

FEASIBILITY STUDY ON WOMEN-OWNED BUSINESSES ACCESS TO FINANCE IN BOSNIA AND HERZEGOVINA



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LIST OF ABBREVIATIONS

A1	A1 Hrvatska (Croatian company, part of A1 Telekom Austria Group)
BAM	Bosnian Mark (currency)
BBi	Bosna Bank International
BD	Brčko District
BDGE	Brčko District Commission for gender equality
BiH	Bosnia and Herzegovina
BIPA	BIPA d.o.o. (Croatian company)
CARE International	Cooperative for Assistance and Relief Everywhere
CB	Coordination board
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEFE	Center for Ethics in Free Enterprise
CIT	Corporate Income Tax
COVID-19	Coronavirus disease 2019
CSOs	Civil society organizations
CSR	Corporate Social Responsibility
DM	Drogerie Markt
EBRD	European Bank for Reconstruction and Development
ERASMUS	European Union program for education, training, youth, and sport
EU	European Union
EUR	Euro (currency)
FBiH	Federation of Bosnia and Herzegovina
FCDO	Fund for Good Governance, Office of Foreign Affairs, Commonwealth and Development
FES	Friedrich-Ebert-Stiftung
FIGAP	Fond for Implementation of Gender Action Plan Program
GAP BiH	Gender Action Plan of Bosnia and Herzegovina
GDP	Gross domestic product
GEL	Gender Equality Law
GEM	Global Entrepreneurship Monitor
GFRS	Guarantee Fund of the RS
HBOR	Croatian Bank for Reconstruction and Development
HOK	Croatian Chamber of Crafts
HRK	Croatian kuna (currency)
ICT	Information, Communication and Technology
IKEA	Ingvar Kamprad Elmtaryd Agunnaryd (Swedish company)
ILO	The International Labour Organization
IRF	Montenegrin Investment and Development Fund
IT	Information Technology
KFBiH	Chamber of Commerce of FBiH
LGAP	Local Gender Action Plan
MCD	Microcredit Company
MCF	Microcredit Foundation

MEASURE-BiH	Monitoring and Evaluation Support Activity
MSME	Micro, Small, and Medium Enterprises
NGO	Non-governmental organization
OECD	Organization for Economic Co-operation and Development
RS	Republika Srpska
RSD	Serbian dinar (currency)
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprises
UN	United Nations
UN Women	The United Nations Entity for Gender Equality and the Empowerment of Women
UNDP	United Nations Development Program
USAID INSPIRE	Human Rights Activity Project
USAID KULT	Part of the INSPIRE – Human Rights Activity in Bosnia and Herzegovina project
USAID	United States Agency for International Development
VC	Venture Capitals



1. BACKGROUND

1. BACKGROUND

UN Women, grounded in the vision of equality enshrined in the Charter of the United Nations, works for the elimination of discrimination and violence against women and girls; the empowerment of women; and the achievement of equality between women and men as partners and beneficiaries of development, human rights, humanitarian action and peace, and security.

One of the key focus areas in the UN Women Strategic Note 2021 – 2025 is aimed at women's economic empowerment. UN Women's key focus in this area of work is producing knowledge, programming, and policy recommendations on key areas of women's economic empowerment and piloting targeted support to policymakers, businesses, and key categories of women that need economic activation. Building on previous investments in support of gender-responsive policies and budgets, UN Women in Bosnia and Herzegovina supports the development and resilience of women-owned businesses and women entrepreneurs and supports the improvement of the socio-economic position of rural women and their cooperatives.

Bosnia and Herzegovina is an upper-middle-income country and an EU potential candidate embarking on a new growth model amid slow growth and the global financial crisis¹ The COVID-19 pandemic led to a marked drop in BiH economic activity in 2020. While during 2015-2019, a relatively favorable external environment helped achieve average economic growth of 3.5%, economic output dropped by about 4.5% in 2020.

According to the 2021 European Union BiH Country Report, “access to finance is still very limited, especially for small firms. Lending continued to increase during 2020, but small firms' access to finance remained particularly constrained. Financial literacy is limited, in particular among small enterprises. The size of the

non-bank alternative financing sector and the capital markets has remained small, with a market capitalization of the country's stock markets of about 26.5% of GDP at the end of 2020. The use of venture capital has continued to be very limited. The governments' loan guarantees positively impacted the private sector's access to finance. However, for many micro and small companies gaining access to those guarantees appear to have been difficult.”

The pandemic had the most damaging effects on the economic well-being of women and girls. Out of the total number of unemployed persons, 57,4% are women.² Regarding gender (in)equality in entrepreneurship in BiH, the female/male ratio for total entrepreneurial activity and opportunity is unfavorable for female entrepreneurs in BiH. Women business owners face serious financial obstacles, including lack of initial capital, lack of resources for financing start-ups and business development, poor supply of entrepreneurial capital, and banks' unfavorable and inappropriate attitude. The information on existing government or non-government financial incentives is insufficient (UN Women BiH, 2021).

Female-led Micro, Small, and Medium-Sized Enterprises (MSMEs) play a vital role as job creators, driving female participation in the economy and boosting inclusive GDP growth. In addition to the direct economic impact of MSMEs, research shows that female-led enterprises employ more women³. Women's increased control over resources leads to improved health and education outcomes for children, among other socio-economic benefits. Reducing poverty and boosting inclusive growth are directly linked to women's economic participation and women-led MSMEs. Empowered female entrepreneurship can have a crucial role in alleviating poverty and creating jobs in Bosnia and Herzegovina.

¹ Opinion from World Bank, Available at: bit.ly/3x3cltT. This assessment was made before the COVID-19 pandemic.

² Data source: BiH Agency for statistic, February 2022, Available on: bit.ly/3NUkoz7

³ Publication „Access to finance for female-led micro, small & medium-sized enterprises in Bosnia and Herzegovina“; March 2018; Available at: bit.ly/3Na5RyZ

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2. SCOPE OF WORK

2. SCOPE OF WORK

The overall objective of this report is to contribute to an environment in which women benefit from resilient, inclusive, and sustainable growth in BiH through strengthened policy development and stakeholders' capacity to promote entrepreneurship and support the resilience of women entrepreneurs.

Therefore, **this report aims** to provide evidence and recommendations on expanding the ability of women entrepreneurs to pursue economic opportunities, invest additional capital, and grow their businesses.

In particular, the research focuses on:

- Review of all relevant sources of business financing for women's entrepreneurship on BiH, FBiH, and RS levels,
- Assessment of the existing sources of business financing (BiH, FBiH, RS) for women's entrepreneurship,
- Examples of good practice from the region or beyond and proposing possible ways of implementation in Bosnia and Herzegovina (BiH, FBiH, RS),
- Overview of legal and policy framework impacting access to finance for women entrepreneurs,
- Comprehensive assessment of available sources of business financing, structures, and systems of institutions in business financing.

Using several methods of data collecting and analysis, this research sheds light **on the key denominators and challenges when it comes to women's access to financing schemes and specific gaps in donor support/market failures. It also recommends different approaches to improving access to finances for women entrepreneurs.**

Disclaimer and limitation of liability

This report is based on desk research of publicly available data and information obtained from interviews and focus groups before 14 April 2022. There is no assurance that data available from

public sources are accurate. Unless stated otherwise in the body of this report, the performance of our work was restricted and limited in time, scope and depth.

We have not conducted an independent review or verified the information obtained through the desk research, nor have we independently verified the verbal information provided to us by the interviewees and focus groups participants. Should any of the information available online or from other sources on which we relied and which are referenced in this report, or should any of the verbal information given to us be incorrect or misleading, any findings, interpretations, opinions, and recommendations contained herein may be inaccurate or incomplete and may have generated different results, which would require further research and analysis outside of the scope of this engagement.

The identity of the individuals who participated in our focus groups and interviews is protected in line with the GDPR and the confidentiality clauses stated on the invitation letters, which were subject to UN Women's approval.

This engagement does not include full-scope legal analysis or recommendations. Overview of the legal and institutional framework is based on the existing laws, regulations, and other relevant documents, and we, at this moment, give a high-level overview of those. Further on, having in mind that legislation is prone to frequent changes and that sources of finances and the conditions to financing are subject to various factors and thus highly changeable, should further information come to light following the issuance of this report, it may be necessary to change the findings contained herein. We have no obligation to update our report after the date of this report within the existing engagement.

This report, including its attachments and other related documents, is intended solely for the use of the entity to whom it is addressed. Should this report be disclosed, copied, quoted or referred to in whole or in part, such action includes, without limitation, an indemnity against any claims by third parties arising from release of any part of this report.

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3. EXECUTIVE SUMMARY

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Both men and women in BiH face more significant challenges in accessing loans. However, as reported in USAID Measure Report from 2018, the women's financial exclusion is still striking, with considerably fewer women having a bank account or formal savings than men. According to our research, women-owned businesses in BiH appear restricted in their growth paths, so they tend to be small or medium enterprises. Women entrepreneurs are also more likely to run smaller firms, mainly in the service sectors or agriculture, thus operating in lower value-added sectors. In addition, they work more home-based businesses, which they started with their assets and with their family members' help.

Gender institutional mechanisms have supported institutions in drafting legislation and strategies-concerning economic, labor, business, social and developmental issues that integrate gender perspectives. However, MEASURE-BiH reported that **"high-level planning of economic reforms continues to be gender-blind, despite formal requirements for gender review; gender-responsive budgeting is not meaningfully applied to the expenditure side, and not even discussed when it comes to the revenue side."**⁴

Although the incentives for employment and development of women's entrepreneurship have been increased in the last period, the following areas of concern were identified in the 2019 CEDAW report:⁵ (a) The persistent barriers to women's access to financial credit and loans by women due to lack of collateral such as land and housing property; (b) The underrepresentation of women in decision-making in growing industries such as tourism, food, and renewable energy; and (c) The economic emigration of women and girls.

A weak and unsupportive investment climate limits women's enterprises' productivity and the willingness of banks and private investors to involve their assets in women's entrepreneurship. The online survey (see Annex I) showed that 85% of respondents never received incentives from public institutions or financial institutions. The survey demonstrated that women are less likely to have taken out a loan and be aware of risks, but borrowing terms can also be less favorable for women.

The evidence of private investments is almost non-existent. The international donor support is visible but, in general, lacks a harmonized approach that would increase its impact.

Access to finance for women is also limited by non-financial barriers that, among others, include: the legal and regulatory environment, the quality of available financial programs, constraints within financial institutions (little familiarity with and cultural barriers preventing interest in female clients); and economic infrastructure that limit incentives to reach out to more female clients.

The COVID-19 crisis has had an incredibly profound impact on women. The burden of family care duties fell disproportionately on women than on men, thus affecting women's career progression and participation in the labor market (UN in BiH, 2020; UN Women, 2020; Suta, Heimann, Duell, Thoug, & Pollitt, 2021). Women's (self)employment and participation in the labor market were also disproportionately affected by the crisis. There is enough evidence to conclude that in BiH, financial and non-financial barriers constrain women's SME growth and implications for finance access.

⁴ UN Women (2021). Country Gender Equality Profile. Sarajevo, Bosnia and Herzegovina.

⁵ BiH's CEDAW report, 2019 bit.ly/3NP3BgJ



4. KEY FINDINGS

4. KEY FINDINGS

4.1. Findings on financial barriers to women's access to finance

- Women-owned businesses' access to finance is limited by a weak and unsupportive legislative and investment climate,
- Programs, credit, and loans targeted at financing women's businesses are of insufficient range,
- Access to the governments' loans is restricted by a lack of information and financial literacy,
- Women entrepreneurs' productivity is hindered by patriarchal social norms and gendered views on work-life balance.

Access to finance is a crucial challenge for MSMEs and female-led MSMEs. World Bank reported that this challenge stems from limited financial capabilities and management, unsuitable financial products, and financial institutions that do not consider MSMEs a profitable customer segment (and that are often unable to assess the risk profile of MSMEs appropriately), high collateral requirements.

According to the World Bank report, the MSME finance gap in BiH is almost 5 percent of GDP, with a gap of more than USD 73 million for female-led firms.⁶ In BiH, nearly 20 percent of MSMEs consider access to finance a significant obstacle to enterprise development; of these, 66 percent are microenterprises.

Generally, BiH has a limited range of programs targeted at solely financing women's businesses. They are often eligible through programs of entrepreneurship funding, start-ups, and MSMEs.

Several types of loans are available depending on women entrepreneur insurance/collateral instruments, further characterized by varying maximum loan amount, tenure, and collateral requirements. Other lending programs and schemes available in BiH generally target MSMEs without different or specific requirements for women-owned or women-led businesses.

Credit lines include targeted loans for agricultural financing, initial business activities, financing capital, COVID – 19 recovery loans, and similar, provided through banks and microcredit institutions. Those offered by banks tend to have a market or sub-market interest rates, while the ones available through microcredit institutions generally have higher interest rates than banks but lower than through other financing programs run by microcredit institutions. Eligibility, maximum amount, tenure, and other characteristics differ among programs.

As our study indicated, banks' unfavorable credit lines, weak creditors' rights, and a lack of credit information led to disproportionately disadvantaged women, particularly if they have little collateral or control over assets. Even though women entrepreneurs' generally have good repayment records when running micro-businesses, they are not often graduated to a more prominent individual or business loans beyond microfinance programs.

Institutional financial support is usually provided via programs for self-employment or startups. According to study findings, these programs are insufficient to significantly develop a women's enterprise. International donors' support programs are primarily in non-refundable grants aimed at specially designed programs for women and women-led organizations, especially from

⁶ World Bank Group. Access to Finance for Female-Led Micro, Small & Medium-Sized Enterprises in Bosnia and Herzegovina. March 2018. Available at: bit.ly/38Gtqkf

rural areas. Although very important for setting a scene for future developments, providing valuable support and good examples, these resources are currently of limited capacity to achieve a large-scale impact on women's entrepreneurship.

Last but not least, BiH companies rarely provide direct financial investment to develop women's entrepreneurship. This trend was evident before COVID-19 and made direr during the pandemic. The support companies provide to the women businesses is in non-refundable donations, mainly to the civil society organizations dealing with vulnerable and marginalized women.

4.2. Findings on non-financial barriers to women's access to finance

The complex and decentralized organization of the country means that there is no unified approach to SME policy planning and implementation, making it challenging to develop coherent policies. As stated in the 2021 EU Country report, “the investment environment and the level of competitiveness remain unsatisfactory. Bosnia and Herzegovina lacks a countrywide strategic framework to encourage foreign direct investments and improve the business environment.”

The country's business environment is hampered by numerous and lengthy procedures, political interference, corruption, and diverging rules in different parts of the country, complicating the operation of companies and creating additional costs. The simplification of business-related legislation is being carried out on an ad hoc basis. It is not harmonized throughout the country, e.g., additional administrative and compliance requirements between entities.

Most of the entities' level laws do not contain specific provisions related to the gender dimension. Still, laws like the FBiH and the RS Labor Laws have particular requirements that address specific rights and needs of women. The exception is the RS Law on the development of small and medium enterprises. In this law, women's entrepreneurship is recognized as significant, so the adoption of support programs, implementation of training, creation of conditions for better access to financing, and association of women entrepreneurs is promoted. It is the same situation on the BD level – laws related to enterprises do not specifically endorse women's entrepreneurship.

