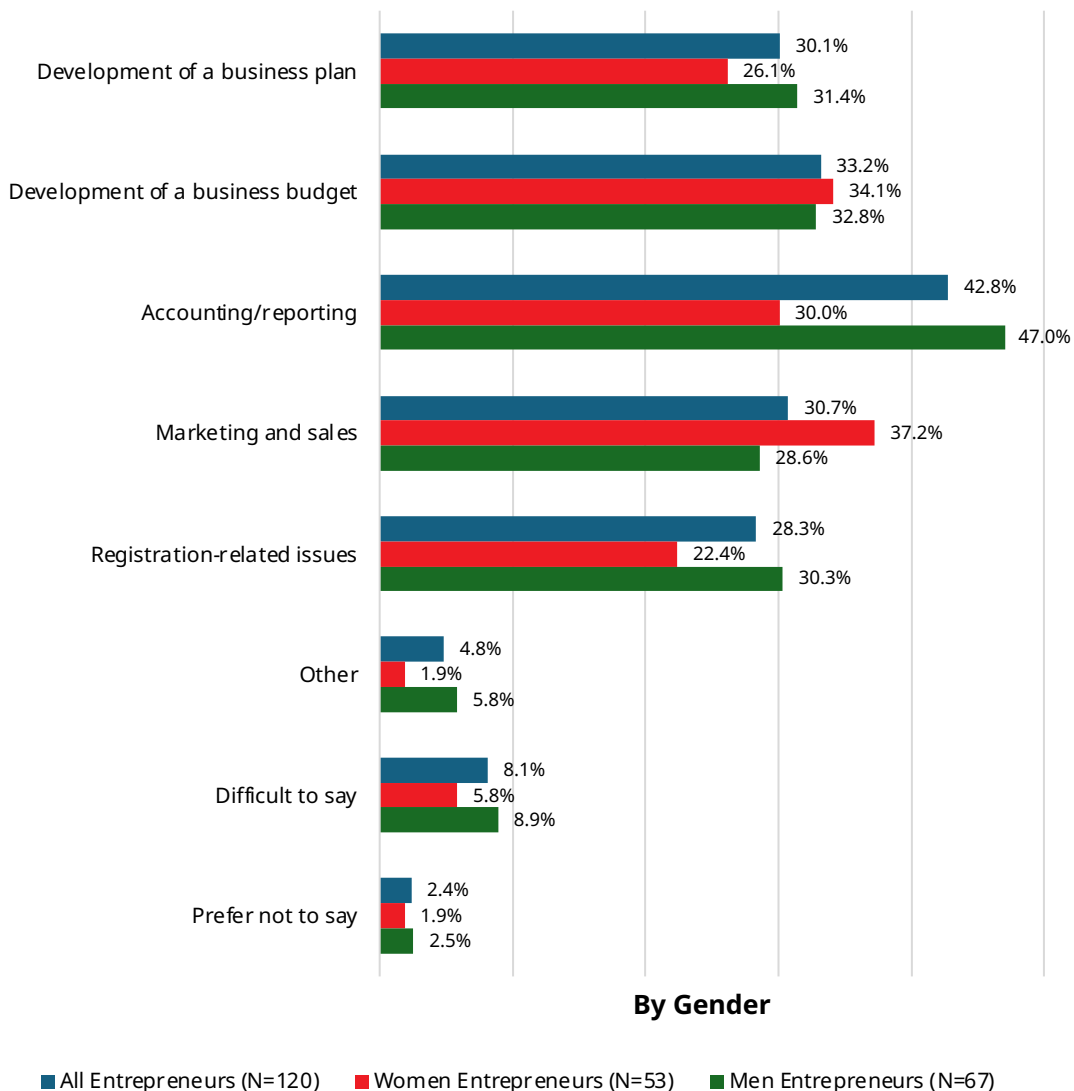
¹⁰⁰ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (International School of Economics (ISET), 2024) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

On the other hand, only one female entrepreneur reported having been denied a leasing arrangement, in her case by the microfinance organization Crystal. The reason provided for the refusal was insufficient income to meet the payment obligations stipulated in the leasing agreement.

Among entrepreneurs who took part in business trainings/consultations/networking meetings, or used legal services, a sizeable proportion indicated that most of these sessions were focused on accounting/financial reporting (42.8%). The proportion of those who attended trainings/consultations on developing a business budget was one-third (33.2%). Furthermore, participation in meetings on business plan development (30.1%) and on marketing and sales (30.7%) was reported at nearly equal rates. An analysis of the data by gender does not reveal any statistically significant differences (see Diagram #6.4).

Diagram #6.4: Issues Discussed During Business Trainings/Consultations/Networking Meetings/Legal Services

What topics were covered in the business trainings/consultations/networking meetings/legal assistance that you or your employees received?



Slightly more than half of entrepreneurs in Tbilisi (51.5%) reported that the trainings/consultations they or their employees had attended focused on accounting and financial reporting (other self-governing cities - 37.6%; municipalities - 27.3%). In other self-governing cities, participation in consultations on business budget development was most prevalent (46.7%) (Tbilisi - 17.9%; municipalities - 19.4%), whereas at the municipal level, entrepreneurs most frequently reported attending trainings on marketing and sales (30.3%) (Tbilisi - 26.8%; other self-governing cities - 42.9%). Furthermore, the proportion of entrepreneurs who had not accessed services related to business plan development was, on average, 2.5 times higher in Tbilisi (37.4%) and other self-governing cities (30.5%) than in municipalities (13.4%) (data are statistically significant: $\chi^2=49.995$; $p<0.05$) (see Table #6.9).

TABLE #6.9: ISSUES DISCUSSED DURING BUSINESS TRAININGS/CONSULTATIONS/NETWORKING MEETINGS/LEGAL SERVICES (BY TYPE OF RESIDENCE)

What were the topics of business trainings/consultations/networking meetings/legal services that you or your employee(s) received? (%)	By Type of Residence		
	Tbilisi (N=64)	Other Self-Governing Cities (N=26)	Municipalities (N=30)
Development of a business plan	37.5	30.5	13.4
Development of a business budget	34.8	46.7	19.4
Accounting/reporting	51.5	37.6	27.3
Marketing and sales	26.8	42.9	30.3
Registration-related issues	38.7	10.5	18.8
Other	2.0	8.3	8.2
Difficult to say	2.9	8.6	19.2
Prefer not to answer	-	-	9.3
Mentoring	-	0.9	1.6
Other	0.5	-	1.5
Difficult to say	-	3.4	3.5

At the conclusion of the assessment of financial and non-financial products, respondents were invited to describe the changes they would like to see implemented to improve existing services. Regarding financial products, a substantial majority of entrepreneurs (76.6%) expressed a desire for reduced loan interest rates, whilst more than one-third (36.8%) would have welcomed adjustments to loan terms (for example, extended repayment schedules, the introduction of grace periods, etc.). The introduction of low or zero commissions for small/first-time business loans was viewed as a desirable improvement by more than one-quarter of respondents (26.6%). Detailed statistics on support for other proposed changes are presented in Table #6.10. It should be noted that no statistically significant differences are observed by gender.

TABLE #6.10: DESIRED CHANGES TO IMPROVE FINANCIAL PRODUCTS/SERVICES

In terms of improving existing financial products/services, what changes would you like to see? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Low-interest loans	76.6	77.0	76.4
Simplified access to leasing	10.7	8.9	11.5
Tailored loan terms (e.g., longer repayment schedules, grace periods, etc.)	36.8	35.8	37.2
Small startup loan products for consumers with limited credit history	15.4	13.3	16.3
Lower collateral requirements or alternative guarantees (e.g., group loans, guarantors, etc.)	12.2	12.3	12.1
Reduced or waived fees for small / first-time business loans	26.6	29.3	25.4
Special savings products accommodating variable income	4.1	4.8	3.7
Preferential financial policies for single mothers / large families and/or female victims of domestic violence	2.8	6.2	1.3
Improved consumer rights regulations	10.5	12.1	9.8
Other	1.8	1.6	1.9
Difficult to say	5.2	4.9	5.3
Prefer not to answer	0.9	0.3	1.1

Analysis by type of residence reveals statistically reliable patterns, although the substantive differences remain modest. The three most frequently cited changes that entrepreneurs would have liked to see in the improvement of financial products/services are consistent across all geographical categories:

- **Loans with low interest rates:** Tbilisi - 77.8%, other self-governing cities - 80.5%, municipalities - 72.1%
- **Adjustments to loan terms:** Tbilisi - 40.3%, other self-governing cities - 44.1%, municipalities - 27.2%
- **Low or zero fees for small/first-time business loans:** Tbilisi - 27.1%, other self-governing cities - 23.4%, municipalities - 28.4%

The only area in which substantive differences emerge across target groups concerns the use of leasing. While one-fifth of entrepreneurs residing in the capital (20.2%) viewed the simplification of leasing procedures as a desirable improvement, this preference was expressed by a substantially smaller proportion of respondents in other self-governing cities (7%) and municipalities (2.9%) (data are statistically reliable: $\chi^2=86.350$, $p<0.05$) (see Table #6.11).

TABLE #6.11: DESIRED CHANGES TO IMPROVE FINANCIAL PRODUCTS/SERVICES (BY TYPE OF RESIDENCE)

In terms of improving existing financial products/services, what changes would you like to see? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Low-interest loans	77.8	80.5	72.1
Simplified access to leasing	20.2	7.0	2.9
Tailored loan terms (e.g., longer repayment schedules, grace periods, etc.)	40.3	44.1	27.2
Small startup loan products for consumers with limited credit history	19.4	10.6	14.5
Lower collateral requirements or alternative guarantees (e.g., group loans, guarantors, etc.)	13.0	10.7	12.3
Reduced or waived fees for small / first-time business loans	27.1	23.4	28.4
Special savings products accommodating variable income	3.8	4.5	4.0
Preferential financial policies for single mothers / large families and/or female victims of domestic violence	2.4	3.9	2.4
Improved consumer rights regulations	9.3	11.7	10.9
Other	1.2	2.9	1.7
Difficult to say	6.4	2.4	6.0
Prefer not to answer	1.0	0.3	1.1

Women entrepreneurs also reflected on the challenges they encountered and the changes they would like to see regarding financial resources during the in-depth interviews. Respondents emphasized that financial services/products constituted an essential mechanism for sustaining and expanding their businesses; however, the terms and conditions of existing services/products were often misaligned with the actual needs of micro and small enterprises. Their experiences indicated that high interest rates and service fees imposed financial burdens so substantial that generating profit became nearly impossible. In light of these challenges, entrepreneurs expressed a strong preference for the development of financial products that were more flexible, lower in cost, and broadly accessible.

The in-depth interviews also clearly highlight women entrepreneurs' perceptions of the state's role and responsibilities. Respondents noted that the state remained unjustifiably distant from the challenges that were critically important for micro and small enterprises. One entrepreneur identified the uncontrolled increase in prices for imported goods as a central obstacle. Under such conditions, businesses were compelled either to pay excessively high prices, which directly undermined their ability to operate effectively, or choose to discontinue the supply of certain products, thereby risking the loss of customers. This already difficult situation was further exacerbated by the tax burden (e.g., rent, utility costs, invoicing requirements, etc.), which left virtually no room for generating profit.

“The prices of products are very high, and the taxes are high. In addition to the products, I need 1,000 GEL just for taxes, plus the cost of the goods. I spend up to 5,000 GEL in total. Since the products are imported by private companies, the state should introduce regulations. They should not charge us 15-20 euros for an item that costs 2 euros; there should be price controls.” (Female entrepreneur, beauty salon, Kutaisi)

With respect to non-financial products, the proportions of entrepreneurs who prioritized the simplification of mobile application design (19.7%) and those who would like to see introductory meetings organized with state agencies offering business support programs (20.8%) were nearly identical. The proportion of those who supported the idea of conducting thematic training sessions (on finance, marketing, accounting, tax procedures) was also relatively high (17.2%). It is noteworthy that more than one-third of respondents (35.5%) reported difficulty identifying a specific desired change. An analysis by gender reveals no statistically significant differences between target groups (see Table #6.12).

TABLE #6.12: DESIRED CHANGES TO IMPROVE FINANCIAL PRODUCTS/SERVICES

In terms of improving existing non-financial products / services, what changes would you like to see? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Highly simplified design of mobile applications	19.7	22.8	18.3
Trainings in digital services	13.0	9.3	14.6
Thematic trainings: finance, marketing, accounting, taxation	17.2	18.9	16.5
Availability of trainings both online and offline	11.5	14.6	10.2
Introductory meetings with financial institutions and donors	12.9	11.0	13.7
Introductory meetings with state agencies offering business support programs	20.8	16.5	22.6
Other	2.2	1.9	2.3
Difficult to say	35.5	33.8	36.2
Prefer not to answer	1.2	0.8	1.4

An analysis by type of residence shows that a substantial proportion of entrepreneurs across all three target groups found it difficult to identify a specific desired change: Tbilisi - 38.4 percent; other self-governing cities - 39 percent; municipalities - 29.6 percent. These findings suggest that entrepreneurs were more familiar with financial products than with non-financial services, which in turn limited their ability to articulate preferred improvements in the latter domain. On the other hand, one-fifth of entrepreneurs in Tbilisi (20.7%) indicated that they would like mobile application design to be as simplified as possible (other self-governing cities - 16.9, municipalities - 20.6%), whereas respondents in other self-governing cities (19.4%) and municipalities (26.2%) prioritized introductory meetings with state agencies administering business support pro-

grams (Tbilisi - 16.8%). Additionally, 16.2 percent of entrepreneurs surveyed in the capital emphasized the importance of both online and offline access to training opportunities - a rate roughly twice as high as that reported by residents of other self-governing cities (7.3%) and municipalities (9.3%) (data are statistically reliable: $\chi^2=58984$, $p<0.05$) (see Table #6.13).

TABLE #6.13: DESIRED CHANGES TO IMPROVE FINANCIAL PRODUCTS/SERVICES (BY TYPE OF RESIDENCE)

In terms of improving existing non-financial products / services, what changes would you like to see? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Highly simplified design of mobile applications	20.7	16.9	20.6
Trainings in digital services	18.6	8.5	10.1
Thematic trainings: finance, marketing, accounting, taxation	16.9	15.0	19.3
Availability of trainings both online and offline	16.2	7.3	9.3
Introductory meetings with financial institutions and donors	11.1	12.5	15.2
Introductory meetings with state agencies offering business support programs	16.8	19.4	26.2
Other	1.0	5.6	1.0
Difficult to say	38.4	39.0	29.6
Prefer not to answer	1.7	1.8	0.2

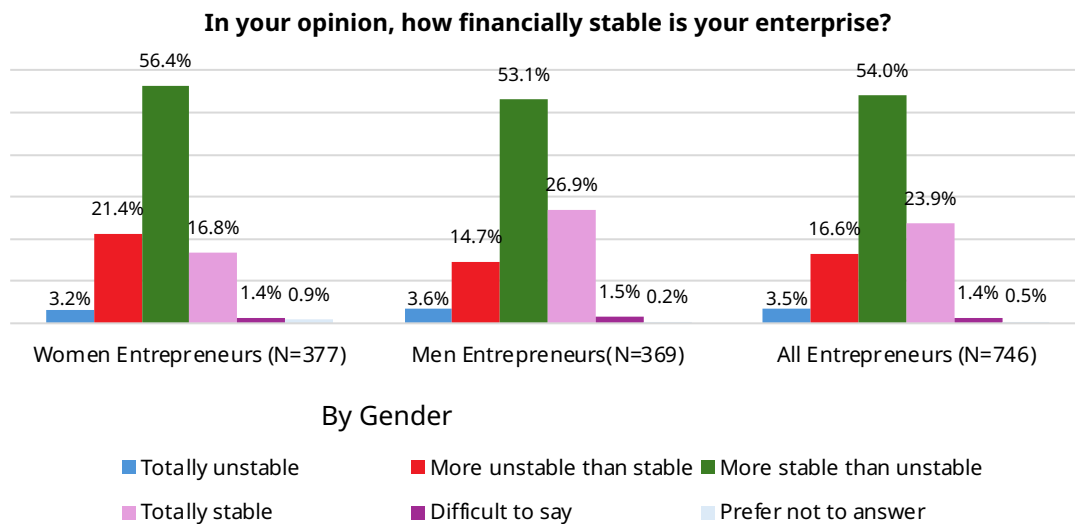
In terms of strengthening non-financial services, respondents in the qualitative component underscored the importance of regionally localized trainings, as well as introductory meetings with donors or successful entrepreneurs to facilitate experience-sharing.

7. Current and Future State of Entrepreneurial Activity

Overall, 78% of entrepreneurs considered their enterprise to be financially stable (scores 3 and 4 on a four-point scale)¹⁰¹. One-fifth (20.1%) assessed their enterprise as financially unstable (scores 1 and 2). Fewer than 2% of respondents either found it difficult to evaluate their financial situation or declined to answer.

A gender-based analysis does not reveal substantial differences in the overall pattern. The majority of both women entrepreneurs (73.2%) and men entrepreneurs (80%) described their enterprise as financially stable (scores 3 and 4). A comparatively larger proportion of women entrepreneurs (24.5%), as opposed to men (18.3%), reported that their enterprise was financially unstable (scores 1 and 2) (data are statistically reliable: $X^2=13114$, $p<0.05$) (see Diagram #7.1).

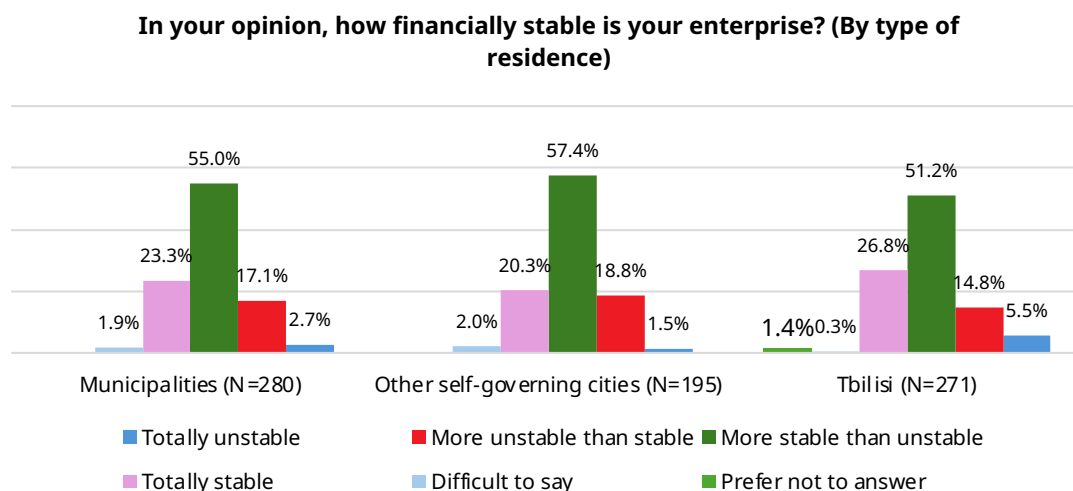
Diagram #7.1: Financial Stability of Enterprises



Despite the different types of residence, and the presumably different characteristics of business activities associated with them, the vast majority of entrepreneurs across all three location categories considered their enterprises to be financially stable (scores 3 and 4). Notably, the proportion of respondents who assessed their enterprise as completely financially stable (score 4) was highest in Tbilisi (26.8%), compared with other types of residence (other self-governing cities - 20.3, municipalities - 23.3%) (data are statistically reliable: $X^2=19997$, $p<0.05$) (see Diagram #7.2).

¹⁰¹ A four-point scale was used for the assessment, where a score of 1 corresponds to 'completely unstable' and a score of 4 corresponds to 'completely stable'

Diagram #7.2: Financial Stability of Enterprises (By type of residence)



The majority of entrepreneurs participating in the survey (on average 78%) reported that they were not currently facing any barriers to the implementation of entrepreneurial activity¹⁰². On the other hand, however, the proportion of those who did identify specific obstacles was relatively high; for example, more than half of respondents (53.1 %) reported a lack of customers, 41.7% indicated insufficient financial resources, 42.2% cited low annual turnover, whilst competition represented a significant barrier for 46.8% of entrepreneurs.

Analysis by gender reveals statistically significant differences in only two areas. A majority of male entrepreneurs (61%) reported that they did not currently experience a lack of financial resources, whereas 53.6% of women entrepreneurs identified this as a challenge ($X^2=18615$, $p<0.05$). In both target groups, the proportion of respondents who reported a lack of customers was high; however, the prevalence was greater among women entrepreneurs (62%; men - 49.3%) ($X^2=12101$, $p<0.05$) (see Table #7.1).

TABLE #7.1: CURRENT BARRIERS TO ENTREPRENEURIAL ACTIVITY

Do you currently encounter the following barriers in carrying out entrepreneurial activities? (%)	All Entrepreneurs (N=746)				By Gender							
					Women Entrepreneurs (N=377)				Men Entrepreneurs (N=369)			
	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer
Insufficient financial resources	41.8	56.3	1.7	0.3	53.6	45.0	0.9	0.5	36.8	61.0	1.9	0.4
Lack of customers	53.1	44.6	1.9	0.4	62.0	37.1	0.5	0.5	49.3	47.8	2.5	0.4
Legal difficulties	6.8	91.3	1.5	0.4	6.8	91.9	0.9	0.5	6.9	91.0	1.7	0.4

¹⁰² When the response to each barrier was 'No'

Tax system/bureaucracy	14.5	83.1	2.0	0.4	13.1	84.6	1.8	0.5	15.0	82.5	2.1	0.4
No market access	17.4	80.7	1.5	0.4	17.3	81.8	0.5	0.5	17.5	80.2	1.9	0.4
Irregular demand for products/services	16.7	81.5	1.4	0.4	16.4	82.7	0.5	0.5	16.8	81.1	1.7	0.4
Low annual turnover	42.2	53.5	3.2	1.1	46.2	50.7	2.3	0.9	40.6	54.7	3.6	1.1
Lack of financial profit	26.0	71.8	1.4	0.8	25.3	71.9	1.8	0.9	26.2	71.7	1.3	0.8
Lack of business contacts	16.4	81.2	1.8	0.7	19.9	78.3	0.9	0.9	14.9	82.5	2.1	0.6
Lack of education / qualifications (finance, sales, etc.)	10.1	87.8	1.7	0.4	13.1	85.1	1.4	0.5	8.9	88.8	1.9	0.4
Lack of financial knowledge	11.9	86.9	1.0	0.3	13.1	85.5	0.9	0.5	11.4	87.3	1.0	0.4
Requirements to accept returned goods	9.7	86.9	1.0	0.3	10.4	88.3	0.5	0.9	9.5	87.5	1.9	1.1
Unreliable/faulty or insufficient transportation	7.3	91.5	0.8	0.4	5.9	93.2	0.5	0.5	7.8	90.9	1.0	0.4
Poor production infrastructure	10.3	87.9	1.5	0.3	10.4	88.2	0.9	0.5	10.3	87.5	1.9	0.4
Resistance from family	3.8	94.9	1.0	0.3	4.1	95.0	0.5	0.5	3.6	94.7	1.3	0.4
Stereotypes or socio-cultural barriers	4.3	94.4	1.0	0.3	5.0	94.1	0.5	0.5	4.0	94.3	1.3	0.4
Competition	46.8	51.7	1.1	0.4	49.3	49.8	0.5	0.5	45.7	52.6	1.3	0.4
Insufficient / unskilled workforce	14.4	83.8	1.5	0.3	15.8	83.3	0.5	0.5	13.9	83.8	1.9	0.4
Low level of digital development in business	7.8	88.1	3.4	0.7	10.0	87.3	2.3	0.5	6.9	88.4	4.0	0.8
Other	0.4	51.4	8.9	39.3	0.9	49.8	9.0	40.3	0.4	52.1	8.7	38.8

 Not statistically significant

An analysis of current barriers by type of residence reveals statistically significant differences in most cases¹⁰³. Across all three target location categories, the majority of entrepreneurs reported that they were not currently facing barriers: Tbilisi - 86% on average; other self-governing cities - 73% on average; and municipalities - 77% on average. On the other hand, however, challenges related to low annual turnover (Tbilisi - 36.1%; other self-governing cities - 51.5%; municipalities - 42.1%) and competition (Tbilisi - 46.6%; other self-governing cities - 55.8%; municipalities - 40.3%) were relatively common in all areas. It is also noteworthy that some barriers were encountered less frequently by entrepreneurs in the capital than those in other target locations. Specifically:

- **No financial profit:** Tbilisi - 18.6%, other self-governing cities - 38.8%, municipalities - 24.8%
- **Education/qualification deficit:** Tbilisi - 3.4%, other self-governing cities - 15.8%, municipalities - 13.2%
- **Insufficient/unskilled labor:** Tbilisi - 8.6%, other self-governing cities - 21.8%, municipalities - 15.1%
- **Low level of digitalization of the business:** Tbilisi - 1.4%, other self-governing cities - 12.8%, municipalities - 11.2%

¹⁰³ No statistically significant differences by type of residence were identified in the analysis of the following barriers: lack of financial resources, limited customer base, lack of access to markets, insufficient financial knowledge, and requirements for product returns. Accordingly, the data presented in the text and tables include only those barriers for which statistically significant differences between the target groups were observed

Based on the available data, entrepreneurs in Tbilisi appeared more likely to maintain the financial stability of their enterprises and successfully sell their products/services, as they faced fewer barriers in terms of both financial and non-financial support (see Table #7.2).

TABLE #7.2: CURRENT BARRIERS TO ENTREPRENEURIAL ACTIVITY (BY TYPE OF RESIDENCE)

Do you currently encounter the following barriers in carrying out entrepreneurial activities? (%)	By Type of Residence											
	Tbilisi (N=271)				Other Self-Governing Cities (N=195)				Municipalities (N=280)			
	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer	Yes	No	Difficult to say	Prefer not to answer
Legal difficulties (X ² =19991, p<0.05)	3.4	96.2	0.3	-	9.6	88.3	1.0	1.0	8.5	88.0	3.1	0.4
Tax system/bureaucracy (X ² =16512, p<0.05)	11.3	88.3	0.3	-	13.7	82.2	3.0	1.0	18.6	77.9	3.1	0.4
Irregular demand for products/services (X ² =16728, p<0.05)	12.3	87.3	0.3	-	22.4	75.0	1.5	1.0	17.4	79.8	2.3	0.4
Low annual turnover (X ² =23612, p<0.05)	36.1	61.5	2.1	0.3	51.5	41.3	4.6	2.6	42.1	53.7	3.5	0.8
Lack of financial profit (X ² =29733, p<0.05)	18.6	80.4	0.7	0.3	38.8	58.2	2.0	1.0	24.8	72.5	1.6	1.2
Lack of business contacts (X ² =17914, p<0.05)	12.4	87.3	0.3	-	16.3	79.6	2.6	1.5	20.8	75.7	2.7	0.8
Lack of education / qualifications (finance, sales, etc.)	3.4	96.2	0.3	-	15.8	79.1	4.1	1.0	13.2	85.3	1.2	0.4
Unreliable/faulty or insufficient transportation (X ² =33589, p<0.05)	1.7	97.9	0.3	-	14.2	83.8	1.0	1.0	8.5	89.6	1.5	0.4
Poor production infrastructure (X ² =18156, p<0.05)	5.8	93.5	0.7	-	11.2	85.2	2.6	1.0	14.7	83.4	1.5	0.4
Resistance from family (X ² =17235, p<0.05)	1.0	98.6	0.3	-	6.1	90.9	2.0	1.0	5.0	93.8	0.8	0.4
Stereotypes or socio-cultural barriers (X ² =24186, p<0.05)	0.3	99.3	0.3	-	7.7	90.3	1.0	1.0	6.2	91.9	1.5	0.4
Competition	10.0	89.0	1.0	-	7.1	85.7	1.0	6.1	5.0	90.0	0.4	4.6
(X ² =17274, p<0.05)	46.6	52.8	0.3	0.3	55.8	42.1	1.0	1.0	40.3	57.8	1.9	-
Insufficient / unskilled workforce	8.6	91.1	0.3	-	21.8	74.6	2.5	1.0	15.1	82.6	1.9	0.4
Low level of digital development in business (X ² =46297, p<0.05)	1.4	97.3	1.4	-	12.8	78.6	7.1	1.5	11.2	84.9	3.1	0.8
Other	-	65.6	13.7	20.6	1.0	40.8	7.1	51.0	0.8	43.2	4.6	51.4

The fact that a significant barrier to doing business is related to financial issues is further supported by the desk research. The report Gender Impact Assessment of the Law on Entrepreneurs of Georgia notes that, in addition to political instability and an insufficiently qualified workforce, limited access to finance represents the most substantial obstacle to carrying out entrepreneurial activities for many women entrepreneurs¹⁰⁴.

The desk research also aligns with the survey results in highlighting that restricted access to investor networks, as well as challenges in finding and communicating with potential business partners, constitute major barriers for women¹⁰⁵. Moreover, women often experience difficulties in accessing information and communication technologies, which could serve as critical support tools for carrying out and expanding business activities¹⁰⁶.

In addition, a study conducted by UN Women emphasizes that women's entrepreneurial activities are constrained by cultural norms and conservative gender roles that position household duties and caregiving responsibilities as women's primary obligations. These expectations significantly hinder, and in some cases preclude, their engagement in business activities¹⁰⁷.

In general, a portion of entrepreneurial activity is influenced by seasonality, which can have either positive or negative effects on business operations. Among survey participants, the majority (52.8) reported that seasonality did not affect their business (women entrepreneurs - 50.7%; men entrepreneurs - 53.6%). However, a substantial proportion indicated that their business operations fluctuated seasonally (answer category "Yes, it does" - 41.1%; women entrepreneurs - 43.4%; men entrepreneurs - 40.1%). In total, 6.2% of respondents found it difficult to answer (women entrepreneurs - 6.3%; men entrepreneurs - 5.9%). No statistically significant gender differences are observed.

Among those whose businesses were affected by seasonality, the highest production turnover was generally recorded between June and September (48% on average), whilst the lowest occurred between January and March (49% on average). According to the majority of respondents, turnover peaked in September (53.5%) and reached its lowest point in February (61.1%). As expected, no statistically significant gender differences are identified in this regard either (see Table #7.3).

¹⁰⁴ Gender Impact Assessment of the Law of Georgia on Entrepreneurs (2024, ISET-PI) <https://investorscouncil.ge/media/d0mp5zjj/gender-impact-assessment-geo-5.pdf>

¹⁰⁵ Female Entrepreneurs' Gender Roles, Social Capital and Willingness to Choose External Financing (Wang, X., Cai, L., Zhu, X., & Deng, S. Asian Business & Management, 2020) <https://link.springer.com/article/10.1057/s41291-020-00131-1>

¹⁰⁶ National Assessment of Women's Entrepreneurship Development in Georgia (ILO and UN Women, 2023) <https://crrc.ge/wp-content/uploads/2024/06/national-assessment-of-wed-eng.pdf>

¹⁰⁷ Gender Equality Attitudes Study in Georgia (UN Women, Tbilisi, Georgia, 2024) <https://georgia.unwomen.org/ka/digital-library/publications/2025/03/genderuli-tanascorobis-mimart-damokidebulebis-kvleva-sakartveloshi>

TABLE #7.3: PERIODS OF HIGHEST AND LOWEST ENTERPRISE/BUSINESS TURNOVER

In which month does your enter-prise/business have.... (%)	... the highest turnover?			... the lowest turnover?		
	All Entrepreneurs (N=314)	By Gender		All Entrepreneurs (N=314)	By Gender	
		Women Entrepreneurs (N=166)	Men Entrepreneurs (N=148)		Women Entrepreneurs (N=166)	Men Entrepreneurs (N=148)
January	22.3	20.5	23.2	56.0	50.8	58.3
February	15.5	8.8	18.6	61.1	62.0	60.7
March	15.1	14.9	15.2	30.3	35.6	28.0
April	22.3	23.4	21.8	12.1	15.9	10.3
May	36.5	37.3	36.1	6.6	9.5	5.2
June	44.4	49.2	42.2	12.9	13.2	12.8
July	47.4	46.0	48.1	19.5	18.7	19.9
August	46.1	41.2	48.4	27.3	28.1	26.9
September	53.5	49.0	55.5	4.1	2.4	4.9
October	37.5	37.6	37.4	4.6	4.7	4.6
November	29.0	27.8	29.5	12.6	9.8	13.8
December	38.7	36.9	39.5	25.3	19.1	28.1
Difficult to say	4.0	1.7	5.0	2.5	1.6	2.9

Seasonality, as one of the limiting factors affecting women’s entrepreneurial activities, was also clearly emphasized in the in-depth interviews. In nearly all cases, it was revealed that business activity was directly linked to seasonal factors - whether climatic or social events that were related or unrelated to climatic conditions, which often complicated operations in already challenging market environments. Furthermore, shifts in consumer behavior and broader economic uncertainty contributed to an environment in which stable demand is virtually non-existent.

“I keep my savings at home and use them for both family and business purposes. I can’t accumulate enough to open a deposit. We have so many expenses that nothing is left. We put everything back into the business to purchase products.” (Female entrepreneur, wine production, Samtskhe-Javakheti)

More than half of the entrepreneurs surveyed (53.2%) did not intend to expand their entrepreneurial activities in the future (women entrepreneurs - 53.2%; men entrepreneurs - 53.1%; $p>0.05$). The four primary reasons cited for this decision were: insufficient sales - 34.5%, high market competition - 27.7%, lack of financial resources - 26.8%, market unpredictability - 26.2%. Detailed statistics on other factors are presented in Table #7.4. An analysis by gender reveals no statistically significant differences.