The lack of readily available gender-disaggregated data in all spheres is a severe impediment to the monitoring of the implementation and effects of gender equality policies. Specific sets of official gender-disaggregated statistics are available, most notably in demography, employment, social services, and education, as statistical institutions in BiH regularly collect and publish them. But there is no gender-disaggregated data on business ownership. Therefore, the share of businesses owned by women in BiH is unknown.

Besides legal, other multidimensional barriers like social norms, difficulties in balancing work and family time demands, and limited access to collateral result in a low percentage of female-owned MSMEs among all MSMEs and constraints in realizing their full potential.⁷

According to the 2021 Friedrich-Ebert-Stiftung (FES) research,⁸ “Although women and men in BiH have equal rights to own real estate, the data indicate that women have this right and enjoy it to a lesser extent. Imposed patriarchal norms and traditions which impose that property owners should be men significantly contribute to this

⁷ Ibid.

⁸ Vlasništvo nad nekretninama kroz prizmu rodne ravnopravnosti, Friedrich-Ebert-Stiftung (FES), Juli 2021. Available at: bit.ly/3M4FSYJ

situation. Hence, it is necessary to insist on raising public awareness, especially women, to use and enjoy their rights.”⁹

Based on the data from 2015, only 30% of women were owners and co-owners of real estate (land and buildings) in BiH, which directly impacts their eligibility for traditional financing. Further on, domestic responsibilities, responsibilities for children, and elderly care usually fall within the responsibility of women.¹⁰

This significantly impacts their ability to dedicate time and effort to economic activities, adversely impacting the growth and productivity of their businesses, including the ability to qualify for finance.

COVID-19 crisis put female entrepreneurship, which was underdeveloped in the pre-pandemic times, under additional stress. Survey-based data shows that 68.4% of women-owned businesses in the FBiH and 76.3% in the RS stopped their activities. Women-owned businesses experien-

ced higher revenue drops at the beginning of the pandemic in 2020. Finally, women had fewer financial opportunities to support business operations during the lockdown, reflecting underlying structural issues of access to finance (e.g., loans) being harder and more limited for women than for men (MEASURE-BiH, 2016; World Bank, 2015).¹¹

As a key asset of entrepreneurs, human capital includes formal education and specific business skills such as management techniques and the entrepreneur's ability to be committed to the business. Financial Literacy Assessment in Bosnia and Herzegovina from 2019¹² shows a relatively low level of financial literacy of Bosnian citizens, in a shallow level of understanding and skills related to basic concepts, such as compound rate of return and diversification, indicate that many aspects of financial knowledge that could be improved. This study finding is that women still tend to be the less educated and informed entrepreneurs, which heavily impacts their access to finance for women-owned MSMEs.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Data provided by Regional Cooperation Council. Performance of Western Balkan Economies Regarding the European Pillar of Social Rights. Available at: bit.ly/3PPEAJ

¹² Halilovic, S., Zaimovic, A., Berilo, A. A., & Zaimovic, T. (2019). Financial Literacy Assessment in Bosnia and Herzegovina. *Procedia Computer Science*, 158, 836–843.

The image features a background split into two horizontal bands: a top blue band and a bottom green band. Overlapping these bands are several semi-transparent, layered shapes. A large, light blue shape starts at the top left and curves down into the green band. Another large, light green shape starts in the green band and curves upwards. The text is positioned in the lower-left area of the green band, within the overlapping shapes.

**5. LEGISLATIVE AND POLICY
FRAMEWORK OF WOMEN'S
ENTREPRENEURSHIP BUSINESS
FINANCING ON BiH, FBiH
AND RS LEVELS**

5. LEGISLATIVE AND POLICY FRAMEWORK OF WOMEN'S ENTREPRENEURSHIP BUSINESS FINANCING ON BiH, FBiH AND RS LEVELS

This chapter will provide an overview of legal and policy frameworks impacting access to finance for women entrepreneurs; a comprehensive assessment of available sources of business financing, structures, and systems of institutions in the areas of business financing (Loans - banks, MCF / MKD, incentive credit lines, guarantee funds, direct and indirect incentives, incentives of different levels of government in BiH, tax incentives, grants, EU funds and programs, business angels, investment funds, venture capitals (Vcs), crowdfunding ...) and examples of good practice from the region or beyond.

5.1. International instruments

In understanding the challenges of women's entrepreneurship in BiH, it is crucial to understand the intricacies of the local political system and develop an understanding of the level of collective awareness that, in turn, has a significant effect on the encouragement of women's entrepreneurship.

BiH comprises two administrative entities: the FBiH and the RS, and the self-governing administrative unit BD.

BiH is a member state of the UN. By its membership and the UN Charter must eradicate and prohibit discrimination on the grounds of gender. The formal and legal aspects of gender equality in BiH are defined on two levels - international and national, which further directly reflect the lowest level - the local community. For the needs of this research, we will remind of the most important international instrument that regulates this topic:

- **the Convention on the Elimination of All Forms of Discrimination against Women, 1979 ("CEDAW Convention")**

CEDAW Convention emphasizes that discrimination against women "violates the principles of equality of rights and respect for human dignity."¹³

- **the Beijing Declaration and the Action Platform (1995) ("Beijing Declaration")**

Beijing Declaration and the accompanying Action Platform¹⁴ aim to declare the obligation of each state to adopt a national plan to improve the position of women and commit themselves to institutional changes and the implementation of concrete measures to strengthen the role of women. BiH has made a series of steps by developing gender action plans and other strategic documents.

¹³ UN Women. Convention on the Elimination of All Forms of Discrimination against Women.

Available at: bit.ly/3PRfg0t

¹⁴ The Beijing Declaration and the accompanying Action Platform, 1995.

Available at: bit.ly/3td18F3

¹⁵ Resolution 1325 Women, peace and security, 2000. Available at: bit.ly/3ail9DB

- **Resolution 1325 ("Women, Peace, and Security" 2000) ("Resolution 1325")**

Resolution 1325¹⁴ underlined the importance of women's role in preventing and resolving conflicts, (post) conflict building, maintaining and promoting peace and security, and insisting on involving women in peace processes. BiH is the first country in the region that has drawn up and adopted the Action Plan for the Implementation of Resolution 1325.

- **and the Council of Europe Convention on the Prevention and Combating Violence against Women and Domestic Violence, 2011 ("Istanbul Convention").**

Istanbul Convention¹⁶ was signed and ratified by BiH as the sixth member of the Council of Europe in 2013. In 2015, the BiH Council of Ministers adopted a Decision on adopting the Framework Strategy for the Implementation of the Istanbul Convention for 2015 - 2018.

5.2. National legal regulation

BiH Gender equality law was adopted in 2003¹⁷. Obligations of the competent authorities are clearly defined in Article 24, which states that all sources, including local self-government units, are "under their jurisdiction" to "take all appropriate and necessary measures to enforce the provisions of this Law and Gender Action Plan of BiH."

Article 24, among other things, results from the obligation of local authorities to implement programs of measures to achieve gender equality in all areas. Some of these programs in all areas should include "gender analysis in a particular

area", "implementation of the adopted national policies through action plans for gender equality", and "measures to address gender inequality in a given area".

Institutional mechanisms for gender equality in BiH have been established through GEL, namely the Agency for Gender Equality at the level of BiH, the FBiH Gender Center, and the RS Gender Center at the entity level as government advisory bodies. The Gender Equality Commission of the Parliamentary Assembly of BiH is active at the state level. At the same time, there are the Gender Equality Commission of the House of Peoples and Gender Equality Commission of the House of Representatives of the FBiH Parliament and the Committee of Equal Opportunities of the National Assembly of Republika Srpska.¹⁸ In the FBiH, the Gender Equality Commissions also operate at cantonal assemblies.¹⁹

A representative from BD is a member of the Coordination Board for monitoring the performance of the state Gender Action Plan for BiH ("CB"), whose jurisdiction is to coordinate and monitor the implementation of the state activities. Members of CB also perform the duty of contacting persons for gender equality in their institutions. BD Assembly founded this institution²⁰ in 2014 and named it a Commission for gender equality ("BD GE Commission").

In line with BiH's Gender equality law, the Gender Action Plan of BiH ("GAP") for the period 2018-2022²¹ was adopted. BiH's obligation to draft the GAP stems from domestic documents, and

¹⁶ Council of Europe. Convention on preventing and combating violence against women and domestic violence (Istanbul Convention). Available at: bit.ly/3NQDFRK

¹⁷ Gender equality law in BiH– revised text ("Official Gazette BiH", number 32/10).

Available at: bit.ly/3PVB9LQ

¹⁸ Scheme of institutional mechanisms for gender equality, the FBiH Gender Center.

Available at: bit.ly/3PW31zC

¹⁹ Bosnia and Herzegovina. Gender Action Plan for BiH 2018-2022. page 35.,

Available at: bit.ly/3ai7KuY

²¹ Ministry for Human Rights and Refugees, Gender Equality Agency of Bosnia and Herzegovina. Gender Action Plan covering 2018-2022.

Available at: bit.ly/3GFcmJv

²² Gender action plan for Bosnia and Herzegovina 2013 - 2017, Official Gazette BiH, number 98., 2013.; Report of the Agency for gender equality of BiH about the implementation of this plan for 2015 and 2016.

Available at: bit.ly/3PVC0w2

international obligations, that BiH has undertaken by ratifying conventions in the field of gender equality. The structure of the GAP BiH is based on the strategic goals, priorities, and measures of the previous GAP (2013-2017)²², state and entity development strategies, the Strategy for Equality of Men and Women of the European Union, and other relevant strategic documents of the Council of Europe, the European Union and the United Nations. It is a framework document covering all areas of social life but identifying priority and cross-cutting areas related to strengthening systems, mechanisms, and instruments for achieving gender equality and enhancing cooperation and partnership. In this way, the obligations of institutional mechanisms for gender equality are more clearly defined, and the duties and responsibilities of line ministries in each priority area.

Previous GAP 2013 - 2017 foreseen the establishment of Gender Equality Coordination Boards, but as stated in the Alternative answers of civil society organizations to the European Commission issues of 2017, Coordination Boards for Gender Equality were formed in "two out of ten cantons" and "still did not start an active engagement."²³ The commissions operate within the municipal councils/assemblies on a local level.

Anti-discrimination law in BiH²⁴ was adopted in 2009 and amended in 2016 when gender identity was explicitly recognized as a prohibited discrimination ground.

Aside from legislative attempts at improvement, gender equality issues are addressed at other levels of government, dealing with gender-based violence, security issues, the position of women in rural areas, women with disabilities, and other related issues. While these do not necessarily

relate to women's entrepreneurship, they illustrate women's position in local society i.e. the need for them to be protected through various mechanisms.

Although there are many essential stakeholders (as the country is complex in terms of its administrative units), the following major and very relevant institutions for women's entrepreneurship are identified as follows²⁵:

- Agency for Gender Equality of BiH has the central coordination role in gender equality in BiH.
- State level Ministries (Ministry of Foreign Trade and Economic Relations of BiH - Sector for economic development and entrepreneurship and Ministry of Civil Affairs).
- Ministries at the level of Entities (e.g. The Federal Ministry for development, entrepreneurship, and Crafts; Federal Ministry of Education) are taking care of policies and programs that would support entrepreneurship and development in areas of crafts, SMEs, and special target groups (women, young, rural and urban) but also education and innovations.
- Municipalities – as they decide about subsidies for entrepreneurship.
- NGO Sector dealing with education, entrepreneurship, business incubators

5.3. Federation of Bosnia and Herzegovina

Development Strategy of the FBiH for 2021 – 2027 was adopted in February 2021²⁶ (in further text "the FBiH Strategy"). It defines development priorities and policies of the Entity, as well as the obligations of the FBiH in terms of EU integrations.

²³ Alternative responses of organizations of the civil society to questions of the European Commission, Sarajevo, Banja Luka, July 2017., p. 52.

Available at: bit.ly/3ahofYa

²⁴ Unofficial revised text of the Law,

Available at: bit.ly/3afbH3G

²⁵ Female Entrepreneurship in the Danube Region Paper,

Available at: bit.ly/3x29ksO

²⁶ Development Strategy of the FBiH for 2021 – 2027.

Available at: bit.ly/3aimMRJ

Accelerated economic development is outlined as the first strategic goal which assumes different development activities and support to SMEs and entrepreneurs. The third priority: “Support development of the business private sector” of this goal assumes support to the development of entrepreneurs in tourism and creative sector, as well as the spatial concentration of the entrepreneurs. Women are mentioned as a vulnerable group which shall be encouraged to work in creative and IT sectors (“unemployed women, women with disabilities, women victims of violence, Roma women, etc.”²⁷). This priority also recognizes the struggles of start-ups and the need to remove obstacles to starting business and entrepreneurship activities and exiting from them by reducing costs, procedures and time required, but also highlights other hindrances the entrepreneurs and start-ups face:

“The goal is to stimulate entry into entrepreneurship, financially support it, eliminate "penalties" and fears of failure, help remove administrative barriers, etc. It is necessary to provide financial resources (grant funds for start-up SMEs, voucher schemes, soft microloans, co-investment, guarantees, etc.), as well as professional support through mentoring, and assistance in connecting and networking with other companies, but also other market players. It is necessary to network all relevant participants, such as federal administrative bodies, the Chamber of Crafts and Commerce, scientific research institutions, relevant ministries, and other entities and institutions whose task and interest is to strengthen entrepreneurial capacity to ensure exchange of knowledge and good practice, availability of information on the possibilities of financing entrepreneurial projects, and other information that contributes to more successful business.”²⁸

Important to mention is also the first priority of the Accelerated economic development goal which talks about the need to increase digitalization of the economy, and the related measures, inter alia, accelerated digital transformation of SMEs and enhancement of digital skills of citizens to match the labor market needs.

In terms of gender specific legislation, even though the FBiH is obliged to implement the GEL fully, FBiH prepared but never actually adopted “The Action plan for the development of women’s entrepreneurship for period 2018-2020”, one of the crucial documents for obtaining the gender equality while also not having prepared or adopted one for the current period.

Also, there is no uniform and consistent GEL implementation practice across ten cantons. Research from 2018 – 2019 showed that GEL was not implemented in Bosnian-Podrinje Canton and Canton 10. The quota of at least 40% of less represented sex²⁹ was not met in any of the analyzed municipal/city councils or the cantonal assemblies and governments. Women were least represented in Bosansko Grahovo (7.69%), while the legal quota was closest in the city council of Livno (38.7%). Only in Livno, the vice-president of the city council was a woman (and still is on the date of this report). In contrast, in other local communities, the rank of the mayor, president, and vice-president of the city/municipal council were men.

There was also a small number of women in ministerial positions, especially in Central Bosnia Canton and Canton 10 (11.11%), while there were a little more in Tuzla (25%) and Posavina Canton (20%). Where they were appointed to ministerial posts, women were generally entrusted to the ministries of labor and social policy or ministries of education and culture, and then to the ministry of justice. A woman head of the ministry of finance and in the Government of the Posavina Canton or

²⁷ Ibid. Page 27.

²⁸ Ibid. Page 25.

²⁹ Gender equality law in BiH– revised text (Official Gazette BiH, number 32/10). Article 20. Available at: bit.ly/3PVB9LQ

at the head of other sectors traditionally considered male was a real rarity.³⁰

Insight into the current city and municipal budgets show that system programs aimed at improving the position of women are largely absent. Only a small number of municipalities in the FBiH even have the gender action plans for the current period³¹:

- Zenica 2021–2025
- Stari Grad Sarajevo 2021–2025
- Tešanj 2020–2023
- Gračanica 2022–2025
- Olovo 2021–2025
- Cazin 2020–2024
- Banovići 2020–2024
- Novo Sarajevo 2018–2022

Where public budgets allocate specific funds to projects whose target groups are women, the funds are very modest, and projects involve a small number of beneficiaries. All municipalities and cities should consider the specific needs of women, especially women in rural areas, elderly women, women independent parents, women with disabilities, and other vulnerable categories that are entirely neglected in strategic documents when planning the budgets. Fragmentary data collected from different documents conclude that to women as a whole and marginalized groups of women, (self)employment is a priority.

Regarding women with disabilities, measures to improve their position are reduced to removing architectural barriers. **There is clear discrimination within the vulnerable groups themselves, which illustrates the data on a significantly lower number of employed women than men with disabilities.**

Also, the fact that half of the insured funds from the city budget of Tuzla for employment incentives for persons with disabilities have not been used due to the stigmatization of these persons because of the employers' lack of interest. To improve the position of women with disabilities, it is necessary to introduce positive discrimination measures in (self)employment projects. Also, it is a priority to adapt specialist health services to women with disabilities. Women independent parents are completely unrecognized in strategic documents.

The only document we saw was the *Information on the realization of GAP Tuzla 2013 - 2016*, where they were mentioned as single mothers mentioned among the participants of the project "Development of Women's Entrepreneurship in the City of Tuzla". Recommendation to local communities is to use gender-sensitive situation analysis to identify key needs of women independent parents and incorporate them into strategic development documents.³²

There are drastic differences in the social rights of women in different cantons. In Sarajevo Canton, the salary compensation for a mother who has concluded an employment agreement or a decision on employment and application for compulsory employment insurance at least 12 months before going on maternity leave is set at 60% of the average salary, provided that that amount may not be less than the lowest salary in the FBiH. Salary compensation for a woman-mother who has concluded an employment agreement or a decision on employment and less than 12 months before going on maternity leave and applies for compulsory insurance based on employment is determined in the amount of 30% of the average salary.³³

³⁰ Amila Ždralović, PhD; Zlatiborka Popov-Momčinović, PhD and Prof. Zarfa Hrnjić-Kuduzović, PhD (2018), Women in BiH institutions: puppets of gender quotas, pg. 140

³¹ Website of the Gender center of the FBiH. Available at: bit.ly/3x9oKwv

³² Ibid, pg. 144

³³ Article 149 of Law on Social Protection, Protection of Civilian Victims of War and Protection of Families with Children of Canton Sarajevo (Official Gazette of Sarajevo Canton, no. 38/2014 – clean text, 38/2016, 44/2017, 28/2018 and 52/2021)

In Tuzla Canton, salary compensation is determined in the amount of 90% of the average salary of the beneficiary in the period of six months before maternity leave or in the amount of 55% of the average salary earned in the same period if it is more favorable for the beneficiary. The salary compensation cannot be higher than the average salary. The employer may pay the beneficiary the difference between the amount of salary compensation and the salary earned by the beneficiary before entering maternity leave. The salary compensation will be valorized every three months with an increase in the average salary of more than 5%, provided that the compensation cannot be lower than 55% of the average salary.³⁴

In the Bosnian-Podrinje Canton Goražde, the compensation from the previous article is determined by 80% of her salary earned in the period of 6 months before childbirth, valorized based on salary growth in the Canton in that period. The allowance instead of the wages of the woman-mother may not be higher than the two average paid net salaries in the Canton realized in the previous year. For a woman-mother who has concluded an employment contract or a decision on establishing an employment relationship less than six months before going on maternity leave, the compensation instead of the salary is determined in the amount of 60% of the average salary in the Canton. The amount of compensation is defined in the procedure for each woman-mother separately, provided that this amount cannot be less than 60% of the average salary in the Canton earned in the previous year.³⁵

Also, there is a noticeable difference in terminology between the Sarajevo Canton and the BPC

Goražde, where “woman-mother” is used. In contrast, in the Tuzla Canton the term “beneficiary” is used.

In December of 2021, the Sarajevo Canton Assembly adopted the Draft Law on Amendments to the Law on Social Protection, Protection of Civilian Victims of War, and Protection of Families with Children, to which the Sarajevo Canton Government submitted an amendment to Article 20 of the Draft Law on Amendments to the Law on Social Protection. Protection of Civilian Victims of War and Protection of Families with Children. With these changes, every mother in Sarajevo Canton will receive a monthly amount of the average salary in the Federation of BiH, which now amounts to BAM 1,000.

Speaking about specific laws of the FBiH, FBiH Law on companies³⁶, FBiH Law on registration of the business entities³⁷, FBiH Law on banks³⁸, FBiH Law on foreign investments³⁹, FBiH Law on Income Tax⁴⁰, do not contain specific provisions related to the gender dimension, however, some laws do to some extent address women-based or women-led entrepreneurial activities.

The law regulates women's position in terms of labor protection and enabling business rights is the FBiH Labor law⁴¹. Grammatical terminology of the FBiH Labor law is held so that the masculine or feminine gender in the provisions includes both genders⁴². Following most laws, only the masculine gender is used in this Law. Additionally, it is designated that the care should be taken the equal representation of both genders in the Employees' Council, the Peace Council, the Economic and Social Council, and other bodies arising from the law and collective agreements.⁴³

³⁴ Article 90 of Law on Social Protection, Protection of Civilian Victims of War and Protection of Families with Children of Tuzla Canton ("Official Gazette of Canton Tuzla", no. 5/2012 – clean text, 7/2014, 11/2015, 13/2016, 4/2018, 12/2020, 22/2021 and 5/2022)

³⁵ Article 102 of Law on Social Protection, Protection of Civilian Victims of War and Protection of Families with Children of Bosnian-Podrinje Canton Goražde ("Official Gazette of Bosnian-Podrinje Canton Goražde", no. 7/2008 – clean text, 2/2013, 12/2013, 4/2014 and 13/2020)

³⁶ Law on Companies of Federation of BiH (Official Gazette of FBiH, no 81/15 and 75/21)

³⁷ Law on Registration of Business Entities in the Federation of BiH (Official Gazette of FBiH, no 27/05, 68/05, 43/09, 63/14, 32/19 and 85/21)

³⁸ Law on Banks of Federation of BiH (Official Gazette of FBiH, no 27/17)

³⁹ Law on Foreign Investments of Federation of BiH (Official Gazette of FBiH, no 61/01, 50/03 and 77/15)

⁴⁰ Law on Income Tax of Federation of FBiH (Official Gazette of FBiH, no. 10/08, 9/10, 44/11, 7/13 and 65/13)

⁴¹ Labor law of Federation of BiH (Official Gazette of FBiH, 26/16, 89/18, 23/20, 49/21 and 103/21)

⁴² Article 2 of FBiH Labor Law

⁴³ Article 3 of FBiH Labor Law

The law in question prohibits discrimination in relation to the conditions of employment, including salary, along with envisaging legal protection in cases of harassment and violence in the workplace, particularly harassment, sexual harassment, gender-based violence, mobbing of employees, and job seekers⁴⁴.

It is noticeable that the FBiH Labor law has some other prohibited grounds of discrimination, namely: sexual orientation, marital status, family obligations, age, pregnancy, and health, but discrimination extends to other personal characteristics. This is an important item, given that women in the FBiH are increasingly asked in job interviews if they are married and if they plan to start a family, which often impacts their chances of being employed.

The Law states that a discriminated person may file a lawsuit with a competent court in discrimination cases. It is up to the discriminated person to convince the court that there is a possibility that he has been discriminated against for the court to initiate proceedings, and the burden of proof is on the employer, who must prove that he has an objective justification for his actions. If it is determined that the lawsuit is founded, the employer is obliged to establish and ensure the employee (not to mention the person seeking employment), the exercise of denied rights and compensate for the damage caused by discrimination.

The FBiH Law on Supporting the development of small enterprises⁴⁵ regulates the planning, provision of funds, and implementation of measures for the development of the small businesses in the FBiH.⁴⁶

It is evident from the FBiH Law on Supporting the development of small enterprises, unlike in the RS, there are no provisions that exclusively indicate women's rights or obligations.

FBiH Law on crafts and related activities in the FBiH⁴⁷ states that the grammatical terms used in this law to denote the masculine or feminine gender imply both genders. This law is meaningful because there is also a significant percentage of women engaged in these activities, and the goal of this law is the development and improvement of entrepreneurship, the protection of old and artistic crafts, and domestic handicrafts. Therefore, whilst the law does not solely target women's entrepreneurial activity, it provides a framework for entrepreneurial activity.

The Rulebook on the manner and conditions of achieving financial support under the production incentive model⁴⁸ prescribes the manner and conditions of receiving financial support under the production incentive model by the program of expenditure funds "Subsidy to private companies and entrepreneurs - Incentive for agriculture" determined by the Budget of the Federation of BiH adopted for the current year.

At the level of the FBiH, the Federal Ministry of Agriculture, Water Management, and Forestry has a number of Rulebooks that regulate obtaining financial support. Still, the Register of Incentives has been established at the Sarajevo Canton level only.

An important aspect of the legal framework for developing women's entrepreneurship and entrepreneurship is tax legislation regulating the income of legal entities and private individuals.

⁴⁴ Article 14 of FBiH Labor law

⁴⁵ Official Gazette of the FBiH, no. 19/2006 and 25/2009

⁴⁶ Small businesses consist of small entities, natural and legal persons, who permanently perform legally permitted activities for income or profit, including self-employment and family business related to crafts and other activities, registered with the competent authority, regardless of the form of organization and who are independent in business, employ less than 250 persons per year and have an annual turnover of up to 40 million BAM and / or whose annual balance sheet does not exceed 30 million BAM.

⁴⁷ Official Gazette of the FBiH, no. 75/2021

⁴⁸ Official Gazette of the FBiH, no. 54/2021 - consolidated text

Generally speaking, investment of a legal entity and/or of an individual investor (a physical person) from the FBiH into a start-up or an existing business can be realized as an equity investment or as a debt (i.e. loan). Both of these options assume separate legal procedures, either through registration of the investment at the relevant court with the complete set of accompanying documents or through a loan agreement.

In the case of a loan agreement, the loan can be interest-free or interest-bearing. Article 558 of the FBiH Law on Obligations relations⁴⁹ prescribes that if the interest is not agreed upon, it is assumed that the loan is with interest, and statutory interest rate will apply. Interest-free loans must be specified as such.

When the investor is a legal entity, assuming that the investor and the investee are not related parties, there are no tax implications for either of them, as long as there is no income from such investment, i.e., the loan is interest-free, and there is no payment of dividend.

Otherwise, both the interest and the dividend received by the investor would generally be subject to Corporate Income Tax (CIT), with the following exception: dividends received from other FBiH taxpayers are CIT exempt if paid out of profit which was already subject to CIT in the FBiH. For the exemption to apply, the investor must obtain the written statement from the investee that the dividend is paid out from the taxed profit. The interest paid by the investee would be tax deductible for the purposes of the investee's tax liability. In the case of loans between related parties, transfer pricing rules will apply. Specifically, in the case of an interest-free loan (or an interest-bearing loan with an interest rate below the market interest rate), the

investor shall be obliged to adjust its CIT base for the market interest income. Note that in the case of the adjustment, there are reporting and compliance procedures for avoidance of double taxation within the FBiH.

In addition, the thin cap rule applies to loans between related parties in the FBiH. A narrow cap rule with a 4 to 1 ratio of debt to inscribed capital applies to interest expenses per financial agreements and instruments from related parties. Interest expenses about liabilities per financial agreements which exceed the registered share capital in the 4:1 ratio are not tax-deductible and cannot be carried forward to another tax period.

Talking about institutional support, the FBiH Chamber of Commerce supports women entrepreneurs through various activities, even though there is no dedicated body within the Chamber.⁵⁰

5.4. Republika Srpska

The Strategy for Development of Women's Entrepreneurship for period 2019 – 2023 (in further text "the RS Strategy") was adopted in October 2019⁵¹ and it defines goals, activities and obstacles to the development of women's entrepreneurship in the RS, the resources needed to support it and the timeframes for its implementation.

Vision of the RS Strategy for Development of Women's Entrepreneurship for period 2019 – 2023

"Systematically supported and integrated women's entrepreneurship as a generator of economic development of the Republika Srpska."

⁴⁹ Official Gazette of SFRJ, no. 29/1978, 39/1985, 45/1989 - decision USJ and 57/1989, Official Gazette of BiH, no. 2/1992, 13/1993 and 13/1994 and Official Gazette FBiH, no. 29/2003 and 42/2011

⁵⁰ Website of the FBiH Chamber of Commerce. Available at: bit.ly/3Nef9tV

⁵¹ Decision on Adopting the Strategy for Development of Women's Entrepreneurship for 2019 – 2023, National Assembly of the RS.

Available at: bit.ly/3NSnQdx

⁵² The RS Strategy for Development of Women's Entrepreneurship for period 2019 – 2023.

Available at: bit.ly/3N5AQMn

Women's entrepreneurship is systematically supported at the level of the RS and local level, in all parts of the Republika Srpska, and integrated into its economic development as a generator of development of existing and new businesses and creation of new work places.⁵²

Main goals of the RS Strategy are⁵³:

- Enable transition from the occasional and ad hoc support to systematic support to women entrepreneurs at the RS and local level;
- Contribute to greater participation of women's entrepreneurship in the RS economy;
- Enable the strengthening of women's entrepreneurship in all part of the RS, and especially in rural areas;
- Promote work and role of women entrepreneurs as role models for future young entrepreneurs who will start their own businesses;
- Ensure greater direct and indirect support to women entrepreneurs from domestic and international sources.

Strategic goal 1: Strengthen competitiveness of business entities founded and led by women entrepreneurs⁵⁴

1.1	<p>Financial support to women entrepreneurs program</p> <p>1.1.1 Establishment of a special grant scheme/fund for women entrepreneurs for different types of support</p> <p>1.1.2 Establishment of a special credit line in banking and microcredit sector in the RS for women entrepreneurs</p> <p>1.1.3 Initiate the establishment of guarantee lines for women entrepreneurs</p> <p>1.1.4 Introduction of risk capital instruments for women entrepreneurs</p>
1.2	<p>Program of professional support to women entrepreneurs</p> <p>1.2.1 Preparation and organization of trainings for women entrepreneurs</p> <p>1.2.2 Preparation and organization of trainings in priority areas and digital transformation of businesses led by women entrepreneurs</p> <p>1.2.3 Mentoring for women entrepreneurs starting their businesses</p>
1.3	<p>Support program to association and networking of women</p> <p>1.3.1 Establish a data basis of women entrepreneurs, their associations and associations of women in the RS</p> <p>1.3.2 Provide professional support for project preparation and application for women entrepreneurs and promoting networking and association of women entrepreneurs</p> <p>1.3.3 Strengthening the capacity and activities of the Women's Entrepreneurship Council and other councils involving women</p> <p>1.3.4 Organizing events that can contribute to networking and association of women, in the RS, BiH and the Western Balkans</p> <p>1.3.5 Using the tools of the European Entrepreneurship Network in order to internationalization businesses of women entrepreneurs</p> <p>1.3.6 Creating and maintaining a single e-platform for information exchange and cooperation between women entrepreneurs of the RS</p>

⁵³ Ibid.