TABLE #7.4: REASONS FOR NOT INTENDING TO EXPAND BUSINESS/ENTREPRENEURIAL ACTIVITIES

Why do you not intend to expand your business/entrepreneurial activities? (%)	All Entrepreneurs (N=394)	By Gender	
		Women Entrepreneurs (N=199)	Men Entrepreneurs (N=195)
Due to insufficient financial resources	26.8	30.7	25.2
Due to insufficient sales	34.5	37.8	33.2
Due to market unpredictability	26.2	24.3	27.0
Due to high market competition	27.7	25.3	28.8
Due to lack of qualified personnel	4.5	4.0	4.7
Due to limited access to necessary infrastructure	5.3	4.6	5.6
Due to economic instability	11.9	9.6	12.9
Due to a limited consumer base	9.8	8.9	10.2
Due to unfair tax policies	1.6	0.5	2.1
Due to difficulty cooperating with strategic investors/partners	0.5	0.5	0.5
Due to inflexibility of state financial programs aimed at supporting the start/development of a business/entrepreneurship	0.6	1.0	0.5
Other	4.0	7.2	2.7
Difficult to say	9.8	8.3	10.4
Prefer not to answer	0.4	-	0.6

An analysis of this issue by type of residence revealed that a substantial proportion of entrepreneurs in the capital (47.8%), as well as in other self-governing cities (58.2%) and municipalities (55.2%), did not intend to expand their entrepreneurial activities. The dominant reasons cited were consistent across all categories of residence, reflecting the general trend:

- **Lack of finances:** Tbilisi - 31%, other self-governing cities - 23.7%, municipalities - 25.2%
- **Lack of sales:** Tbilisi - 38.8%, other self-governing cities - 28.6%, municipalities - 35.1%
- **Unpredictability of the market:** Tbilisi - 28.1%, other self-governing cities - 25.2%, municipalities - 25.2%
- **High market competition:** Tbilisi - 25.3%, other self-governing cities - 30%, municipalities - 28.3% (data are statistically reliable: $X^2=47894$, $p<0.05$) (see Table #7.5).

TABLE #7.5: REASONS FOR NOT INTENDING TO EXPAND BUSINESS/ENTREPRENEURIAL ACTIVITIES (BY TYPE OF RESIDENCE)

Why do you not intend to expand your business/entrepreneurial activities? (%)	By Type of Residence		
	Tbilisi (N=128)	Other Self-Governing Cities (N=113)	Municipalities (N=153)
Due to insufficient financial resources	31.0	23.7	25.2
Due to insufficient sales	28.8	28.6	35.1
Due to market unpredictability	28.1	25.2	25.2
Due to high market competition	25.3	30.0	28.3
Due to lack of qualified personnel	3.2	7.2	3.6
Due to limited access to necessary infrastructure	8.7	5.8	1.6
Due to economic instability	14.9	14.9	6.7
Due to a limited consumer base	6.6	7.9	14.5
Due to unfair tax policies	4.2	-	0.4
Due to difficulty cooperating with strategic investors/partners	-	1.2	0.4
Due to inflexibility of state financial programs aimed at supporting the start/development of a business/entrepreneurship	0.4	1.2	0.4
Other	1.8	6.7	4.1
Difficult to say	11.1	8.0	9.9
Prefer not to answer	-	1.4	-

Conversely, the proportion of entrepreneurs who intended to expand their entrepreneurial activities was relatively small (23.7%; women entrepreneurs - 23.6%; men entrepreneurs - 23.8%; $p > 0.05$). A similar proportion of respondents (23.1%) found it difficult to formulate a clear position on the issue.

Among those who did plan to expand their businesses, the majority (58.2%) already had a specific plan for achieving this goal, whilst more than one-third (37.5%) did not yet have such a plan. Analysis by gender shows that most male entrepreneurs had a concrete action plan (64%; women entrepreneurs - 42.3%), whereas among women entrepreneurs, those who stated the opposite were more prevalent (response category “No, I don’t” - 42.3%; men entrepreneurs - 30.4%).

Analysis by type of residence indicates that the proportion of entrepreneurs planning to expand their business activities in the future was nearly identical in Tbilisi (21%) and other self-governing cities (21.4%), whilst the proportion was even higher in municipalities (29%). Moreover, in both the capital (70%) and municipalities (56.8%), the majority of entrepreneurs intending to expand already had a specific plan for doing so. In contrast, respondents in other self-governing cities predominantly reported that they did not yet have a concrete action plan (54.8%) (see Table #7.6).

TABLE #7.6: FUTURE PLANS

Do you plan to expand your entrepreneurial activities in the future? (%) (X ² =22034, p<0.05)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Yes, I do	21.0	21.4	29.0
No, I don't	47.8	58.2	55.2
Difficult to say	31.3	20.4	15.8

Do you have a specific plan to expand your enterprise/business in the near future? (%) (X ² =9592, p<0.05)	By Type of Residence		
	Tbilisi (N=54)	Other Self-Governing Cities (N=41)	Municipalities (N=87)
Yes, I do	70.0	42.9	56.8
No, I don't	25.0	54.8	37.8
Difficult to say	5.0	2.4	5.4

In contrast to the quantitative survey, respondents in the qualitative study spoke more extensively about their desire to expand their businesses. However, they emphasized that the feasibility of such expansion largely depended on broader business environment. Limited resources, restricted access to finance, and insufficient knowledge for strategic planning hindered the implementation of new initiatives. On the other hand, some entrepreneurs reported considering market diversification and geographic expansion as structural responses to ongoing internal political and social tensions.

“We are actually in a waiting mode. I am very curious about where this country is headed to. If this country goes where we all fear [towards Russia], I will no longer have any interest in being in this field and will probably sell and leave. This is probably why we decided to open a Georgian restaurant in Berlin.” (Female entrepreneur, restaurant chain, Tbilisi)

At the aggregate level, survey results indicate that future action steps most commonly involved introducing new products/services (55.1%), increasing the production of existing products/services (50.7%), and expanding into new geographic areas (43.5%). Slightly more than one-tenth of entrepreneurs planned to enter new consumer markets (10.5%) or adopt new technologies (11.6%). No statistically significant gender differences are observed (see Table #7.7).

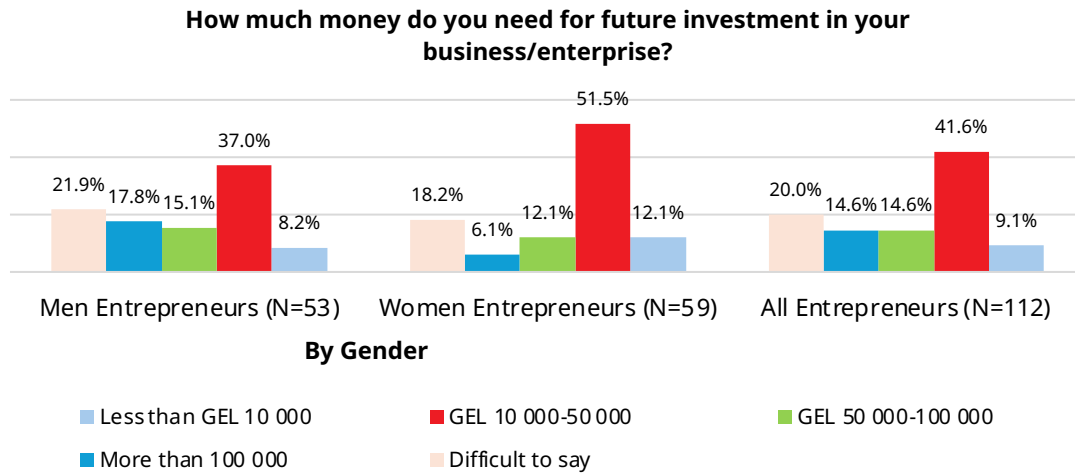
TABLE #7.7: POSSIBLE WAYS TO EXPAND THE ENTERPRISE/BUSINESS

In what ways can you expand your enterprise/ business? (%)	All Entrepreneurs (N=96)	By Gender	
		Women Entrepreneurs (N=38)	Men Entrepreneurs (N=58)
Introducing new products or services	55.1	65.1	53.2
Increasing production of existing prod- ucts / services	50.7	34.3	55.3
Expanding into new territories	43.5	39.5	44.6
Targeting new customer markets	10.5	13.2	9.7
Exporting manufactured products	2.2	4.8	1.4
Acquiring new businesses	1.4	-	1.8
Introducing new technologies	11.6	21.1	8.9
Developing online sales channels (e-commerce)	2.6	5.4	1.9
Activities to promote existing products/ services: attending trade fairs, placing advertisements, etc.)	3.6	5.4	3.0
Other	2.9	-	3.7

Approximately one in four entrepreneurs (24.8%) reported that they did not require additional financial resources for the future development of their business (women entrepreneurs - 25.5%; men entrepreneurs - 24.8%; $p > 0.05$). A further 15.1% found it difficult to articulate a specific position or declined to answer.

Conversely, 60% of entrepreneurs needed a loan for future investment in the enterprise (women entrepreneurs - 64.7%; men entrepreneurs - 58.4%; $p > 0.05$). The most common **amount** needed ranged from 10,000 to 50,000 GEL (41.6%). Additionally, equal proportions of respondents reported needing either 50,000 - 100,000 GEL (14.6%) or more than 100,000 GEL (14.6%) to support business expansion. Analysis by gender does not reveal statistically reliable differences (see Diagram #7.3).

Diagram #7.3: Amount of Money Needed for Future Investment in the Enterprise/Business



Desk research findings indicate that the most important financial factor enabling women entrepreneurs to expand their businesses is personal savings. According to a report by the Economic Policy Research Center, 40% of women entrepreneurs relied on their own savings to finance business expansion, whilst an additional 19% drew on savings from family members or spouses.¹⁰⁸

The intended use of the desired/required financial resources was most commonly associated with the purchase of new technologies (44.6%) and the expansion of the business/enterprise (38.1%). A comparatively high proportion of entrepreneurs also reported needing additional funds to purchase raw materials (32.9%) or to renovate enterprise facilities (30.6%). On average, one in five entrepreneurs planned to use the specified amount to purchase real estate (22.1%) or to acquire additional equipment (19.5%) for the enterprise. By gender, no statistically significant differences in these assessments are revealed (see Table #7.8).

TABLE #7.8: INTENDED PURPOSE OF THE AMOUNT NEEDED FOR FUTURE INVESTMENT IN THE ENTERPRISE/BUSINESS

For what purpose do you need the funds? (%)	All Entrepreneurs (N=112)	By Gender	
		Women Entrepreneurs (N=59)	Men Entrepreneurs (N=53)
To purchase new technology (e.g., to develop a digital sales channel)	44.6	30.8	51.0
To renovate enterprise premises	30.6	35.4	28.5
To purchase real estate for the enterprise	22.1	17.7	24.2
To improve staff or personal qualifications	5.7	5.4	5.9
To hire additional staff	14.5	8.2	17.3

¹⁰⁸Women in Business: Opportunities and Impact of the Pandemic (Tbilisi, EPRC, 2021) https://eprc.ge/wp-content/uploads/2021/05/women_entrepreneurs_geo.pdf

To advertise/to promote sales	8.0	14.6	5.0
To purchase additional raw materials	32.9	38.1	30.5
To repay a loan	3.7	4.2	3.4
To expand the business/enterprise	38.1	30.7	41.5
To purchase additional equipment or inventory	19.5	18.0	20.2
To improve the online platform	1.4	-	2.0
To digitize business activities	1.4	-	2.0
To rebrand the business	1.4	-	2.0
To expand into new territories (e.g., to establish new locations)	6.9	10.2	5.4
Other	1.2	3.8	-

Entrepreneurs who intended to expand their enterprise in the future identified an improved financial situation of their organization as the primary motivating factor behind this decision (72.8%). The second most frequently cited reason was increased demand for products/services (46.9%). A comparatively notable proportion of respondents (17.3%) also reported that they would like to expand in order to enhance the market visibility of their enterprise/organization. All other factors accounted for less than 8% each. A gender-based analysis reveals no statistically significant differences (see Table #7.9).

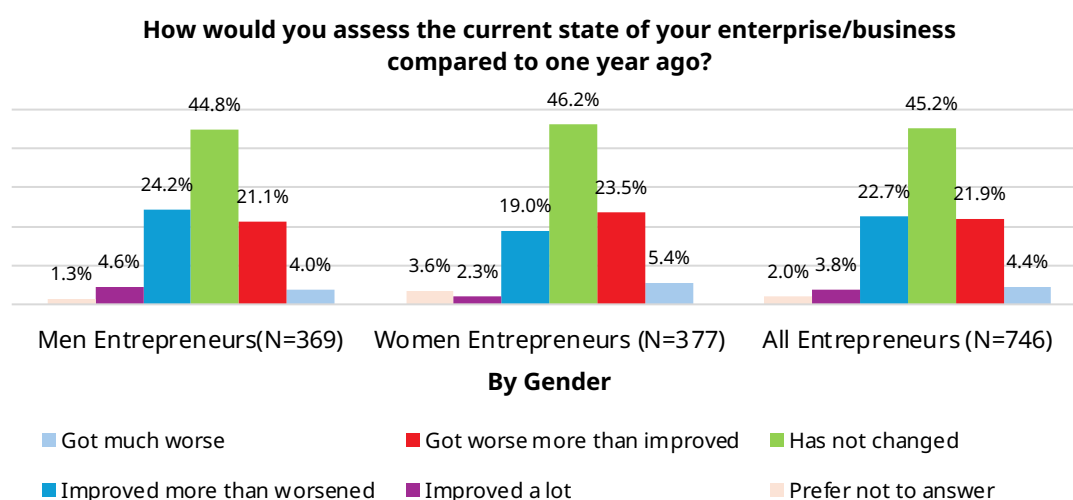
TABLE #7.9: FACTORS MOTIVATING THE EXPANSION OF BUSINESS/ENTREPRENEURIAL ACTIVITIES

What motivates you to expand your business / entrepreneurial activities? (%)	All Entrepreneurs (N=182)	By Gender	
		Women Entrepreneurs (N=93)	Men Entrepreneurs (N=89)
Improving the financial condition of the enterprise / organization	72.8	57.2	79.5
Increased demand for the product / service	46.9	48.2	46.4
Enhancing the market visibility of the enterprise / organization	17.3	11.8	19.7
Increasing access to qualified personnel	7.9	7.6	8.0
Increasing access to necessary infrastructure / inventory	6.5	8.9	5.4
Simplifying cooperation with strategic investors / partners	0.6	-	0.9

Flexibility of state financial programs aimed at supporting business / entrepreneurial development	2.5	3.5	2.1
Implementation / successful use of modern technologies necessary for business development	5.0	5.3	4.9
Production of innovative products / services	4.7	10.1	2.4
Other	1.2	1.2	1.2
Difficult to say	1.2	1.2	1.2
Prefer not to answer	0.4	1.2	-

As a final step in assessing the current and future state, entrepreneurs were asked to reflect on changes in their enterprise dynamics. According to 45.2% of respondents, their enterprise had remained unchanged compared with 1 year earlier (score 3 on a five-point scale)¹⁰⁹. Meanwhile, the proportions of those reporting deterioration (26.3%; scores 1 and 2) and those reporting improvement (26.5%; scores 4 and 5) were nearly identical. Analysis by gender revealed no statistically significant differences (see Diagram #7.4).

Diagram #7.4: Current State of Enterprise/Business Compared with One Year Ago

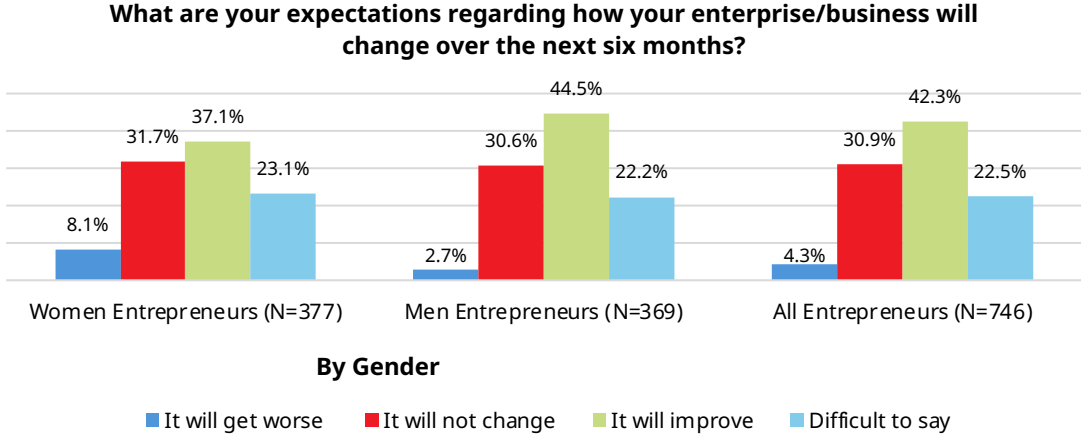


Regarding future prospects, a sizeable proportion of entrepreneurs maintained a positive outlook and believed that their enterprise would improve over the next six months (42.3%). For more than one-fifth of respondents (22.5%), the future remained unclear, as they found it difficult to picture a specific scenario. Meanwhile, 30.9% did not anticipate any changes.

Analysis by gender reveals that a larger proportion of male entrepreneurs (44.5%), compared with women entrepreneurs (37.1%), expected their business to improve in the next six months. Conversely, 8.1% of women entrepreneurs anticipated a deterioration of their enterprise, a rate three times higher than that reported by male entrepreneurs (2.7%) (data are statistically reliable: $X^2=13032$, $p<0.05$) (see Diagram #7.5).

¹⁰⁹ A five-point scale was used for the assessment, where a score of 1 corresponds to 'much worse' and a score of 5 corresponds to 'much better'

Diagram #7.5: Anticipated Changes in Entrepreneurial/Business Activity Over the Next Six Months



8. The Importance of Women’s Participation in Economic Activity

At the end of the study, respondents were asked to evaluate issues related to the importance of women’s involvement in economic activity. The analysis began with an assessment of gender balance within the business sectors in which entrepreneurs operated. According to 37.3% of respondents, the employment rate of women in their sector was higher than that of men. Conversely, 32.8% believed that men were employed at higher rates. Meanwhile, 23.2% reported that the employment rates of women and men were equal.

As per the analysis by gender, the majority of women entrepreneurs (64.1%) stated that the employment rate of women in their sector was higher than that of men. In contrast, a significant share of men entrepreneurs (41.5%) believed that men had higher employment rates. The proportion of respondents who believed that women and men were employed at equal levels was similar across the target groups: women entrepreneurs - 21.8%, men entrepreneurs - 23.8% (data are statistically reliable: $\chi^2 = 112461$, $p < 0.05$) (see Table #8.1).

TABLE #8.1: GENDER BALANCE IN THE BUSINESS SECTORS IN WHICH RESPONDENTS OPERATE

Please rate, based on your observations, the gender balance in the business sector in which you operate (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
The employment rate of men is higher than that of women	32.8	12.3	41.5
The employment rate of women is higher than that of men	27.3	64.1	26.1
The employment rate of women and men is equal	23.2	21.8	23.8
Almost no women are employed	4.2	0.5	5.7
Difficult to say	2.4	1.4	2.7
Prefer not to answer	0.2	-	0.2

More than half of entrepreneurs (52%) believed that women’s involvement in economic activities contributed to improved family well-being, and nearly half (47.9%) reported that women’s participation in business provided them with financial independence. It is also noteworthy that more than one-third of respondents (35.6%) viewed women’s involvement not solely at the individual level, but at the societal level, believing that such participation strengthened the role of women in society. The proportion of respondents who indicated that women’s engagement in economic activities increased employment opportunities was also relatively high (29.2%).

While a majority of women entrepreneurs (64.6%) considered women’s involvement in economic activities important primarily because it ensured financial independence, the dominant view among male entrepreneurs (49.7%) was that such involvement enhanced family well-being. This factor was also important for 57.3% of women entrepreneurs. In addition, 44.4% of women entrepreneurs and 31.9% of men entrepreneurs believed that women’s participation in economic activities strengthened their role

in society. It is also notable that, compared with women entrepreneurs (2.1%), a higher proportion of men entrepreneurs (7%) did not consider women’s involvement in economic activities to be a particularly important issue (data are statistically significant: $X^2=62489$, $p<0.05$) (see Table #8.2).

TABLE #8.2: IMPORTANCE OF WOMEN’S INVOLVEMENT IN ECONOMIC ACTIVITIES

Why do you think women’s participation in economic activity is important? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Women become financially independent	47.9	64.6	40.8
Families’ well-being improves	52.0	57.3	49.7
Women’s role in society strengthens	35.6	44.4	31.9
Employment opportunities increase	29.2	29.0	29.3
Gender equality advances	14.4	16.3	13.6
Gender stereotypes weaken	6.9	7.2	6.8
Other	0.5	0.2	0.6
I do not consider this a particularly important issue	5.5	2.1	7.0
Difficult to say	5.0	3.3	5.7
Prefer not to answer	0.6	-	0.8

According to respondents in the in-depth interviews conducted within the qualitative research, women’s involvement in entrepreneurship often signifies much more than the pursuit of financial gain. For many women, entrepreneurial activity represents an avenue for challenging social routines and gender stereotypes, realizing their own capabilities, and asserting themselves in contexts where they are still primarily expected to perform family roles. At the same time, the dual burden (professional and domestic responsibilities) places women entrepreneurs in a continual state of temporal and emotional strain. As per the interviewees’ accounts, women’s participation in economic activity frequently becomes an act of resistance to prevailing cultural norms. In a context marked by systemic femicide and gender-based violence, women’s visible engagement in economic life emerges as an alternative strategy for redistributing power.

Within the survey, the proportions of entrepreneurs who believed that specific measures would contribute to the economic empowerment of women in Georgia were nearly equal. These included a) free vocational education and training - 34.6%, b) startup grants and financing - 33.7%, and c) preferential loans/leasing options - 30.8%. Given that women continue to perform the majority of domestic work and therefore have less time available for entrepreneurial activities, it is noteworthy that 20.4% of respondents considered the availability of childcare services to have a positive impact on women’s economic empowerment. Such services would free up time for mothers which, instead of being devoted to household responsibilities, could be redirected toward entrepreneurial activities.

Statistically significant findings are observed by gender ($X^2 = 53.939$, $p < 0.05$), although the substantive patterns remain largely similar across the target groups. For both women entrepreneurs (38% on average) and men entrepreneurs (31% on average), three dominant factors contributing to women's economic empowerment were identified:

- **Free vocational education and training** - women entrepreneurs - 38.8%, men entrepreneurs - 32.8%
- **Startup grants and financing:** women entrepreneurs - 38.4%, men entrepreneurs - 31.7%
- **Provision of preferential loans/leasing:** women entrepreneurs - 37.4%, men entrepreneurs - 28% (See Table #8.3)

TABLE #8.3: FACTORS CONTRIBUTING TO WOMEN'S ECONOMIC EMPOWERMENT

What do you think would contribute most to the economic empowerment of women in Georgia? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Free vocational education and training	34.6	38.8	32.8
Startup grants and funding	33.7	38.4	31.7
Provision of preferential loans / leasing	30.8	37.4	28.0
Provision of subsidized loans / leasing	13.4	16.9	11.9
Childcare services	20.4	18.1	21.4
Mentoring and women's networks	8.3	9.8	7.7
Weakening gender stereotypes	9.3	12.7	7.8
Easier access to financial institutions	13.2	18.5	10.9
Local women's support centers	15.4	20.3	13.4
Promoting women's enterprises and raising public awareness of their role in the economy	14.0	13.0	14.4
Other	0.1	0.3	-
Difficult to say	13.4	6.2	16.4
Prefer not to answer	0.6	-	0.8

An analysis of this issue by type of residence shows that the general trend is consistent across all three target locations: a substantial proportion of entrepreneurs believed that the following factors would contribute to women's economic empowerment in Georgia:

- **Free vocational education and training:** Tbilisi - 33.3%, other self-governing cities - 40.9%, municipalities - 31.3%
- **Startup grants and financing:** Tbilisi - 40.1%, other self-governing cities - 25.8%, municipalities - 32.5%
- **Provision of preferential loans/leasing:** Tbilisi - 35.6%, other self-governing cities - 31.4%, municipalities - 24.8%

However, some notable differences emerge across locations. For example, while more than one-fifth of entrepreneurs in the capital (21%) prioritized the provision of subsidized loans/leasing, far fewer respondents in other self-governing cities (8.4%) and municipalities (8.5%) shared this view. Furthermore, the proportion of entrepreneurs who considered childcare services important for enabling women to allocate more time and emotional resources to entrepreneurial activities was comparable in Tbilisi (22%) and municipalities (25.5%), whereas the corresponding figure in other self-governing cities was approximately half as high (11.4%) (data are statistically reliable: $X^2=112786$, $p<0.05$) (see Table #8.4).

TABLE #8.4: FACTORS CONTRIBUTING TO WOMEN'S ECONOMIC EMPOWERMENT (BY TYPE OF RESIDENCE)

What do you think would contribute most to the economic empowerment of women in Georgia? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities (N=195)	Municipalities (N=280)
Free vocational education and training	33.3	40.9	31.3
Startup grants and funding	40.1	25.8	32.5
Provision of preferential loans / leasing	35.6	31.4	24.8
Provision of subsidized loans / leasing	21.0	8.4	8.5
Childcare services	22.0	11.4	25.5
Mentoring and women's networks	10.1	11.4	4.0
Weakening gender stereotypes	11.5	7.7	7.9
Easier access to financial institutions	7.4	19.8	14.6
Local women's support centers	13.1	17.4	16.6
Promoting women's enterprises and raising public awareness of their role in the economy	8.8	19.9	15.3
Other	-	0.3	-
Difficult to say	14.6	12.4	12.7
Prefer not to answer	1.0	0.8	-
Prefer not to answer	-	1.4	-

Respondents in the in-depth interviews discussed both the visible and latent obstacles they encountered when starting a business, particularly in sectors that society continues to perceive as “male professions.” The opportunity to develop knowledge and skills was considered especially important for counterbalancing existing structural barriers. Training, mentoring, and professional support were repeatedly identified as essential resources for women seeking to strengthen their entrepreneurial capacities. Equally important for women's empowerment is the involvement of state and non-governmental organizations, which, according to respondents, should prioritize women's entrepreneurship and expand the availability of local support centers.

“Leaving the house would suit a Georgian woman a lot. I think she can never separate herself from her children. I think this process would be healthy. Georgian women in this country should be independent - financially and professionally. There are problems with equality in this country; there are so many cases of femicide. I want Georgian women to find themselves in something else, not just in the family.” (Female entrepreneur, restaurant chain, Tbilisi)

“If the state opened more local women’s support centers and invited qualified people, it would help our business development more, and it would also empower us personally. The role of non-governmental organizations is also very important. Whatever the state can do, non-governmental organizations can also do. There are NGOs in our region, but there is little emphasis on women entrepreneurs, and programs are mostly directed toward socially vulnerable groups. I would like to see more programs specifically for women entrepreneurs; I would participate in them.” (Female entrepreneur, wine production, Tbilisi)

More than one-third of surveyed entrepreneurs (36.1%) believed that the most significant challenge for women in business was the difficulty of optimally allocating time between work and family responsibilities, as women, unlike most men, remains the group most heavily engaged in household labor. In addition, a lack of financial literacy among women (22.9%) was identified as a substantial barrier. A comparatively high proportion of respondents also cited gender stereotypes, discrimination (17.1%) and/or limited access to childcare services (15.3%) as challenges. All these factors impede women’s participation in business.

Over one-thirds of women entrepreneurs (38.4%) considered the challenge of balancing work and family responsibilities to be the most significant barrier for women to engage in business activities, a view shared by 35.2% of men entrepreneurs. A larger proportion of women entrepreneurs (28.9%) than men entrepreneurs (20.3%) identified lack of financial education as an obstacle. Moreover, women entrepreneurs were generally more likely to emphasize discriminatory practices, including:

- Gender stereotypes and discrimination: women entrepreneurs - 21.4%, men entrepreneurs - 15.3%
- Men’s overrepresentation in managerial and higher-paid positions: women entrepreneurs - 12.7%, men entrepreneurs - 9.8%

However, it should be noted that limited access to childcare services, which directly constrains women’s ability to actively participate in the workforce, was identified as a challenge more frequently by men entrepreneurs (16.7%) than by women entrepreneurs (11.8%) (data are statistically significant: $X^2=44340$, $p<0.05$) (see Table #8.5).

TABLE #8.5: CHALLENGES FACED BY WOMEN ENGAGED IN BUSINESS ACTIVITIES

In general, what challenges do women engaged in business activities face? (%)	All Entrepreneurs (N=746)	By Gender	
		Women Entrepreneurs (N=377)	Men Entrepreneurs (N=369)
Lack of financial education	22.9	28.9	20.3
Gender stereotypes and discrimination	17.1	21.4	15.3
Difficulty balancing work and family responsibilities	36.1	38.4	35.2

Wage/income gap between women and men	14.6	17.0	13.6
Management and higher-paid positions are predominantly occupied by men	10.7	12.7	9.8
Limited access to finance for business / entrepreneurial activities	7.3	10.6	5.8
Lack of state support and business-friendly policies	10.5	12.9	9.5
Lack of knowledge and skills for business management	11.7	14.9	10.4
Limited access to childcare services, preventing women from actively participating in work	15.3	11.8	16.7
Difficulty creating business networks and establishing professional contacts	8.3	8.1	8.3
Low self-esteem and lack of leadership skills	9.9	12.6	8.8
Other	0.2	-	0.3
Women entrepreneurs do not face any challenges	5.0	3.5	5.6
Difficult to say	12.9	7.0	15.4
Prefer not to answer	0.6	-	0.8

When analyzed by type of residence, two dominant challenges emerge, mirroring the overall trend: the difficulty of allocating time effectively between work and family responsibilities (Tbilisi - 32.4%; other self-governing cities - 35.7%; municipalities - 40.6%) and a lack of financial education (Tbilisi - 23.6%; other self-governing cities - 22.4%; municipalities - 22.3%). Regarding the third most salient challenge, an average of approximately 18% of entrepreneurs in other self-governing cities (18.8%) and municipalities (17.4%) most frequently identified gender stereotypes and discrimination, a view shared by 15.6% of Tbilisi residents. In contrast, limited access to childcare services was a more pronounced issue in the capital (20.4%), a barrier that ultimately renders work and family responsibilities incompatible (other self-governing cities - 11.5%; municipalities - 12.3%) (data are statistically reliable: $X^2=82491$, $p<0.05$) (see Table #8.6).

TABLE #8.6: CHALLENGES FACED BY WOMEN ENGAGED IN BUSINESS ACTIVITIES (BY TYPE OF RESIDENCE)

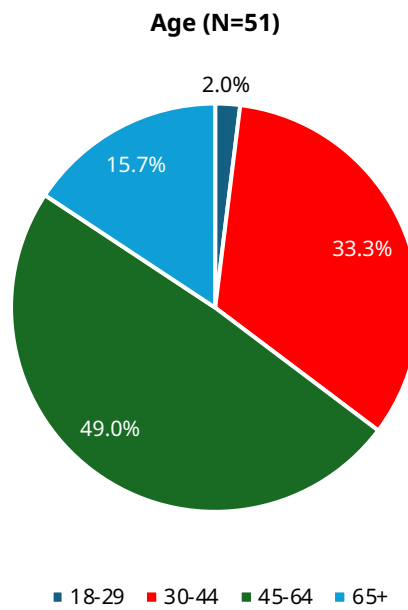
In general, what challenges do women engaged in business activities face? (%)	By Type of Residence		
	Tbilisi (N=271)	Other Self-Governing Cities	Municipalities (N=280)
Lack of financial education	23.6	22.4	22.3
Gender stereotypes and discrimination	15.6	18.8	17.4
Difficulty balancing work and family responsibilities	32.4	35.7	40.6
Wage/income gap between women and men	17.6	13.9	11.7
Management and higher-paid positions are predominantly occupied by men	10.7	9.1	11.7
Limited access to finance for business / entrepreneurial activities	12.1	4.7	3.8
Lack of state support and business-friendly policies	14.9	6.8	8.5
Lack of knowledge and skills for business management	14.6	10.6	9.4
Limited access to childcare services, preventing women from actively participating in work	20.4	11.5	12.3
Difficulty creating business networks and establishing professional contacts	9.6	9.7	5.7
Low self-esteem and lack of leadership skills	5.6	12.3	12.9
Other	-	0.7	-
Women entrepreneurs do not face any challenges	2.4	5.7	7.3
Difficult to say	16.3	10.2	11.2
Prefer not to answer	1.0	0.8	-

CHAPTER 2. EXPERIENCES AND ASSESSMENTS OF POTENTIAL WOMEN ENTREPRENEURS

1. Socio-Demographic Information

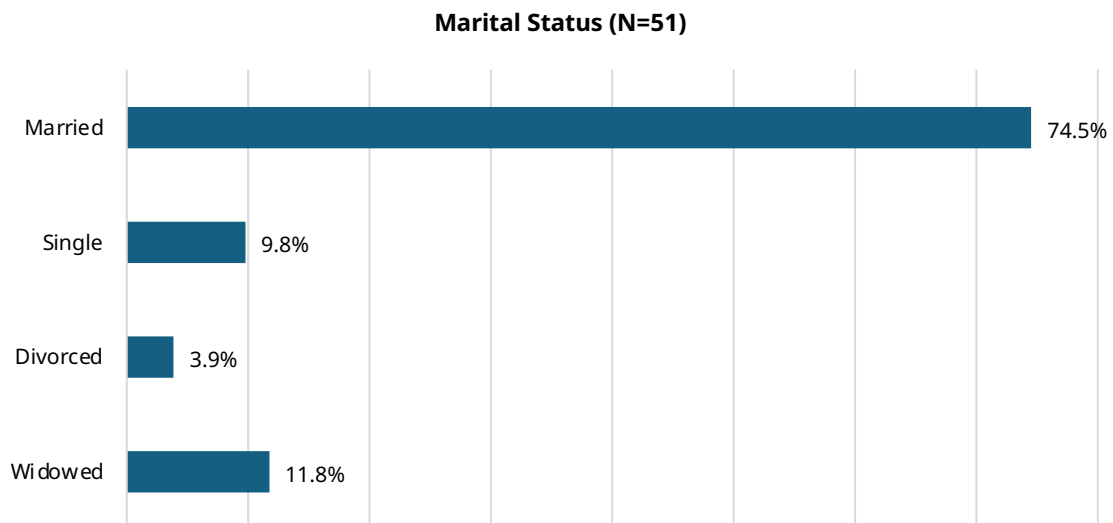
A total of 51 potential women entrepreneurs participated in the survey. The age distribution indicates that the largest proportion of the respondents (49%) fall within the 45-64 age category, whilst approximately one-third belong to the 30-44 age group (see Diagram #1.1).