⁵⁴ Ibid.

Strategic goal 2: Improve accessibility and attractiveness of entrepreneurship and business for women	
2.1	<p>Program of adjusting the regulatory framework to women's entrepreneurship</p> <p>2.1.1 Inclusion of women's entrepreneurship in strategic and legislative documents and the introduction of benefits for women's entrepreneurs</p> <p>2.1.2 Greater involvement of women entrepreneurs in the preparation of laws, by-laws and other documents that have impact on their businesses</p> <p>2.1.3 Greater involvement of women in local economic councils and other advisory bodies concerning the economy</p>
2.2.	<p>Program of indirect support to women's entrepreneurship</p> <p>2.2.1 Facilitate doing business to women entrepreneurs and working mothers</p> <p>2.2.2 Gender budgeting</p>
2.3	<p>Program of promotion of women's entrepreneurship</p> <p>2.3.1 Prepare and publish success stories of women's entrepreneurs and business women in the RS</p> <p>2.3.2 Organize media attractive events focused on women's entrepreneurship (conferences, round tables, forums, fairs, etc.)</p> <p>2.3.3 Promoting women's entrepreneurship in primary, secondary and tertiary education institutions</p>
Strategic goal 3: Additional support to specific areas of women's entrepreneurship	
3.1	<p>Program of support to women entrepreneurs engaged in crafts</p> <p>3.1.1 Support the preservation of domestic handicrafts and their use for women empowerment, their stability and independence (education, promotion and all other forms of support)</p> <p>3.1.2 Exhibitions of home crafts</p>
3.2	<p>Development program for women's entrepreneurship in rural areas</p> <p>3.2.1 Consideration of legal restrictions for women's entrepreneurship in rural areas and advocating for their elimination and overcoming</p> <p>3.2.2 Preparation and organization of trainings for women entrepreneurs in agriculture</p> <p>3.2.3 Support business associations</p> <p>3.2.4 Financial incentives</p>

The RS Strategy is a comprehensive document contributing to a wider frame of developing women's entrepreneurship as a driver for economic development and growth. The expected results include increase of women entrepreneurs in total number of SMEs to 30% by 2023 and increase of people employed by women entrepreneurs by 10% in 2023 vs. 2019. The available sources of financing for the implementation of the RS Strategy include the RS Budget and budgets of local communities, specific funds for international projects, donations, various forms of assistance and similar. Required funds are

estimated to BAM 4.5 million for period 2019 – 2023, and they do not include guarantees in the estimated amount of BAM 2.5 million. The RS Ministry of Entrepreneurship and Crafts is responsible for monitoring of the implementation and reporting, together with other ministries supporting the RS economy, Chambers of commerce, agencies and other institutions at the RS level and local level.

Besides the RS Strategy, other laws also impact women's entrepreneurship in the RS, even though they do not explicitly refer to it.

RS Law on companies⁵⁵ and RS Law on incentives in the economy⁵⁶ do not contain specific provisions related to the gender dimension. The situation is the same regarding the RS Regulation on the allocation of funds to business entities and entrepreneurs to remedy the consequences of the coronavirus virus pandemic for April 2020⁵⁷ and the RS Regulation on the procedure for granting incentives for direct investments.⁵⁸

When it comes to direct investments, the primary goal is to attract domestic and foreign investment in the economy, strengthening the competitiveness of economic entities while increasing the value and volume of production and trade for both men and women.⁵⁹

However, there is an exception when it comes to the RS Law on the development of small and medium enterprises⁶⁰ where women's entrepreneurship is recognized as significant so that the adoption of support programs, implementation of trainings, creation of conditions for better access to financing and association of women entrepreneurs is promoted.⁶¹

Also, support is provided for women, youth, and rural entrepreneurship⁶². Institution tasked to perform development, professional and operational activities aimed at attracting and realizing investments, promoting and improving exports and competitiveness of SMEs and entrepreneurship in general, and other activities that contribute to economic development is the RS Development agency.⁶³

The RS Law on craft entrepreneurial activity should also be mentioned. It is also stated that the grammatical terms used in this law to denote the masculine or feminine gender imply both genders. This law is meaningful because a significant percentage of women are also engaged in these activities. The goal of this law is the development and improvement of entrepreneurship, the protection of old and artistic crafts and domestic handicrafts.

Related to activities that women perform within the agricultural sector, an RS Rulebook on conditions and manner of realization of financial incentives for development of agriculture and villages⁶⁴ is significant, where the conditions for exercising the right to financial incentives are prescribed for natural and legal persons who perform agricultural production on the RS territory. Also, regarding these types of incentives, the Register of incentives⁶⁵ has been created to provide insight into the allocation of funds for incentives. The Ministry of economy and entrepreneurship plays the role of administrator.

It is important to mention the RS Labor law, which specifies that a female employer is entitled to special protection regarding social and health protection during pregnancy and after childbirth.⁶⁶ The employer is prohibited from asking for a pregnancy test as a precondition to employment unless there is a significant risk to the woman and child's health at particular work determined by the competent health authority.⁶⁷

⁵⁵ Law on companies of Republika Srpska (Official Gazette of RS, no 127/08, 58/09, 100/11, 67/13, 100/17 and 82/19)

⁵⁶ Law on Incentives in the economy of Republika Srpska (Official Gazette of RS, no. 52/19, 78/20)

⁵⁷ Regulation on the allocation of funds to business entities and entrepreneurs in order to remedy the consequences of the coronavirus virus pandemic for April 2020 (Official Gazette of RS, no. 54/20)

⁵⁸ Regulation on the allocation of funds to business entities and entrepreneurs in order to remedy the consequences of the coronavirus virus pandemic for April 2020 (Official Gazette of RS, no. 86/19)

⁵⁹ Articles 1, 3 and 4 of RS Law on incentives in the economy

⁶⁰ Law on the development of small and medium enterprises in Republika Srpska (Official Gazette of RS, no 50/13, 56/13, 84/19)

⁶¹ Article 10, paragraph 3 of RS Law on the development of small and medium enterprises

⁶² Article 28, paragraph 1 of RS Law on the development of small and medium enterprises

⁶³ Article 27, paragraph 1 of RS Law on the development of small and medium enterprises

⁶⁴ Rulebook on conditions and manner of realization of financial incentives for development of agriculture and villages of Republika Srpska (Official Gazette of RS, no. 4/22, 15/22 i 23/22)

⁶⁵ Ministry of Economy and Entrepreneurship. The Register of Incentives in Republika Srpska Available at: bit.ly/3m54WUD

⁶⁶ Article 12, paragraph 2 of RS Labor law

⁶⁷ Article 28, paragraph 3 of RS Labor law

In the same manner, the employer is not allowed to refuse to hire a pregnant woman or terminate her employment contract for pregnancy or use maternity leave.⁶⁸ Special protection is provided for pregnant women and mothers with children up to three years.⁶⁹

The study especially highlights Chapter 4 of the RS Labor Law, which defines the special protection of women and motherhood and defines the maternity leave for a duration of 12-months for a newborn and 18-months for twins and every third and subsequent child.⁷⁰

The matter of maternity leave for entrepreneurs is defined in RS Law on craft entrepreneurial activity in a manner that an entrepreneur may use the maternity leave until the child's third year of life.⁷¹ This period is a significantly more extended period of maternity leave than the one given by RS Labor law.

RS Law on child care⁷² proposes increasing financial allocations for assistance for newborn equipment and children's allowance. The amount of assistance for newborn equipment paid for each newborn child in the family is doubled, increasing from the current BAM 250 to BAM 500.⁷³

The tax aspect of the investment is the same as in the FBiH, with the distinction that RS laws will apply.

Dividends received from other RS taxpayers are CIT exempt if paid out of profit already subject to CIT in RS (i.e., if both the investor and the investee are taxpayers in RS).

In the case of loans between related parties, transfer pricing rules will apply; however, the RS does not provide for the elimination of double

taxation between two RS taxpayers, as is possible in the FBiH. Moreover, the RS limits interest deductibility for CIT purposes (applies to both related- and unrelated- party financing). Interest expense is non-deductible for tax purposes, in the amount of net interest expense that exceeds 30% of the tax base before interest income and expenditure.

To achieve gender equality and combat discrimination, after the adoption of GAP, the RS Gender Center was established in December 2001 as a proposer of specific strategies for gender equality to influence the harmonization of laws and policies at all levels.

Additionally, in terms of institutional support for women entrepreneurs, it is important to mention Council for Women's Entrepreneurship established at the RS Chamber of Commerce. The role of the Council is to provide better coordination and support for the implementation of the following activities:

- representing the interests of women entrepreneurs before the executive and legislative authorities to improve the business environment, facilitate business conditions and facilitate access to funding sources;
- enabling and facilitating networking for business networking, information exchange, good practices, and participation in projects;
- development of support programs for the acquisition of new entrepreneurial knowledge and skills, capacity building of women entrepreneurs in the function of increasing competitiveness in national and regional markets;
- promoting women's entrepreneurship, i.e., organizing joint appearances at fairs and other events in the country and abroad.⁷⁴

⁶⁸ Article 105 of RS Labor law

⁶⁹ Article 64, paragraph 2 of RS Labor law

⁷⁰ Articles 105 – 114 of RS Labor law

⁷¹ Article 30, paragraph 4 of RS Law on craft entrepreneurial activity

⁷² Law on child protection of Republika Srpska (Official Gazette of RS, no 104/17, 122/18 i 107/19 and 119/21)

⁷³ Article 2 of RS Law on child protection

⁷⁴ Council for Women's Entrepreneurship, RS Chamber of Commerce. Available at: bit.ly/3m6c6bn

Also, monitoring of gender equality in the field of economy and entrepreneurship is embedded in the RS Annual Operational Plan for Gender Equality for 2020⁷⁵, but there is no document available for the current period.

5.5. Brčko District

Statute of Brčko District (“the Statute”) defines BD as a unique administrative unit of local self-government under the sovereignty of BiH. Entities have delegated all their administrative powers to BD Government. Therefore, the legislation which is directly applicable in the territory of BD is the BiH Constitution, applicable laws and decisions of the institutions of BiH, and the laws and decisions adopted by BD Government.

Competences that fall under the scope of BD public authorities are, inter alia, the economic, financial, public property, education, health, and social care matters⁷⁶. In Article 13, the Statute designates that no discrimination of the rights and freedoms guaranteed by the Constitution and laws of BiH, the Statute, and the BD laws is allowed, putting the gender in the first place.

A representative from BD is a member of the Coordination Board for monitoring the implementation of state GAP BiH (“CB”), whose jurisdiction is to coordinate and monitor the implementation of the state activities. Members of CB also perform the duty of contacting persons for gender equality in their institutions.⁷⁷ BD Assembly founded this institution in 2014 and named it a Commission for gender equality (“BD GE Commission”).

At that time, a gender equality workshop for the members of the BD GE Commission was held therefore improving the process of establishing institutional mechanisms for gender issues in BiH.⁷⁸ BD GE Commission consists of five member. During the reporting period, the president of the BD GE Commission was a woman.⁷⁹

BD BiH Law on companies⁸⁰ which regulates the establishment, legal status, management, and termination of the small, medium, and large enterprises, as well as the beginning of the activities, legal status, and termination of the activities of independent entrepreneurs and their branches in the BD and the closely related BD Law on registration of the business entities⁸¹ which defines the procedures in practice, do not contain specific provisions related to the gender dimension. All the provisions apply equally to both genders.

BD Law requires a similar position on a private-public partnership⁸², which contains a rule stating that the private partner's selection procedure needs to be conducted according to the equal treatment principle, which prohibits any discrimination on any ground that is not objectively justified.⁸³

The same goes for the BD Law on incentives in agricultural production⁸⁴ and BD Rulebook on manner and conditions for incentives in agricultural production⁸⁵ which describe the requirements for acquiring assistance in rural areas for both legal entities or physical persons in detail yet do not emphasize women's entrepreneurship thereof.

⁷⁵ Annual Operational Plan for Gender Equality in Republika Srpska for 2020, Gender Center of the RS.

Available at: bit.ly/3NelENn

⁷⁶ Articles 1 and 8 of the clear version of Statute of Brčko District (Official Gazette of Brčko District of BiH, no 17/08, 39/09)

⁷⁷ GAP, page 35.

⁷⁸ Ibid, page 41.

⁷⁹ Website of the BD Assembly. Available at: bit.ly/3PYDsh8

⁸⁰ Clear version of the Law on companies of Brčko District BiH (Official Gazette of Brčko District of BiH, no 11/01, 10/02, 14/02, 1/03, 8/03, 4/04, 19/07 i 34/07)

⁸¹ Law on registration of the business entities in Brčko District (Official Gazette of Brčko District of BiH, no 11/20)

⁸² Law on public-private partnership in Brčko District of BiH (Official Gazette of Brčko District of BiH, no 7/10)

⁸³ Article 3 of BD Law on public-private partnership

⁸⁴ Law on incentives in agricultural production of Brčko District BiH (Official Gazette of Brčko District of BiH, no 11/01, 19/07, 15/10, 21/20, 30/20 i 04/21)

⁸⁵ Rulebook on manner and conditions for incentives in agricultural production (Official Gazette of Brčko District of BiH, no 12/21 and 26/21)

Women are seen as a still underrepresented but significant target group. In the Guide for investors, which can be found on BD Government's website, the only information given regarding women is that out of the total available work labor in BD, equal to 10,300 persons, 5,700 are women.⁸⁶

In the BD Development strategy for the period, 2021-2027 drafted in October 2020, one of the set priorities is systemic support for women's entrepreneurship. Systemic support includes: the inclusion of entrepreneurial learning in formal secondary and university education pro-grams in the form of optional and/or compulsory subjects, support for the development of youth entrepreneurship, especially in the field of information technology, and support for women's entrepreneurship.

The measure envisages the development and implementation of the project called "Establishment of incubators for the development of IT companies," which aims to increase the number of new companies (start-ups) established by educated young women entrepreneurs. It is expected that the newly formed companies will be focused on activities and jobs with higher added value and will employ more quality and better-paid employers, primarily young professionals.⁸⁷

The position of women, especially as a mother, is recognized in BD Labor law⁸⁸, BD Law on social care⁸⁹, and BD Law on children care⁹⁰. In concrete, BD Labor law forbids women's work on complex underground jobs, that is, in a mine, unless she is employed in a managerial position that does not require physical labor.