Diagram # 1.1: Age Distribution of Potential Women Entrepreneurs



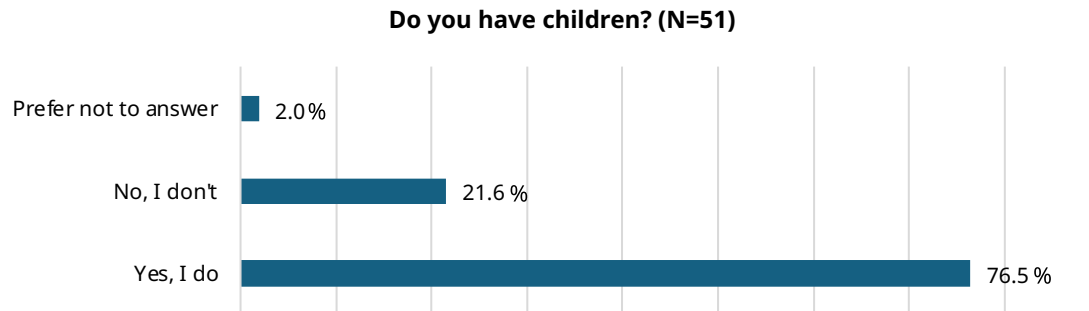
The vast majority of respondents are married (74.5%), whilst 11.8% are widowed (see Diagram #1.2).

Diagram #1.2: Marital Status of Potential Women Entrepreneurs



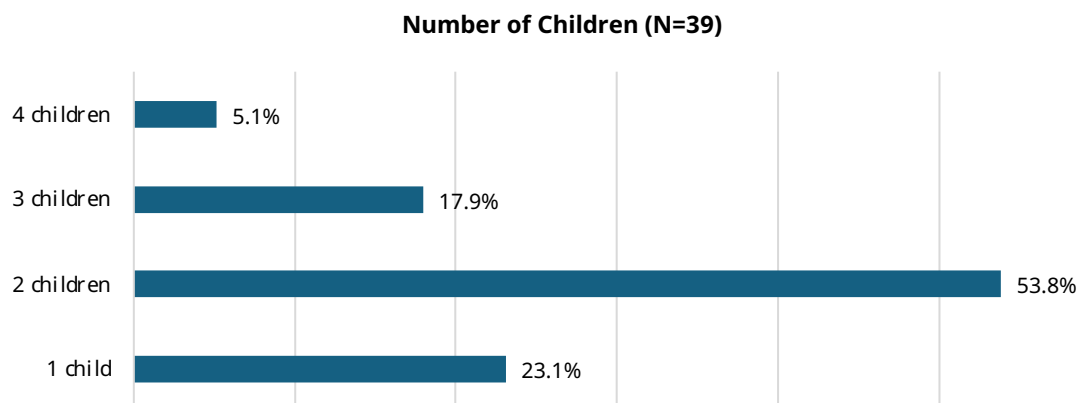
A total of 76.5% of potential women entrepreneurs have children, whereas slightly more than one-fifth (21.6%) do not (see Diagram #1.3).

Diagram #1.3: Having Children



Among potential women entrepreneurs, the largest share have two children. The proportion of those with only one child is 23.1% (see Diagram #1.4).

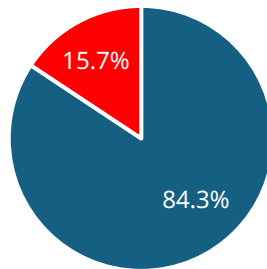
Diagram #1.4: Number of Children Among Potential Women Entrepreneurs



The proportion of respondents residing in urban areas significantly exceeds the proportion of those living in rural areas (see Diagram #1.5).

Diagram #1.5: Type of Settlement of Potential Women Entrepreneurs

Type of Settlement (N=51)

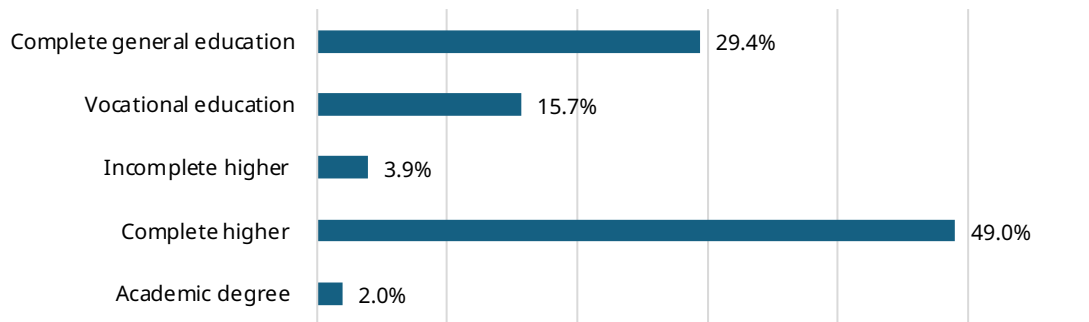


■ City ■ Village

49% of potential women entrepreneurs have completed higher education, followed by respondents with general education - 29.4%. The proportions of those with other educational levels are comparatively small (see Diagram #1.6).

Diagram #1.6: Educational Attainment of Potential Women Entrepreneurs

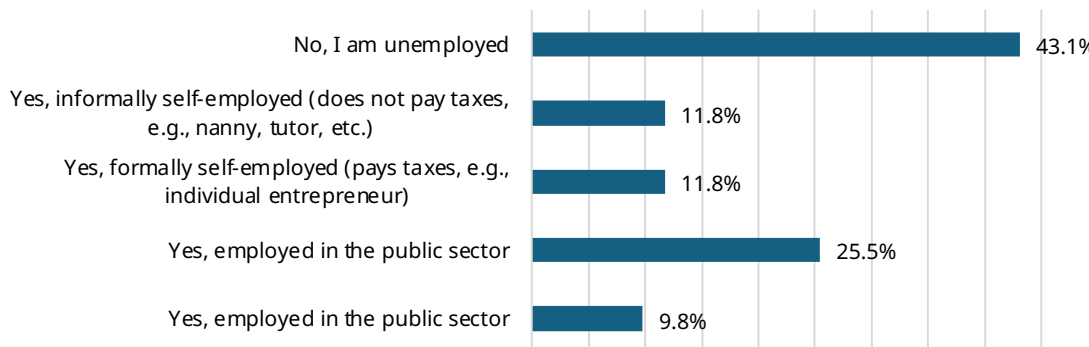
Educational Attainment (N=51)



According to the research findings, 43.1% of potential women entrepreneurs are currently unemployed, whilst one-quarter are employed in the private sector. The proportions of those who are formally self-employed and informally self-employed are equal (at 11.8% each) (see Diagram #1.7).

Diagram #1.7: Employment Status of Potential Women Entrepreneurs

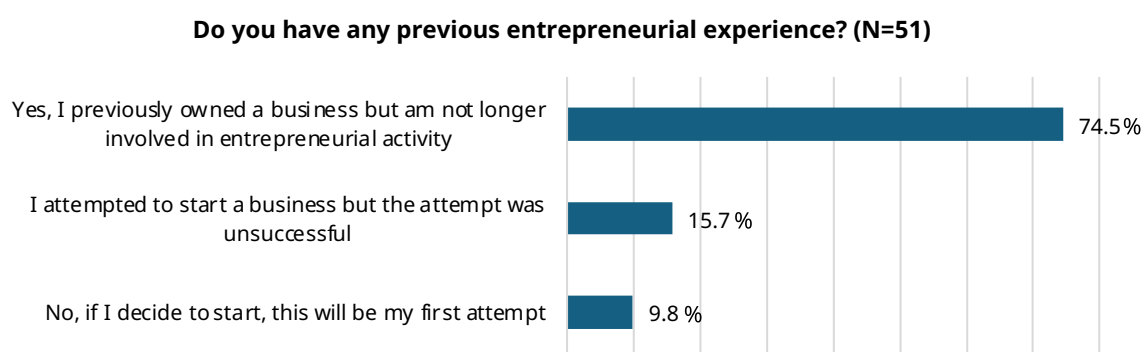
Are you currently employed? (N=51)



2. Entrepreneurial Experience

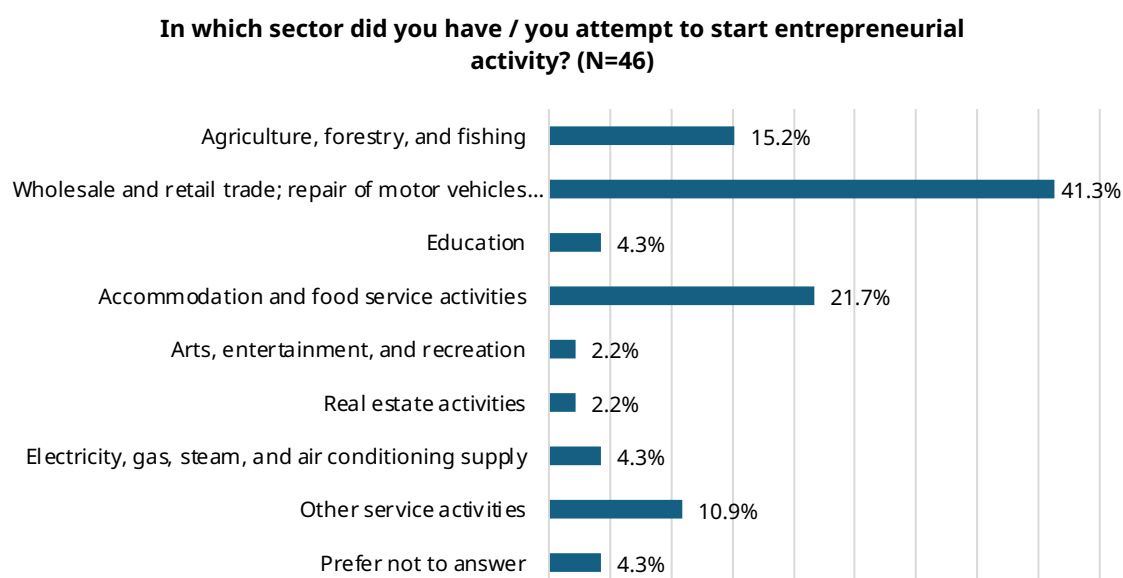
A total of 74.5% of potential women entrepreneurs reported having operated a business in the past but are no longer engaged in entrepreneurial activity. In contrast, the proportion of those who previously attempted to start a business but were unsuccessful or those who are currently making their first attempt at entrepreneurial activity, is significantly lower (see Diagram #2.1).

Diagram #2.1: Past Entrepreneurial Experience



A breakdown of potential women entrepreneurs' past entrepreneurial activities/attempts to start a business by economic sector shows that the largest proportion operated or sought to operate in the wholesale/retail trade/repair (repair of motor vehicles and motorcycles) field (41.3%), whilst slightly more than one-fifth (21.7%) did so in the accommodation sector. In addition, compared with other sectors, business activities in agriculture, forestry, and fishing were relatively common (15.2%) (see Diagram 2.2).

Diagram #2.2: Economic Sector of Business/Entrepreneurial Activities



In addition to the sectoral distribution described above, respondents also identified the specific types of activities they had undertaken or attempted to initiate within these economic sectors¹¹⁰. In the

¹¹⁰ The activities recorded in the three leading economic sectors identified in the study are discussed. Quantitative data for the remaining sectors are presented in a table in Appendix #2.

wholesale and retail trade and repair sector, the most common business activities were: grocery and fruit-and-vegetable shops, flower shops, and wholesale trade. In the accommodation sector, fast-food establishments were predominant. In the agriculture, forestry, and fishing sector, livestock farming emerged as the most significant activity (see Table #2.1).

DIAGRAM #2.1: TYPE OF BUSINESS/ENTREPRENEURIAL ACTIVITY

Wholesale and retail trade; repair of motor vehicles and motorcycles	% (N=19)
Wholesale and retail trade; repair of motor vehicles and motorcycles	% (N=19)
Automobile business	10.5 (N=2)
Auto parts, motor oils	5.3 (N=1)
Pharmacy	5.3 (N=1)
Wholesale trade	15.8 (N=3)
Grocery / fruit and vegetable store	31.6 (N=6)
Clothing store	10.5 (N=2)
Flower shop	15.8 (N=3)
Prefer not to answer	5.3 (N=1)
Accommodation and Food Service Activities	% (N=10)
Food establishment	10 (N=1)
Bakery	10 (N=1)
Fast food	80 (N=8)
Agriculture, Forestry, and Fishing	% (N=7)
Annual crops	14.3 (N=1)
Livestock farming	42.9 (N=3)
Prefer not to answer	14.3 (N=1)
Farm	14.3 (N=1)
Cheese production	14.3 (N=1)

Potential entrepreneurs participating in the survey identified the reasons for terminating/not implementing their previous entrepreneurial activity. Five primary reasons emerged: lack of financial profit from small business operations (63%), difficulty in attracting customers (50%), insufficient mobilized financial resources (41.3%), low demand for the product/service (39.1%), and an inability to cope with market competition (34.8%). Respondents very rarely identified other circumstances, such as legal difficulties, lack of family support or opposition from family members, change of residence, and infrastructural challenges, as obstacles (see Table #2.2).

DIAGRAM #2.1: TYPE OF BUSINESS/ENTREPRENEURIAL ACTIVITY

Did the following circumstances lead you to terminate/ not implement your entrepreneurial activity? (N=46)	Yes	No	Diffi-cult to say	Prefer not to answer
I did not generate financial profit from my small business	63	32.6	4.3	-
The financial resources I had were insufficient	41.3	56.5	2.2	-
Human resources were insufficient	23.9	71.7	4.3	-
I had difficulty attracting customers	50	47.8	2.2	-
I had difficulty repaying a loan	26.1	71.7	2.2	-
Demand for the product / service was low	39.1	58.7	2.2	-
I did not have the knowledge / qualifications necessary for entrepreneurial activity	19.6	78.3	2.2	-
I encountered legal difficulties	2.2	97.8	-	-
Lack of family support	6.5	93.5	-	-
Opposition from spouse or family	6.5	91.3	-	2.2
I could not cope with high market competition	34.8	65.2	-	-
Infrastructure problems	8.7	91.3	-	-
I switched to another activity (employment, study, etc.)	15.2	84.8	-	-
Unforeseen event	26.1	73.9	-	-
Due to a change of residence	8.7	91.3	-	-
Other personal reasons	6.5	93.5	-	-
Other	-	54.3	8.7	37

Among the women entrepreneurs who participated in the focus group discussions conducted as part of the qualitative component of the study, most had prior experience in entrepreneurial activity. The reasons behind the termination of their ventures were multifaceted and reflected the social, economic, and institutional contexts in which micro and small entrepreneurs operate in Georgia.

The respondents' accounts indicated that, in most cases, the cessation of business activity resulted not from individual shortcomings but from a combination of systemic factors. The primary challenge cited was the difficulty of balancing family and entrepreneurial responsibilities, particularly when caring for young children. This limited women's ability to participate consistently in daily operations and often compelled them to hire support staff or shift to passive business management, which contributed to a decline in management quality.

"I had two young children, so I couldn't dedicate enough time and I couldn't be there often. Among those I hired, a situation arose where if they received, for example, 5-6 clients, they would hide it from me and tell me they had only received 2. That was enough for [the business] to start begin losing money. Because I had rent to pay... When the owner saw my situation, he asked me to vacate the premises." (Potential female entrepreneur, Zugdidi)

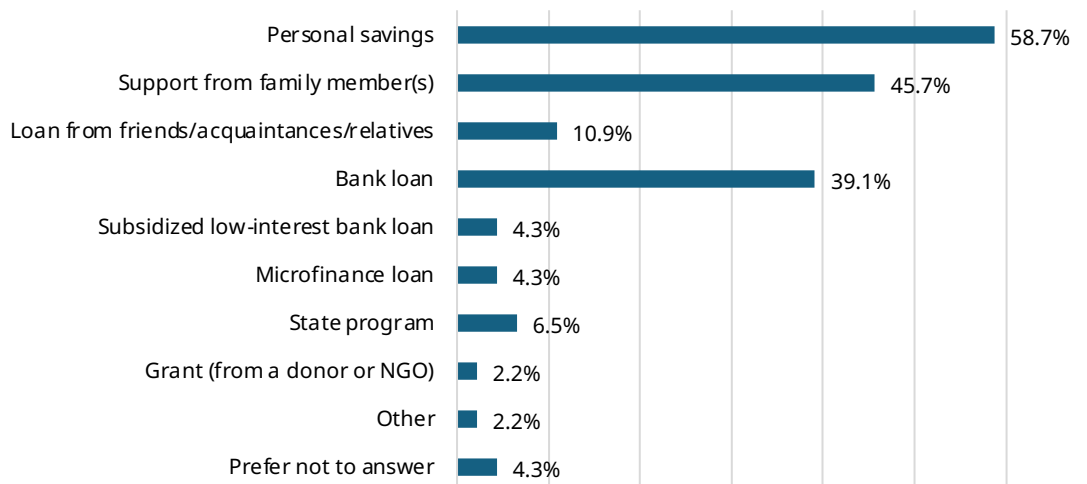
In some cases, entrepreneurs retrained employees at their own expense; however, in the context of high staff turnover, such investments often proved ineffective. The loss of human capital was perceived by respondents as a serious obstacle, particularly when the entrepreneur was not directly involved in the technical aspects of production and was therefore fully dependent on the performance of employees. The interviews also highlighted challenges related to economic instability, including rising prices for materials and appliances, increased utility costs, rent for business premises, and higher labor expenses. These factors had a negative impact even on entrepreneurs whose activities were tied to tenders, as profit margins were significantly reduced. Additionally, respondents identify the lack of local markets and low demand (due to an insufficient customer base) as key reasons for business failure. In regions with low purchasing power, consumers often opt for cheaper products and avoid relatively expensive or branded goods. As a result, entrepreneurs who emphasize quality or offer exclusive services face difficulties in retaining customers and are unable to secure stable income.

"I participated in tenders. I did reinforcement work on walls and road surfaces. The first stage was very good - there was profit, everything was OK. But then things changed and everything became more expensive: labor, materials, equipment... There is no tender of such volume or value that you still have some profit left. It is just hard work and nothing more." (Potential female entrepreneur, Adjara)

According to the quantitative findings, in their most recent entrepreneurial activity/attempt to start such activity, the majority of potential entrepreneurs (58.7%) relied on personal savings as their primary source of start-up capital, whilst 45.7% obtained financial assistance from family member(s). Additionally, 39.1% of potential women entrepreneurs reported having used/attempted to use a bank loan to support their entrepreneurial activities (see Diagram #2.3).

Diagram #2.3: Sources of Financial Resources for Starting an Entrepreneurial Activity

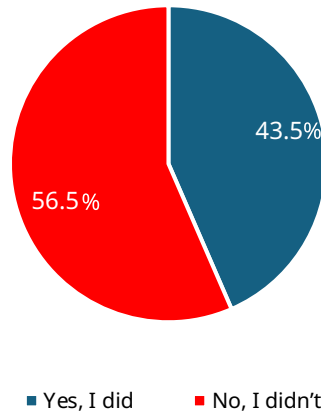
Considering your most recent entrepreneurial activity/attempt to start one, how did you secure/tried to secure financial resources required to initiate the venture? (N=46)



A total of 43.5% of respondents indicated that they had a pre-developed business plan when starting their most recent entrepreneurial activity, whilst 56.6% reported the opposite (see Diagram #2.4).

Diagram #2.4: Practice of Developing a Business Plan in Advance

Did you have a pre-developed business plan for starting your most recent entrepreneurial venture? (N=46)



Among the respondents who had a pre-developed business plan (N=20), 11 reported that the business plan did not contribute to the successful operation of their business, whilst 9 expressed the opposite view (see Table #2.3).

TABLE #2.3: THE ROLE OF A BUSINESS PLAN IN THE SUCCESSFUL OPERATION OF A BUSINESS

How much did your business plan help you run your business successfully?	% (N=20)
Not at all	25 (N=5)
Did not help me more than it did	30 (N=6)
Helped me more than not	40 (N=8)
Very much	5 (N=1)

The most common reasons for not developing a business plan in advance were the need to start the business quickly and the lack of time to prepare a plan due to the necessity of focusing on securing financial resources (see Table #2.4).

TABLE #2.4: REASONS FOR NOT DEVELOPING A BUSINESS PLAN IN ADVANCE

Why did you not have a business plan prepared in advance?	% (N=26)
I did not have the knowledge to prepare a business plan	16.7
I thought a business plan was not necessary	16.7
I wanted to start my business quickly and did not have time to prepare a plan	21.4
I was focused on securing financial resources	21.4

I preferred to follow my instincts in running the company rather than develop detailed financial plans	14.3
Other	2.4
Difficult to say	7.1

At the stage of starting/attempting to start their most recent entrepreneurial activity, potential women entrepreneurs most frequently encountered obstacles such as financial barriers (34.8%), a lack of qualified personnel (30.4%), and constraints related to the tax system/bureaucracy (19.6%). Other types of obstacles were reported relatively infrequently (see Table #2.5).

TABLE #2.5: BARRIERS ENCOUNTERED WHEN STARTING/ATTEMPTING TO START THE MOST RECENT ENTREPRENEURIAL ACTIVITY

Considering your most recent entrepreneurial activity/attempt at entrepreneurial activity, what barriers did you encounter when starting a business?	%
Lack of credit history	2.2
Financial barriers	34.8
Tax system / bureaucracy	8.7
Limited/no access to the consumer market	19.6
Lack of business contacts	8.7
Lack of qualified personnel	30.4
Lack of non-financial / material resources	13
Lack of real estate to use as loan collateral	13
Lack of technical knowledge and experience required for the business	6.5
Lack of financial knowledge	8.7
Lack of a business plan prepared in advance; greater reliance on intuition	6.5
Misconceptions about entrepreneurial activity	2.2
Lack of family support	6.5
Fear of failure or risk	6.5
Lack of time (due to other obligations)	8.7
Other	2.2
I had no prior desire to start a business	2.2
Difficult to say	6.5
Prefer not to answer	2.2

The lack of financial education was identified as one of the most significant challenges for potential women entrepreneurs participating in the focus group discussions, directly limiting their ability to start and successfully manage a business. According to the respondents, they required precise knowledge on how to properly prepare a business plan, identify risks, conduct market research, operate in accordance with legal regulations, and prepare documentation correctly. Thus, successful entrepreneurship is directly linked to the acquisition of systemic knowledge - financial, legal, and managerial. Although some respondents possessed a certain degree of relevant knowledge (for example, having independently learned accounting or having gained knowledge through the involvement of a family member in the business), they nevertheless expressed a strong desire to further enhance their knowledge through specialized training and professional courses.

“Drawing up a business plan is a serious problem. After developing the initial idea, we need to know how to correctly formulate the goal, strategies, calculate financial forecasts, analyze the market, identify potential risks. We also need knowledge of the laws and awareness of legal issues, for example, how registration is done, how licenses, permits are issued, and so on.” (Potential female entrepreneur, Guria)

Potential entrepreneurs who participated in the quantitative survey and reported encountering financial barriers when starting /attempting to start their most recent entrepreneurial activity were asked to specify the nature of these obstacles. The most frequently cited financial challenges included high loan interest rates, being refused grant financing or loans/leasing, and the inability to secure co-financing (see Table #2.6).

TABLE #2.6: TYPES OF FINANCIAL BARRIERS

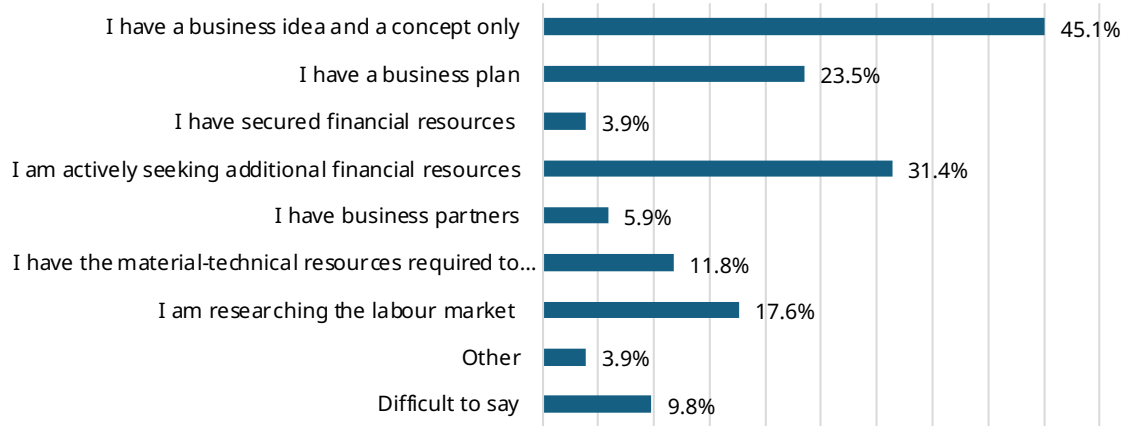
What specific financial barriers did you face?	% (N=16)
I was denied a loan / leasing	25
I was denied a grant	31.3
I was unable to meet guarantee / collateral requirements	12.5
Loan interest rates were high	62.5
Loan/leasing/grant terms were unsatisfactory	6.3
Inability to obtain co-financing	18.8
Difficult to say	6.3

3. Barriers to Starting a Business

According to the survey results, 45.1% of potential women entrepreneurs had developed only a business idea or concept at the time of the survey, whilst 31.4% were actively searching for additional financial resources. A total of 23.5% of respondents had prepared a business plan, and 17.6% were in the market research phase. The proportion of those who reported having already secured financial resources or identified business partners was small (see Diagram #3.1).

Diagram #3.1: Current Stage of Starting an Entrepreneurial Activity

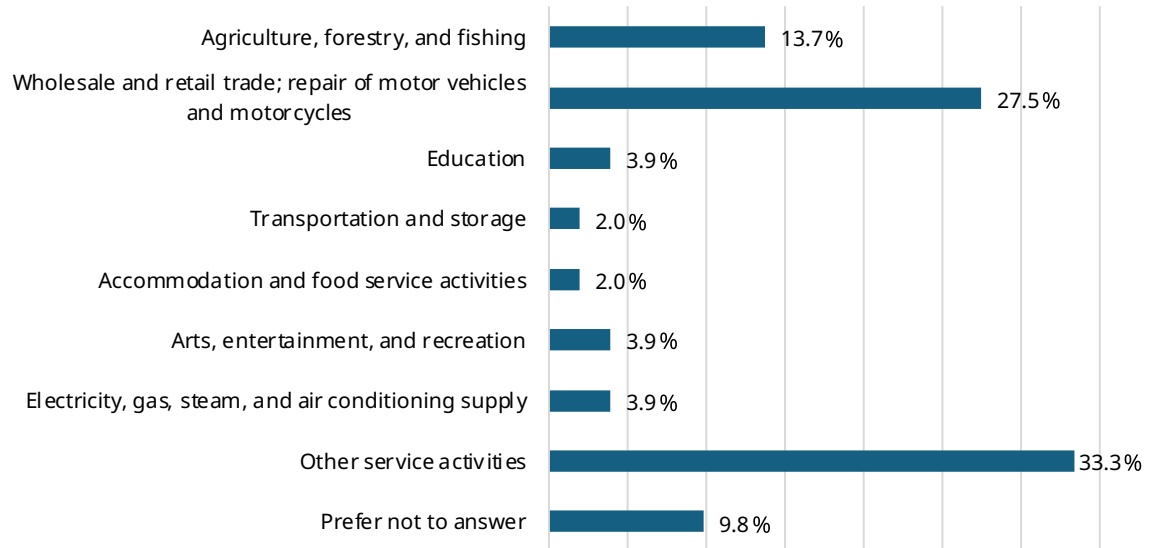
At what stage are you currently with regard to starting an entrepreneurial activity? (N=51)



One in three potential women entrepreneurs intended to start her business in the service sector (excluding trade, transport, and tourism-related services), whilst 27.5% planned to operate in the wholesale and retail trade sector. Only 13.7% reported intention to engage in entrepreneurial activity in agriculture, forestry, and fishing. The proportion of respondents planning to enter other economic sectors was significantly small (see Diagram #3.2).

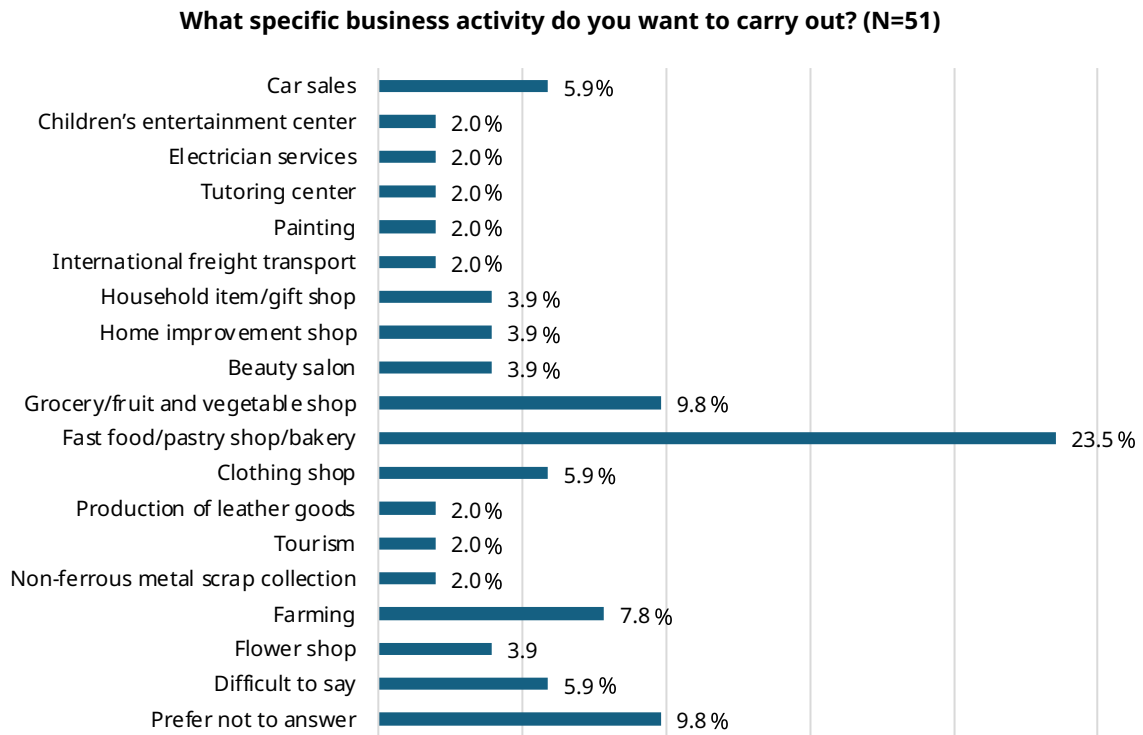
Diagram #3.2: Preferred Economic Sectors for Business/Entrepreneurial Activity

In which sector do you intend to operate? (N=51)



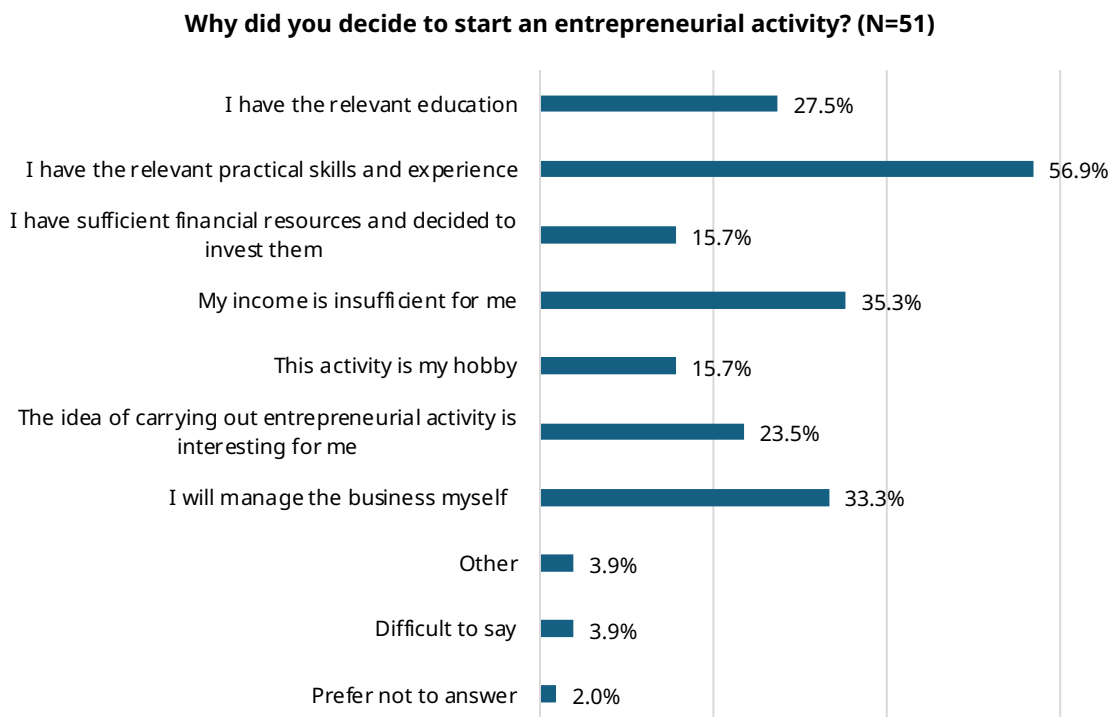
23.5% of potential women entrepreneurs reported the desire to start a business in the food industry - fast food/pasty shop/bakery, whilst 9.8% had plans to open a grocery/fruit-and-vegetable shop. The proportion of respondents who indicated that they had intention to engage in other types of economic activities was relatively small (see Diagram #3.3).