Exceptionally, a woman can do these jobs at her request.⁹¹ Special treatment is also needed for a woman who is pregnant or breastfeeding. For example, if a woman is temporarily assigned to other jobs to preserve her health, she cannot be receiving a remuneration that is lower than her regular salary.⁹²

BD Labor law prescribes the range of maternity leave but also allows the father or the foster parent to use the maternity leave after 42 days from the childbirth or other occurred situations such as the death of the mother, or the mother abandoning the child. Both mothers and fathers with mental and other disorders have a right to more extended maternity leave.⁹³ Also, other specific events pertaining to the pregnancy/parenthood occur, and its treatment is prescribed.⁹⁴

When it comes to the matter of payment of the salary during the maternity leave, a woman has a right to a salary compensation at the expense of the BD budget, in the amount of the average salary she earned during the last twelve (12) months before the start of maternity leave. This also applies to other persons using the right to maternity leave.⁹⁵

BD Law on social care complements BD Labor law regarding giving attention to pregnant and post-partum women.⁹⁶ BD Law on children care additionally regulates: salary compensation during the maternity leave, maternal and children allowance, newborn equipment aid, and special psycho-social treatment for the couples who want children and pregnant women.

⁸⁶ Guide for investors to Brčko District, publication financed by EU, Program for local self-governance and economic development in BiH, EU ProLocal, Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, pg. 4

⁸⁷ Development strategy for period 2021-2027 of Brčko District, prepared with the assistance of Project of integrated local development, joint project of Swiss Government and UNDP, page 147

⁸⁸ Labor law of Brčko District (Official Gazette of Brčko District of BiH, no 34/19, 2/21 and 6/21)

⁸⁹ Law on social care of Brčko District (Official Gazette of Brčko District of BiH, no 20/20)

⁹⁰ Law on children care of Brčko District (Official Gazette of Brčko District of BiH, no 29/20, 41/20 and 13/21)

⁹¹ Article 77 of BD Labor law

⁹² Article 78 of BD Labor law

⁹³ Article 79 of BD Labor law

⁹⁴ Article 80-81 of BD Labor law

⁹⁵ Article 82 of BD Labor law

⁹⁶ Article 33 of BD Law on social care

An important provision of this law is the one that applies to unemployed mothers. Members of this category need to be registered at the Employment agency for six months to exercise their right to receive a 12-months maternal allowance for each newborn child in the family, and 18-months for twins amounting to 50% of the average monthly net salary in the BD.⁹⁷

POSITIVE EXAMPLE

In 2021 BD Government published a Public call for financing or co-financing programs or projects of public interests⁹⁸ (“Public call”), offering significant 607,646 BAM for projects in areas of sport, culture, arts, and tourism. One of the particular criteria set in this Call was “engagement of women” in implementing described programs and projects.

⁹⁷ Article 10-11 of BD Law on children care

⁹⁸ Public call for financing or co-financing programss or project of public interests no 39-000051/21 dated 16 November 2021, page 2, paragraph Special criteria, item 3

The image features a background split horizontally into a blue upper half and a green lower half. Overlaid on this are several overlapping, semi-transparent circular shapes. A large, light blue circle is positioned in the upper half, while a large, light green circle is in the lower half. These two circles overlap each other and also overlap with a smaller, darker green circle centered in the lower half. The text '6. THE SOCIAL AND ECONOMIC FRAMEWORK' is printed in white, bold, uppercase letters on the left side of the green section, partially overlapping the circles.

6. THE SOCIAL AND ECONOMIC FRAMEWORK

6. THE SOCIAL AND ECONOMIC FRAMEWORK

According to the last population census from 2013, women make up 50.9%⁹⁹ of the BiH population and tend to live longer than men by, on average, five years¹¹⁰. Women are also more likely to enter a marriage at a younger age and become child care-takers by the average age of 27.8.¹⁰¹ Given the long tradition of women being primary household and children care-takers, these statistics paint the picture of changes, i.e., lack of changes in the current society in regards to similar familial dynamics.

Education

However, women tend to be more educated than men up to the Ph.D. level, where men tend to dominate, as observed in the table and figure below. Nonetheless, a portion of the high school enrolment women's higher figures can be attributed to a higher population of women, whereas attaining a Master's level degree can be attributed to choice and aspirations of better chances of employment.

	2016	2017	2018	2019	2020
Master's level	1.6	1.6	1.6	1.7	1.8
PhD level	0.7	0.9	0.8	0.7	0.7

Table 1: Ratio of women with a specific level of education compared to men

As per the data provided by the BiH Agency for Statistics¹⁰², women tend to choose education in fields that are almost always traditionally associated with women, except the field of agriculture, forestry, fisheries, and veterinary, which has a higher rate of women graduates compared to men.

Ratio of women by degrees attained by field of education in 2020

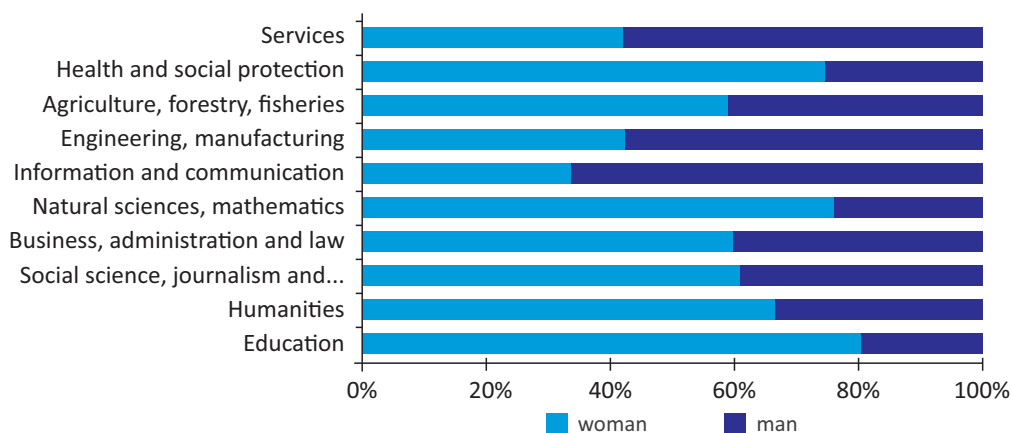


Figure 1: Ratio of women and men by degrees attained by field of education in 2020

⁹⁹ Statistics in BiH. The 2013 Census in BiH. Available at: <https://www.statistika.ba>

¹⁰⁰ Agency for Statistics of BiH. Women and Men in Bosnia and Herzegovina.

Available at: bit.ly/3ma1gRL

¹⁰² Ibid.

According to the *Survey on the Use of Information and Communication Technologies in BiH* in 2019, 20% of women and 29% of men had basic or higher digital skills, while the EU-27 average for women was 54% and for men 58%. BiH is at the bottom of the scale in Europe in the use of digital skills with women generally demonstrating lower levels compared to men, especially at more mature ages.

The state of women's entrepreneurship

An indicative piece of information regarding the state of women's entrepreneurship and innovation ventures is that in the period of 2018 – 2020, women registered only 13% of the total number of registered patents and only 27% of royalty and IP rights out of the total.¹⁰⁴

However, as per the table below, women being self-employed indicates that women tend to focus more on working for companies or being in situations where they are not paid for their work (6.7% of employed women have this status).¹⁰⁵

	Women	Men
Employed	80.6	82.2
Self-employed	12.7	16.4
Unpaid assisting members	6.7	(1.4)

Table 2: Gender structure of employees

There is no official data on the share of businesses owned by women in BiH today. According to the unofficial reports, around 92% of women-owned companies in BiH are concentrated in service sectors (UN in BiH, 2020), including many contact-intensive niches.

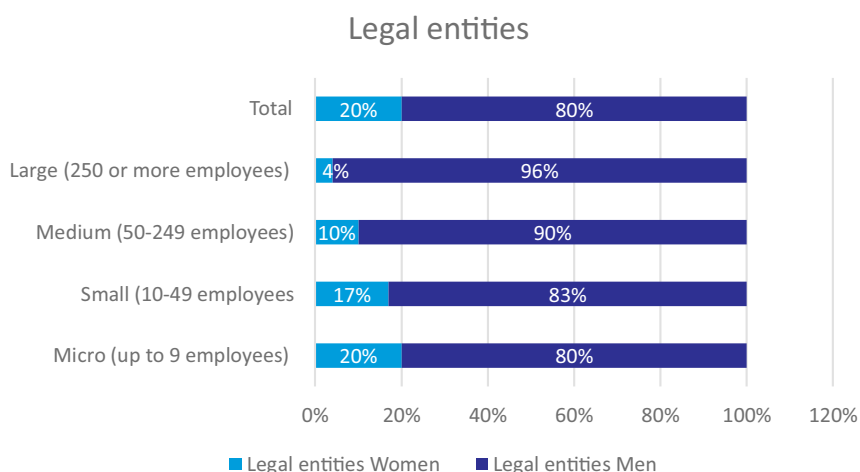


Figure 2: The RS Institute of Statistics data on economic entities by the size of entity and sex of owner for 2020¹⁰⁶

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ Women and Men in Republika Srpska 2021, Republika Srpska Institute of Statistics. Available at: bit.ly/3aibVHa

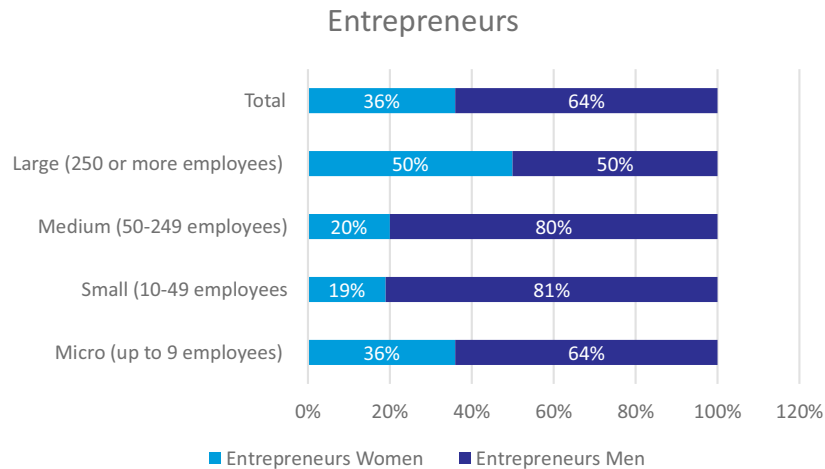


Figure 3: *The RS Institute of Statistics data on economic entities by the size of entity for 2020*¹⁰⁶

Unfortunately, similar to the state level, the FBiH Institute of Statistics does not provide such analysis in their report “Women and Men in the FBiH.”¹⁰⁷ The collection and use of administrative data for policymaking and gender aggravated data are not ensured. Therefore, there is no official data on the number of women-owned businesses.

However, an enterprise survey conducted within the manufacturing sector in BiH shows that 27.2% of MSMEs are female-owned, and only 9.3 percent of enterprises have a majority of female ownership.¹⁰⁸

Lastly, addressing the importance of women's entrepreneurship and generally women's economic activity, according to the *Access to finance for female-led micro, small & medium-sized enterprises in Bosnia and Herzegovina*¹⁰⁹ research issued by the World Bank and the International Monetary Fund, higher gender inequality is associated

with lower economic growth. This finding is confirmed in other research¹¹⁰ showing that gender inequality is associated with lower per capita income growth, particularly in low-income countries. Estimations for seven Balkan countries and Turkey suggest significant GDP gains from enhancing gender equality.

For BiH, if working-age women were to participate in the labor market at the same rates as their male counterparts, there would be a gain of 16% in GDP per capita. About 25% of this potential gain (4% of GDP per capita) would come from closing the gender gap in entrepreneurship.¹¹¹

According to the *SME Policy Index Western Balkans and Turkey 2019 Assessing The Implementation Of The Small Business Act For Europe*,¹¹² BiH's economy is dominated by SMEs, where approximately 60% of GDP is generated by SME activity.¹¹³

¹⁰⁷ Women and Men in FBiH, Institute of Statistics of FBiH.

Available at: bit.ly/3PVDmaf

¹⁰⁸ World Bank Group. Access to finance for female-led micro, small & medium-sized enterprises in Bosnia and Herzegovina.

Available at: bit.ly/3zdkJJ2

¹⁰⁹ Ibid

¹¹⁰ World Bank Group. Gender Inequality and Growth. Available at: bit.ly/3acajyN

¹¹¹ World Bank Group. How Costly Are Labor Gender Gaps?

Available at: bit.ly/3m4KlQq

¹¹² OECD/ETF/EU/EBRD. SME Policy Index: Western Balkans and Turkey 2019.

Available at: bit.ly/391kDJC

In 2017, around 30 thousand SMEs (99.1% of all businesses) were operating in BiH, with a large majority (77.7%) being microenterprises. Small and medium-sized firms constituted slightly more than 20% of all SMEs. Even though their contribution to overall business sector employment has fallen by 4.4% since the last assessment, they still provided around 64% of jobs in the business sector in 2017.

When it comes to the sectoral distribution of SMEs in BiH, distributive trade was the largest sector for SMEs, accounting for one-third of active SMEs in 2017. It was followed by the manufacturing sector, which accounted for 16.3% of SMEs (down from 19% in 2016). Transportation and storage accounted for 6.7%, similar to construction (7.3%).¹¹⁴

Female-led firms are concentrated in low productivity sectors and tend, on average, to be smaller. They are primarily, in fact, almost exclusively located in the services sector (92%) with limited participation in manufacturing (6%). Similarly, female-led businesses have lower value-added (average BAM 206,749 compared to average BAM 1.3 million for male peers) and considerably lower levels of assets (although it is important to note that this differentiation may be because female-led businesses tend to be microenterprises). More than 90% of female-led enterprises are sole proprietorships.¹¹⁵

All of the above indicates that women's economic activity has quite a room for improvement and that its deficiency is mainly influenced by political, social, and cultural aspects, therefore reflecting on the lower levels of women's entrepreneurial activity as well.

POSITIVE PRACTICES

The Local Gender Action Plans (LGAP) of Tešanj Municipality¹¹⁶ stands out as a positive example of empowering women in business as it recognizes the non-existence of a public kindergarten as a challenge for sustainable employment of women. Tešanj's LGAP envisages increasing the employment of women in the municipality by providing subsidies, conducting training sessions related to registration, administrative procedures, and availability of donor funds to cover startup costs.

Another notable example is the Local Employment Action Plan of Žepče Municipality for 2021 – 2025¹¹⁷. The preparation of this document included a survey that demonstrated the existence of gender stereotypes for which funds were envisaged to combat it. Aside from the funds, the plan also envisages encouraging employment, retraining and additional training and working on creating equal and appealing job opportunities for all genders in industries with a predominant employee gender.

Gračanica LEAP is also an interesting example as its 2022-2025 plan includes budgeted funds for support and encouragement of entrepreneurship of women and high school students.¹¹⁸

¹¹³ European Commission. 2021 Country fact sheet BiH.

Available at: bit.ly/3GlsIQ7

¹¹⁴ SME Policy Index Western Balkans and Turkey 2019 ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE.

Available at: bit.ly/3zdw2Re

¹¹⁵ World Bank Group. Access to finance for female-led micro, small & medium-sized enterprises in Bosnia and Herzegovina.

Available at: bit.ly/3zdkJJ2

¹¹⁶ Tešanj Municipality. Local Gender Action Plan Tešanj. Available at: bit.ly/3NhbtYr

¹¹⁷ Žepče Development Agency, Žepče Municipality. Local Employment Action Plan of Žepče Municipality.

Available at: bit.ly/3NcoXES

¹¹⁸ Local Employment Action Plan of Gračanica Municipality. Available at: bit.ly/3x9dZKy

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7. SOURCES OF BUSINESS FINANCING FOR WOMEN'S ENTREPRENEURSHIP

7. SOURCES OF BUSINESS FINANCING FOR WOMEN'S ENTREPRENEURSHIP

BiH does not have many programs targeted at solely financing women's businesses. However, they are often eligible through programs financing entrepreneurship, start-ups, and MSMEs. Generally, entrepreneurship is funded through traditional means of financing (debt, equity, grants), as alternative ways are not legally regulated.

7.1. Financing programs

As of 2022, several programs are active focusing solely on women's businesses. The first and potentially longest lasting is EBRD's *Women in Business*^{119&120}, regionally implemented as a part of *the Advice for Small Businesses*¹²¹ activities. The program's goals are promoting access to finance along with supporting women through introductions to business networks, know-how, and role models and providing various forms of support to enable them to take their business further. Conditions for participating in the program include an MSMEs status and at least one woman in upper management of the company.

For the specific purpose of financing MSMEs, EBRD has two lines of providing loans through commercial banks and their grant-providing schemes. The credit lines implemented with commercial banks are specially designed to have more attainable criteria for women-led businesses to ease access to finance.

Currently, Raiffeisen Bank d.d. BiH is the commercial bank implementing the project.

Grant schemes are available to all MSMEs however, women-led businesses have higher levels of financing availability, e.g., MSMEs are currently eligible for financing of consulting services of up to 60% of the total value, while women-led businesses are eligible for up to 70%. These percentages change on an annual basis but the rule of thumb has been that women-led businesses are eligible for additional 10% financing compared to other MSMEs.

EBRD also has forms of direct support where they have public calls for applicants (so far, there have been three) where finalists receive grants for financing the consulting services targeted at sustainable growth.

Aside from the EBRD, the Federal Employment Agency is implementing *the Self-employment co-financing program for start-ups in 2022*¹²², including a specific line for financing women-led start-ups.

The program entails funding women's self-employment regardless of age, previous work experience or the level of education, with the requirement that the applicant was registered as unemployed as of the date of the public call publishing.

¹¹⁹ EBRD. Our flagship programs. Available at: bit.ly/38HeToh

¹²⁰ EBRD. Finance and advice for women in business. Available at: bit.ly/3NanEWU

¹²¹ EBRD. Support for small businesses. Available at: bit.ly/3PTEkDZ

¹²² Federation of BiH Federal employment institute. Employment co-financing program - Start up 2022. Available at: bit.ly/3NOgYxz

The program will give monthly BAM 500 grants to all successful applicants regardless of their industry sector, where the grant will also be increased by BAM 35 for reimbursing expenses related to registering the company.

In the instance that the woman-owned company also employs another person previously registered as unemployed, the program will provide additional BAM 440 per employee regardless of gender, age, previous work experience, and level of education for a period of six months. The total program budget is BAM 3 million.

Moreover, the Federal Ministry of Development, Entrepreneurship and Crafts¹²³ is implementing a program in the FBiH entity including five programs that will disburse grants and loans to eligible entities. The funds are intended as subsidies to private companies and entrepreneurs, to regress interest rates for beneficiaries of loan-guarantee programs, and the construction of entrepreneurial zones, as well as subsidies to non-profit organizations and citizens' associations.

7.2. Banks and microcredit organizations

Entrepreneurs still rely on commercial banks and microcredit organizations as traditional financiers. Even though microfinancing is sometimes viewed as the alternative method of financing abroad, our research shows that microfinancing is an equally important option for women entrepreneurs, if not even more viable, especially at the beginning of a business.

As of 31 December 2021, there were 14 banks and 13 microcredit organizations in the FBiH¹²⁴, and ten banks and 13 microcredit organizations in the RS¹²⁵.

However, only a small number of them recognize investment in entrepreneurship as a business opportunity.

The Development Bank of the FBiH and its counterpart in the RS, the Investment and Development Bank of the RS have programs supported by the World Bank, i.e., loans to support and recover MSMEs with the target companies being highly impacted entrepreneurs and enterprises, that experienced at least a 20 percent drop in gross sales/revenue due to COVID-19, and underserved MSMEs including women-inclusive enterprises, young enterprises with up to five years of operations, and entrepreneurs and enterprises are operating in underdeveloped municipalities.

The loans are to be used for the acquisition of fixed assets and working capital with the possibility of 25% refinancing where the eligible amount is up to 1.5 mil EUR and a repayment period of 3 to 12 years. Programs are characterized by sub-market interest rates¹²⁶.

Further on, the Development Bank of FBiH has two programs that might be of interest to women entrepreneurs. Maximum loans available under both programs are in the amount of up to BAM 500,000.

¹²³ The ONASA Independent News Agency. Federal minister of development, entrepreneurship and crafts Zukić: for financial support to small and medium enterprises more than 7.8 million BAM.

Available at: bit.ly/3aBuoPj

¹²⁴ Banking Agency of the FBiH, preliminary reports on operations of entities in the banking system of the FBiH on 31 December 2021.

Available at: bit.ly/3m6iBeh

¹²⁵ Banking Agency of the RS, Institutions. Available at: bit.ly/3zbrxXu

¹²⁶ The Republika Srpska Investment-Development Bank. Loans for support and recovery of micro, small and medium enterprises.

Available at: bit.ly/3NazL6z

1. Program for the encouragement of employment and self-employment

This program is available for legal and physical persons engaged in production and services, as well as legal and physical persons who start the economic activity. The purpose of the program is to finance the acquisition of fixed assets and current assets, with the employment of currently unemployed persons. The nominal interest rate is 2% for agriculture and 2.5% for industry, craft, and services. The repayment period is up to seven years with a grace period of a maximum of 12 months, while the grace period is three years for start-ups and agriculture. The minimum loan is BAM 40,000.

2. Program for microbusinesses

Eligible persons are physical persons registered in accordance with the Law on crafts and related activities. The nominal interest rate is 3.9%, with a grace period of maximum of 24 months and a repayment period of 13 months to eight years.

The Investment and Development Bank of the RS has similar programs:

1. Program for entrepreneurs and legal entities, including newly-established legal entities

The funds can be used for the purchase of fixed and current assets, payment of tax liabilities and refinancing. The loan value is in the range from BAM 10,000 to BAM 5 million. Interest rates are 3% for a loan for the acquisition of current assets and introduction of new technologies, and 3.6% for other purposes. The maximum repayment period is 12 years, with a grace period of up to 24 months.

2. Program for microbusinesses in agriculture

Eligible persons are agricultural farms, entrepreneurs and legal entities engaged in production and processing in agriculture or fisheries. Funds can be used for procurement of fixed and current assets, payment of tax liabilities and refinancing. The loan value is in the range from BAM 5,000 to BAM 500,000. Interest rates are 3% for the acquisition of current assets and introduction of new technologies, and 3.9% for other purposes. Maximum repayment period is ten years, with the grace period of up to 36 months.

Both the Development Bank of the FBiH and the Investment and Development Bank of the RS usually implement their programs through commercial banks in the respective entities. Commercial banks prescribe required collateral for the loan which is generally the most difficult condition to meet.

Also, the list of documents required to simply apply for the loan is extensive in both cases, i.e. for the programs of both development banks, and in certain cases includes documents verified by the court expert, business plans, and similar, as well as verified copies of all documentation submitted. All of this requires significant time and money, which are the two resources that women entrepreneurs often struggle with.

Talking about commercial banks, Sparkasse Bank d.d. had a program Step by Step¹²⁷ open to applicants until 20 March 2022, implemented in collaboration with StartupStudio and European Fund for Southeast Europe. The program allowed for loans up to BAM 50,000 and it was opened for entrepreneurs aged 18 – 35, recently registered/established start-ups, i.e., up to three years of operating, and sole proprietors in both entities.

¹²⁷ Sparkasse Bank. Step by step program. Available at: bit.ly/3NrSv1z

As a part of the program, successful applicants also had training programs and individual mentoring support to support business growth and optimal funds use. There were several types of loans available depending on the available insurance instruments of the applicant further characterized by differing maximum loan amount, tenure and collateral requirement, which is quite significant since there were options for loans with no collateral available: in such cases, the maximum loan was up to BAM 30,000 with StatUpStudio covering the cash deposit (up to 30% of the requested loan).

An interesting part of this program was the support provided by Sparkasse Bank in the form of several experts who would support the participants in various topics, including human resource management, what opportunities the world of digital marketing offers, how to solve certain legal issues, how to make business more efficient through electronic financial services, how to improve sales, how to use credit funds for sustainable business development, etc.¹²⁸

A good example of cooperation and coordination between commercial banks and local communities was a program from 2017 realized between Sparkasse Bank d.d. and Municipality Novi Grad Sarajevo. The program was available to legal entities and entrepreneurs registered in the Municipality Novi Grad Sarajevo or those transferring their seats to this Municipality.

There are other lending programs and schemes available in BiH generally targeting MSMEs without different or specific requirements for women-owned or women-led businesses. Credit lines include targeted loans for agricultural financing, loans for initial business activities, loans for financing capital and working capital investments, COVID-19 recovery loans for

MSMEs, and similar. These are available through banks and microcredit institutions.

The ones available through banks tend to have a market or sub-market interest rates, while the ones available through microcredit institutions generally have higher interest rates than banks but lower than through other financing program available in microcredit institutions. Eligibility, maximum amount, tenure and other characteristics differ among the program.

For example, a program offered by Bosna Bank International's ("BBI") and Turkish investors provides for loans for, inter alia:

- Financing the purchase of land to implement agricultural activities,
- Financing current needs for the implementation of agricultural activities,
- Financing of agricultural/economic independent entrepreneurs to increase production capacities or self-employment,
- Financing activities related to the development and promotion of the tourist offer.

The effective profit margin is 1.38%, but again, the main obstacle to women entrepreneurs could be the required collateral in the form of personal bills of exchange, consent to the seizure of personal income or mortgage on real estate. For unemployed women with no income and no ownership of the real estate, this program is obviously not available.

Other commercial banks also have programs supporting entrepreneurial activities, such as the program offered by Banka Poštanska štedionica a.d. Banja Luka (former Komercijalna banka a.d. Banja Luka) for the RS entity - loans for initial business activity and loans for entrepreneurs where eligible persons are entrepreneurs residing in the RS entity but with businesses registered either in the RS or BD.

¹²⁸ Magazine Poduzetnica. Managers from Sparkasse Bank share knowledge and encourage women's entrepreneurship. Available at: bit.ly/3Q7Dm7g

Those programs are the ones realized with the Investment and Development Bank of the RS, but besides those, the interesting program is the one with GFRS (Guarantee Fund of the RS) under which the GFRS issues guarantees in the name of securing a part of the loan in case the applicant cannot offer adequate loan security required by the Bank, whereby the applicant must ensure participation of at least 20% of the project value in money, assets or rights. This program is available for entrepreneurs and start-ups for the purchase of fixed assets and current assets, but the support comes at the price of the interest rate of 5.5% - 6.9%. The loan value is in the range of BAM 3,000 to BAM 1,5 million.

MF Bank is another commercial bank implementing the program of the Investment and Development Bank of the RS for start-ups, entrepreneurs and microbusinesses in agriculture. What is important to note here is again the extensive list of documents required for the application. For example, entrepreneurs are still required to ensure collateral in the form of a mortgage (relevant documents cannot be older than 30 days, and the valuation performed by the certified court expert is not older than six months), pledge on the movable property (among documents required, a valuation by the certified court expert not older than six months is required) or in the form of a co-debtor.

While a comprehensive overview of currently or previously active financing programs is available in the annex of this report, some of the more notable programs targeting entrepreneurial activities include SME Classic and SME Premium loans available to registered entrepreneurs who want to invest or expand their business activity through the microcredit companies and foundations.

The benefits of opting for microfinancing are obviously the availability since microcredit companies have wider networks than banks, a faster approval process, and maybe most significant one, looser collateral requirements. On the other hand, microfinancing also means that interest rates are higher and that such small amounts may be insufficient.

In line with this, microcredit companies in BiH offer loans in the amount from BAM 300 to BAM 50,000 with interest rates in the range of 14.5% to 25%, grace periods from 3 to 24 months and repayment periods from 18 to 72 months. Microcredit companies are mostly focused on entrepreneurs, small businesses in agriculture, start-ups and freelancers.

7.3. Private and other investments

Based on an interview with the Federal Chamber of Commerce representative, companies in BiH rarely provide direct financial support to the development of women's entrepreneurship, a trend that was evident prior to COVID-19 and made more dire during the pandemic. This was confirmed by our desk research, which showed that support of private investors is usually oriented at non-financial aspects, such as trainings, mentoring, product placement support, and similar.

While the above-described programs represent ongoing activities, there are also other opportunities for women's entrepreneurship such as the AWE Academy for Women Entrepreneurs^{129&130}, a global comprehensive program aiming to provide 30 women with an opportunity to learn and be trained while also competing in a pitch competition for a grant of 17,000 BAM i.e. 8,713 EUR.

¹²⁹ Magazine Poduzetnica. Open call for applications for participants of the second generation of the AWE Academy for Women Entrepreneurs. Available at: bit.ly/3zdBwf8

¹³⁰ Foundation 787. Open call for applications for participants of the second generation of the AWE Academy for Women Entrepreneurs. Available at: bit.ly/3GOInx9

¹³¹ European Commission 2019 SBA Fact Sheet — Bosnia and Herzegovina. Available at: bit.ly/3NfVKsE

7.4. Alternative financing in BiH

Grants are one way of alternative financing but still are scarce in BiH and not quite reliable. Even though businesses traditionally tend to turn to traditional ways of financing, this is often not an option for women entrepreneurs. Commercial banks usually require positive financial reports, which women entrepreneurs usually cannot provide at the beginning. Thus, entrepreneurs tend to turn to alternative sources of finance.

According to the 2019 SBA Fact Sheet BiH *“Alternative finance is scarce, especially in the case of business angels and venture capital.”*¹³¹ Corporate venture capital, business angels and investment funds are still in an early stage of development in the region, while in BiH they are almost nonexistent. One of the studies shows that VCs could have made an additional USD 85 million over five years if they'd just invested equally in both the women - and men-founded startups. (Source: Forbes). During 2016, 9,9 billion EUR was invested in the early development stage in Europe, out of which 6.7 billion came from business angels.

- **Venture capital (VC) and investments funds**

Venture capital (“VC”) as a form of private equity is a type of financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential. Venture capital generally comes from well-off investors, investment banks, and other financial institutions. Investment funds are investment products created with the sole purpose of gathe-

ring investors' capital, and investing that capital collectively through a portfolio of financial instruments such as stocks, bonds and other securities.

Based on World Bank Report there are no registered venture capital funds in the country. However, the BiH MSME Survey does reveal demand, especially among female-led enterprises and finds that five percent of male-led enterprises did manage to obtain equity financing.

According to The Bosnia and Herzegovina: Small Business Act Profile¹³², “The ecosystem to support the establishment of venture capital operations remains rudimentary. While both entities allow venture capital operations under their respective laws on investment funds, neither has a dedicated framework, nor any plans to establish one. RARS in the RS has prepared a study on venture capital regulation and risk capital activity, although any possible further steps and legislative or regulatory follow-ups remain unclear.”