Diagram #3.3: Desired Business/Entrepreneurial Activity



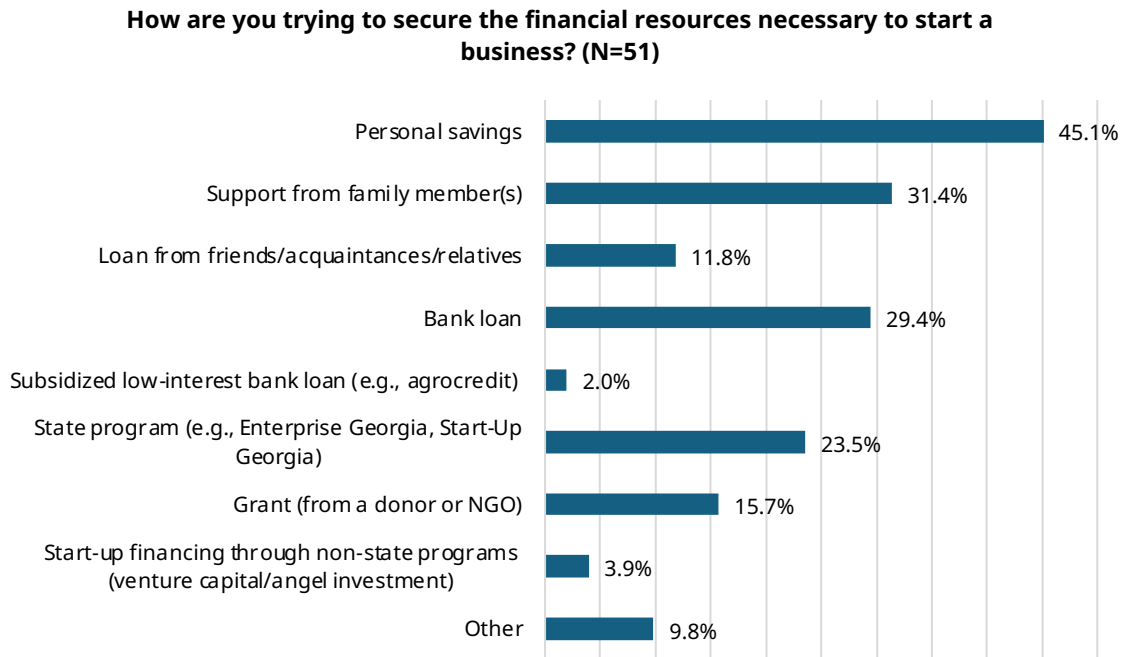
Having relevant practical skills and experience were most commonly identified as primary factors influencing the initiation or implementation of entrepreneurial activity (56.9%). Other key factors included insufficient income (35.3%), the desire to work independently (33.3%), possession of relevant education (27.5%), and an interest in engaging in entrepreneurial activity (23.5%) (see Diagram #3.4).

Diagram #3.4: Factors Influencing the Initiation/Implementation of Entrepreneurial Activity



Among the sources of financial resources required to start an entrepreneurial activity, personal savings were most frequently identified as the primary source by potential women entrepreneurs (45.1%), followed by financial support from family members (31.4%), bank loans (29.4%), and state programs (23.5%). It is noteworthy that none of the surveyed potential entrepreneurs had experience using financial resources, such as leasing, bank loans with collateral subsidies, microfinance loans, or loans from informal moneylenders (see Diagram #3.5).

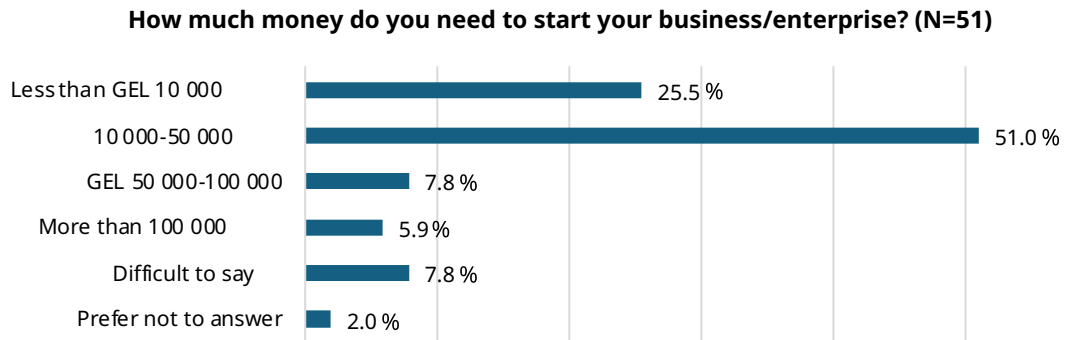
Diagram #3.5: Sources of Financial Resources for Starting an Entrepreneurial Activity



According to the majority of potential women entrepreneurs participating in the focus group discussions, when seeking financial resources, they primarily turned to family members for support or relied on personal savings. On the one hand, this strategy underscores the role of the family as a source of both financial and emotional support; on the other hand, it highlights the difficulties women face in engaging with formal financial institutions. Respondents' attitudes were characterized by skepticism and low levels of trust towards state bodies and financial institutions, which further constrained their access to economic support.

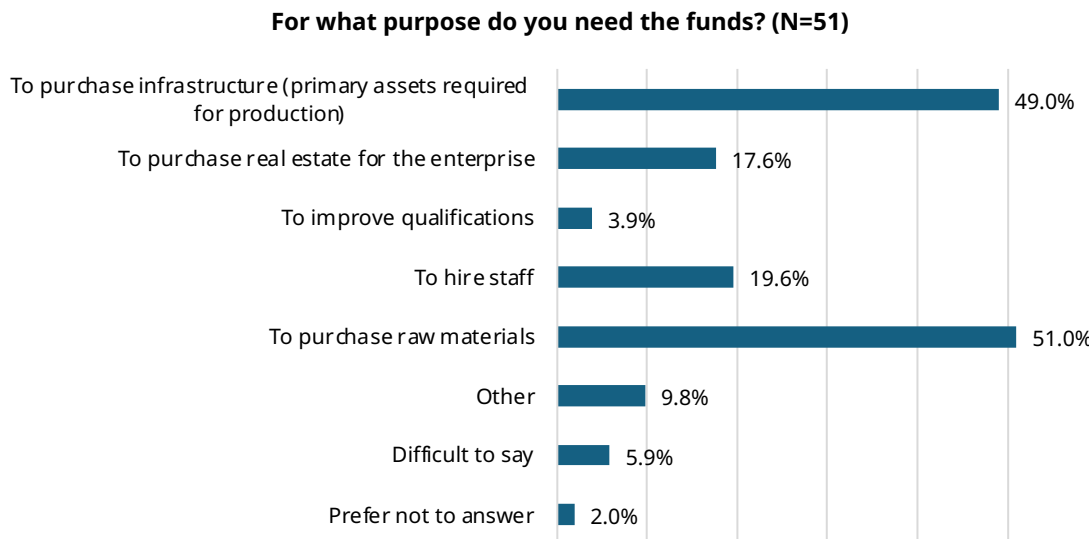
Approximately half of potential woman entrepreneurs surveyed (51%) reported needing between GEL 10,000 and 50,000 to start a business/entrepreneurial activity, whilst one-quarter (25.5%) indicated a need for less than GEL 10,000. The proportion of respondents requiring larger amounts of start-up capital was relatively small (see Diagram #3.6).

Diagram #3.6: Amount of Financial Resources Needed to Start a Business/Entrepreneurial Activity



Just over half of potential women entrepreneurs (51%) reported needing financial resources to purchase raw materials for entrepreneurial activities, whilst a slightly smaller proportion (49%) required funds to invest in infrastructure. Nearly one-fifth of respondents indicated a need for financial resources to hire staff, and 17.6% required funds to purchase real estate for their enterprise (see Diagram #3.7).

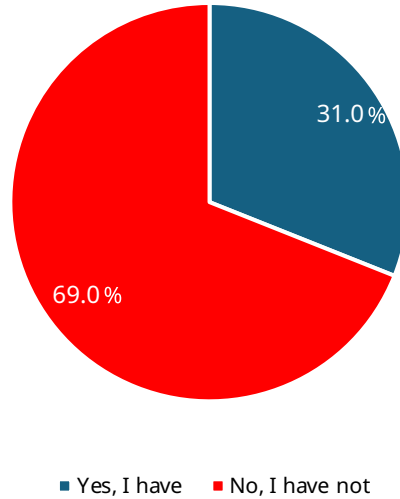
Diagram #3.7: Purpose of Required Financial Resources



According to the survey results, 31% of potential women entrepreneurs reported having experienced a denial of financing, whilst 69% indicated no such experience (see Diagram #3.8).

Diagram #3.8: Experience of Being Denied Financing

Have you ever had an experience of being denied financing by a bank or a microfinance organization? (N=29)



Among respondents who reported having been denied financing, one respondent each indicated that the denial came from TBC Bank (N=1), Bank of Georgia (N=1), and Credo Bank (N=1). In addition, three respondents were denied financing by the Enterprise Georgia program (see Table #3.1).

TABLE #3.1: FINANCIAL INSTITUTIONS THAT DENIED FINANCING TO POTENTIAL WOMEN ENTREPRENEURS

From which financial organization?	N
Enterprise Georgia	N=3
TBC Bank	N=1
Credo Bank	N=1
Bank of Georgia	N=1
Startup (could not pass the final stage)	N=1
Prefer not to answer	N=2

The primary reason cited for the refusal of financing was insufficient income (N=5). In addition, two potential entrepreneurs reported that their applications were rejected due to the absence of real estate of sufficient value registered in their name. Other reasons, each mentioned by one respondent, included a lack of reliable credit history, incomplete submission of required documentation, and the absence of registered property ownership.

Bank Loans

Quantitative findings indicate that among the financial institutions approached by potential entrepreneurs for bank loans, TBC Bank is the most frequently cited (N=6), followed by the Bank of Georgia (N=3) and Credo Bank (N=2). With regard to the possible loan duration, three potential entrepreneurs reported planning a two-year loan term, whilst an equal number indicated a planned duration of five years. Additionally, two respondents planned a three-year loan term, and a further two indicated a duration of ten years. In terms of loan size, three respondents planned to obtain a bank loan of 5,000 GEL or less, and an additional three anticipated borrowing between 5,001 and 10,000 GEL. Two respondents needed loans in the ranges of 10,001–20,000 GEL, whilst another two indicated a need for loans between 40,001–80,000 GEL. Within the framework of the survey, only four respondents specified the annual effective (rather than nominal) interest rate offered by financial institutions, which ranged from 12 to 18% (see Table #3.2).

TABLE #3.2: DETAILS RELATED TO OBTAINING A BANK LOAN

Bank Loan	
Which financial institution are you working with to start your entrepreneurial activity?	Potential Entrepreneur (N=15)
Bank of Georgia	3
TBC Bank	6
Credo Bank	2
I do not remember the name of the bank	2
Prefer not to answer	2
What is the duration of the loan you plan to take (in years)?	Potential Entrepreneur (N=15)
1 year	1
2 years	3
3 years	2
5 years	vvv
6 years	1
10 years	2
Difficult to say	3
What loan amount do you plan to take (in GEL)?	Potential Entrepreneur (N=15)
Up to 5000 GEL	3
5001-10000 GEL	3
10001-20000 GEL	2
20001-40000 GEL	1

40001-80000 GEL	2
160001+	1
Difficult to say	3
What is the annual effective interest rate (not nominal) offered for the loan?	Potential Entrepreneur (N=15)
12%	1
15%	1
16%	1
18%	1
Difficult to say	11

Subsidized Low-Interest Bank Loan

Only one potential entrepreneur respondent reported having attempted to obtain a subsidized preferential bank loan in cooperation with Credo Bank. The anticipated loan duration was five years, with a requested amount of 50,000 GEL. None of the respondents specified the annual effective interest rate offered by the bank.

State Programme

In order to secure initial financial capital, a total of 12 potential entrepreneurs reported attempting to participate in state programs, eight of whom sought financing through the LEPL Enterprise Georgia program. Two respondents identified the required amount of financing as 10,000 GEL, whilst another two indicated a need for 20,000 GEL. Two respondents reported requiring the largest amount of financial resources, estimated at 100,000 GEL. Regarding loan duration, two respondents planned to request financing for a period of 24 months within the state program. The shortest requested duration (10 months) and the longest (84 months) were each reported by one respondent. Only one participant specified the estimated annual effective interest rate (18%) (see Table #3.3).

TABLE #3.3: DETAILS RELATED TO OBTAINING FINANCING UNDER THE STATE PROGRAM

State Program	
Under which state program are you trying to obtain financing?	Potential Entrepreneur (N=12)
Enterprise Georgia	8
Startup	1
Difficult to say	3

How much financing do you plan to request under the state program (in GEL)?	Potential Entrepreneur (N=12)
10 000 GEL	2
15 000 GEL	1
20 000 GEL	2
30 000 GEL	1
60 000 GEL	1
100 000 GEL	2
Difficult to say	2
Prefer not to answer	1
What is the term of the financing you plan to request under the state program?	Potential Entrepreneur (N=12)
10 months	1
12 months	1
15 months	1
24 months	2
60 months	1
84 months	1
Prefer not to answer	5
What is the annual effective interest rate (not nominal) offered for financing under the state program?	Potential Entrepreneur (N=12)
18%	1
Difficult to say	10
Prefer not to answer	1
Prefer not to answer	2

The qualitative findings indicate that potential women entrepreneurs largely report negative experiences with state programs. A primary concern relates to the frequent mismatch between program priorities and women's actual entrepreneurial needs. For example, one respondent noted that, despite participating twice over several years in the LEPL Enterprise Georgia program, her initiative to establish a greenhouse was not funded because this activity was not considered a program priority. Geographical eligibility requirements also constitute a significant barrier. Some respondents were unable to participate because they resided in urban areas (programs were primarily designed for rural populations). In addition, information about state programs often comes from informal sources (acquaintances/relatives) rather than reliable and detail-oriented information channels (based on the respondents' experience). Women often rely on the negative experiences of others, which undermines their motivation and initial

willingness to participate in such programs. Another major obstacle is bureaucratic complexity, which is characteristic of both state programmes and services offered by formal financial institutions. Potential women entrepreneurs repeatedly emphasized that the extensive documentation requirements, permits, business plans, architectural services, and associated costs, along with length and uncertainty about procedures, created significant stress.

“One issue was that you had to operate [the business] in a rural area, whilst I live in the city. The amount indicated for a business, the share I was expected to pay exceeded my turnover.” (Potential female entrepreneur, Guria)

“I participated in the Enterprise Georgia project twice, but greenhouses were never funded because they were not among their priorities.” (Potential female entrepreneur, Khidistavi)

A similar attitude was also expressed towards the banking sector. In some cases, financing approved within the framework of the state program cannot be effectively implemented through banking channels. The experience of one respondent who participated in the Enterprise Georgia program illustrates a broader systemic issue: banks frequently complicate procedures, impose additional collateral provision or require the transfer of all financial operations to the lending institution, even when such conditions are not stipulated in the program guidelines. In one notable case, a respondent applied to three different banks and was able to reach an agreement only on the fourth attempt. By that time, nearly two months of the project term had elapsed, and the risk of losing the approved financing had become substantial. Moreover, a recurring narrative emerged from the interviews: women entrepreneurs often refrained from participating in state programs, as well as from cooperating with banks, not due to a lack of need, but because of deep-seated skepticism and low levels of trust. Some respondents emphasized that access to financing was frequently contingent upon having “influential connections” (e.g., within city halls, local government, or other powerful circles). Such beliefs further discourage engagement with formal institutions and reinforce distrust towards systemic state support.

“I participated in a program that provided GEL 50,000 to women individual entrepreneurs. I prepared a business plan to build a cottage in a village and soon received a positive response from the Enterprise Georgia program. The main problem started afterward - I applied to several banks to receive the funds. My main account was at the Bank of Georgia, but since I was not registered as an entrepreneur, although they accepted my application, they did not transfer the money. It seems they are not interested in issuing interest-free loans. TBC required me to transfer all my personal financial products to them, whilst other banks asked for collateral, which was not required under the program. Eventually, I applied to Liberty Bank, and I am still waiting for a response.” (Potential female entrepreneur, Tskaltubo)

“I’ve heard about this [Enterprise Georgia] program, but I’ve never really wanted to apply because it takes a long time for them to review applications and most likely, they won’t even finance you. Only one in a thousand gets approved. From what I know, their project are more likely to be financed. As my acquaintance who applied mentioned earlier, those who have connections in city hall, government receive more attention. ‘Ordinary’ people are financed much less.” (Potential female entrepreneur, Akhaltsikhe)

Grants

A total of eight potential entrepreneurs planned to use grant funding to finance their business activities. None of these respondents had yet applied to a grant-providing organization, nor had they decided which organization they would apply to. Within the framework of grant financing, one respondent each planned to request amounts of 15,000 GEL, 20,000 GEL, and 100,000 GEL. Three respondents also in-

icated different expected grant durations (12 months, 15 months, and 24 months), respectively (see Table #3.4).

TABLE #3.4: DETAILS RELATED TO OBTAINING A GRANT

Grant	
Which organization did you apply to for a grant?	Potential Entrepreneur (N=8)
I have not decided yet / I have not applied yet	8
How much grant funding do you plan to request (in GEL)?	Potential Entrepreneur (N=8)
15 000 GEL	3
20 000 GEL	2
100 000 GEL	1
Difficult GEL say	1
Prefer not to answer	1
What is the term of the grant funding you plan to request?	Potential Entrepreneur (N=8)
12 months	1
15 months	1
24 months	1
Difficult to say	3
Prefer not to answer	2

Startup Financing

Two potential entrepreneurs reported plans to use startup financing. One of them indicated that the state provided co-financing, whilst the other did not specify the institution to which the application was submitted for financing. One respondent intended to request financing for a period of 6 months, whereas the other planned a 24-month financing period. Both potential entrepreneurs intended to apply for funding in the amount of 20,000 GEL. With regard to the annual effective interest rate, one respondent reported a rate of 0%, whilst the other was unable not provide an answer.

56.9% of potential entrepreneurs reported facing financial barriers to initiating entrepreneurial activity. Approximately one third also identified a lack of qualified personnel and fear of failure or risk as significant challenges. One quarter cited the absence of business contacts and a pre-developed business plan as problematic. The vast majority of respondents (>90%) reported not facing the following obstacles to launching entrepreneurial activities: lack of family support, family opposition and gender stereotypes, or cultural barriers. Legal difficulties, issues related to the tax system/bureaucracy, lack of real estate for loan collateral, time constraints, and similar factors were also rarely identified as barriers (see Table #3.5).

TABLE #3.5: CURRENT BARRIERS TO STARTING AN ENTREPRENEURIAL ACTIVITY

What barriers do you currently face in starting an entrepreneurial activity? (N=51)	Yes	No	Difficult to say	Prefer not to say
Financial barriers	56.9	39.2	3.9	-
Lack of credit history	15.7	78.4	5.9	-
Lack of a business plan	23.5	68.6	7.8	-
Legal difficulties	7.8	84.3	7.8	-
Tax system / bureaucracy	9.8	84.3	5.9	-
Limited/no access to the consumer market	19.6	66.7	13.7	-
Lack of business contacts	25.5	66.7	7.8	-
Lack of qualified personnel	35.3	56.9	7.8	-
Lack of non-financial / material resources (e.g., land for agricultural activities)	23.5	70.6	3.9	2
Lack of real estate to use as loan collateral	11.8	80.4	7.8	-
Lack of technical knowledge and experience required for the business	13.7	78.4	7.8	-
Lack of financial literacy	17.6	66.7	15.7	-
Lack of a business plan prepared in advance; greater reliance on intuition	25.5	62.7	11.8	-
Misconceptions about entrepreneurial activity	11.8	78.4	9.8	-
Lack of family support	5.9	90.2	3.9	-
Fear of failure or risk	35.3	58.8	5.9	-
Opposition from family	5.9	90.2	3.9	-
Gender stereotypes or socio-cultural barriers	2	92.2	5.9	-
Lack of time (due to other obligations)	7.8	84.3	5.9	2
Other	66.7	25.5	7.8	-

Barriers encountered during the process of obtaining financial resources were primarily related to high loan interest rates (37.9%) and the refusal of grant funding (27.6%). In addition, 17.2% of respondents identified the inability to provide co-financing as a significant obstacle (see Table #3.6).

TABLE #3.6: BARRIERS TO OBTAINING FINANCIAL RESOURCES

What are the specific barriers to obtaining financial resources? (N=29)	
I was denied a loan / leasing	13.8
I was denied a grant	27.6
I was unable to meet guarantee / collateral requirements	10.3
Loan interest rates were high	37.9
Loan/leasing/grant duration is are unsatisfactory	3.4
Informal / unregistered business status	6.9
Inability to obtain co-financing	17.2
Difficult to say	20.7

Only one respondent identified obstacles related to gender stereotypes/socio-cultural barriers, noting that financial institutions did not take women-led businesses seriously, which constrained their ability to obtain the necessary financing.

4. Actors/Mechanisms Supporting Entrepreneurial Activity

The overwhelming majority of potential entrepreneurs (94.1%) are not members of any business association/network/union. One respondent found it difficult to provide an answer, whilst two respondents (3.9%) reported having positive experience in this regard. Of these, one is a member of the partnership Green Snow, whilst the other declined to name a specific union.

The majority of potential women entrepreneurs (54%) reported being unaware of existing programs that support women entrepreneurs and, consequently, having no experience of participation. As for engagement, a relatively large proportion had taken part in several initiatives, including the LEPL Enterprise Georgia program (86.3%), Yes-Georgia (45.1%), the UNDP and Bank of Georgia Women Entrepreneurs Development Program (47.1%), the Women’s Fund in Georgia (35.3%), agricultural development programs (35.3%), and the Startup Georgia program (45.1%) (see Table #4.1).

TABLE #4.1: AWARENESS OF AND PARTICIPATION IN ENTREPRENEUR SUPPORT PROGRAMMES

Please indicate whether you have heard, and participated in, any programs supporting entrepreneurs? (%) (N=51)	Yes, I have heard only	Yes, I have heard and participated	No, I have neither heard nor participated	Difficult to say	Prefer not to answer
Enterprise Georgia	86.3	7.8	3.9	-	2.0
YES-Georgia (a program funded by the United States Agency for International Development – USAID)	45.1	9.8	43.1	-	2.0
Women Entrepreneurs Development Program (a joint initiative of the Bank of Georgia and the United Nations Development Programme – UNDP)	47.1	5.9	45.1	-	2.0
GENIE Project (an initiative supported by the World Bank)	25.5	7.8	64.7	-	2.0
Women’s Fund in Georgia	35.3	9.8	52.9	-	2.0
Agricultural Programs Development (ENPARD)	35.3	11.8	51.0	-	2.0
Mentoring Women in Tech Programmes (an initiative of the Business and Technology University – BTU)	13.7	13.7	70.6	-	2.0
EU4Youth / EU4Business (European Union support programs for women entrepreneurs)	19.6	11.8	66.7	-	2.0
“Startup Georgia” (Ministry of Economy and Sustainable Development of Georgia)	45.1	9.8	43.1	-	2.0
Women’s Economic Empowerment Program (UN Women)	13.7	13.7	70.6	-	2.0
Women’s Economic Empowerment (GIZ)	17.6	9.8	70.6	-	2.0
Support and grants for women’s business groups (CARE Caucasus)	13.7	11.8	70.6	2.0	2.0
TASO Foundation	23.5	7.8	62.7	2.0	3.9

The focus group analysis further demonstrates that potential women entrepreneurs have limited engagement in both professional and informal networks. Respondents are generally unaware of specialized business or professional associations established specifically for women entrepreneurs, indicating a lack of contact with organized support networks. According to participants, particularly those at the early stages of entrepreneurial activity, interaction with experienced individuals is essential, as it enhances access to information and serves as an important source of emotional support and motivation. Such networks are perceived as potential spaces for the exchange of practical advice (ranging from tax

registration procedures to financial planning). Consequently, low levels of network involvement not only restrict women entrepreneurs' access to knowledge but also undermine self-confidence and heighten feelings of isolation. These factors are especially detrimental to long-term success in the entrepreneurial environment.

Discussing specific support actors within the framework of the quantitative survey indicates that the majority of potential women entrepreneurs (68.6%) relied on family members/relatives when initiating entrepreneurial activity. The primary social group was perceived as the source of both material and moral support. A substantial proportion of respondents also considered secondary social groups, such as friends and acquaintances (41.2%), to be important in this regard. More than one fifth of respondents viewed donor programs and grants as a form of support (21.6%), whilst 11.8% prioritized state programs as a support mechanism. Among the above categories, family members and relatives were identified as the most significant source of support (52.9%). The proportion of potential women entrepreneurs who identified donor programs and grants as a priority (15.7%) was also relatively high (see Table #4.2).

TABLE #4.2: POTENTIAL SUPPORTING ACTORS AND THEIR IMPORTANCE FOR STARTING A BUSINESS

(%)	In your opinion, who/ what would help you start/implement an entrepreneurial activity? (N=51)	Based on your experience, which form of support would be the most important? (N=51)
Family members / relatives (financially or emotionally)	68.6	52.9
Friends / acquaintances	41.2	9.8
In-person consultation/consultations	5.9	2.0
Online consultation/ consultations	2.0	-
In-person training program(s)	2.0	2.0
Online training program(s)	3.9	2.0
Informal education center	2.0	-
Business partners	5.9	3.9
State program	11.8	3.9
Donor-funded programs / grants	21.6	15.7
Other female entrepreneur(s)	3.9	2.0
Online resources, including videos	3.9	2.0
Difficult to say	3.9	3.9

The survey assessed the skills and knowledge that, according to potential women entrepreneurs, a successful female entrepreneur should possess. The majority indicated that a successful woman entrepreneur should be able to develop a business plan (56.9%) and prepare a business budget (51%). In contrast, an average of only 28% of respondents reported possessing these competencies themselves: ability to develop a business plan (29.4%) and prepare a business budget (25.5%). Approximately half of potential women entrepreneurs also emphasized the importance of being able to determine initial costs/required capital (49%) and to calculate expected profit/loss in advance (47.1%). The above suggests that respondents' perceptions portray a successful female entrepreneur as someone capable of independently identifying and addressing key issues. On the other hand, however, the findings reveal that only one third of respondents (33.3%) were able to determine initial costs and required capital independently, whilst the proportion of those with knowledge of proper accounting (23.5%) and the ability to calculate estimated profit/loss in advance (21.6%) was over one fifth each. Overall, the majority of potential women entrepreneurs did not yet possess the skills that, by their own assessment, characterized a successful female entrepreneur. This discrepancy was particularly pronounced with regard to securing sources of financing: while 23.5% of respondents believed this competence was essential for a successful female entrepreneur, only 7.8% reported having this knowledge themselves (see Table #4.3).

TABLE #4.3: PROFILE OF A SUCCESSFUL FEMALE ENTREPRENEUR

In your opinion, what financial knowledge... (%)	...should a successful female entrepreneur possess? (N=51)	... do you possess? (N=51)
Business plan development	56.9	29.4
Business budget development	51.0	25.5
Estimating initial costs and required capital	49.0	33.3
Forecasting expected profits and losses	47.1	21.6
Registration and management of financial documentation	15.7	9.8
Forms of communication with banks / microfinance organizations	7.8	7.8
Detailed analysis of loan terms and interest rates	13.7	3.9
Securing sources of financing (grants, programs, etc.)	23.5	7.8
Correct accounting practices	29.4	23.5
Knowledge of tax regulations	13.7	13.7
Financial security (payments, fraud, etc.)	11.8	7.8
Difficult to say	3.9	13.7

According to focus group participants, the perceived profile of a successful female entrepreneur comprised several key attributes, including sociability, knowledge of markets and their own business, financial reporting skills, the ability to make independent decisions, and self-confidence.

A total of 88.2% of potential women entrepreneurs participating in the survey reported that having additional financial knowledge at the business start-up stage would be helpful; of these, 37.3% indicated that it would be very helpful. In particular, 44.4% of respondents needed assistance in preparing a business budget, whilst an equal proportion of 33.3% each identified support needs in determining initial costs/required capital and in seeking sources of financing and conducting a comparative analysis of alternative opportunities. Slightly more than one third of respondents (35.6%) indicated that assistance with calculating expected profits and losses in advance would be important at the start-up stage. In addition, approximately one quarter of potential women entrepreneurs (26%) reported that they may need support in developing a business plan (26.7%) or maintaining proper accounting records (24.4%) (see Table #4.4).

TABLE #4.4: AREAS OF FINANCIAL KNOWLEDGE NEEDED TO START A BUSINESS

What types of financial knowledge would help you when starting a business? (N=45)	%
Business plan development	26.7
Business budget development	44.4
Estimating initial costs and required capital	33.3
Forecasting expected profits and losses	35.6
Registration and maintenance of financial documentation	17.8
Forms of communication with banks / microfinance organizations and knowledge of one's rights	13.3
Detailed analysis of leasing and/or loan terms	4.4
Securing sources of financing (grants, programs, etc.) and comparative analysis of available options	33.3
Correct accounting practices	24.4
Knowledge of tax regulations	11.1
Financial security (payments, fraud, etc.)	13.3
Difficult to say	2.2

In addition to financial resources, potential women entrepreneurs identified support in the following areas to be significant: facilitation of market access (31.4%), provision of information about existing programs (23.5%), free business consultations (21.6%), and assistance with drafting a business plan (19.6%). In contrast, the proportion of respondents who reported a need for assistance with legal registration (3.9%), development of digital skills (7.8%), or preparation of a business budget (9.8%) was particularly small. Among the listed forms of support, facilitation of market access (21.6%) and the dissemination of information about available programs (13.7%) were identified as the highest priorities (see Table #4.5).

TABLE #4.5: TYPES OF NON-FINANCIAL SUPPORT NEEDED FOR STARTING A BUSINESS AND THEIR IMPORTANCE

(%)	When starting your business, aside from financial resources, what do you need most? (N=510)	What do you consider to be the most effective non-financial support mechanism for starting an entrepreneurial activity?
(N=51)	68.6	52.9
Free business training	17.6	9.8
Free business consultations	21.6	5.9
Digital skills development	7.8	3.9
Provision of information on existing support programs	23.5	13.7
Assistance with business plan preparation	19.6	3.9
Assistance with business budget preparation	9.8	9.8
Assistance in recruiting qualified personnel	15.7	3.9
Simplified legal registration procedures	3.9	2.0
Support with access to markets	31.4	21.6
Facilitation of connections with potential business partners	17.6	7.8
Assistance with financial accounting / tax-related issues	13.7	3.9
Provision of tax benefits	17.6	9.8
Difficult to say	2.0	2.0
Prefer not to answer	2.0	2.0

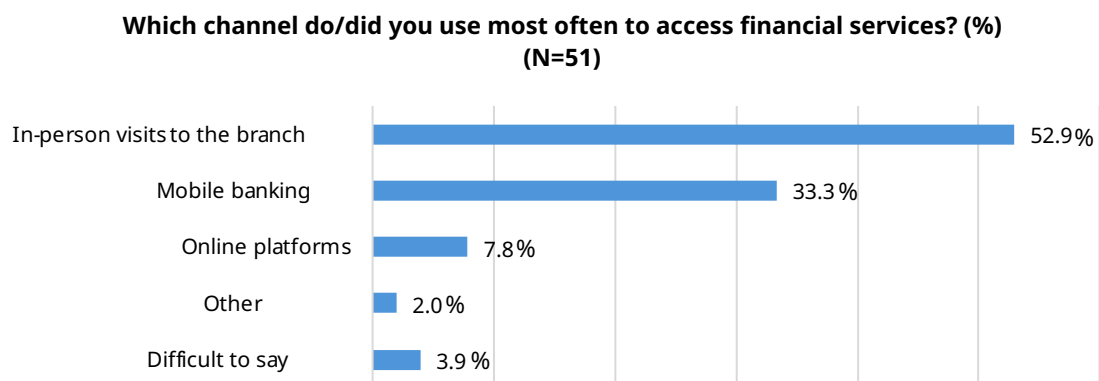
The focus group findings further underscore that a lack of financial resources constitutes a key barrier for nearly all potential entrepreneurs surveyed; however, this constraint is accompanied by several other critical needs: professional and qualified consultations, finding a reliable accountant, improved understanding of tax regulations, and the accumulation of practical knowledge. For instance, one respondent emphasized a strong desire to establish contact with individuals already operating in a similar field in order to avoid unnecessary time and financial expenditures.

In this context, there is a clear demand not only for formal professional networks but also for platforms that enable aspiring women entrepreneurs to share and acquire practical experiences. Such support spaces would significantly enhance the autonomy of potential women entrepreneurs and, in turn, create more favorable conditions for sustainable business development. Participants also expressed a strong willingness and interest in engaging in such initiatives.

5. Financial/Non-Financial Product Assessment

More than half of potential women entrepreneurs (52.9%) reported visiting bank branches in person to access financial services, whilst one-third used mobile banking (33.3%). These two channels constituted the dominant forms of access to financial services (see Diagram #5.1).

Diagram #3.7: Purpose of Required Financial Resources



When assessing individual financial and non-financial products, it was found that the vast majority of potential women entrepreneurs (85%) had no experience using most of the services listed. The products used relatively more frequently included microloans (41.2%), business loans (21.6%), digital financial services (19.6%), and deposits (15.7%). For other services, usage rates in some cases did not reach 10% (see Table #5.1).

TABLE #5.1: EXPERIENCE USING FINANCIAL/NON-FINANCIAL PRODUCTS/SERVICES

Please select all financial / non-financial services / products that you currently use / have used (%) (N=51)	Yes	No	Difficult to say	Prefer not to say
Microloan	41.2	56.9	2.0	-
Business loan	21.6	76.5	2.0	-
Start-up financing	5.9	92.2	2.0	-
Grant	5.9	92.2	2.0	-
State program	2.0	96.1	2.0	-
Leasing	-	98.0	2.0	-
Business insurance	2.0	96.1	2.0	-
Digital finances/online services/online payments, and transactions	19.6	78.4	2.0	-
Business bank cards	7.8	90.2	2.0	-
Deposit	15.7	78.4	5.9	-
Business training programs	9.8	88.2	2.0	-

Business consulting services	2.0	96.1	2.0	-
Networking meetings	7.8	90.2	2.0	-
Legal assistance	3.9	94.1	2.0	-
Other	-	52.9	11.8	35.3

The primary reasons cited by potential entrepreneurs for not using different types of financial assistance were related to the following factors: perceptions of low likelihood of obtaining financing (28%), having mobilized financial resources from alternative sources (18%), and having sufficient personal financial resources (18%). A relatively high proportion of respondents also reported that they were unaware of the availability of financial services they could use (12%) or indicated that they had no need to access such services (14%) (see Table #5.2).

TABLE #5.2: REASONS FOR NOT HAVING EXPERIENCE WITH USING MICROLOANS/ BUSINESS LOANS/START-UP FINANCING/GRANTS/STATE PROGRAMS/LEASING

Why did you not use a microloan/business loan/start-up/grant / state program/ leasing? (N=50)	%
I had sufficient financial resources	18.0
I obtained financial resources from other sources	18.0
I did not expect to be approved for financing	28.0
The terms of the loan / start-up financing / leasing were not fair	8.0
Due to bureaucratic difficulties	8.0
Due to the risk of being unable to meet financial obligations	8.0
Application for financing / leasing was rejected	6.0
Due to lack of information	12.0
Due to the inability to provide the required collateral for the loan	2.0
I have not needed yet	14.0
Other	2.0
Difficult to say	6.0

The lack of experience with using business insurance was primarily attributed to the high cost of insurance packages (58%). In addition, half of potential entrepreneurs (50%) perceived their business ideas as low risk and therefore not requiring insurance, whilst 44% considered insurance to be an unnecessary expense and did not see a need for it. Approximately one third of respondents (30%) reported that the insurance terms were unsatisfactory, leading them not to use the service, and more than one quarter (26%) indicated that they lacked information about the benefits of business insurance (see Table #5.3).

TABLE #5.3: REASONS FOR THE LACK OF EXPERIENCE WITH BUSINESS INSURANCE

Why did you not use business insurance? (N=49)	%
The insurance package was too expensive	58.0
The insurance terms and conditions were not satisfactory	30.0
I consider insurance an unnecessary expense and do not see the need for it	44.0
I lacked sufficient information about the benefits of business insurance	26.0
My business idea is low-risk and does not require insurance	50.0
I do not trust insurance providers and doubt that I would receive adequate compensation in case of problems	16.0
I had no information about the availability of business insurance	4.0
I have not needed it yet	14.0
Difficult to say	12.0
Prefer not to answer	2.0

The non-use of business bank cards was primarily attributed to a perceived lack of need (37%). A relatively high proportion of respondents also reported a lack of information about the benefits of the product (19.6%) or viewed the service as an unnecessary expense (17.4%) (see Table #5.4).

TABLE #5.4: REASONS FOR THE LACK OF EXPERIENCE WITH BUSINESS BANK CARDS

Why did you not use a business bank card? (N=46)	%
I consider a business card an unnecessary expense and do not see the need for it	17.4
The limits of a business bank card do not meet my needs	13.0
I lacked sufficient information about the benefits of a business card	19.6
I had no information about the availability of a business card	15.2
I have not needed it yet	37.0
Difficult to say	8.7

The lack of experience with using deposit products was primarily associated with insufficient savings (52.5%). One fifth of respondents (20%) reported not using deposit accounts because they preferred to hold money in cash or invest in real estate. In addition, a notable proportion of respondents (15%) indicated that low interest rates made deposit products unattractive and therefore unprofitable (see Table #5.5).

TABLE #5.5: REASONS FOR THE LACK OF EXPERIENCE WITH DEPOSIT PRODUCTS

Why did you not use a deposit? (N=40)	%
I did not have sufficient savings to open a deposit	52.5
The interest rate on the deposit was low, and I didn't think it was profitable.	15.0
I prefer to keep my money in cash or invest it in real estate/moveable property	20.0
I lacked sufficient information about the benefits of a deposit	7.5
I do not trust banks	2.5
I had no information about the deposit service at all	5.0
Difficult to say	10.0
Prefer not to answer	2.5

The lack of experience with non-financial services is largely explained by similar reasons and considerations. For training programs (42.2%), consultations (42.9%), networking meetings (37%), and legal services (58.3%), a substantial proportion of potential entrepreneurs reported that they did not yet have a need for these services. In addition, limited awareness of available services remained a significant factor: training programs - 33.3%, consultations - 34.7%, networking meetings - 41.3%, and legal services - 16.7%. A third dominant factor was a lack of time: training programs - 15.6%, consultations - 10.2%, networking meetings - 6.5%, and legal services - 12.5% (see Table #5.6).

TABLE #5.1: EXPERIENCE USING FINANCIAL/NON-FINANCIAL PRODUCTS/SERVICES

Why haven't you participated in a enterprise/business-related... (%)	... Training (N=45)	... Consulta-tion (N=49)	... Network-ing Meeting (N=46)	Legal Ser-vice
It was too expensive	4.4	4.1	2.2	2.1
Had no trust	-	2.0	-	4.2
It was not physically accessible	8.9	6.1	2.2	6.3
I did not have time to participate	15.6	10.2	6.5	12.5
I did not have information	33.3	34.7	41.3	16.7
I have not needed it yet	42.2	42.9	37.0	58.3
Difficult to say	4.4	8.2	13.0	6.3

On the other hand, only 8 potential women entrepreneurs surveyed reported having experience with using non-financial services. Of these, 4 participated in meetings focused on business plan development, and 3 attended activities related to marketing and sales. 2 respondents received training/consultations on accounting and reporting, whilst 1 potential entrepreneur received services related to budgeting. One respondent found it difficult to identify the specific focus of the service received.

Regarding improvements to financial products/services, 62.7% of potential women entrepreneurs expressed a preference for loans with lower interest rates, whilst one third indicated a need for more tailored loan terms (e.g., longer repayment periods, grace periods, etc.) (33.3%). A further 29.4% identified lower collateral requirements or alternative forms of guarantees as desirable changes. On average, one-fifth of respondents (20%) emphasized the importance of offering small startup loan products to customers without sufficient credit history and/or setting low or zero fees for small/first business loans (19.6%) (see Table #5.7).

TABLE #5.7: DESIRED CHANGES TO IMPROVE FINANCIAL PRODUCTS/SERVICES

In terms of improving existing financial products/services, what changes would you like to see? (N=51)	%
Low-interest loans	62.7
Simplified access to leasing	2.0
Tailored loan terms (e.g., longer repayment schedules, grace periods, etc.)	33.3
Small startup loan products for consumers with limited credit history	21.6
Lower collateral requirements or alternative guarantees (e.g., group loans, guarantors, etc.)	29.4
Reduced or waived fees for small / first-time business loans	19.6
Special savings products accommodating variable income	5.9
Preferential financial policies for single mothers / large families and/or female victims of domestic violence	3.9
Improved consumer rights regulations	23.5
Difficult to say	11.8

With regard to desired improvements in non-financial services, 41.2% of potential women entrepreneurs identified introductory meetings with state agencies implementing business support programs as a priority, whilst 29.4% prioritized meetings with financial institutions and donors. One quarter of respondents (25.5%) considered thematic training sessions (finance, marketing, accounting, taxation) to be important. By contrast, training on digital services was identified as the least desirable change (5.9%) (see Table #5.8).

TABLE #5.8: DESIRED CHANGES TO IMPROVE NON-FINANCIAL PRODUCTS/SERVICES

In terms of improving existing non-financial products / services, what changes would you like to see? (N=51)	%
Highly simplified design of mobile applications	17.6
Trainings in digital services	5.9
Thematic trainings: finance, marketing, accounting, taxation	25.5
Availability of trainings both online and offline	13.7

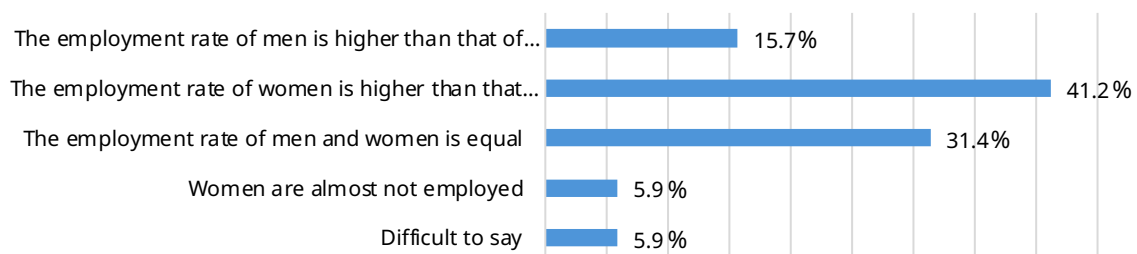
Introductory meetings with financial institutions and donors	29.4
Introductory meetings with state agencies offering business support programs	41.2
Difficult to say	21.6
Preferential financial policies for single mothers / large families and/or female victims of domestic violence	3.9
Improved consumer rights regulations	23.5
Difficult to say	11.8

6. The Importance of Women’s Participation in Economic Activity

According to 41.2% of potential women entrepreneurs, in the business sector in which they intended to engage, the employment rate of women was higher than that of men. Approximately one third of respondents (31.4%) reported no perceived gender differences, indicating that they considered employment rates for women and men to be equal (see Diagram #6.1).

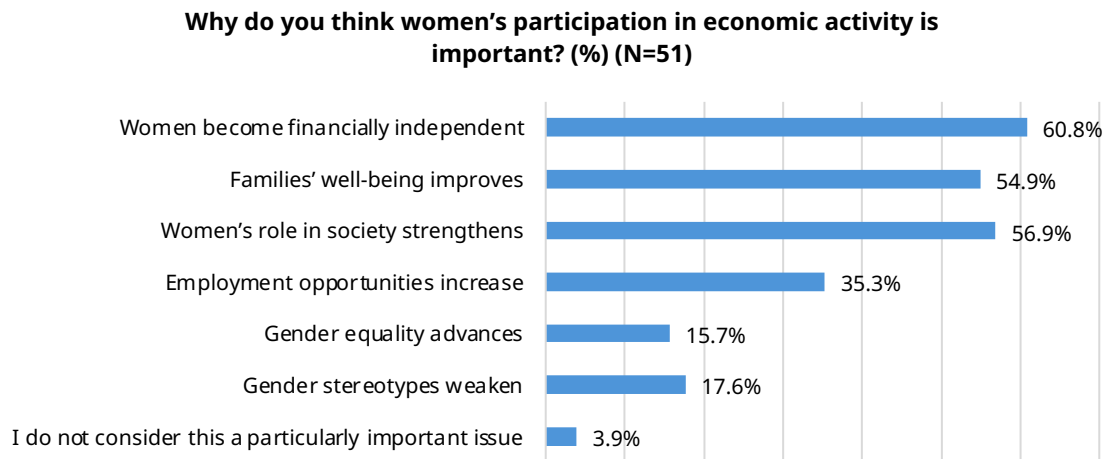
Diagram #6.1: Gender Balance in the Business Sectors of Respondents’ Interest

**Based on your observations, please assess the gender balance within the business sector in which you intend to engage in entrepreneurial activity?
(%) (N=51)**



The majority of potential women entrepreneurs identified three key reasons underscoring the importance of women’s participation in economic activity: achieving financially independent - 60.8%, improvements in family well-being - 54.9%, and the strengthening of women’s role in society - 56.9%. In addition, the proportion of those who believed that women’s involvement in business activities contributes to increased employment opportunities was more than one third (35.3%) (see Diagram #6.2).

Diagram #6.2: Importance of Women’s Involvement in Economic Activity



According to focus group participants, women’s involvement in entrepreneurial activity was perceived as a source of self-realization, creativity, and innovation, contributing not only to individual well-being but also to broader societal progress.

“In my opinion, women’s participation in business is very important because it contributes to gender equality, to overcoming stereotypes. And a sense of justice is strengthened, which in turn has a positive impact on societal well-being. As a rule, women reinvest a large portion of their income in education and the family. This contributes to social development.” (Potential woman entrepreneur, Guria)

The majority of potential women entrepreneurs surveyed (54.9%) believed that startup grants and financing would contribute to the economic empowerment of women in Georgia, whilst 47.1% identified free vocational education and training as an important facilitating factor. One in three respondents (33.3%) prioritized the provision of preferential loans/leasing mechanisms. Equal proportions of potential women entrepreneurs identified access to childcare services (21.6%) and/or simplified access to financial institutions (21.6%) as relevant support mechanisms (see Table #6.1).

TABLE #6.1: FACTORS FACILITATING WOMEN’S ECONOMIC EMPOWERMENT

What do you think would contribute most to the economic empowerment of women in Georgia?(N=51)	%
Free vocational education and training	47.1
Startup grants and funding	54.9
Provision of preferential loans / leasing	33.3
Provision of subsidized loans / leasing	9.8
Childcare services	21.6
Mentoring and women’s networks	3.9
Weakening gender stereotypes	9.8
Easier access to financial institutions	21.6
Local women’s support centers	19.6

Promoting women's enterprises and raising public awareness of their role in the economy	19.6
Difficult to say	11.8

All focus group participants expressed an interest in continuing their entrepreneurial activities in the future. To do so, however, they consistently emphasized the need for free professional training, education and knowledge-sharing platforms, assigning primary responsibility for the provision of such support to the state. According to participants, the government should encourage the creation of a supportive environment for women's economic empowerment by offering training and consulting services. Respondents also highlighted the importance of reducing bank interest rates, noting that such measures would significantly contribute to the financial sustainability of women entrepreneurs.

"The state should take responsibility for women's empowerment, at least by providing free training and helping us develop the skills necessary to increase our visibility in our activities." (Potential woman entrepreneur, Kakheti).

Beyond enabling mechanisms, the survey also examined the challenges faced by women engaged in business activities. A total of 41.2% of potential women entrepreneurs identified difficulties in balancing work and family responsibilities as a major barrier. This challenge likely explains why one fifth of respondents earlier highlighted access to childcare services as an important support mechanism. In addition, 25.5% of respondents emphasized women's lack of financial education, whilst 23.5% pointed to the persistence of gender stereotypes and discrimination. More than one-fifth of potential women entrepreneurs (21.6%) also identified low self-esteem and a lack of leadership skills among women as challenges to engaging in entrepreneurial activity (see Table #6.2).

TABLE #6.2: . CHALLENGES FACING WOMEN ENGAGED IN BUSINESS ACTIVITIES

In general, what challenges do women engaged in business activities? (N=51)	%
Lack of financial education	25.5
Gender stereotypes and discrimination	23.5
Difficulty balancing work and family responsibilities	41.2
Wage/income gap between women and men	11.8
Management and higher-paid positions are predominantly occupied by men	9.8
Limited access to finance for business / entrepreneurial activities	9.8
Lack of state support and business-friendly policies	13.7
Lack of knowledge and skills for business management	13.7
Limited access to childcare services, preventing women from actively participating in work	13.7
Difficulty creating business networks and establishing professional contacts	13.7
Low self-esteem and lack of leadership skills	21.6
Women entrepreneurs do not face any challenges	7.8
Difficult to say	9.8

According to focus group participants, gender stereotypes and societal expectations continue to exert a significant influence on women's economic activity in Georgia. This influence is rarely expressed through overt discrimination; rather, it manifests indirectly through deeply entrenched social norms. There is a persistent division between activities perceived as "feminine" and "masculine." Women remain largely underrepresented in sectors such as construction, transport, and heavy manufacturing. Those who attempt to enter these fields often encounter gender-specific challenges, which they themselves explicitly acknowledge. Women frequently avoid physically demanding occupations, a tendency attributed not only to actual physical constraints but also to prevailing perceptions that achieving success in such sectors is particularly difficult for women.

Some participants of the discussions acknowledged that they often relied on male family members - such as fathers, husbands, or brothers - for support in financial and legal matters. While this assistance is generally viewed positively, it simultaneously indicates that women are unable to manage business activities entirely independently. Several respondents expressed views such as "women can do more" or "the country stands on women's shoulders." However, this discourse has itself become a part of a stereotype, portraying women as exceptionally resilient individuals who are not allowed to make mistakes or fail. This stereotype generates psychological pressure and hinders the natural process, which typically means that business is developed through trial and error and learning over time. Another significant barrier identified is time scarcity: women often simultaneously assume family and entrepreneurial responsibilities. According to respondents, they have to divide their time between childcare and business management, which is both physically and emotionally exhausting.

According to focus group participants, entrepreneurship is associated with significant risks for women, and enthusiasm alone is insufficient to successfully start a business. Participants noted that, in the Georgian context, there are numerous examples of women entrepreneurs experiencing serious negative consequences (loss of property, family, financial security) as a result of ill-considered decisions. Such experiences have led participants to believe that there is a need for an organization or mechanism capable of objectively assessing the skills and preparedness of prospective entrepreneurs in order to avoid potential risks. Respondents suggested that such an assessment could be formalized through certification, indicating that a potential entrepreneur is adequately prepared to assume entrepreneurial responsibilities. Potential women entrepreneurs perceived this approach not as a restrictive measure but as a protective mechanism.

"There should be an organization that can assess skills and motivation and even issue a certificate confirming whether an applicant is capable of managing a business. Too many women have encountered serious difficulties - it is not easy to be an entrepreneur." (Potential woman entrepreneur, Tskaltubo).

CHAPTER 3. EXPERIENCE AND ASSESSMENTS OF LOCAL AND INTERNATIONAL FINANCIAL INSTITUTIONS AND STATE INSTITUTIONS

The quantitative component of the study covered financial institutions. In total, 23 local financial institutions were surveyed using a structured questionnaire, including 14 commercial banks and 9 microfinance organizations.

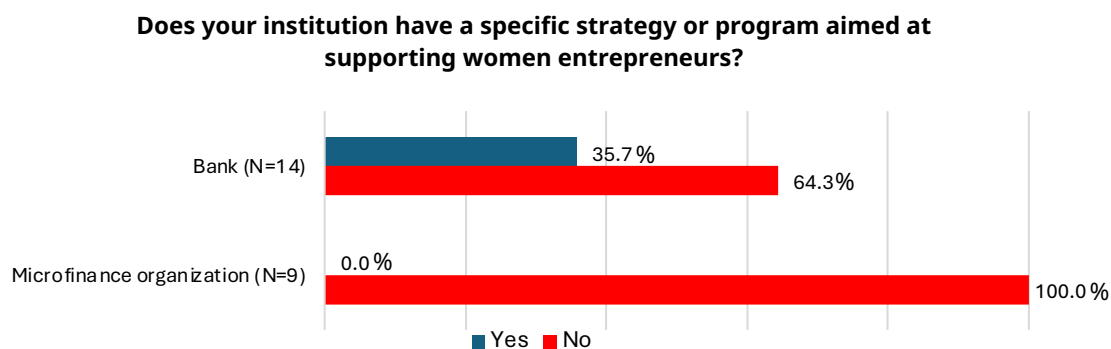
As part of the qualitative component, local financial institutions experienced in designing products for women entrepreneurs were selected for in depth interviews. Representatives of state institutions were also interviewed within the qualitative study, including LEPL Enterprise Georgia, the LEPL Rural Development Agency, the LEPL Georgian Innovation and Technology Agency, and the National Bank of Georgia. In addition, three in-depth interviews were carried out with representatives of international financial institutions, whilst respondents in eight interviews represented local financial institutions. In total, 11 individual interviews and 5 group interviews, involving a total of 27 respondents were conducted.

1. Programs and Products Tailored to Women Entrepreneurs

Quantitative Component

The results of the quantitative study indicate that the vast majority of financial institutions (78.3%) do not have a specific strategy or program aimed at supporting women entrepreneurs. Notably, commercial banks are more likely to report the existence of a targeted approach (35.7%), whereas none of the surveyed microfinance organizations report having such programs (0%). This difference is statistically significant $\chi^2=14.03$, $p = 0.04$, indicating that the presence of relevant programs depends on the type of financial institution (see Diagram 1.1).

Diagram #1.1



A common trend is also observed across both banks and microfinance organizations. Specifically, the most frequently cited reason for the absence of specialized services for women entrepreneurs was the adoption of a gender-neutral approach (55.6%). A lack of information about the specific needs of women entrepreneurs was also identified as a significant issue (16.7%). A relatively small proportion of respondents cited the absence of institutional resources or strategies (5.6% each). Responses categorized as “Other” (27.8%) included more specific explanations, such as future prospects (plans to develop products tailored to women entrepreneurs in the future), a mismatch with the institution’s client profile (with corporate clients constituting their primary target segment), and a lack of resources (developing such programmes would be hindered by time limitations, interest rates on resources, etc.) (see Table #1.1).

TABLE #1.1

Reasons for the absence of specialized services for women entrepreneurs	Bank (%) (N=9)	Microfinance Organization (%) (N=9)
We lack sufficient information about the needs of women entrepreneurs	11.1	22.2
We believe that existing services are gender-neutral and follow a one-size-fits-all approach	55.6	55.6
We lack an organizational strategy focused on gender equality	-	11.1
We do not perceive women entrepreneurs as a commercially attractive segment	-	-
We lack specialists to develop products tailored to women entrepreneurs	-	11.1
Service differentiation is associated with additional costs	-	11.1
Low participation of women in entrepreneurial activities	-	-
Other	33.3	22.2
Other	33.3	22.2

It is noteworthy that, as microfinance organizations do not have strategies or programs specifically focused on women entrepreneurs, only those banks (N=5) that offer such services responded to the relevant questions. These institutions include TBC Bank, Basisbank, Credo Bank, ProCredit Bank, and the Bank of Georgia.

Among international financial institutions, banks most frequently identified the European Bank for Reconstruction and Development (EBRD) as their primary partners within strategies or programs aimed at supporting women entrepreneurs (60%). The International Finance Corporation (IFC) and the Asian Development Bank (ADB) were also cited as important partners (40% each). In addition, a majority of banks (60%) reported cooperation with other international partners, reflecting a diverse range of partnerships. Specifically, institutions listed under the “Other” category included:

- **DEG** (Deutsche Investitions- und Entwicklungsgesellschaft) - the German Investment and Development Corporation;
- **Proparco** - a subsidiary of the French Development Agency focused on private sector financing;
- **EFSE**- European Fund for Southeast Europe
- **EFSE Entrepreneurship Academy** - a specialized EFSE platform supporting entrepreneurial development.

For detailed data, see Table #1.2:

TABLE #1.2

Cooperation with International Financial Institutions (IFIs) through strategies or programmes focused on supporting women	Banks (%) (N=5)
European Bank for Reconstruction and Development (EBRD)	60.0
International Finance Corporation (IFC)	40.0
United States Agency for International Development (USAID)	20.0
Asian Development Bank (ADB)	40.0
European Investment Bank (EIB)	20.0
KfW Development Bank	20.0
Other	60.0
Other	60.0

Qualitative Component

Perspectives of Local Financial Institutions

Within the qualitative component of the study, interviews with representatives of local financial institutions revealed that products and services tailored to women entrepreneurs are largely implemented with the support of international financial organizations. In particular, the following organizations were identified: the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), USAID, the Development Finance Corporation (DFC), the Swedish International Development Cooperation Agency (SIDA), and others. These partnerships encompass not only financial support but also technical assistance, including financial education initiatives, the development of guarantee schemes, etc.

Gender-related issues, largely introduced at the initiative of international financial organizations, have gained relevance in the Georgian banking sector over the past five to seven years: *“One of the main things in relations with any investor is to include women.”* (Representative of a commercial bank). Respondents also emphasized that, alongside support for women entrepreneurs, financial products tailored to young people, those addressing challenges related to the climate crisis, and those targeting socially and economically vulnerable regions have become increasingly important. Interestingly, a small proportion of respondents from local financial institutions do not have a clear understanding of why encouraging women entrepreneurs constitutes a priority for international financial organizations.

Respondents expressed the view that the vision of international investors and lenders is somewhat more advanced than that of the Georgian banking and financial sector. Consequently, financial institutions operating in Georgia often have to align with the policies of international financial organizations in order to attract relatively low-cost financial resources. Local commercial banks and microfinance organizations are able to attract such capital at favorable terms provided that at least part of it is directed toward women entrepreneurs. Interview findings indicate that local financial institutions frequently perceive women’s entrepreneurship empowerment initiatives, implemented with the support of international financial organizations, not as one of the objectives of their work, but rather as instruments for securing relatively inexpensive financial resources.

Most financial institutions use a gender-neutral approach, intended to ensure equal access for all client

segments, including both women and men. However, in practice, the absence of products tailored specifically to women is often justified by concerns that targeted offerings may be perceived as a form of so-called positive discrimination: *“They directly say, ‘what about men?’ (Representative of a commercial bank).* According to one respondent, this reaction reflects a prevailing attitude within the broader population.

Representatives of commercial banks identified specific projects supported by international financial organizations that are, or were, tailored to women entrepreneurs. One such example is the EBRD’s Women in Business program, under which the EBRD assumes 80% of the credit risk for loans issued to women entrepreneurs or women-led companies. Similar programs incorporating guarantee schemes were implemented with the support of USAID, the America’s Development Finance Institution (DFC), and the Swedish International Development Cooperation Agency (SIDA). In addition, a recent initiative of the European Investment Bank (EIB) offers preferential interest rate for women entrepreneurs.

Respondents noted that programs implemented by international financial organizations are in such high demand that promotion of the associated services is often limited. Owing to this strong interest, there is a risk that not all potential applicants can be accommodated: *“We should be able to serve everyone who comes as a result of advertising. Some programs attract so many applicants that we cannot always fulfill our commitments. These funds are absorbed very quickly by various clients; therefore, large-scale advertising is avoided.”(Bank representative)*

Several of the banks participating in the study are members of the UN Global Compact Georgia Network. Respondents indicated that both international and local financial institutions operate in alignment with UN principles. The UN Global Compact Network plays a facilitating role in removing barriers and creating opportunities for women entrepreneurs by promoting corporate policies that support gender equality, mobilizing businesses, raising awareness, and encouraging corporate and financial institutions.

One of the microbanks participating in the study, Crystal, has been a member of the UN Women platform Women’s Empowerment Principles (WEPIs) since 2016. Membership in the network prompted the organization to establish an Environmental and Corporate Social Responsibility Department in 2018. As the respondent noted, the bank is guided by the United Nations’ 2030 Sustainable Development Goals and focuses on providing equal opportunities in both economic and public life. Following its accession to the network, the microbank, then operating as a microfinance organization, tried to assess its activities and client profile from a gender perspective: *“It is impossible for a 30-year-old organization not to have some gender gaps, which were clearly, to use a behavioral science term, ‘unknown unknowns.’ (Microbank representative).* An in-depth analysis of the issue revealed that women tended to exhibit lower risk-taking behavior, as well as lower levels of financial awareness and networking. In response to this, a range of programs, training modules, and non-financial products were developed and introduced. A key step in this direction was seeking out international partner organizations. One such initiative was the USAID-supported ‘Yes-Georgia’ program, which provided support to young entrepreneurs, including women. The program was implemented over an eight-year period, from 2016 to 2023, within the framework of the Women’s Global Development and Prosperity Initiative (W-GDP), led by Ivanka Trump, the daughter of U.S. President Donald Trump¹¹¹. Notably, during the second phase of the project, women and girls constituted the exclusive target group. Another flagship initiative was BUZZ Women Georgia¹¹², which focused on strengthening women entrepreneurs’ education and providing them with financial support. The project currently continues to operate without USAID support, which, as the re-

¹¹¹ The initiative focused on three outcomes: (1) Women prospering in the workforce; (2) Women succeeding as entrepreneurs; and (3) Women enabled in the economy. Women’s Global Development and Prosperity Initiative website. Accessed 22-07-2025 at the following link: <https://trumpwhitehouse.archives.gov/wgdp/>

¹¹² According to information published on the official website, Buzz Women unites more than 600,000 women worldwide with the desire to take control of their lives, get behind the wheel of progress, connected through their solidarity. The founders of the organization guide their activities by addressing two core questions: (1) How can women overcome poverty? and (2) How can access to education for women be expanded? BUZZ WOMEN official website. Accessed at the following link: <https://www.buzzwomen.org/origin>

spondent noted, represents a significant loss.

ProCredit Bank, in cooperation with the European Bank for Reconstruction and Development (EBRD), developed a EUR 2 million product in 2024 aimed at addressing the specific needs of women entrepreneurs. The financing provided by the EBRD seeks to help women entrepreneurs more easily overcome barriers, thereby improving their access to financial resources. At the initial stage of the program, a study was conducted to identify the key obstacles faced by women entrepreneurs: *“The results of the study showed that women entrepreneurs try very hard to find acceptable interest rates. They believe that banks offer loans to women at higher interest rates. We took this into account and introduced an exception. For example, if the standard rate is X percent, they receive a preferential interest rate that is 0.5 percentage points lower.”* (Representative of a commercial bank). In addition, the program envisages organizing training sessions for women entrepreneurs on topics such as management, marketing, organizational structure, etc. It is noteworthy that half of the allocated financial resources are required to be directed to regions outside Tbilisi: *“In the regions, inequality is more pronounced, development potential is more limited. Moreover, studies show that in developing countries women spend more time on household responsibilities after work than men, which leaves women with less time to create and develop something of their own.”* (Representative of a commercial bank). The product also offers additional benefits to women entrepreneurs. These include the opening of a business account and a 50% reduction in service fees for the entire duration of the loan. Furthermore, if a company representative undergoes ISO, HACCP certification with EBRD, either locally or with the involvement of international consultants, the bank offers co-financing support to the potential beneficiary: *“For example, if a company needs to develop a website costing 10,000 GEL, half of this amount is financed by the EBRD.”* (Representative of a commercial bank). The EBRD-supported program promotes environmentally sustainable practices. Specifically, if an entrepreneur invests in new equipment, constructs a building, or similar activities, the EBRD reimburses between 10% and 15% of the investment amount, depending on the volume of the product.

CredoBank is implementing the NASIRA¹¹³ project with funding obtained from an international financial organization, one component of which focuses on financing women-led businesses. In particular, at least 50% of the loans issued under the project are allocated to women entrepreneurs.

Representatives of microfinance institutions and microbanks noted that women entrepreneurs' participation is higher in the microfinance sector than in the banking sector: *“If we are looking for a sector oriented toward financing women, the microfinance and microbanking sector plays a very important role in this regard”* (representative of a microbank). Microfinance institutions actively attract funding specifically intended to finance women entrepreneurs: *“There are investors in our investor base who specifically focus on financing women”* (representative of a microbank). Given that microbanks primarily target microentrepreneurs, the microfinance sector is interested in assessing entrepreneurs' income levels, an approach that, in the banking sector, would be considered an inefficient use of time and resources: *“Small and micro-entrepreneurship is more expensive and less attractive for banks than for the microfinance sector. The assessment of unverified income is mainly conducted on site.”* (Microbank representative).

¹¹³ Dutch Entrepreneurial Development Bank. JSC CREDO BANK-Nasira portfolio
Status: Approved investment. Accessed 22-07-2025 at the following link: <https://www.fmo.nl/project-detail/64306>

Perspectives of State Institutions

Interviews with representatives of state institutions indicate that, in recent years, programs tailored to women entrepreneurs have been developing consistently in Georgia and are increasingly taking on a systemic character across various agencies. Support encompasses both financial instruments and mechanisms facilitating access to knowledge, consulting, and services, thereby contributing to the development of a more inclusive entrepreneurial ecosystem for women.