- **Business angels**

Business angels¹³³ are an effective way of overcoming the gap between the need for finance and the eligibility for a commercial loan, since they usually invest in the early stages of business development and support even those who only have a business idea. Even though there is no official network of business angels in BiH, the Business Angel Summit 2022 organized by Foundation 787 in Sarajevo showed the existence of interest for investments in BiH, resulting in almost 30 angels ready to invest more than two million BAM in 2022.¹³⁴

¹³¹ OECD et al. (2019), “Bosnia and Herzegovina: Small Business Act profile”, in SME Policy Index: Western Balkans and Turkey 2019: Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris, bit.ly/3Ne3lYz

¹³³ A business angel is a private individual, often with a high net-worth, and usually with business experience, who directly invests part of their assets in new and growing private businesses. Business angels can invest individually or as part of a syndicate where one angel typically takes the lead role. Besides capital, angel investors provide business management experience, skills and contacts for the entrepreneur. Information available on web site: bit.ly/3zbw63Y

¹³⁴ Article “Angel investors” financing and advising start-up businesses. Available at: bit.ly/3PPkCZU

- **Crowdfunding**

Another alternative method that has become quite common abroad is crowdfunding, the practice of funding a project or venture by raising money from a large number of people, typically via the Internet. The crowdfunding model is generally based on three types of actors: the project initiator who proposes the idea or project to be funded, individuals or groups who support the idea, and a moderating organization (the platform) that brings the parties together to launch the idea.

There are different models of crowdfunding¹³⁵:

Crowdfunding community:

- Gift-based model
- Reward-based model
- Pre-sale based model

Crowdfunding with financial return

- Lending crowdfunding
- Equity crowdfunding

The most successful crowdfunding campaigns are usually humanitarian, i.e. non-for-profit, but also is used in business environment¹³⁶. Even though there are examples of fairly successful crowdfunding campaigns in BiH, **this type of alternative financing is limited due to legislative obstacles. For example, if the crowdfunding campaign is initiated by a private individual, i.e. physical person, such funds would be treated as additional income and, as such, taxable.**

Also, it is not possible to use the most popular crowdfunding platforms, Indiegogo and Kickstarter, with BiH bank accounts, so BiH women entrepreneurs seek alternatives, like agents in countries in which Indiegogo and Kickstarter are available.¹³⁷ Still, Gea Heal, run by three enthusiastic women entrepreneurs from Mostar prove that crowdfunding is possible: they have raised more than 7,600 CHF for their distillery for autochthonous herbs and the production of body and soul care products.¹³⁸

- **Bootstrapping**

Still, bootstrapping is probably the most common method of alternative funding in BiH, in which the woman entrepreneur starts the business with little or no assets, investing her personal finances, effort, physical labor, time and mental capacity (so-called sweat equity).

The online survey conducted for the purposes of this report showed that due to the lack or insufficient and discontinuous institutional support, women tend to rely on the support of family members and friends in terms of both financial and non-financial support. Such financial support is generally unofficial, meaning that family members and friends lend or donate money without officially registering that transaction (please refer to review of national legislation above) as debt or loan. Non-financial support often comes in the form of child-care support, assistance in domestic duties, physical labor and brainstorming.

¹³⁵ Crowdfunding: principles, trends and issues; Stéphane Onnée and Sophie Renault.

Available at: bit.ly/3aiwbJ1

¹³⁶ Moleskis, M., Alegre, I., & Canela, M. A. (2018). Crowdfunding Entrepreneurial or Humanitarian Needs? The Influence of Signals and Biases on Decisions. Nonprofit and Voluntary Sector Quarterly, 089976401880236.

¹³⁷ Crowdfunding as an alternative way of financing business.

Available at: bit.ly/3zhkFI7

¹³⁸ Gea – Women run distillery.

Available at: bit.ly/3t87RA8 and Crowdfunding as an alternative way of financing business. Available at: bit.ly/3zhkFI7

Alternative financing models on the global scene

For the comparative purposes, the other types of alternative financing available abroad are listed as follows:

- **Business credit cards** – usually available to already established businesses with good financial history which meets banks' requirements for credit cards. The main advantage of this type of financing is the quick access to cash, but the higher interest rates and fees are the disadvantages
- **Invoice financing** – this type of financing assumes selling the unpaid invoices to a lender in return for a percentage of the payment due in advance. Again, the disadvantage is the lender's fee and the fact that lenders are more keen to work with already established businesses with decent financial history and a regular and steady client base.
- **Peer to peer financing** – as a combination of crowdfunding, bootstrapping and angel investment, this assumes social lending between individuals usually connected through online platforms. Since women do not need to visit a branch, P2P platforms allow women to overcome the mobility barriers they may face while accessing loans. While P2P platforms charge higher interest rates than banks, they reduce the time it takes to complete the borrowing process and allows borrowers with very little credit history to borrow.
- **Branchless banking models** in remote and rural areas enables women to overcome the issues associated with limited physical access to financial institutions.

These models include the setting up banking points at convenience stores or other easily accessible areas that women visit frequently. Some financial institutions even provide doorstep services through which loan officers or agents visit women in person and collect loan repayments as well as savings deposits. A similar model is adopted by microcredit institutions in BiH, which have teams of people working in the field and physically visiting both potential and existing clients. This increased availability is one of the reasons why microcredit institutions are more attractive to entrepreneurs, especially in rural regions.

- **Alternative credit risk assessment** mechanisms developed by Fintech organizations that allow financial institutions assess the credit worthiness of women who lack sufficient credit history.
- **Credit scores** are determined by capturing consumer data from mobile phone records, utility bills, loan applications, and social media. This enables women to build their credit history by beginning with borrowing a small amount, and over time, borrowing a sizable amount. However, this model is highly risky having in mind that its usage can influence privacy data protection regulations and rights.

All of the above-mentioned alternative financing methods are still relatively uncommon in BiH and consequently, no particular demand in that regard. However, looking at experiences from mature markets, this will eventually become a relevant topic. In our view, the authorities should, as preconditions, start looking at a relevant legislation and amending those as appropriate to facilitate further development of the alternative financing sources.



8. POSITIVE PRACTICES FROM THE REGION

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8.1. EU comparable representatives: Croatia and Slovenia

Only two countries from the Balkan i.e. ex-Yugoslav region are featured in the 2020/21 GEM Women's Entrepreneurship Report ("GEM Report") – Croatia and Slovenia. Croatia generally has a higher level of total early-stage entrepreneurial activity – around 9% for women and 16% for men whereas Slovenia's averages are about 5% for women and 7-8% for men, i.e. approximately twice less.

Croatian women entrepreneurs were also one of the most active in the agricultural sector among the entire sample, whereas Slovenian women entrepreneurs were virtually non-existent within the information communication and technology ("ICT") sector indicating a significant lack of interest and by extension support, which is in stark contrast with European averages where women tend to be concentrated in ICT.

According to the Inclusive Entrepreneurship Policies, Country Assessment Notes issued by Organization for Economic Co-operation and Development (OECD) for the European Commission there are approximately 251 thousand early-stage entrepreneurs in Croatia, i.e. those who are actively working to start a business or manage a business that is less than 42 months old. Overall, the share of people involved in early-stage entrepreneurship is above the European Union (EU) average (9.5% vs. 6.7%) but a very high share of these activities are undertaken by people who cannot find employment (33.6%).¹³⁹

Eliminating all of the gaps in entrepreneurial activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in additional 155 thousand entrepreneurs. About 70% of these "missing" entrepreneurs are female, while nearly 65% are over 50 years old and 20% are immigrants.¹⁴⁰

While there is an equal share of self-employed men (23.5%) and women (24.4%) working as skilled agricultural, forestry and fishery workers, men dominate in the group of managers (32.3% vs. 24.0%). This dominance among managers is greater than the gap at the EU level. Conversely, self-employed women were much more active than men as service and sales workers. Further insights are difficult to obtain due to data limitations.¹⁴¹

An interesting piece of information¹⁴² stated in the GEM Report is that Slovenian women entrepreneurs were five times more likely to be in the 55–64 age group than men, while Croatian women entrepreneurs' likelihood of stating that starting a business was easy was significantly below the global average indicating significant obstacles and challenges in, what can be stated as the first formal step of becoming an entrepreneur. This in itself is an intriguing piece of information as Slovenia's most active age group can also be observed through the lens of being a pre-retirement age group, potentially indicating that Slovenia may have less obstacles and challenges in the initial stages compared to its neighbor Croatia.

¹³⁹ Inclusive Entrepreneurship Policies, Country Assessment Notes OECD. Available at: bit.ly/3NPZRLT

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

¹⁴² Global Entrepreneurship Monitor. 2020/21 Women's Entrepreneurship Report: Thriving through Crisis. Available at: bit.ly/3zkOKGC

Nonetheless, Slovenia does have a higher percentage of women-started established businesses compared to Croatia (approx. 5% vs. 3.5%), while Croatia is more competitive in terms of intentions to start a business (approx. 21% vs. 7.5%) and total (early-stage) entrepreneurial activity (approx. 9% vs. 5%), as previously stated.

The GEM report also emphasized significant differences in the types of markets targeted by women entrepreneurs in Croatia and Slovenia, where Croatian women entrepreneurs tend to be focused on local markets (approx. 40%) while Slovenian women entrepreneurs are only approx. 25% focused on local markets, choosing to focus more on national markets (approx. 45%) with around 30% being focused on international markets. Croatian women entrepreneurs are about 32% focused on national and around 28% focused on international markets.

Other research has also been conducted addressing women's entrepreneurship in the region "Women's Entrepreneurship in Former Yugoslavia – Historical Framework, Ecosystem and Future Perspectives for the Region" with numerous contributors.¹⁴³ Within the chapter addressing Croatia, it is mentioned that there is a significant number of NGOs supporting the development of women's entrepreneurship such as the Croatian Association of Business-women Circle, Women in Adria, International Network of Businesswomen, Association of Croatian Women Entrepreneurs, and Women Entrepreneurial Centre. Their primary activities are networking, promotion of good practice examples, organizing workshops, providing information about business opportunities and financial support programs. Moreover, in 2002 Croatia had adopted the Small Business Development Promotion Act which served to

establish the basis for the support and development of small and medium-sized companies¹⁴⁴.

Moreover, per data visible through an analysis conducted by the World Bank Group, Croatia has low self-employment and low entrepreneurial activity among women, follow women's representation being lower than EU averages¹⁴⁵. Financing of women's businesses is mainly done through financial institutions, some of which have started offering special packages to entrepreneurs in general (lower bank fees, better interest rates).

Looking at the legal and institutional framework, Croatia adopted the National Policy for the Promotion of Gender Equality 2006-2010 as part of its pre-EU activities. The document defines gender equality and the empowerment of women as "*one of the fundamental principles of the democratic and social order of the Republic of Croatia*"¹⁴⁶. There are updates to the National Policy for the Promotion of Gender Equality, but support and strengthening of women's entrepreneurship remain one of the cornerstones. Croatia adopted a Strategy for the Development of Women's entrepreneurship for the period 2010 – 2014 and a subsequent one for 2014- 2020.

Based on a conducted interview with a representative from Croatia¹⁴⁷, the state Strategy is a "dead letter on paper" since no actions from the document was implemented. Women entrepreneurs are organized in various NGOs and associations, but the general opinion is that those organizations are "not doing their job," and all activities come down to individual entrepreneurs pursuing changes they are interested in through those organizations. The interviewee accentuated that investment in women's business is perceived as a CSR activity, not as a business opportunity with

¹⁴³ Springer International Publishing. Women's Entrepreneurship in Former Yugoslavia Historical Framework, Ecosystem, and Future Perspectives for the Region. Available at: bit.ly/3NdRJ7U

¹⁴⁴ Alpeza M, Oberman Peterka S, Has M (2018) Entrepreneurship in Croatia. In: Palalić R, Dana LP, Ramadani V (eds) Entrepreneurship in former Yugoslavia: diversity, institutional constraints and prospects. Springer, Cham, pp 37–50

¹⁴⁵ World Bank Group (2019b) Investing in opportunities for all. Croatia country gender assessment. World Bank Group—Croatia Country Office

¹⁴⁶ The Croatian Parliament. National policy for the promotion of gender equality 2006-2010. Available at: bit.ly/3t9RO4C

¹⁴⁷ Interview with Ivana Marić, founder and director of Women in Adria, dated 16 March 2022

significant economic potential and that EU admission did not result in any significant changes in this respect.

POSITIVE EXAMPLE FROM THE REGION

Besides financing issues, women entrepreneurs in Croatia find balancing work and family obligations as one of the major challenges¹⁴⁸. Following the initiative of Women in Adria, Poreč and Koprivnica are first towns in Croatia offering free child care to women entrepreneurs¹⁴⁹. Other initiatives include: the reduction of contributions for all new businesses and the revision of the requirement for the new company to have a director registered full time, which is especially challenging for mothers with young children.

8.2. Regional comparable representative: Serbia

Serbia made a big step forward in promoting gender equality by introducing Gender Sensitive Budgeting back in 2015 when the new Law on Budget System was adopted. This Law recognized gender equality as one of the budget goals and an ongoing obligation in budget planning and execution, with the envisaged gradual introduction from 2016 to 2020. By subsequent amendments in 2016, the Law enforced gender-focused reporting on the impact of budget programs, gender-responsive goals and indicators.¹⁵⁰

Besides this, Serbia has had several attempts at improving its economic and employment outlook and strategy including several instances of Employment Strategies valid for specific periods. The most recent is the Action Plan 2021–2023 for the Implementation of the Employment Strategy of the Republic of Serbia 2021–2026¹⁵¹ with the overall goal to create a stable and sustainable employment growth underpinned by knowledge and decent work. Out of the 14 Action Plan specific goals, only one directly addresses women and even that in an overarching manner of their position in the labor market. However, the Action Plan for 2021-2023 does have overall targets for women/men employment rates, activity rates, unemployment rates, registered employment, informal employment, employment by type of work and in-work at-risk-of-poverty rate, some of which are further specified by age groups.

Given that there are opportunities for the improvement of women's entrepreneurship in Serbia, and in the coming period the state will adopt a strategy that will define additional support measures¹⁵². This is further emphasized by Serbia's self-employment rates. Namely, self-employment in Serbia is almost twice as high among men as among women, i.e. 25% of men and 14% of women between the ages of 15 and 64 are self-employed¹⁵³ showing plenty of opportunity for improvement.

While the most recent data indicate that the share of women-owned businesses in Serbia is 31.7%, based on the gender analysis of six programs of the Development Agency of Serbia implemented to support the growth of MSMEs in

¹⁴⁸ Lovaković, Martina. Women in Entrepreneurship - Challenges and Limitations.

Available at: bit.ly/3ah4yjk

¹⁴⁹ Mrakužić, Ena. Poreč i Koprivnica su prvi gradovi koji poduzetnicama početnicama osiguravaju besplatan vrtić.

Available at: bit.ly/391nOB2

¹⁵⁰ UN Women. Gender Sensitive Budgeting.

Available at: bit.ly/3zh9xuO

¹⁵¹ Republika Srbija. Vlada. Akcioni plan za period od 2021. do 2023. godine za sprovođenje strategije zapošljavanja u Republici Srbiji za period od 2021. do 2026. godine.

Available at: bit.ly/3N5KLLv

See also bit.ly/3t88h9G

¹⁵² Sinadinović, Zorica. Žene u biznisu, u pripremi nova strategija državne podrške.