Within the framework of the **LEPL Enterprise Georgia** initiative, consulting centers provide services to entrepreneurs, including women, across 6 regions of the country. These centers offer entrepreneurs comprehensive diagnostics, consultations, and training programs, for which co-financing is available. Women entrepreneurs benefit from a higher level of support, receiving 95% co-financing (compared to 90% in other cases). In addition, under the microloan program launched in 2024, women entrepreneurs receive a 100% interest subsidy, enabling them to access loans on a fully interest-free basis. Women's participation in this program is notably high. Specifically, 63% of approved loans are issued to women. Similarly, women constitute approximately 65% of participants in training programs focused on the development of various business skills.

The **National Bank of Georgia** monitors the extent to which financial sector products are effectively adapted and notes that many products marketed as “tailored to women” are such in name only, without being grounded in research-based assessments of women's actual needs. Consequently, the development of a consumer-oriented, segmented policy framework is identified as a key priority for them.

Interviews with representatives of state institutions also highlighted the significant role of cooperation with international organizations in advancing the empowerment of women entrepreneurs. As reflected in the interviews, this cooperation is implemented through diverse and thematically broad formats, encompassing financial incentive mechanisms, training programs, research activities, and information dissemination: *“Contribution made by donor organizations is extremely important: research, assessments, needs, especially those concerning women living in the regions” (representative of a state institution).*

In the case of the Enterprise Georgia agency, the organization has experience cooperating with international partners such as Swisscontact, Helvetas, UN Women Georgia, the World Bank, USAID, and Sparkassenstiftung who have made/continue to make significant contributions to supporting and promoting women entrepreneurs. A representative of the Enterprise Georgia agency noted that financial incentives provided by international financial organizations have a substantial impact on their programmes, both in relation to small- and large-scale loans. For example, under a World Bank loan program, a gender-specific co-financing scheme is applied for entrepreneurs engaged in green initiatives: *“For example, co-financing for women entrepreneurs is 20% instead of 15%.”*

The experience of the **NNLE Rural Development Agency** further illustrates the important role donors play, both in conducting needs assessments and in increasing women's participation. The Agency's programs provide targeted benefits and co-financing bonuses (up to 10%) for women. A notable example is the greenhouse pilot program, which was exclusively focused on women entrepreneurs. Significant gender differences among beneficiaries are observed across regions: for example, in certain municipalities of Racha-Lechkhumi/Kvemo Svaneti, as well as Shida Kartli and Kvemo Kartli, women account for 100% of program beneficiaries.

According to the experience of the **LEPL Innovation and Technology Agency**, support for women entrepreneurs is a priority for the European Union and other international partners. For example, during

the application process, gender balance is taken into account to ensure equal representation of women and men among supported participants.

Representatives of state institutions express a desire for international organizations to continue supporting state institutions in the future, including in the area of women entrepreneurship.

Perspectives of International Financial Organizations

A representative of the Asian Development Bank (ADB) noted that the organization cooperates with both state institutions and the private sector, with support for women constituting a particularly important component of this collaboration. One of ADB's flagship initiatives, the Gender Linkage Mechanism, is an innovative financial instrument designed to ensure women's access to financial resources, with a particular focus on women living in regions who are seeking to develop climate-friendly businesses. The bank places a strong emphasis on micro, small, and medium-sized enterprises (MSMEs) - a sector in which women are relatively well represented but continue to face disproportionately limited access to financial resources.

The European Bank for Reconstruction and Development (EBRD) employs a range of mechanisms aimed at improving women's access to finance. Its main program, Women in Business, has been implemented for over a decade and covers several regions, including Turkey and the Caucasus countries, among them Georgia. Narrative analysis based on interviews indicates that the objective of the program is to promote women's economic empowerment by enhancing access to financial resources. This objective is pursued through two primary mechanisms. The first involves the provision of targeted financial resources to partner financial institutions, which are expected to channel these funds directly to small and medium-sized enterprises led by women. The second mechanism relates to technical assistance, which substantially broadens the program's scope of impact. In Georgia, only one component of the program - the guarantee mechanism - has been implemented. This mechanism provides compensation to financial institutions for a certain portion of losses in cases where loans issued to women entrepreneurs are unsuccessful. However, partner institutions have practically not made use of this guarantee mechanism to date. Two possible explanations emerge in this regard: a) financial institutions may not have experienced financial losses, which would indicate the sustainability of the business model and the soundness of investments in women entrepreneurs; or b) the program remains ongoing, and loan repayment periods may not yet have elapsed. This analysis indicates that, in Georgia, this practice has been successful, at least at this stage, which creates prospects for incentivizing financial institutions.

For both financial institutions and their sub-borrowers, the EBRD program provides consultations on how to design more accessible, tailored, and, in some cases, more affordable financial products for women entrepreneurs. As one respondent noted, the program's primary strength lies in its flexibility: *"It can be adapted to the requirements and needs of partner institutions, our clients. We do not follow a pre-established directive that 'you must do this or that'" (EBRD representative).*

Although IMF programs have at times incorporated gender-related components, these issues have never constituted a strategic priority for the Fund. As the respondent explained, the IMF's mandate does not extend to financial inclusion at the individual level.

One respondent recalled initiatives that, several years ago, were actively discussed at the strategic and conceptual level. In particular, a document aimed at promoting gender equality was developed in coop-

eration with Parliament, the Ministry of Economy, and donor organizations, with the objective of establishing systematic approaches to women's financial inclusion: *"However, this strategy ultimately failed to translate into concrete action and remained only as a text stored on the shelf"* (representative of an international financial organization). According to the respondent, this setback also generates practical challenges. Most notably, women entrepreneurs lack access to consistent support that should be grounded in inclusive policy frameworks. Given the current context, the Asian Development Bank (ADB) continues to cooperate with the private sector, particularly financial institutions, and seeks to sustain a targeted approach towards supporting women entrepreneurs.

2. Lending Practices of the Financial Sector

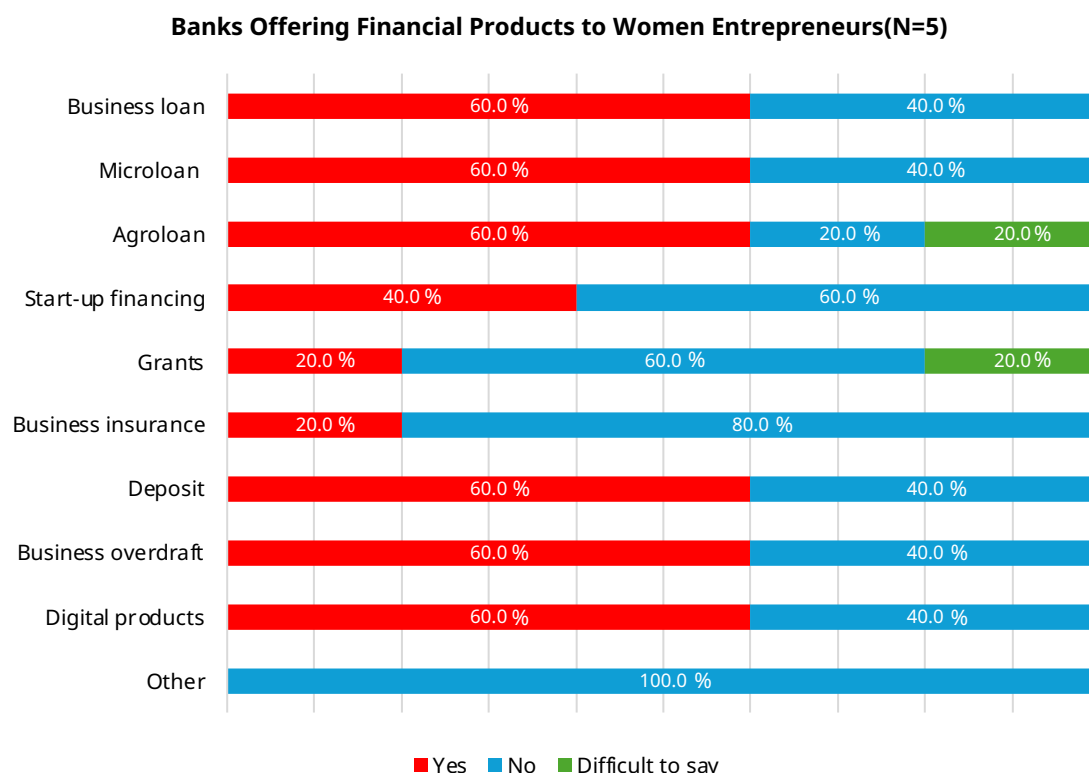
Improving women's access to financial services is identified by all banks as the primary objective of their women-oriented programs (100%). Banks also focus on reducing gender inequality in entrepreneurship, empowering women in rural areas, and supporting start-up initiatives (80% each) (see Table #2.1).

TABLE #2.1

Main objectives of programmes focused on women entrepreneurs	Banks (% (N=5))
Improving women's access to financial services	100.0
Reducing gender inequality in entrepreneurial activity	80.0
Empowering women in rural areas	80.0
Supporting women-led businesses, including start-ups	80.0
Other	20.0

Banks primarily offer women entrepreneurs a range of products, such as business loans, microloans, agricultural loans, deposits, overdraft, and digital products (60% each). Startup financing is also provided at a rather high rate (40%), whereas grants and business insurance are the least likely to be offered (20%-20%) (see Diagram #2.1)

Diagram #2.1



With regard to the sectoral distribution of loans and financing issued to women entrepreneurs for their business activities, a consistent pattern emerges across business loans, microloans, and startup financing: wholesale and retail trade (business loans - 66.7%; microloans - 66.7%; start-up financing - 100%), arts, entertainment, and recreation (business loans - 66.7%; microloans - 66.7%; start-up financing - 100%). In addition, for microloans, real estate-related activities and other types of services were also frequently cited (66.7% each). In the case of grants, only the “other services” sector was identified (100%) (see Table #2.2).

As for issuing loans/financing for specific business activities, banks note that lending is generally available across all types of activities within a given sector, with the exception of those included in the Exclusion List. When issuing business loans, tourism was identified as a particular priority within the arts, entertainment, and recreation sector. In the case of microloans, within the real estate-related activities sector, priority is given to activities involving real estate transactions.

TABLE #2.2

In which sector(s) do you provide loans/financing for the business activities of women entrepreneurs?	Business Loan (%) N=3	Microloan (%) N=3	Start-Up Financing (%) (N=2)	Grant (N=1)
Agriculture, forestry, and fishing	33.3	33.3	50.0	-
Mining and quarrying	33.3	33.3	50.0	-

Manufacturing	33.3	33.3	50.0	-
Construction	33.3	33.3	50.0	-
Wholesale and retail trade; repair of motor vehicles and motorcycles	66.7	66.7	100.0	-
Professional, scientific, and technical activities	33.3	33.3	50.0	-
Education	33.3	66.7	50.0	-
Information and communication	33.3	33.3	50.0	-
Transportation and storage	33.3	66.7	50.0	-
Accommodation and food service activities	33.3	33.3	50.0	-
Arts, entertainment, and recreation	66.7	66.7	100.0	-
Administrative and support service activities	33.3	33.3	50.0	-
Human health and social work activities	33.3	33.3	50.0	-
Financial and insurance activities	33.3	33.3	50.0	-
Real estate activities	33.3	66.7	50.0	-
Electricity, gas, steam, and air conditioning supply	33.3	33.3	50.0	-
Water supply, sewerage, waste management, and remediation activities	33.3	33.3	50.0	-
Other service activities	33.3	66.7	50.0	100
Human health and social work activities	33.3	33.3	50.0	-
Financial and insurance activities	33.3	33.3	50.0	-
Real estate activities	33.3	66.7	50.0	-
Electricity, gas, steam, and air conditioning supply	33.3	33.3	50.0	-
Water supply, sewerage, waste management, and remediation activities	33.3	33.3	50.0	-
Other service activities	33.3	66.7	50.0	100

With regard to loans issued by banks to support women entrepreneurs' business activities, the situation can be summarized as follows:

- ✓ **Business loans:** Over the past three years, the minimum amount of business loans has been GEL 51,750, whilst the maximum amount has reached an average of up to GEL 2 million. This loan range is primarily oriented towards medium- and large-scale businesses (Mean=GEL 1,025,000; Median=GEL 1,000,000).
- ✓ **Microloans:** Over the past three years, the minimum microloan amount has been GEL 1,700, whilst the maximum has reached GEL 513,000, which is appropriate for small- and medium-sized business activities (Mean=GEL 116,000; Median=GEL 116,000).
- ✓ **Agri loans:** Agricultural loans start at a minimum of GEL 600 and reach a maximum of GEL 130,000 (Mean=GEL 45,900; Median=GEL 58,000).
- ✓ **Startup:** In the case of startup financing, the minimum loan amount is GEL 50,000, whilst the maximum is GEL 150,000 (Mean=GEL 88,000; Median=GEL 88,000).
- ✓ **Grants:** With regard to grants, financial institutions note that independent grant programs are not widely available. Grant-based support is primarily provided within the framework of cooperation with international financial institutions (IFIs), mainly through cashback mechanisms.

Over the past three years, banks have generally not had experience in issuing preferential annual effective (non-nominal) interest rates on business, micro, and agricultural loans to women entrepreneurs (66.7% in each case). A different pattern is observed in startup financing, where the proportion of respondents reporting the provision of preferential rates on a regular basis is equal to those indicating that such rates are offered only in the case of particularly attractive projects (50%-50%) (see Table #2.3).

TABLE #2.3

Has your financial institution provided loans to women entrepreneurs ... at a preferential annual effective (not nominal) interest rate during the past three years?	Business Loan (%) N=3	Microloan (%) N=3	Start-Up Financing (%) N=2	Agro Loan (%) N=3
Yes, on a regular basis	33.3	33.3	50.0	33.3
Yes, in cases of particularly attractive projects	-	-	50.0	-
No	66.7	66.7	-	66.7

Drawing on regular experience with preferential lending, the annual effective (rather than nominal) interest rates on preferential loans across the aforementioned financial products ranges from 0.25% to 0.50%. When issuing business loans, banks further indicate that preferential interest rates may be offered if the relevant international financial institution (IFI) provides necessary resources under a specific program. One such example is the European Investment Bank (EIB) program, which enables banks to issue loans to women borrowers at preferential interest rates within a capped portfolio volume. In cases where an attractive project is presented, the surveyed banks reported having no precise information regarding the applicable effective interest rate. By contrast, in the absence of prior experience with preferential lending, the annual effective interest rate for all stan-

ard banking products generally begins at approximately 18%.

With regard to business insurance, banks offer women entrepreneurs only real estate/movable property insurance; consequently, this category represents the most widely demanded form of business insurance among women entrepreneurs (100%).

Banks report offering different types of deposit products, such as term, demand, collection deposits, and certificates of deposit, to women entrepreneurs at equal rates (100%-100%). By contrast, Flex deposits are offered least frequently (33.3%) (see Table #2.4). Furthermore, survey results indicate that women entrepreneurs use demand deposits (66.6%; N=2) and term deposits (33.3%; N=1) more frequently.

TABLE #2.4

What types of deposits do you offer to women entrepreneurs?	Banks (%) N=3
Term deposits	100.0
Demand deposits	100.0
Savings deposits	100.0
Certificates of deposit	100.0
Flex deposits	33.3

The maximum overdraft amount available to women entrepreneurs under business overdraft facilities is set at up to 500,000 GEL. Over the past three years, an average of 20% of women entrepreneur clients have utilized business overdraft services.

With respect to digital products, banks reported offering several services at comparable rates, including free business card services, free SMS Digipass Internet/Mobile Banking, free SMS Banking, and transfers of funds to an account with preferential commission terms (33.3% each). Among other product offerings (66.7%), banks additionally indicated measures such as a 50% reduction in the monthly service fee (see Table #2.5).

TABLE #2.5

Specifically, what types of digital products do you offer to women entrepreneurs?	Banks (%) N=3
Free business bank card service	33.3
Free SMS Digipass for Internet/mobile banking	33.3
Free SMS banking	33.3
Money transfers to accounts with preferential commission terms	33.3
Other products	66.7

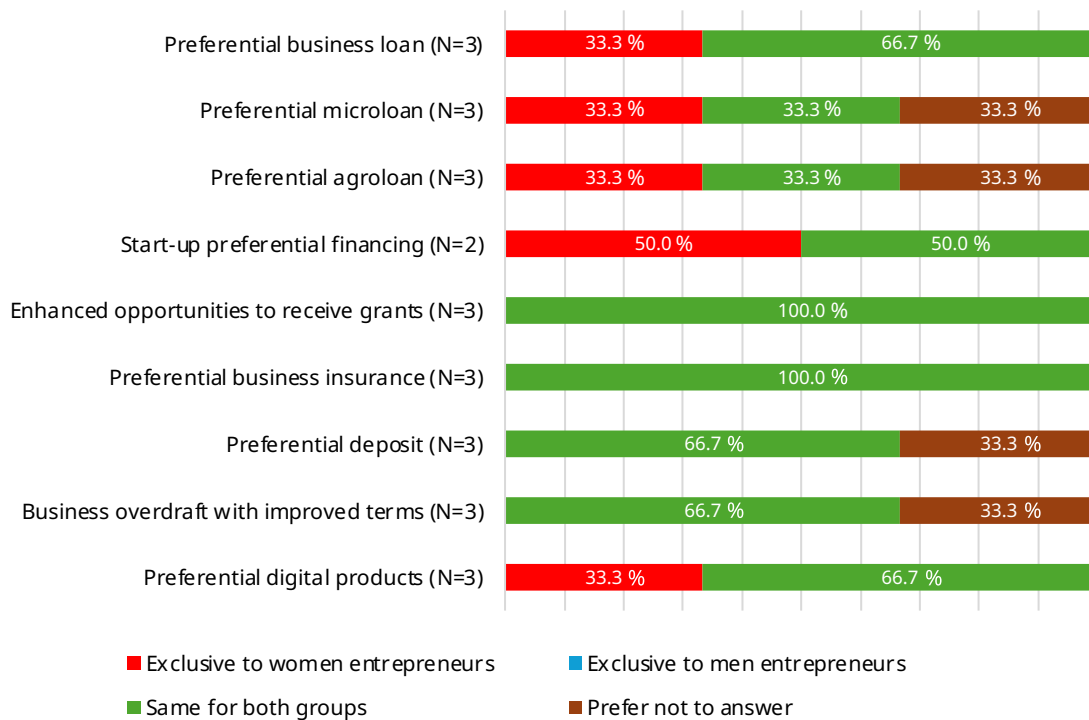
Bank representatives identified money transfers to an account with preferential commission terms as the most frequently used product among women entrepreneurs (66.7%; N=2). One respondent (33.3%; N=1) further noted that, according to a study conducted for TBC and funded by the European Bank for Reconstruction and Development (EBRD), women entrepreneurs most frequently use banking services to conduct transactions, with 66% carrying out transactions via mobile banking.

When asked whether women entrepreneur clients maintain a separate business account specifically for entrepreneurial activities, the majority of banks (66.7%) reported that approximately 90% of their women entrepreneur clients have such an account. By contrast, 33.3% of banks indicated that only a small proportion - 20% - of women entrepreneurs maintain a separate business account.

Overall, within the range of entrepreneurial financial services offered by banks, preferential terms are generally applied equally to women and men, indicating the predominance of a gender-neutral approach. The highest degree of gender specificity was observed in the startup financing segment, where in half of the cases (50%), the terms were explicitly targeted at women entrepreneurs. By contrast, for other products, such as business loans, microloans, and agroloans, special terms were extended to women entrepreneurs in only 33.3% of cases (see Diagram #2.2).

Diagram #2.2

Are the preferential terms of the specific entrepreneurial service exclusive to women entrepreneurs, or are they also available to men?



3. Barriers Facing Women Entrepreneurs

Quantitative Component

Overall, banks and microfinance organizations identify five main requirements that women entrepreneurs must meet in order to obtain a loan: 1) a reliable credit history - 69.6%; 2) stable financial income - 60.9%; (3) complete submission of the required documentation - 56.5%; 4) financial profitability of the project - 52.2%; and 5) experience in a specific business/entrepreneurial activity - 52.2%.

In the case of startups, the financial profitability of the project constitutes the primary criterion for receiving funding - 43.5%, followed by the complete submission of required documentation and a reliable credit history (39.1% each).

With respect to grant financing, a substantial proportion of both banks and microfinance organizations report difficulty in identifying clear priority criteria or decline to answer. Among the stated requirements, financial profitability of the project is mentioned comparatively more frequently (banks - 14.3%; microfinance organizations - 11.1%) (see Table #3.1).

TABLE #3.1

In general, what requirements must a woman entrepreneur meet to receive a loan/start-up financing/grant?	Loan		Start-Up Financing		Grant	
	Bank (%) N=14	Micro (%) N=9	Bank (%) N=14	Micro (%) N=9	Bank (%) N=14	Micro (%) N=9
Reliable credit history	71.4	66.7	42.9	33.3	14.3	
Stable financial income	64.3	55.6	50.0	11.1	14.3	
Real estate of sufficient value registered in her name	50.0	22.2	42.9	11.1		
Formal employment/self-employment in the private or public sector	21.4	22.2	21.4	0.0	7.1	
Availability of a guarantor	35.7	11.1	35.7	0.0		
Business plan meeting relevant requirements	35.7	11.1	35.7	0.0		
Ability to provide co-financing	57.1	11.1	35.7	33.3	7.1	11.1
Financial viability of the project	35.7	11.1	42.9	22.2	7.1	11.1
Complete submission of required documentation	71.4	22.2	50.0	33.3	14.3	11.1
Prior experience in a specific business/entrepreneurial activity	64.3	44.4	42.9	33.3	7.1	11.1
Other	57.1	44.4	35.7	11.1	7.1	11.1
Difficult to say	14.3	11.1	21.4	11.1	14.3	11.1
Prefer not to answer	14.3	11.1	21.4	11.1	28.6	22.2
Prefer not to answer	7.1	22.2	7.1	44.4	42.9	55.6

The most commonly cited reason for not granting loans/startup financing by both banks and microfinance organizations is a poor credit history (in the case of loans, this factor is reported by 64.3% of banks and 55.6% of microfinance organizations, whilst for startup financing it is cited by 50% of banks and 22.2% of microfinance organizations).

Another major reason for the non-granting of loans is unstable financial income, identified by both banks (57.1%) and microfinance organizations (66.7%). Banks additionally highlight incomplete submission of required documentation (64.3%) and non-compliance with business plan requirements (57.1%) as dominant factors contributing to loan rejection.

With respect to startup financing, both banks and microfinance organizations identify several additional barriers beyond poor credit history: non-compliance with business plan requirements, the potential low financial viability of the project, and incomplete submission of required documentation.

Regarding the refusal to issue grant financing, both banks and microfinance organizations most frequently select the responses “prefer not to answer” and “difficult to say.” Among the reasons provided, the inability to secure co-financing emerges as a notable constraint (see Table #3.2).

TABLE #3.2

In general, what are the reasons for not providing loans/start-up financing/grants to women entrepreneurs?	Loan		Start-Up Financing		Grant	
	Bank (%) N=14	Micro (%) N=9	Bank (%) N=14	Micro (%) N=9	Bank (%) N=14	Micro (%) N=9
Poor credit history	64.3	55.6	50.0	22.2	14.3	-
Absence of credit history	7.1	11.1	14.3	11.1	-	-
Unstable financial income	57.1	66.7	28.6	11.1	14.3	-
Unemployment	50.0	33.3	28.6	11.1	7.1	-
Lack of formal income	14.3	-	-	11.1	7.1	-
Lack of real estate of sufficient value registered in her name	35.7	11.1	21.4	-	-	-
Lack of a guarantor	0.0	11.1	7.1	-	7.1	-
Absence of a business plan	42.9	22.2	21.4	22.2	-	11.1
Inability to secure co-financing	21.4	11.1	28.6	11.1	14.3	11.1
Non-compliance with business plan requirements	57.1	22.2	35.7	22.2	7.1	11.1
Possible low financial potential of the project	50.0	33.3	35.7	22.2	7.1	11.1
Incomplete submission of required documentation	64.3	44.4	35.7	22.2	-	11.1
Lack of prior experience in a specific business/entrepreneurial activity	21.4	22.2	14.3	11.1	7.1	11.1

Other	14.3	11.1	21.4	11.1	14.3	11.1
Difficult to say	-	11.1	21.4	11.1	21.4	11.1
Prefer not to answer	7.1	22.2	7.1	44.4	50.0	66.7

Qualitative Component

Perspectives of Local Financial Organizations

When discussing barriers, representatives of local financial institutions emphasized the difficulties women entrepreneurs face in mobilizing financial resources, both to start a business or to expand an existing one. According to one respondent, women entrepreneurs often hold the misconception that banks do not regard them as full-fledged entrepreneurs and therefore offer them fewer opportunities than men. It was further noted that women experience greater difficulty in taking initial steps to realize their business ideas, largely due to a lack of self-confidence and courage: *“Often it is more of a psychological barrier, a lack of self-confidence and courage”*(Commercial bank representative). Respondents responsible for social issues and sustainable development within financial institutions additionally observed that local financial institutions often lack a clear understanding of the specific challenges faced by women entrepreneurs at all stages of entrepreneurial activity.

Interviews with representatives of local financial institutions identified several significant barriers that hinder women’s engagement in entrepreneurial activity and their access to financial resources. These barriers encompass individual, psychological, and social challenges, as well as a combination of institutional and systemic constraints.

1. The role of family and the importance of support: Initiating entrepreneurial activity among women is often contingent upon family support. In some cases, women require the consent of family members - spouses, fathers, mothers, children, or siblings. Beyond financial assistance, moral support for a woman’s business idea was identified as a critical factor which, according to respondents, strongly influences the decision to initiate entrepreneurial activity

2. Additional family responsibilities: Compared to men, women entrepreneurs are more frequently burdened with additional family responsibilities, such as childcare and household duties among others. These obligations constrain their available time and limit their ability to engage flexibly in entrepreneurial activities, particularly during the startup and business expansion stages.

3. Gender bias and institutional barriers: Women entrepreneurs often encounter unconscious gender bias in their interactions with financial institutions. Loan officers may question women’s independent entrepreneurial capacity and require the involvement of a spouse or guarantor in the decision-making process: *“The loan officer may think that a woman needs a ‘boss’ in the form of a man, or a husband, or some guarantor”*(Commercial bank representative). Such practices are reported to be particularly acute in the cases of single mothers and divorced women.

4. Collateral and ownership issues: An additional barrier identified by respondents concerns the requirement to secure large loans with real estate. Although such loans are typically offered at lower interest rates, women entrepreneurs often do not own property or lack formal ownership rights when the property is effectively managed by male family members. Respondents referred to such individuals as “hidden” and “concealed” owners, a practice that further restricts women’s access to credit.

5. Regional disparities and a lack of information: There are significant differences between the capital and the regions. In regional settings, there are fewer opportunities for business development, as well as lower levels of awareness and networking. These constraints disproportionately limit women's entrepreneurial activity. As one bank representative observed: *"Women have different negotiation methods, manners, and expectations than men, and this difference is more noticeable in the regions."*

6. Limited financial literacy and risk aversion: Due to limited financial literacy, instead of business loans, women often obtain consumer loans, which are characterized by higher interest rates. Respondents noted that women tend to borrow relatively small amounts to initiate or expand entrepreneurial activities and therefore more frequently resort to consumer loans rather than business loans. In the long term, this practice places additional financial strain on businesses and increases overall costs: *"Consumer loans burden business development and, ultimately, cost them more."* Difficulty in forecasting business development represents another challenge that is more prevalent among women than among men. As one bank representative explained: *"Male managers tend to focus on future plans, on what they will do and achieve, whilst female managers are more likely to concentrate on results already achieved and the path that led them to their current position, often having a less clearly defined vision of the future."*

7. Scoring models used by financial institutions often limit access to financial resources for women and other vulnerable groups: According to a representative of a commercial bank, loan approval decisions in Georgia - consistent with international practices - are based on a scoring model. This is an algorithmic model that assesses borrowers' creditworthiness using predefined criteria and enables financial institutions to determine whether to issue a loan, as well as its amount and associated conditions (interest rates, collateral requirements, etc.). The respondents observed that such models often restrict access to financial resources for women and other vulnerable groups, as they prioritize individuals with stable and continuous income, a strong credit history, and asset ownership. In the Georgian context, women are less likely than men to meet these criteria: *"The ideal borrower for the scoring model is a white man aged 35-45, with stable income, a solid credit history, and active financial obligations, all of which are positively reflected in the model."*

8. Discontinuity of women entrepreneurs' credit histories: The continuity of women's credit histories is often interrupted, particularly during periods of maternity leave. One respondent noted that women typically take an average of two maternity leaves, resulting in temporary income interruptions that affect timely loan repayment and the maintenance of an active credit history. Consequently, women tend to accumulate shorter and more fragmented credit histories, which are evaluated less favorably by scoring models. As the respondent concluded: *"Women often take out higher-interest loans than they deserve simply because the scoring algorithm assigns them a lower score."*

Perspectives of State Institutions

In interviews, representatives of state institutions reiterated many of the barriers facing women entrepreneurs that were also identified by local financial institutions. They concurred that the challenges confronting women entrepreneurs in Georgia are multifaceted, encompassing economic, social, cultural, and informational dimensions. These barriers are particularly pronounced in regional settings and economically vulnerable environments.

Among other barriers identified, respondents noted that **(9) women rarely possess initial savings**, which further constrains their ability to independently initiate entrepreneurial activities or participate in

co-financing projects. In response to this challenge, the state has introduced a credit guarantee scheme; however, respondents indicated that this mechanism has not yet fully mitigated women's limited ownership capacity in the market.

(10) Women's family responsibilities restrict their participation in trainings and meetings, particularly when such activities are scheduled at the end of the day or held in regional centers. While the state has already introduced more flexible formats - including online and hybrid meetings - time constraints continue to represent a significant obstacle.

(11) A general lack of awareness in the fields of technology and innovation is an ongoing challenge: "Many female entrepreneurs are confused when it comes to formulating an innovative idea, often coming to startup programs with different expectations, which indicates the need to clarify the content of the program and make the requirements more understandable" (state institution representative).

Perspectives of International Financial Organizations

Respondents from international financial institutions concur that, in the contemporary Georgian context, women's participation in the financial system remains challenging, due to inequalities in property ownership, stringent credit terms and conditions, the absence of a credit history, persistent gender bias, and women's reduced ability to demonstrate creditworthiness through conventional mechanisms due to their engagement in the informal sector.

4. Barriers during the Implementation of Business Activities

Perspectives of Representatives of Commercial Banks and Microbanks

Based on qualitative interviews conducted with representatives of financial institutions, several key trends were identified that collectively contribute to gender inequality at the stage of business implementation. One prominent form of inequality manifests in gendered preferences in the formation of business contacts. Specifically, women entrepreneurs are rarely included in business circles where decisions are made by men, which significantly limits their opportunities for business expansion: *"Men prefer to do business with men... This is, of course, one of the significant barriers for women, because the vast majority of businesses are founded by men, and therefore there is less opportunity for growth"* (commercial bank representative). Although women do not explicitly prefer to work exclusively with other women, existing practices indicate that they often do so, largely due to their limited access to broader professional networks. Inequality is further manifested through the unpaid work and family responsibilities borne by women. According to one of the respondents, this imbalance intensified during the COVID-19 pandemic, when women entrepreneurs increasingly assumed family and business responsibilities simultaneously. Caring for children, elderly family members, and managing household tasks were shouldered by women, requiring additional time and effort. This burden was reported to have a particularly adverse impact on the business activities of women operating small and micro enterprises.

Limited financial literacy and restricted access to training opportunities further place women at a disadvantage. A considerable proportion of women entrepreneurs lack sufficient financial knowledge in areas such as accounting, banking services, or project planning. In some cases, a lack of family support and time constraints further reduce women's ability to participate in training programmes or enhance their professional skills.

Representatives of the banking sector note that women-owned businesses often exhibit lower growth dynamics. This can be attributed to both insufficient financial education and limited strategic planning capacity, which manifests in challenges such as the failure to calculate the cost price of products and services, difficulties in correctly pricing products and services, and incorrect assessments of profit margins. Women's entrepreneurial activities were described as being largely based on personal competencies, which constrains business scale, reduces growth potential, and limits the use of capital and technological resources: *"Women's businesses are also smaller in size... they tend to grow only to the extent that the owner can manage personally"* (commercial bank representative).

Social stereotypes and prevailing cultural norms towards women entrepreneurs also constitute sources of inequality. Namely, women's entrepreneurial activities are often viewed skeptically, particularly in traditionally male-dominated sectors such as agriculture or technical services. Respondents note that such stereotypes undermine women's recognition as decision-makers, leading to the frequent involvement of men in business decision-making processes.

Perspectives of State Institutions

Interviews conducted with representatives of state institutions suggest that gender differences are less pronounced during the business implementation stage: *"The problems are general and do not depend on gender"* (State institution representative). According to these respondents, the existing challenges are primarily associated with financial sustainability, the need for consulting support, and general management competencies; however, these issues are not exclusive to women entrepreneurs.

A representative of the Enterprise Georgia agency emphasized that the sustainability of financial services constitutes one of the challenges during the business implementation stage: *"After the expiration of the accounting services during the program, it becomes difficult for entrepreneurs to maintain their activities independently. This challenge applies equally to a wide range of entrepreneurs, not only women"* (State institution representative)

5. Women Entrepreneurs and Startup Financing: Barriers, Approaches, and Institutional Differences

Perspectives of Local Financial Organisations

According to respondents, efforts to encourage women's participation in startup financing are primarily driven by the structural and socio-economic barriers that constrain the development of their businesses. As noted earlier, key obstacles faced by women entrepreneurs include limited access to information, weak professional networks, low levels of financial independence, and a lack of initial capital. Against this backdrop, some banks have adopted relatively more accommodating approaches toward women entrepreneurs, particularly in the context of risk assessment. As one representative of a commercial bank stated, *"We are more lenient and loyal towards women in the area of risk assessment,"* a position that reflects not the provision of gender-based advantages, but rather recognition of women's comparatively lower participation in accessing financial services and their need for additional support. Current practice indicates that launching a startup is often feasible only for individuals who already possess personal savings or a certain material base. Respondents explained that *"the existence of savings is mostly related to employment and relatively high income, which, given the existing economic and gender structure in Georgia, is often the reality of men."* Consequently, startup opportunities remain less accessible to women, both financially and in terms of relevant knowledge.

Within this context, TBC Bank's startup program Startaper represents a distinctive initiative, as it integrates both financial and non-financial components. The program aims to facilitate women's market entry at the startup stage. It is based on the assumption that women entrepreneurs often initiate businesses grounded in professional experience or personal hobbies, yet lack essential financial and managerial knowledge. As a result, many encounter difficulties in assessing profitability of their activities, correctly calculating cost prices, or distinguishing between personal and business resources. Within the framework of the TBC Startaper program, startups are clearly defined as enterprises registered for less than two years that have not yet generated profit. Participants selected for the program gain access to business planning tools, training, and consulting services. Importantly, such initiatives provide not only financial assistance but also significant educational value for women entrepreneurs.

Representatives of commercial banks highlighted that startup loans entail relatively high financial risk. The microbank *Crystal* previously implemented programmes focused on social responsibility; however, these types of loans have since been suspended due to institutional restructuring processes. According to a representative of the microbank, startup financing should be viewed primarily as a form of social investment rather than as a profit-driven financial product. In practice, the majority of surveyed banks either offer very limited startup financing or do not provide such financing at all.

Overall, startup financing for women entrepreneurs in Georgia remains constrained. Where such programmes exist, they are generally limited in scope and are largely grounded in social responsibility. Persistent systemic challenges, such as a lack of capital, limited financial education, a lack of information, and entrenched cultural norms, continue to pose significant barriers.

6. Gender Bias in Decision-Making

Perspectives of Local Financial Organisations

A segment of banking sector representatives suggested that gender stereotypes and unconscious biases may continue to influence decision-making processes, although respondents noted that these tendencies are being mitigated through internal organizational practices within financial institutions, as well as through support from external partners. One of the key mechanisms identified for reducing bias is staff training aimed at recognizing and addressing unconscious bias. Of particular importance is the practice of providing employees involved in loan approval within the banking sector with relevant mandatory educational programmes. Such initiatives are frequently supported by international donors and financial institutions, which actively promote improvements in institutional practices.

According to respondents, another significant factor contributing to the reduction of gender bias in assessment and decision-making is the increased representation of women within financial institutions themselves, including in positions traditionally regarded as male-dominated. These roles include loan officers, branch managers, and risk managers. Greater female representation in such positions influences both internal organizational culture and customer service practices, which constitutes one of the foundations for reducing gender bias.

A representative of a commercial bank further noted that employees' decisions are shaped by their education, experience, level of gender sensitivity, and familiarity with the local context and prevailing social norms. Some of the respondents emphasized that regional disparities remain particularly pronounced. Specifically, decision-making styles and approaches in Tbilisi were reported to differ significantly from those observed in regional areas, differences that are often linked to entrenched cultural stereotypes.

Respondents also stressed the importance of a systemic approach in addressing gender bias. One-off training sessions might not be effective. Therefore, corporate strategies should incorporate a sustained approach, including continuous monitoring of training outcomes, the introduction of internal standards, and results-based evaluation. In this regard, several financial institutions participating in the qualitative research have established dedicated educational platforms or academies designed to deliver systematic training.

According to some respondents, the involvement of international investors and donors plays a decisive role in efforts to combat gender bias. These actors have often served as key levers through which specific requirements are imposed on financial institutions, such as the adoption of gender equality strategies, the conduct of analyses, the review of loan portfolios by gender, and gender-based assessments of staff composition. This approach compels local organizations to be more responsive to gender standards: *“International organizations balance us. Because in Georgia, many people who run financial organizations do not think about women’s empowerment at all”* (commercial bank representative).

As one of the respondents emphasized, gender equality in the financial sector should not be viewed solely as adherence to a social or ethical principle, but rather as an essential condition for competitiveness. For organizations seeking to attract qualified personnel, international partners, and investors, the integration of gender equality principles is regarded as strategically essential.

Perspectives of International Financial Organizations

Representatives of international financial organizations concur that gender bias against women entrepreneurs in the loan approval process remains a significant barrier in Georgia. The experience of the European Bank for Reconstruction and Development (EBRD), together with quantitative data, indicates that under otherwise equal conditions (identical income levels, collateral, and entrepreneurial experience) loan officers are more likely to favor male entrepreneurs. Respondents emphasize that this bias is rooted in unconscious gender stereotypes and is not contingent upon the gender of the loan officer: *“The same tendency is observed for both female and male officers”* (representative of an international financial institution).

7. Financing Women Entrepreneurs and Fraud Management

Perspectives of Local Financial Organizations

In the implementation of women-oriented financial programmes, a recurring question concerns the extent to which the program’s targeted use can be effectively ensured. In particular, doubts have been raised that financing issued in the name of a woman entrepreneur may, in practice, be utilized by a male counterpart, thereby undermining both the principle of gender equality and the targeted purpose of such programmes. However, interview findings suggest that this risk is not specific to gender-targeted initiatives but is inherent across all segments of the financial sector: *“Because fraud can occur when taking out a regular loan, does that mean we should stop granting loans altogether? Of course not”* (commercial bank representative).

Respondents identified several practical approaches that could help mitigate such risks. These include stricter eligibility criteria, such as requiring female beneficiaries to have been company owners or managers for a specified period before the programme’s launch. Respondents also recommended the use

of basic questionnaires for founders/managers, enabling financing institutions to better assess who actually manages the business. Such measures will contribute to the reduction of fraudulent practices. Several representatives of financial institutions further emphasized the role and responsibility of regulatory bodies. From their perspective, alongside the ongoing development of financial services, the National Bank of Georgia and other relevant agencies should further refine regulatory standards in order to prevent both gender-based unequal treatment and the systemic spread of fraudulent behavior: *“Past experience, especially the rapid and unregulated spread of online loans, shows that when the regulator decides to intervene, effective change becomes possible”* (commercial bank representative).

At the same time, interviews revealed that comprehensive verification of all applications is practically unfeasible, particularly within large-scale programmes: *“We have more than 10,000 clients... It is impossible to actually determine whether a woman is behind the company or not”* (bank representative). Consequently, verification is practically limited only to formal information (e.g. official extracts from the public registry), which does not allow for in-depth control.

Despite these difficulties, one respondent emphasized that the effectiveness and intended use of such initiatives should not be assessed solely through a risk-management lens. Given that state- and donor-funded programmes aim to enhance economic and social inclusion, it is essential to develop approaches that simultaneously ensure alignment with program objectives while avoiding the exclusion of women on the basis of stereotype-driven suspicions. In some cases, this necessitates a reassessment not only of control mechanisms but also of evaluation criteria. For instance, if a woman formally submits an application but conducts business activities jointly with family members, including men, this may be understood as a form of joint entrepreneurship: *“To be honest, I don’t see a big problem with that. If there is a family and the household turns into an enterprise, it is natural... although the sole motive may sometimes be access to financing”* (bank representative). Accordingly, greater emphasis should be placed not only on formal evaluation criteria but also on the tangible social and economic outcomes of such programs, such as improved access to finance, income growth, and enhanced opportunities for business growth and expansion.

Perspectives of State Institution Representatives

Representatives of state programmes provide detailed accounts of the monitoring mechanisms employed to ensure that funding is effectively allocated to women entrepreneurs rather than being informally controlled by male counterparts. For example, the micro-grant program implemented by the Enterprise Georgia agency involves multiple stages of monitoring, including on-site visits, interviews to verify business activity, and assessments of the consistency between submitted applications and actual operations. These measures are primarily aimed at identifying cases in which a woman appears only formally as the applicant. At the same time, respondents note that even when funding *is formally registered in a woman’s name, a degree of indirect economic empowerment may still occur: “A woman gains leverage and the opportunity to manage the business that is registered in her name herself”* (state institution representative).

Respondents further indicated that, in their recent cooperation with commercial banks, they had not observed overt gender-based discrimination or explicitly stereotypical assessments. Nevertheless, they did not exclude the possibility of unconscious bias influencing decision-making processes: *“For example, a woman may have a less developed professional network or less experience, which negatively affects her chances of being granted a loan”* (state institution representative).

8. Behavioral Trends Related to Loan Repayment, Savings, and Risk among Women Entrepreneurs

Perspectives of Local Financial Organizations

According to representatives of local financial organizations, women entrepreneurs are generally characterized by a higher level of discipline and responsibility with regard to loan repayment. Respondents consistently note that, compared to male clients, women entrepreneurs are perceived as more disciplined borrowers, a perception that is supported by internal statistical data of financial institutions indicating higher levels of solvency among female clients. Beyond repayment behavior, women are also described as demonstrating strong administrative discipline: *“They often submit the necessary documentation on time and require fewer reminders”* (commercial bank representative).

With respect to deposit behavior, no substantial differences between female and male clients are observed. Respondents note that the use of traditional deposit products are equally common among both groups. However, differences emerge in the area where savings are accumulated within personalized services. According to respondents, men have a significant advantage in this regard, particularly in terms of investment products, shares and high-risk financial instruments.

While women entrepreneurs’ tendency to exhibit greater caution in relation to financial risk contributes positively to loan repayment performance, it may simultaneously constrain the large-scale expansion of their businesses. Representatives of financial institutions observe that women entrepreneurs are generally less inclined to pursue business expansion and often continue to operate within the scale of microbusinesses. One of the underlying reasons for this behavior is family-oriented values and socially ascribed roles. As one bank representative stated: *“All operations decided by a woman, directly or indirectly, are associated with stability.”* As a result, despite being regarded as reliable and responsible financial actors, women entrepreneurs are often not perceived as a high-growth segment.

9. Profile of Women Entrepreneurs’ Economic Activity in Georgia

Perspectives of the Local Financial Sector

According to representatives of the financial sector, women entrepreneurs tend to start businesses in fields in which they already possess knowledge. Knowledge, experience, and practical skills constitute a key foundation for launching their entrepreneurial activity. As a result, women are widely represented in areas such as handicrafts, baking, food establishments, beauty salons, and hospitality. In contrast, respondents note that men are more likely to enter sectors perceived as highly profitable, even in the absence of relevant expertise: *“In the case of men, the motivator is often where more money can be made. They may not know construction and still open a construction company”* (commercial bank representative).

Women entrepreneurs are most commonly active in the following sectors: 1. Services: beauty salons, restaurants, pastry shops, tourism-related services, tutoring, and consulting; 2. Trade: supermarkets, boutiques, retail trade in local markets, and small retail shops; 3. Agriculture: fruit/vegetable cultivation, dairy farming, and animal husbandry. However, respondents emphasized that women’s participation in agriculture varies significantly by region and in some cases, women become more active in this sector due to the exhaustion of credit resources of another family member. According to respondents, women entrepreneurs are largely absent from heavy industry, real estate development, manufacturing, and

sectors requiring technical expertise, operational management, or knowledge of foreign trade relations. Similarly, women's participation remains minimal in high-risk and high-turnover sectors such as logistics, manufacturing, and construction: *"The larger the scale of activity, the smaller the share of women and their representation in medium and large enterprises is low"* (commercial bank representative).

Respondents also highlighted that, beyond formally registered companies, women's labor that is informal in status but actively performed in practice plays a significant role, existing unofficially or semi-officially within individual entrepreneurial structures. According to one respondent, strategies aimed at fostering women's entrepreneurship should begin by strengthening this foundational layer. In particular, encouraging the formal registration of individual entrepreneurs could serve as a critical step towards enabling women to transition from small-scale activities to medium-sized enterprises.

Perspectives of State Institutions

Representatives of state institutions largely share the views expressed by the local financial sector, emphasizing that the sectors chosen by women entrepreneurs in Georgia are closely shaped by social roles, access to family resources, stereotypical expectations, and economic conditions. Respondents noted that women often enter entrepreneurship out of economic necessity rather than as part of a professional strategy. While many lack formal business education or experience in market analysis, they are frequently distinguished by strong motivation and perseverance.

According to respondents, the increased participation of women is most visible in the tourism sector, particularly in regional areas. Within this sector, women primarily manage family-run hotels and cottages. Tourism is considered a favorable field for women because business activities can often be conducted within the family space and do not require advanced technical expertise or substantial initial investment. The second major area of engagement is food and beverage services, including small cafés, restaurants, and fast-food services. Women's participation in this sector is similarly attributed to relatively low barriers to entry and the ability to utilize existing household kitchen resources in a way that allows them to combine these activities with family responsibilities.

A third prominent sector is the beauty industry, encompassing beauty salons, cosmetology services, hair styling, and related activities. In this field, women often benefit from established social networks, professional interests, and consistently high consumer demand: *"It is also possible to enter the beauty industry by completing short training courses, which makes this sector particularly attractive for women"* (state institution representative).

In the field of education, women entrepreneurs also frequently establish small workshops and vocational training centers, particularly in crafts and handmade production. These initiatives are typically grounded in skills and professional knowledge acquired in the past.

With regard to agriculture, representatives of state institutions emphasize that women's formal participation remains low. This is largely attributed to property ownership patterns, as land plots are often registered in the names of male family members, particularly sons: *"As a result, women technically lack access to programs that require documentation confirming ownership"* (state institution representative).

Finally, respondents note that women's participation in manufacturing industry and high-technology sectors remains limited to isolated cases. Women entrepreneurs in these fields continue to be perceived as exceptions.

Perspectives of International Financial Organizations

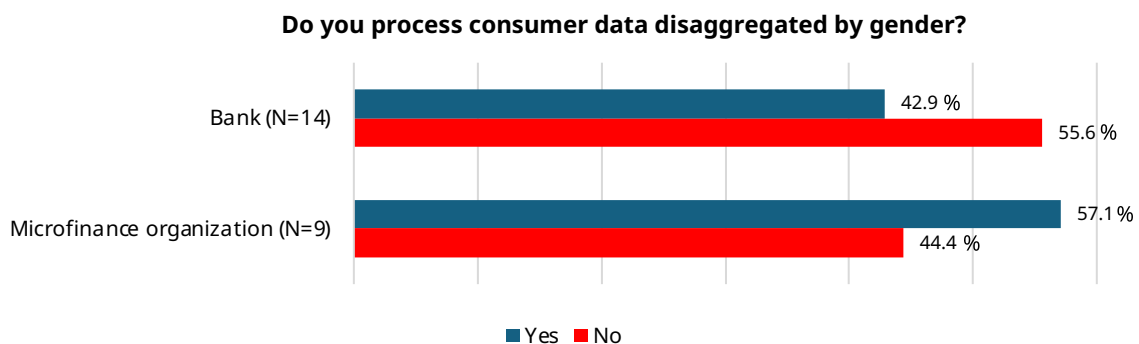
A representative of the Asian Development Bank (ADB) noted that women and men in Georgia tend to participate in different economic sectors, resulting in a high degree of gender segregation across the economy. High-income sectors such as transport, energy, and information technology remain predominantly male-dominated: *“Women are mainly involved in low-profit, labor-intensive, and often informal activities, whilst men establish capital-intensive and technology-oriented businesses”* (ADB representative). The respondent further emphasized that increasing women’s representation in STEM fields (science, technology, engineering, and mathematics) requires early intervention, beginning at the level of general education: *“An inclusive and supportive environment should be created from school onwards, providing girls with the foundation to develop interests in technical and non-traditional fields.”* ADB seeks to allocate a portion of its financial resources towards initiatives aimed at increasing women’s participation in sectors in which they are traditionally underrepresented.

10. Reporting, Data Collection, and Gender Analysis

Quantitative Component

The findings indicate that gender-based data processing is not a widespread practice within either banks or microfinance organizations, reflecting a rather low level of gender data integration across the financial sector. This is particularly pronounced among banks: such approach is more common in microfinance organizations (55.6%) than in banks (42.9%) (see Diagram #10.1).

Diagram #10.1



The majority of financial institutions (banks - 62.5%; microfinance organizations - 75%) do not consider it necessary to process client data by gender, whilst a small proportion of banks (8.3%) cite technical limitations of their systems as a barrier. Other reasons provided by one quarter of respondents from both institutions (25.0%) include the following: the bank primarily serves corporate clients and therefore conducts analyses by business type, sector, etc., their products are equally accessible regardless of gender and so on (see Table #10.1).

TABLE #10.1

What are the reasons for not processing user data disaggregated by gender?	Bank (%) (N=8)	Microfinance Organization (%) (N=4)
Limitations of technical systems	12.5	-
Lack of human resources	-	-
Staff are not adequately trained	-	-
We believe it is not necessary	62.5	75.0
Legal restrictions	-	-
Other	25.0	25.0

Among business clients, men predominate in the overall gender composition (banks: men - 65%, women - 35%; microfinance organizations: men - 55%, women - 45%). In both banks and microfinance organizations, information is most commonly processed according to: a) sector of business activity, b) age, and c) source of income. Statistics of marital status and loan refusals are assigned lower priority. Age-based data analysis is more frequently undertaken by banks (see Table #10.2).

TABLE #10.2

What types of data do you collect/process?	Bank (%) (N=6)	Microfinance Organization (%) (N=5)
Age	100.0	40.0
Marital status	33.3	-
Source of income	66.7	60.0
Scope of business activities	83.3	80.0
Statistics and reasons for refusal of financing	33.3	-

It should be noted that the average age (Mean) of entrepreneurial clients is 42 years in banks and 48 years in microfinance organizations. When asked about the most common marital status of women entrepreneurs among the clients of financial institutions, all respondents (100%; N=23) report that they do not possess this information.

At the time of becoming clients of financial institutions, women entrepreneurs' primary source of income in the case of both banks and microfinance organizations (particularly the latter) is income generated from their own businesses. Income from employment in the private sector is also a significant source. Remittances from abroad are reported as important only among bank clients. By contrast, no emphasis is placed on income derived from public sector employment or personal/family savings (see Table #10.3).

TABLE #10.3

At the time of becoming a client of your organization, what was the main source of income for women entrepreneurs?	Bank (%) (N=4)	Microfinance Organization (%) (N=3)
Income from employment in the public sector	-	-
Income from employment in the private sector	25.0	33.3
Income from own business	50.0	100.0
Personal/family savings	-	-
Remittances from abroad	25.0	-
Other (these data are not processed)	50.0	-

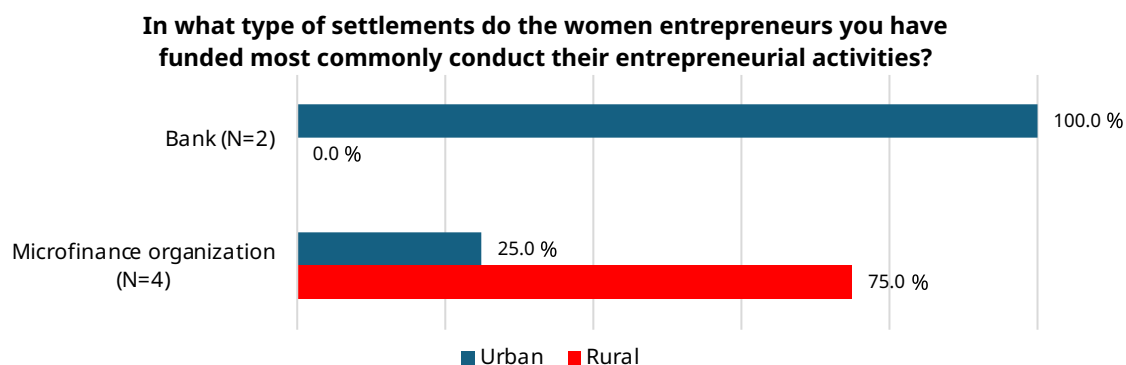
The study further indicates that women entrepreneurs financed by banks are predominantly based in Tbilisi (80%), with notable representation also in Adjara (40%) and Imereti (20%). In contrast, women clients of microfinance organizations do not include residents of Tbilisi but are characterized by broad regional representation (Adjara, Kakheti, Shida Kartli, Imereti, and Kvemo Kartli) (see Table #10.4).

TABLE #10.4

In which region do women entrepreneurs funded by your organisation most frequently operate?	Bank (%) (N=5)	Microfinance Organization (%) (N=9)
Tbilisi	80.0	-
Adjara	40.0	50.0
Imereti	20.0	25.0
Kakheti	-	50.0
Kvemo Kartli	-	25.0
Shida Kartli	-	50.0

With respect to the distribution by settlement type, banks report that their female clients are exclusively located in urban areas, whereas women clients of microfinance organizations are predominantly residents of rural settlements (see Diagram #10.2).

Diagram #10.2



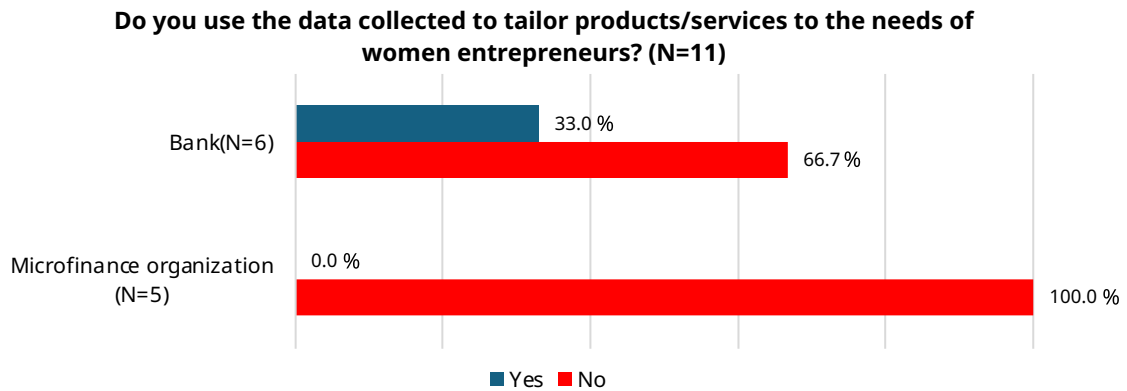
Survey results show that microfinance organizations do not compare female and male clients when processing client data. Among banks, the highest priority is to compare indicators by the average loan amount (66.6%). As per the findings, gender-based comparisons of indicators in terms of savings volumes and fees/card-related costs are considered irrelevant by banks (see Table #10.5).

TABLE #10.5

When processing data, which indicators do you use to compare male and female customers?	Bank (%) (N=6)	Microfinance Organization (%) (N=5)
Average loan amount	66.6	-
Repayment rate	33.3	-
Savings balance	-	-
Frequency of product use	16.7	-
Commissions/card-related costs	-	-
Payments and transactions	16.7	-
Application approval rate	33.3	-
We do not conduct such comparisons	33.3	100.0

The study also reveals that microfinance organizations do not use collected data to adapt products/ services to the needs of female clients. This practice is similarly limited among banks (66.7% do not use). Only a small number of banks (N=2) report following the said practice (see Diagram #10.3).

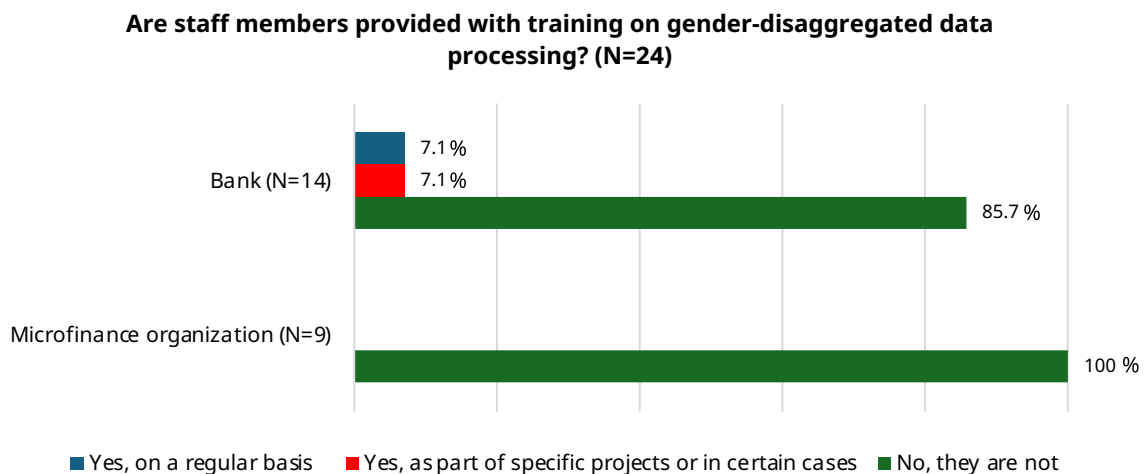
Diagram #10.3



Banks that indicated using data to tailor products/services to the needs of women clients (N=2) described specific changes/initiatives, such as adapting loan terms (for example, longer repayment periods for women balancing business and family responsibilities) and reducing collateral requirements or introducing alternative forms of collateral (for example, group loans, guarantors drawn from women's networks).

Training on processing data by gender is generally not provided to staff within financial institutions. Microfinance organizations reported no such training practices at all. Only a limited number of banks indicated that they offer training either on a regular basis (ProCredit Bank) or within the framework of specific projects (Khaliq Bank) (see Diagram #10.4). In all cases, these trainings are conducted for all employees rather than targeted at specific positions. In addition, it is noteworthy that women constitute the majority of credit officers (banks: women - 53%, men - 47%; microfinance organizations: women - 56%, men - 44%).

Diagram #10.3



Qualitative Component

Perspectives of the Local Financial Sector

Qualitative research indicates a general trend toward more systematic collection and analysis of gender related data, increasingly linked to banks' internal credit policies and the requirements of international donors and investors. Typically, financial institutions process existing client data according to variables such as gender, age, location, sector of activity, and credit history. Commercial banks actively use this information in marketing strategies, segmented product offers, and the assessment of socio-economic impact. This information is also important in engagement with international investors, who often seek indicators such as the share of women entrepreneurs, green financing, and sector development. As one commercial bank representative noted, "Investors are most often interested in the share of women entrepreneurs, green financing, and production. Having this data makes it relatively easier to attract lower cost resources." Findings from in-depth interviews further suggest that a data-driven approach is particularly relevant for microfinance institutions and microbanks focused on small and medium-sized enterprises. These institutions demonstrate a heightened interest in gender- and age-based diversification analysis when aiming to design and offer products that are better aligned with customer behavior and needs. However, not all financial organizations apply or prioritize in-depth gender-based data processing. In some institutions, a so-called neutral approach remains prevalent, whereby only economic characteristics of clients are considered, without accounting for gender-specific differences.

Overall, data analysis represents a key mechanism for monitoring the economic inclusion of women entrepreneurs, assessing program effectiveness, and improving access to financial services. Nevertheless, progress in this area remains uneven and requires both structural support and increased awareness at the organizational level. Representatives of the banking sector concur that gender-sensitive data collection and analysis are critically important for accurately assessing women's participation in entrepreneurship and for informing development strategy planning. In particular, effective product development is not feasible without an evidence-based foundation.

Perspectives of State Institutions

Interviews with representatives of state institutions indicate that they are gradually shifting toward data-driven policy planning. Consequently, detailed gender-disaggregated analysis still remains at a developmental stage. Respondents noted that the evaluation of economic program outcomes is primarily structured around a set of predefined indicators, including number of employees, income growth, export volumes, productivity, credit utilization, etc.

Despite progress, institutional capacities for in-depth data segmentation vary considerably. For example, the Rural Development Agency is currently able to extract only basic quantitative data and considers the systematic analysis of gender-disaggregated data as a future objective. In addition, several agencies still use Excel and have limited flexibility for more detailed analytical work due to the absence of specialized platforms.

In contrast, the Innovation and Technology Agency, which on its own initiated the disaggregation of data by gender, age, and vulnerability status, actively uses these data for strategic planning and for the early identification of emerging challenges.

The National Bank of Georgia, as the regulator, is working to produce gender-disaggregated statistics on loans and deposits; however, it acknowledges that these data are only informative so far and do not

allow for a deeper assessment of who the actual entrepreneurs are or where structural constraints may exist. Future plans include an analysis of overdue loans among women entrepreneurs, which is expected to provide a more accurate picture, independent of prevailing stereotypes.

Perspectives of International Financial Organizations

Representatives of international financial institutions emphasized that access to data is essential for both banks and microfinance organizations in order to be able to make targeted, informed, and needs-based decisions. As noted by a representative of the Asian Development Bank (ADB), the organization does not collect data itself but actively encourages its partner institutions to improve their data collection and processing practices. The respondent highlighted that extracting gender-disaggregated information poses challenges for banks not only for technical reasons but also due to systemic financial constraints: “This often requires restructuring financial systems, which involves significant resources and institutional change.” According to the respondent, the lack of detailed statistics on ethnic minorities or other vulnerable groups further indicates that understanding multidimensional vulnerability along with the absence of comprehensive disaggregated data remain a systemic challenge within financial organizations.

The European Bank for Reconstruction and Development (EBRD) does not collect detailed data at the sub-borrower level and receives aggregated data from partner financial institutions, disaggregated by a set of key variables. However, in order to better understand the experiences of women entrepreneurs and to monitor gender equality, the EBRD conducts a quantitative household survey, which has been implemented four times since 2006. The survey examines household income, access to finance, and topics related to economic participation in depth, enabling the findings to be aligned with gender analyses of financial inclusion.

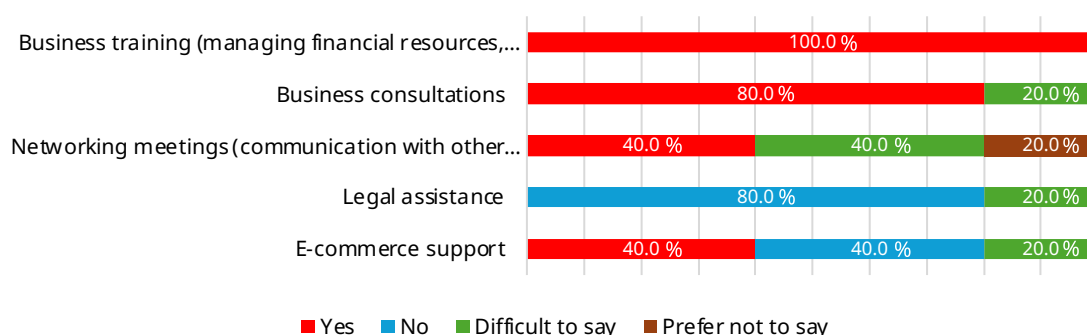
11. Financial Education and Awareness of Women Entrepreneurs about Existing Opportunities

Quantitative Component

The most common non-financial service offered by banks is business training, which is provided by all participating organizations to women entrepreneurs (100%). This finding indicates that training is widely perceived as the most essential tool for strengthening women's business skills. In addition, business consultations are a frequently offered service (80%). By contrast, legal assistance remains rare - in 80% of organizations, this service is not offered at all (see Diagram #11.1).

Diagram #11.1

What types of non-financial services do you offer to women entrepreneurs to support their business activities? (N=5)



Non-financial services in banks are delivered with varying frequency and are not organized within a standardized cycle. The most common practice involves the provision of business consultations (they are conducted daily in 25% of banks). Business trainings are evenly distributed across different frequencies (20% in each category), reflecting the irregular nature of this service. Networking meetings are rare and do not constitute a form of systematic support, whilst legal assistance is provided very rarely. The duration of non-financial services is predominantly short-term - lasting one day (business trainings - 60%) or several hours (networking meetings - 50%; business consultations - 50%). No instances were recorded of trainings/consultations lasting one calendar week, longer than one week, or five days. The duration of networking meetings and legal assistance is not standardized, and organizations were often unable to provide clear information on this aspect (see Diagrams #11.2 - #11.3).

Diagram #11.2

How often are the following services provided?

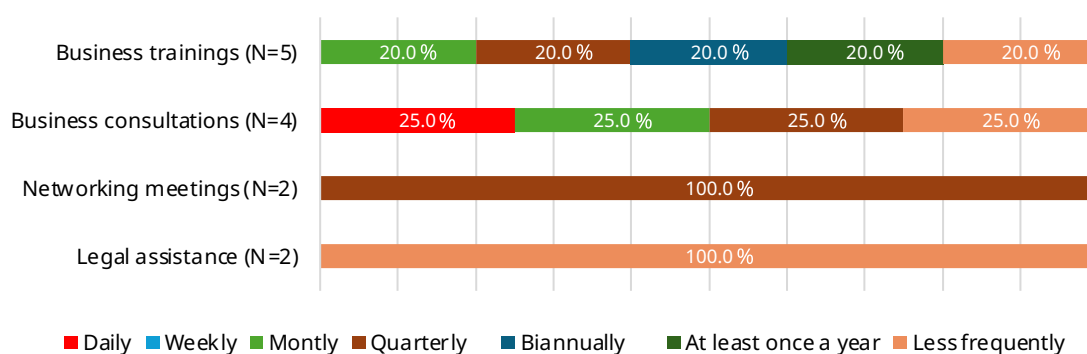
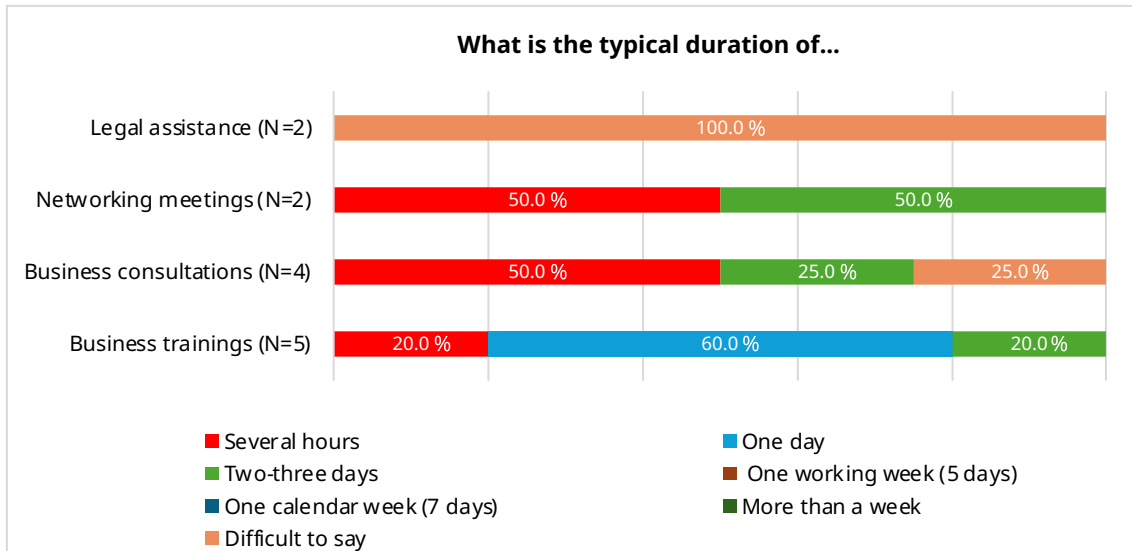


Diagram #11.3



Notably, the average number of women entrepreneurs who benefited from the aforementioned non-financial services over the past 12 months is highest for **business consultations** (100 beneficiaries) and **business trainings** (50 beneficiaries). No accurate registry is maintained for women entrepreneurs participating in networking meetings or receiving legal assistance.

Qualitative Component

Perspectives of Local Financial Organizations

Respondents emphasized the important role of international financial organizations in providing business education for women entrepreneurs: *“With their support, we have conducted numerous training sessions for entrepreneurs, a large proportion of whom were women”* (bank representative). Among existing educational platforms, the TBC ESG Academy was highlighted, where courses on the “green” topics are currently offered. These trainings are designed specifically for business representatives and aim to raise awareness of risks associated with climate change.

One of the key challenges consistently identified through interviews is women’s limited access to information meetings due to physical and time constraints. Women, especially those living in the regions, are often unable to participate in such events not so much due to a lack of interest, but rather because of time constraints. As one respondent explained: *“Women have many other obligations - unpaid family work, which can amount to up to 40 hours per week. As a result, they are not always available to attend meetings in person, even when these meetings are critical for their businesses”* (bank representative). Consequently, respondents repeatedly emphasized the need for such meetings to be offered in online formats, with recordings made available afterwards. In addition, it is necessary to provide multiple time options to ensure that women can actually participate in activities relevant to their interests.

Although the majority of women entrepreneurs own smartphones, this technological resource is rarely used for digital meetings or access to financial services. Respondents note that these devices are primarily used for basic communication purposes. Digital engagement, which could support these women in business development, remains practically untapped. This deep and complex underutilization of technology is due to a lack of knowledge.

Interviews consistently revealed that low levels of financial literacy remain a serious challenge for women entrepreneurs. Many women are unable to clearly distinguish between business and personal finances, do not maintain separate accounts, and, as a result, are unable to accurately assess the scale of their operations and their financial situation: *“When family expenses and income are mixed with business finances, information about the business itself becomes inaccurate”* (bank representative). This lack of organization hampers both access to credit and the planned business development. According to respondents, a significant proportion of women entrepreneurs are unaware that the use of a business account enables banks to automatically assess and offer appropriate credit products. Instead, current practices indicate that women entrepreneurs often allocate and plan business resources based on personal needs, which ultimately constrains financial growth and limits the potential for deeper cooperation with financial institutions.

In recent years, banks and other financial institutions have become increasingly engaged in supporting women entrepreneurs. For example, banks (the Bank of Georgia, ProCredit Bank, and TBC bank, etc.) regularly implement thematic training programs, provide individual consultations, and offer grant schemes, all of which definitely contribute to expanding opportunities for women entrepreneurs. Both commercial banks and microfinance organizations disseminate information about non-financial activities implemented with the support of international organizations through different channels. Regional branches are the primary source of information dissemination, ensuring effective communication with target groups. When young people are the primary audience, information is often disseminated through higher education institutions.

Respondents emphasized that information about available programs tends to circulate within the same groups, representing a significant gap in outreach. In particular, entrepreneurs operating in urban areas, especially in Tbilisi, are considerably more informed about banking products and different support opportunities than those operating in Georgia’s regions. In addition, limited professional networks contribute to low levels of awareness among women entrepreneurs, further constraining access to information.

With regard to entrepreneurial training programs, respondents note that the language and the format used to deliver information constitute a key challenge: *“Sometimes the terminology used in some of the trainings is difficult and incomprehensible, which creates the feeling that ‘this is not for me’”* (microbank representative). In addition, the length and frequency of courses often make sustained participation difficult for some women, leading to premature withdrawal: *“When a woman misses one or two sessions and does not return to the program, this is often accompanied by a sense of shame or fear that she has fallen behind and will not be able to catch up”* (commercial bank representative).

Respondents noted particularly high demand for training in digital marketing, sales techniques, and other practical topics. According to them, mentorship training is also of interest, as it supports women entrepreneurs in making individual decisions, strengthening self-confidence, and taking concrete steps.

Some of the respondents emphasized that, despite growing interest in existing programs, the systematic development of support for women entrepreneurs continues to require gender-sensitive approaches, alternative channels for information dissemination, the simplification of financial education, and greater attention to psychological barriers.

Perspectives of State Institutions

Representatives of state institutions consistently noted in interviews that, despite the widespread use of information channels (social media, television), many women, particularly in regional areas, do not receive information about opportunities available to them. In addition to informational gaps, respondents emphasized the presence of a psychological barrier: *“Many women do not feel that these programs are intended for them. They believe that such meetings or trainings are meant for ‘others’”* (representative of a state institution).

Respondents also highlighted differences among women and men in the formation of social and cultural networks. It was suggested during the interviews that men tend to share their experiences more readily within informal peer groups, facilitating faster information circulation. By contrast, women’s experiences in this regard can be more pessimistic and constrained by internalized limitations: *“Women are less likely to believe that they will ‘succeed,’ which reduces their motivation to seek out and use information”* (representative of a state institution). Consequently, respondents argued that merely offering training programs is insufficient. Instead, they emphasized the need for an individualized approach, on-site communication (“door-to-door” principle), both at the regional level and within small communities.

12. Service Preferences (Branches and Remote Channels)

Quantitative Component

The quantitative findings indicate a common pattern across banks and microfinance organizations - women entrepreneurs most frequently access financial services through in-branch visits (47.8%). On the other hand, the use of internet/mobile banking is reported only by banks (50.0%) (see Table #12.1).

TABLE #12.1

In your opinion, which channel do women entrepreneurs most often prefer for accessing financial services?	Banks (%) N=14	Microfinance Organizations (%) N=9
In-person visits to the branch	42.9	55.6
Internet / mobile banking	50.0	0.0
Online platforms	28.6	11.1
Other	7.1	33.3

Qualitative Component

Perspectives of Local Financial Organizations

Women entrepreneurs' service preferences in Georgia vary considerably by generation, social experience, and level of technological engagement. Although no formal barriers to access were identified on the part of financial institutions, women's behavioral approaches to, and choices of, service delivery channels differ markedly.

Younger women entrepreneurs tend to prefer remote service channels, a preference shaped by both their technological habits and time constraints. They commonly use mobile applications, online chat functions, social media communication, and website forms, as these offer faster and more flexible service. At the same time, young women expect prompt, accurate, and effective feedback, which strongly shapes their reliance on digital solutions.

In contrast, middle-aged and older women entrepreneurs predominantly prefer in-person branch visits. For this group, direct interaction with bank representatives, receiving explanations on site, and making concrete decisions through face-to-face engagement are particularly important: *"The older generation, of course, prefers a visit to the branch in person. They have to touch and believe things for themselves"* (representative of a commercial bank). This behavioral distinction is often less a result of technological limitations than of value-based preferences, as middle-aged and older women tend to place greater trust in personal, face-to-face communication.

Financial institutions, particularly those in the universal and microfinance segments, often adopt a mixed model. Specifically, initial client outreach and information provision frequently occur through remote channels, whilst key financial arrangements, including credit or guarantee decisions, are still largely finalized through personal meetings.

Representatives of financial institutions believe that, under equal conditions, gender discrimination is not evident in the provision of services. However, actual access and choice are often shaped by a range of conditional factors, including cultural norms. In particular, women's self-confidence, degree of autonomy, family support, and exposure to social pressure determine their choice.

13. Gender Distribution of Employees in Financial Institutions

Perspectives of Local Financial Institutions

Representatives of the financial sector expressed the view that, in the regions, women are less frequently promoted to managerial positions, such as branch managers, because perceptions, stereotypes, and biases toward female leadership are more deeply entrenched in the regional areas than in the capital or larger cities of Georgia. Public perceptions of women in regional contexts often conflict with prevailing expectations associated with management roles, which in turn constrains women's opportunities for career advancement: *"In the regions, men are perceived as managers, which is taken into account by banks"* (representative of a commercial bank).

According to respondents, a similar gender imbalance is observed in credit officer positions, where men outnumber women. This disparity was attributed to the specific nature of the role: the need for high levels of mobility, frequent interaction with problematic clients, and heavy workloads. While respondents emphasized that female credit officers are effective in customer communication and trust-building,

women are reportedly less inclined to pursue these positions due to the conflict-prone environment and the demands of physical mobility: *“You are out all day, chasing clients, and this is not easy for women to do. With very rare exceptions, women are less interested in this position”* (representative of a commercial bank).

In addition to the distribution of employees across positions, respondents also highlighted the importance of remuneration systems within organizations. For example, one bank representative noted that compensation is based on work performance and that no bonus system explicitly advantages men; however, men tend to have more time to dedicate to work, which in turn provides them with more opportunities for higher earnings.

Respondents further noted that women are predominantly represented in middle- and lower-level office positions within financial organizations, particularly in human resources, operations, marketing, financial analysis, and administrative roles. In some banks, women are overrepresented among chief executive officers and members of boards of directors.

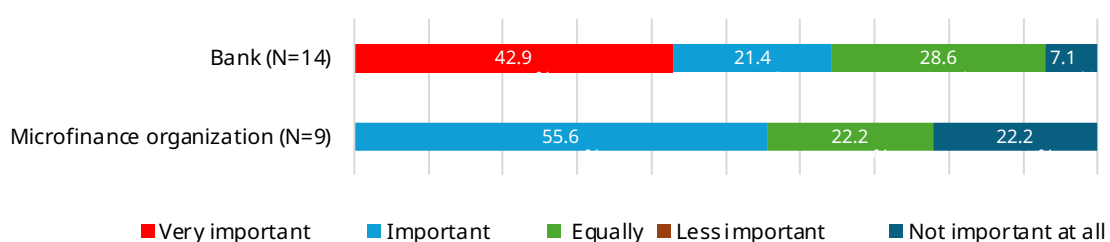
14. The Importance and Need for Developing Programmes Tailored to Women Entrepreneurs

Quantitative Component

The majority of both banks (64.3%) and microfinance organizations (55.6%) expressed a positive attitude (“very important” + “important”) towards services specifically tailored to women entrepreneurs. However, banks demonstrate a higher level of acceptance of gender-oriented approaches, whilst skeptical attitudes are more prevalent among microfinance organizations (22.2% consider such services not important, compared to 7.1% among banks) (see Diagram #14.1).

Diagram #14.1

In your opinion, how important is it to have services specifically tailored to women entrepreneurs?



Across both banks (71.4%) and microfinance organizations (55.6%), the most frequently cited difference between women and men entrepreneurs is women’s greater need to combine business activities with family responsibilities. Significant differences were also observed (particularly by banks) with regard to women’s lower levels of initial capital and more limited ability to provide collateral compared to men. Other factors, such as irregular income, lower financial literacy, and lack of trust in financial institutions, were much less frequently perceived as meaningful differences between women and men (see Table #14.1).

TABLE #14.1

In your opinion, how does the situation of women entrepreneurs differ from that of men?	Bank (%) (N=14)	Microfinance Organization (%) (N=9)
Women tend to have lower initial capital than men	64.3	44.4
Compared to men, women have fewer opportunities to provide collateral (guarantee)	64.3	33.3
Women are more likely to have irregular income	7.1	11.1
Women are more likely to balance family responsibilities alongside business activities	71.4	55.6
Women tend to have lower levels of financial education than men	7.1	-
Women tend to have less trust in and/or less experience working with financial institutions than men	21.4	-
Other	14.3	11.1

The most commonly identified benefit of introducing services tailored to women in financial institutions is enhanced social responsibility (banks - 64.3%; microfinance organizations - 66.7%). The expansion of the client base and the potential for increased cooperation with donors/partners (the latter indicates that gender-focused programs are viewed as a means of attracting external resources) are also perceived as significant benefits. By contrast, comparatively less emphasis is placed on other commercial benefits, such as loan diversification and repeat use of financial services by women clients. However, these benefits are more widely recognized by banks than by microfinance organizations (see Table #14.2).

TABLE #14.2

What benefits do you think services tailored to women would bring to your organization?	Bank (%) (N=14)	Micro-finance Organization (%) (N=9)
Increase in the client base	57.1	55.6
Diversification of loans	42.9	22.2
Increased repeat use of financial services among female clients	42.9	11.1
Strengthening social responsibility	64.3	66.7
Expanded opportunities for collaboration with donors/partners	57.1	44.4
Other	14.3	11.1
Other	14.3	11.1

Both banks and microfinance organizations (particularly banks) identified startup loans and low-interest microloans as the services most needed by women entrepreneurs. Notably, the perceived need for

business training programs for women entrepreneurs is substantially higher among banks (35.7%) than among microfinance organizations (11.1%). Respondents also acknowledged the need for offering loans without collateral requirements. Other types of services (savings/insurance, mobile services, mentoring) are less frequently perceived as critical needs (see Table #14.3).

TABLE #14.3

In your opinion, what types of services would be most needed by women entrepreneurs?	Bank (%) (N=14)	Microfinance Organization (%) (N=9)
Low-interest microloans	50.0	55.6
Start-up loans for starting a business	71.4	33.3
Savings and insurance products	14.3	-
Mobile or remote financial services	7.1	11.1
Business training and financial education	35.7	11.1
Unsecured loans	21.4	33.3
Mentoring or women’s networks	14.3	-
Facilitating market access	21.4	33.3
Other	14.3	11.1

The research findings indicate considerable variation in financial institutions’ readiness to develop and implement services tailored specifically to women entrepreneurs. Banks tend to be more proactive and positive in this regard: practically one in three banks (35.7%) reports being fully prepared to introduce such services. In contrast, microfinance organizations are less likely to report readiness: majority (55.6%) select the response “not ready yet, but interested,” reflecting general motivation rather than concrete preparedness. More than one-fifth of both banks and microfinance organizations explicitly state that they are unwilling to pursue such initiatives (see Diagram #14.2).

Diagram #14.2

How ready is your organization to develop or implement services specifically for women entrepreneurs?



Donor funding was identified as the most important form of support needed to develop products tailored to women entrepreneurs by both banks (71.4%) and microfinance organizations (77.8%). Banks reported a greater need for assistance in market research (71.4%), product design (50.0%), and staff training (50.0%) compared to microfinance organizations. Partnerships with community-based or women’s organizations were assigned lower priority (particularly among banks), whilst microfinance organizations were less likely to identify technical or product development support as necessary. These findings suggest that financial institutions prioritize financial and research-related resources over network or infrastructural support (see Table #14.4).

TABLE #14.4

If you need support to develop products tailored to women entrepreneurs, what type of support would be most helpful?	Bank (%) (N=14)	Microfinance Organisation (%) (N=9)
Conducting market research	71.4	22.2
Support with product design	50.0	11.1
Training for the team	50.0	33.3
Donor funding	71.4	77.8
Partnerships with community or women’s organizations	28.6	22.2
Technical support or systems development	42.9	11.1

Qualitative Component

Perspectives of Local Financial Organizations

The interviews revealed a clear need for both financial and non-financial programs tailored to women entrepreneurs. In particular, respondents emphasized that female unemployment rates remain especially high in regional areas. It was argued that existing banking products are largely designed with men in mind and therefore require adaptation to better address women’s needs, especially those who face a difficult start and require additional support: *“In the 21st century, everything should be client-tailored. In this case, so far everything has been tailored to men. It is natural, because men have been dominant in the banking sector”* (representative of a microbank).

Despite the prevailing view that women entrepreneurs should be actively supported, some respondents expressed concern that such targeted approaches could be perceived as discriminatory. According to this perspective, the problem should be solved primarily through changes in awareness, whilst so-called positive discrimination is regarded as a superficial and ultimately ineffective mechanism

Respondents further noted that both the banking and microfinance sectors are commercial systems and their interests are closely linked to considerations of risk and profitability. Consequently, if financing women entrepreneurs is equally profitable, financial institutions are likely to be more motivated to offer products tailored to women’s needs. In addition, the availability of funding sources were identified as important. If special funds, grants, or low-interest loans are specifically directed towards women entrepreneurs, these creates tangible incentives for financial institutions to develop relevant products:

“When a person approaches us in an already unequal position, offering them the same conditions as everyone else is wrong” (representative of a microbank).

Perspectives of State Institutions

Analysis of interviews with representatives of state institutions indicates that existing programs aimed at encouraging women entrepreneurs in Georgia remain insufficient and that no clearly defined, targeted policy framework currently exists to fully address their needs. While some respondents emphasized the necessity of developing programs specifically tailored to women, others expressed caution regarding such targeted approaches. From this perspective, the introduction of women-specific programs may create artificial barriers and may not yield substantive outcomes. Accordingly, these respondents argued that the focus should not be on strengthening women as individuals or as a group, but rather on strengthening business as a whole: *“Developing a professional team, skills, and knowledge will be more useful for a woman entrepreneur than simply providing gender-based privileges” (representative of a state institution).*

Proponents of introducing programs tailored to women entrepreneurs share the views expressed by parts of the local banking sector that women entrepreneurs in Georgia face structural barriers. These respondents highlighted the need to introduce pilot projects and mentoring programs: *“Targeted pilot programs for women will allow organizations to assess the effectiveness of initiatives and select the best models. Such programs will not only benefit women entrepreneurs but will also help program implementers refine appropriate approaches” (representative of a state institution).*

Perspectives of International Financial Organizations

Representatives of the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (EBRD) emphasized that the aim of their engagement is to change the gender-neutral approach within the Georgian financial sector. According to respondents, many financial institutions employ the gender-neutral approach as they operate on the principle that all clients should be assessed under equal conditions. However, such an approach often fails in practice to account for the specific barriers faced by women, particularly those from economically and socio-culturally marginalized groups, in meeting standard banking requirements. Consequently, it is essential to encourage financial institutions to better understand the unique needs of women entrepreneurs and to take an interest in the development of appropriate support systems.

An EBRD representative further underscored the critical importance of providing dedicated services tailored to women entrepreneurs. Drawing on EBRD’s experience, policy support aimed at improving women’s access to finance is implemented through international cooperation, within which the WE Finance Code is one of the key initiatives. Developed by the Women Entrepreneurs Finance Initiative (We-Fi) - a multinational platform for women’s economic empowerment - the initiative operates in close collaboration with the World Bank.

15. Future Cooperation with International Organizations

Perspectives of Local Financial Organizations

Cooperation with international organizations is perceived within the Georgian banking and financial sector as a key strategic avenue for strengthening the private sector, particularly women entrepreneurs. Analysis of the interviews indicates that such cooperation holds considerable potential; however, its effective utilization requires a more systematic and inclusive approach. As one representative of a commercial bank noted, the private sector's capacities, resources, and sphere of influence enable it to absorb and implement international support effectively. Several commercial banks participating in the study are partners with UN Women, which is an indication of their institutional experience. Respondents also noted that the private sector possesses a unique potential to initiate rapid and large-scale change, although international organizations often prioritize cooperation with state institutions.

Some respondents highlighted UN Women as a notable example of a sustainable and effective model of cooperation with the private sector. Unlike other organizations, UN Women was described as being willing to provide co-financing, strategic guidance, and to engage in the implementation of joint projects.

Representatives of the financial sector expressed critical views that the private sector has limited access to the communication platforms of international non-financial organizations. In particular, respondents noted that key decisions on issues such as climate change, women's access to finance, or the inclusive economy are often made without consulting the private sector: *"It is important to consult with organizations that themselves create platforms for other businesses and can have a significant impact"* (representative of a commercial bank).

Some respondents also raised concerns about the potential implications of the Foreign Agents Registration Act (FARA), adopted by the Georgian Parliament in 2025, for banking services, which are implemented with the support of international financial organizations and include a cashback component: *"Many clients may be even reluctant to use, for example, the EBRD cashback program, through which clients receive 10–15% of their investment back. Now it is also a little unclear how this should be implemented"* (bank representative).

Representatives of microbanks reported that cooperation with international organizations is primarily used as a means of attracting financial resources, especially in terms of financing women entrepreneurs. However, they emphasized that existing practices remain fragmented and lack a systematic character.

RECOMMENDATIONS

The study identified the following **a) demand-side barriers** to women's access to finance: women's limited ownership of assets (particularly real estate) which restricts their ability to provide collateral; low levels of financial literacy, including insufficient skills to analyze banking products and prepare business plans; a lack of information on available support programs/mechanisms; the prevalence of informal business activity, which complicates integration into the financial system; social pressure rooted in traditional gender norms, which constrains women's economic autonomy, particularly in the regions. **b) Supply-side barriers include:** high collateral requirements imposed by banks and financial institutions; gender-biased approaches and the underrepresentation of women in decision-making positions within the financial sector; gender-neutral or ineffective financial products that fail to address the specific needs of women entrepreneurs. To address these barriers effectively, it is essential to create an enabling environment, including:

- **Raising awareness:** Increase public awareness, particularly among young people, of gender equality and women's political, social, and economic inclusion
- **Educational and awareness-raising resources:** Review and further develop educational and awareness-raising resources for women entrepreneurs and startup founders, including the mainstreaming of gender equality, women's economic empowerment, and anti-discrimination principles within existing programs. Organize different training initiatives aimed at strengthening women entrepreneurs' business capacity.
- **Care services:** Establish and strengthen care services nationwide, including nurseries and kindergartens, flexible and adaptive working arrangements, legislation and policies on parental leave.
- **Gender-sensitive financing policies:** Develop gender-sensitive financing policies within state institutions and financial organizations, ensuring that credit and grant conditions and products are tailored to the needs of women entrepreneurs.
- **Increased representation of women:** Increase women's representation in decision-making roles, including within the financial and credit sectors and in managerial positions, to improve gender balance in decision-making processes
- **Coordinated action:** Strengthen a holistic approach that enhances coordinated collaboration among the state, the private sector, and international financial institutions

Based on the above, in order to better integrate a gender perspective and the specific needs of women entrepreneurs in the process of accessing finance, a set of recommendations has been developed for state agencies and financial organizations to introduce or improve both non-financial and financial products, or continue existing good practices. Specifically:

RECOMMENDATIONS FOR THE NATIONAL BANK OF GEORGIA:

- Facilitate the preparation of legislative amendments that **provide a clear definition of a woman entrepreneur.**
- **Integrate gender equality principles into strategies** and other relevant policy documents, with particular emphasis on promoting access to finance.

- Develop new **regulations and/or review existing regulatory frameworks to increase women's representation in executive management positions** within financial organizations
- Improve systems/practices for the collection and **analysis of sex-disaggregated data**

RECOMMENDATIONS FOR CENTRAL AND LOCAL GOVERNMENT AGENCIES RESPONSIBLE FOR ENTREPRENEURSHIP DEVELOPMENT:

- **Promote the integration of women's participation** component of future iterations of the Georgian Small and Medium Enterprise Development Strategy.
- Strengthen the **incorporation of women's participation component within programs** designed for entrepreneurs and **introduce dedicated programs and initiatives** tailored specifically to women entrepreneurs.
- **Establish and reinforce support mechanisms** for women entrepreneurs, particularly those living in regional and rural areas, to ensure their participation in local and international exhibitions and trade fairs.
- **Strengthen tools/indicators for assessing the effectiveness** of state entrepreneurship programs with respect to women entrepreneurs.
- **Improve systems/practices for collecting and analyzing gender-disaggregated data**, including the collection and analysis of data on funding application rejections by gender.
- **Plan communication campaigns** to promote women's entrepreneurship.

RECOMMENDATIONS FOR FINANCIAL INSTITUTIONS

To support the development of non-financial products for women entrepreneurs, it is recommended to:

- **Establish specialized consultation services** or train dedicated staff to address the specific needs of women-managed businesses.
- **Provide training for credit officers and risk management specialists** on gender equality, anti-discrimination practices, and women's economic empowerment, enabling them to incorporate gender considerations into decision-making processes, including credit assessment and scoring.
- **Develop a database of mentors** - experienced entrepreneurs, sector experts, and managers - who will provide support to women
- **Develop an online portal or mobile application that integrates document templates**, online courses, market research, and information on updated regulations and financing opportunities.
- **Implement information campaigns** at the regional level aimed at raising awareness among women entrepreneurs about available financial and non-financial products and services. These should include raising women's awareness of training and educational opportunities, online banking services, deposits, insurance, business cards, loans, and guarantee mechanisms.
- **Continue systematic research on the needs of women entrepreneurs and implement** initiatives tailored to identified needs.
- **Introduce targeted measures** (leadership training, recruitment mechanisms, etc.) within financial institutions to **increase women's representation in decision-making positions**, including executive management

To develop financial products for women entrepreneurs, it is recommended to:

- **Introduce a gender-sensitive lending system.** In particular, when providing loans to women entrepreneurs, develop tailored guarantee schemes, ease collateral and credit guarantee requirements, or offer preferential interest rates and cashback mechanisms
- **Take alternative information into account when evaluating the managerial capacity and creditworthiness of women entrepreneurs,** including the history of grants received from state and international organizations, social reputation, records of compliance with other financial obligations, etc.
- For **business insurance products, offer terms that take into account factors** such as parental leave taken by women founders, temporary interruptions related to family responsibilities, and for digital businesses - cybersecurity risks.
- When granting loans, **assess the extent to which businesses promote gender equality** (e.g., the number of women employed and trained, including those in rural areas; support for women survivors of violence or shelters; availability of childcare and lactation spaces; support women's reproductive health, etc.), and offer incentive mechanisms such as free advisory services, deferred payments, extended repayment terms, etc.

With regard to access to education, it is recommended that central and local government agencies, financial institutions, international development sector, and other relevant stakeholders:

Develop and enhance educational and awareness-raising resources tailored to women entrepreneurs, focusing on the following areas, among others:

- Presentation skills and other relevant competencies;
- Analysis of banking products and business plan development;
- Business support programs and mechanisms;
- The importance of formal business registration;
- Ownership of real estate/movable property;
- Long-term planning and financial analysis skills;
- Financial documentation, market analysis, and taxation skills;
- Financial literacy;
- Business planning and management;
- Budgeting: profit and loss statements and basic accounting;
- Analysis of loan terms and assessment of effectiveness;
- Analysis of insurance terms;
- Capital-raising mechanisms;
- Cash flow management;
- Skills for effective communication with financial institutions and investors;
- Use of digital technologies, including artificial intelligence, in business management processes;
- Risk management and adaptation to the environment/regulations;
- Legal, customs, logistical, and other issues related to export activities.

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APPENDIX

APPENDIX #1: BUSINESS/ENTREPRENEURIAL ACTIVITIES WITHIN ECONOMIC SECTORS

Agriculture, Forestry, and Fishing	All Entrepreneurs (N=26)	By Gender	
		Women Entrepreneurs (N=8)	Men Entrepreneurs (N=18)
Agricultural services	1	-	1
Bay leaf drying facility	1	-	1
Fish ponds / trout farms	4	1	3
Hazelnut processing facility	1	-	1
Viticulture	5	-	5
Livestock farming	2	1	1
Beekeeping	1	1	-
Crop farming	3	-	3
Blueberry seedling production	2	1	1
Almond orchards	1	-	1
Agriculture - sunflower cultivation	1	-	1
Agriculture - greenhouse	1	1	-
Farm	1	1	-
Flower and vegetable seedling production	1	1	-
Grain mill	1	1	-
Mining and Quarrying	All Entrepreneurs (N=5)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=4)
Quarrying	2	1	1
Mining	1	-	1
Sand and gravel extraction	1	-	1
Prefer not to answer	1	-	1
Manufacturing	All Entrepreneurs (N=39)	Women Entrepreneurs (N=12)	Men Entrepreneurs (N=27)
Building block production facility	1	-	1
Manufacturing industry	12	7	5
Electrical equipment repair	8	2	6

Grain milling, animal feed production and sales	1	-	1
PVC door and window manufacturing	1	-	1
Wine production	1	-	1
Metalworking workshop	3	-	3
Dairy processing plant	1	-	1
Home appliance repair workshop	1	-	1
Textile production and sewing	1	1	-
Shoe repair services	3	-	3
Wine production	1	-	1
Wine sales	4	1	3
Meat processing plant	1	1	-
Construction	All Entrepreneurs (N=34)	Women Entrepreneurs (N=5)	Men Entrepreneurs (N=29)
Concrete plant	2	-	2
Landscaping services	1	1	-
General construction activities	3	-	3
Road/bridge/tunnel construction	4	2	2
Construction company/materials	24	2	22
Professional, scientific, and technical activities	All Entrepreneurs (N=34)	Women Entrepreneurs (N=20)	Men Entrepreneurs (N=14)
Point-of-sale (POS) terminals, pay boxes	1	-	1
Veterinary pharmacy	2	-	2
Veterinary clinic	2	1	1
Tailoring/rental of ceremonial uniforms	2	1	1
Tailoring and sewing workshop	10	8	2
Training services	1	-	1
Programming/repair of television and radio equipment	1	-	1
Technical activities	14	10	4
Photocopying	1	-	1

Education	All Entrepreneurs (N=7)	Women Entrepreneurs (N=43)	Men Entrepreneurs (N=30)
Non-formal education, inclusive non-formal education center for adolescents	1	1	-
Sports Clubs Union of Telavi	1	-	1
Tutoring center	1	1	-
Preschool and kindergarten facility	4	4	-
Information and Communication	All Entrepreneurs (N=3)	Women Entrepreneurs (N=0)	Men Entrepreneurs (N=3)
Information technologies	3	-	3
Transportation and Storage	All Entrepreneurs (N=13)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=12)
Transportation services	5	-	5
Cigarette distribution	1	-	1
Freight transport	5	1	4
Transportation	1	-	1
Transportation and storage	1	-	1
Arts, Entertainment, and Recreation	All Entrepreneurs (N=7)	Women Entrepreneurs (N=3)	Men Entrepreneurs (N=4)
Youth organization	1	-	1
Children's entertainment center	2	2	-
Wellness center	1	-	1
Choreographic (dance) studio	2	1	1
Arts, entertainment and recreation	1	-	1
Administrative and Support Service Activities	All Entrepreneurs (N=5)	Women Entrepreneurs (N=1)	Men Entrepreneurs (N=4)
Type repair and vulcanization services	1	-	1
Watch repair services	1	-	1
Accounting services	1	1	-
Television repair services	1	0	1
Photography services	1	0	1

Human Health and Social Work Activities	All Entrepreneurs (N=18)	Women Entrepreneurs (N=14)	Men Entrepreneurs (N=4)
Provision of childcare services	1	1	-
Ophthalmology (eye) clinic	1	1	-
Cosmetology	2	2	-
Massage	1	1	-
Health worker	1	-	1
Dental clinic	4	3	1
Pharmacy services	7	5	2
Healthcare services	1	1	-
Financial and Insurance Activities	All Entrepreneurs (N=3)	Women Entrepreneurs (N=2)	Men Entrepreneurs (N=1)
Cryptocurrency	1	-	1
Accounting services	1	1	-
Prefer not to answer	1	1	-
Real Estate Activities	All Entrepreneurs (N=9)	Women Entrepreneurs (N=3)	Men Entrepreneurs (N=6)
Buying and selling of real estate	9	3	6
Electricity, Gas, Steam, and Air Conditioning Supply	All Entrepreneurs (N=1)	Women Entrepreneurs (N=0)	Men Entrepreneurs (N=1)
Electricity service provision	1	-	1
Water Supply; Sewerage, Waste Management, and Remediation Activities	All Entrepreneurs (N=3)	Women Entrepreneurs (N=0)	Men Entrepreneurs (N=3)
Disinfection	1	-	1
Disinfection service	1	-	1
All water-related necessities	1	-	1

APPENDIX #2: TYPE OF BUSINESS/ENTREPRENEURIAL ACTIVITY

Education	N=2
Private kindergarten	N=1
Tutoring center	N=1
Arts, Entertainment, Recreation	N=1
Painter	N=1
Real Estate Activities	N=1
Buying and selling of real estate	N=1
Electricity, Gas, Steam, and Air Conditioning Supply	N=2
Gas supply to villages	N=1
Electrician	N=1
Electricity, Gas, Steam, and Air Conditioning Supply	N=5
Beauty salon	N=2
Clothing atelier	N=1
Non-ferrous metal scrap collection	N=1
Dry-cleaning facility	N=1