Available at: bit.ly/3x94TNW

¹⁵³ Republika Srbija. Republički zavod za statistiku. Žene i muškarci u Republici Srbiji / Women and Men in the Republic of Serbia, 2020.

Available at: bit.ly/3MfemaS

Serbia in 2016 and 2017, the share of women's owned firms among beneficiaries of analyzed programs was 22.7%. At the level of individual programs' beneficiaries, the share of women-owned firms ranges from 13.6% to 45.4%.¹⁵⁴

When it comes to the share of funds awarded, women's owned businesses received 183.7 million RSD or 17.9% of all funds, vs. 841.5 million RSD or 82.1% that went to men's owned firms, meaning that for every dinar that was awarded to women-owned businesses, men-owned businesses received 4.6 dinars. The gender gap is 657.8 million RSD. That is how much more money out of the 1.03 billion RSD was awarded to men-owned than women-owned firms. At the level of individual programs, the share of funds awarded to women-owned firms ranges from 12.7 to 43.3%.¹⁵⁵

Women entrepreneurs make up a quarter of the total number of businesspeople in Serbia, but there has been a trend of an increasing number of women in leading positions in companies.¹⁵⁶ In addition to trade, textile and food processing, women have often started businesses within the fields of science and innovation, with many also focusing on health and social services – motivated by the pandemic¹⁵⁷.

Based on an interview with one of the most notable figures¹⁵⁸ in Serbia's development of women's entrepreneurship, it can be concluded that the financial support for women's entrepreneurship mostly comes from the Government of the Republic of Serbia through various ministries and the Development Fund of the Republic of Serbia (loans with a preferential interest rate, non-refundable up to 45%). The interviewee firmly

believes that the number of women entrepreneurs¹⁵⁹ would increase if women had more opportunities to present their businesses to investors as at the current times, those are low.

Moreover, in 2022, the Ministry of Economy set aside 2.5 billion RSD for programs to support entrepreneurship, including a program for women entrepreneurs. Participation in such programs is conditioned by applicants satisfying varying criteria which differ depending on the applicant's background, i.e. the municipality they are registered in and its level of development. Other criteria are the business idea in itself and the age of the applicant.

There is also additional support for start-ups which comes from the National Employment Service, whereas the Serbian Chamber of Commerce also has a role in promotion and networking women entrepreneurs. Private investors mainly support women's entrepreneurship as part of corporate social responsibility ("CSR") activities, one such example being DM – drogerie markt.

There are also funding opportunities through the European Bank for Reconstruction and Development (EBRD) which distributes funds through commercial banks such as Intesa Sanpaolo Bank. Other foreign investors/supporters include embassies which mainly provide training seminars and mentoring support.

Further, Serbia is a host of numerous non-governmental organizations for women's entrepreneurship where most of the NGOs are mostly established to raise funds, however, they also includes a component of providing networking

¹⁵⁴ National Alliance for Local Economic Development (NALED). Gender Analysis of Economic Programs and Financial measures in Serbia.

Available at: bit.ly/3PY7BK

¹⁵⁵ Ibid.

¹⁵⁶ Ministry of Economy of the Republic of Serbia. Minister Atanasković opened the conference "Entrepreneurs - Development Force of Serbia".

Available at: bit.ly/3z9L8ar

¹⁵⁷ RTS. Women in business, a new state support strategy in preparation.

Available at: bit.ly/3x94TNW

¹⁵⁸ Interview with Biljana Lazarević, founder and former president of Section for Women's Entrepreneurship in the Serbian Chamber of Commerce. Also one of founders and Senior Consultant at Casa Forte, one of EBRD's consultants for ABS Program (Advice for Small Businesses) and IP Program (International Project). Interview held on 18 March 2022.

¹⁵⁹ Serbian Chamber of Commerce. 2.5 billion dinars for business beginners, women entrepreneurs, young people, as well as for the further development of micro, small and medium enterprises.

Available at: bit.ly/3wZ12TX

opportunities for women entrepreneurs – something that has been seen as beneficial. Generally speaking, women's entrepreneurship in urban areas has mostly been focused on online businesses and that has become a trend, especially given COVID-19 developments.

8.3. Regional comparable representative: Montenegro

Montenegro has been systematically developing women's entrepreneurship since 2015. In October 2021, the Government adopted the Proposition of the Strategy for the Development of Women's Entrepreneurship 2021-2024, together with a two-year Action Plan for the period 2021-2023. The Strategy is focusing on the economic empowerment of women, strengthening the competitiveness of women's entrepreneurship and effective public policy that promotes and supports women's entrepreneurship.

Previous Strategy's implementation measures and activities have greatly contributed to the support and development of women's entrepreneurship. According to the Tax Administration, approximately 23% of companies are owned by women. A number of predominantly women-owned businesses has grown 250% in a nine-year period (2011 to 2020), which is driven primarily by specific programs and support aimed at women's entrepreneurship.

Montenegro has also adopted the National Strategy for Employment and Human Resources Development 2016-2021 which, as the first of its four strategic priorities, defines increasing employment and reducing the unemployment rate. The strategy includes activities designed to support the development of entrepreneurship, with a special focus on women, youth, business start-ups, university students, lending to technological redundancies and support for agricultural development.

In its Innovation Strategy 2016-2022, Montenegro highlights the need to increase the volume of investments in research and development and strengthen the innovation capacity of SMEs and to, among other things, affirm women's entrepreneurship and women's scientific potential.

Generally, one can conclude that Montenegro has defined a strong framework for further development and support of women entrepreneurs, and looking forward, Montenegro is now focusing on the implementation of policies and programs adopted.

These are further supported by the data shown in the tables below as the number of women-owned MSMEs has been steadily increasing. However, a total number of women entrepreneurs has also been fluctuating in the observed period confirming the above-stated need for Montenegro to implement the adopted policies and programs.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total number MSMEs	18,571	19,829	21,525	23,138	24,455	25,440	26,755	29,534	32,084	33,157
Women owners of MSMEs	3,021	3,281	3,595	3,925	4,599	5,233	5,820	6,460	6,996	7,584
Percentage of women owners	16.27	16.55	16.70	16.96	18.81	20.57	21.75	21.87	21.81	22.87

Table 3: Number of women owners of MSMEs in relation to the total number of MSMEs in Montenegro – changes for the period 2011 - 2020¹⁶⁰

¹⁶⁰ Montenegro Tax Administration, January 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total number of entrepreneurs	9,602	9,519	9,980	9,652	9,579	9,521	9,391	9,335	9,104	8,772
Women entrepreneurs	3,179	3,072	3,106	3,127	3,072	2,980	2,868	2,673	2,802	2,778
Percentage of women entrepreneurs	33.11	32.27	32.42	32.40	32.07	31.30	30.51	28.63	30.78	31.67

Table 4: Number of women entrepreneurs in relation to the total number of entrepreneurs in Montenegro – changes for the period from 2011 - 2020¹⁶¹

Montenegrin commitment to the development of women's entrepreneurship is also demonstrated through the Committee for Women's Entrepreneurship at the Chamber of Commerce of Montenegro which has been implementing and supporting various activities and programs in Montenegro¹⁶².

There are also activities conducted by the Montenegrin Investment and Development Fund ("IRF") which supports entrepreneurship through the implementation of lending programs for university students, employees considered redundant and business start-ups. IRF also has a program implemented with the United Nations Development Program (UNDP) supporting women in business and women-owned/led start-ups with special support lines for specific industry sectors: agriculture, tourism, production and services. The program helps through liquidity support, competitiveness incentives, greenfield and infrastructure projects. In these instances, interest rates for debt financing are limited to 4.5% for all start-ups whereas for women-led businesses they are limited to 3%. Among the opportunities is also a credit line implemented under the program *Women in Business* allowing for approval of debt up to 10,000 EUR with six-year tenure and a 2.5% interest rate, while for businesses situated in the north of the country the interest rate is even lower at 2%. Moreover, a special credit line for women-led-start-ups allows for debt financing with no interest. The EBRD has also been involved in the country with the same terms as in the region, where women-led-business are eligible to have up to 60% of consulting services financed, and with grants up to 10,000 EUR.

Aside from the opportunities stated above, the Ministry of Economic Development of Montenegro currently has an open *Call for financial support to the economy for 2022*, to improve competitiveness, development of the processing industry, and development and promotion of crafts. The total budget allocated for the implementation of the support program is 5.2 million EUR. Grants will be paid as reimbursements of various expenses supported by appropriate documentation. Another eight program lines are being implemented, with a total value of 4 million EUR, aiming at improved competitiveness through investment incentives, standardization and digitalization of businesses, entrepreneurship development, green jobs, economic empowerment of women and youth and mentoring services.

In addition to activities being conducted by the above-mentioned entities, the Association of Business Women of Montenegro is also operating in the country, currently implementing the Balkan Women's Coalition Project Vol. 2, an initiative to support women's entrepreneurship in the Balkans, funded under the ERASMUS Program. The project aims to bridge the gap in entrepreneurial skills and lack of knowledge about social entrepreneurship among women, through an innovative approach that brings together women, social entrepreneurs and investment "angels" in a single program that will increase the number of successful entrepreneurship targeting social needs across Europe, improve gender equality and raise awareness of the importance of self-employment initiatives focused on supporting social, cultural or environmental issues.

¹⁶¹ Ibid.

¹⁶² Chamber of Economy of Montenegro. Support programs of the Government, IRF and the Capital presented. Available at: bit.ly/3GGXwvm

The image features a vertical split background. The top half is a solid blue color, and the bottom half is a solid green color. Overlaid on this background are several large, semi-transparent circles. One large blue circle is centered in the upper half, overlapping the blue background. Another large green circle is centered in the lower half, overlapping the green background. These two circles overlap each other in the middle, creating a white area where they intersect. The text '9. FINDINGS' is positioned in the white area, slightly to the left of the center.

9. FINDINGS

9. FINDINGS

9.1. Findings of online survey on women-owned businesses' access to finance

This chapter consists of findings on women entrepreneurs' beliefs, experiences and opinions regarding their access to finance. The analysis reflected data collected from 113 respondents via an online survey.

Demographic profile of respondents

The dominant age group of women respondents is 30-44 years of age (43.4%), followed by age groups 45-59 (38.9%). Smallest representation was with the age groups 19-29 (12.4%) and over 65 (5.3%).

When it comes to education degree level obtained, the dominant is higher education (BA, MA, VI and VII grade of pre-Bologna system) with 52.2%, followed by secondary education with 35.4%, and vocational education (III grade) with 12.4%.

The marital status of respondents indicates that the majority are married (68.1%), while single women were represented by 13.3%, divorced women by 8%, extramarital union 6.2% and widows by 4.4%. The majority of respondents indicate that they have dependents (children) - 77.9%.

Participation in this research is secured from the entire territory of BiH, with the representation of all cantons in the FBiH, and all regions in the RS (except Trebinje), and BD.

Business registration

More than half of respondents have described their business as a craft (64.5%) and 35.4% as a company. Almost 60% of them have registered their businesses at the municipality level and

20.4% of them at Court registers of business entities. The same percentage of respondents (20.4%) are currently in the inception phase of business registration.

Regarding the classification of their businesses, most of them come from the cosmetic industry (13.3%), tourism (12.4%) and sales (11.5%). Notable percentage of them did not recognize their business in one of available options, so they choose the neutral answer "something else" (21%). This data corresponds with the percentage of respondents who are still in the process of business registration and therefore are still not in the official classification of businesses.

Access to finance

Most respondents have their own business for less than one (1) year (28.3%) or 1-3 years (25.7%). It's the same percentage of women who run their businesses for more than 15 years and from 5 to 10 years - 16.8%.

The majority of respondents answered positively to the question, "Did they share ownership with other persons during the business registration?" a high percentage of them (62.8%) established their company with members of the family and 11.5% with friends, while 15.7% of respondents identified themselves as the sole owner of their businesses.

Also, most of them have support during the process of registration and starting their businesses - 72 respondents (63.7%) from family members and 13 (11.5%) from friends, while 15% of them did not receive any support.

Only 27.4% of them have ensured financial resources for starting their own business. The rest of them did not or have only partially provided financial resources - 36.3% per each respondent's group.

More than half of respondents identified usage of their “personal funds/property” as a way of providing the financial resources for establishing a start-up (53.1%), while 23% of them received a “loan” from a family member or friend. “Credit or loan from the bank” took 20.4% and “financial incentive for start-ups” 17.7%. None of them identified private investors as a resource.

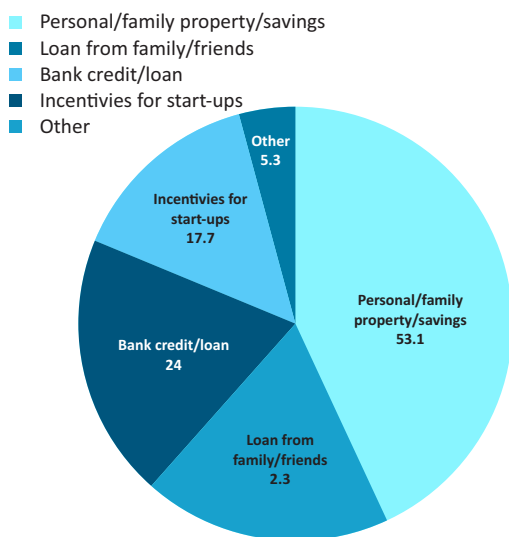


Figure 4: Financial resources for establishing a start-up

The financial incentive from institutions

A high percentage of respondents (85.8%) did not receive the financial incentive for startups from state institutions. For 46.4% of respondents “ignorance of the fact that incentive exists at all” was the main reason for not receiving the institutional incentive. For 22.7% of them, the process of applying for this type of support is too complicated. While 9.3% did not meet the conditions for successful application.

Only 14.2% of respondents (16 persons) did receive financial support from institutions on any level. The following institutions are mentioned as providers of financial incentive: Employment Agency from Sarajevo Canton, Employment Agency of Federation of FBiH, Municipality Novi grad, Municipality Modriča (USAID project), City of Tuzla, Ministry of Economy Sarajevo Canton and other.

They described the administrative part of the process (preparing the documentation, the volume of documentation, etc.) as fairly easy to follow.

As an illustrative example of donors who granted them financial support the respondents pointed out the NGO Budućnost Modriča, Foundation 787, the Swiss government, Care International, World Vision, Municipality Modriča, Open Society Fund, Government of Croatia, EBRD, BBI Bank Startup Challenge, CEFE – USAID and similar.

The financial incentive from donors

Regarding the access to financial resources for their startups from the international and domestic donor organizations, 42.5% of respondents “did not even know that such a resource even exists” while 24% of them did not apply for the incentive. The 34% of them applied for donations, of which 17% did not receive a positive answer from donors.

The main hindering factors to access to finance were the lack of information on available resources and the deficient knowledge on how to apply. Several of them mentioned that they did not have anyone to help them during the application filling which they found to be an aggravating factor. Some of the respondents did apply for the incentive, but never received answers why their applications were not accepted.

“When we opened the company in 2017, there was no incentive for start-ups. After that, the COVID-19 (pandemic) arrived when we were not able to get an incentive because we did not have a 30% drop in turnover at the company level (respondents referred to decreased turnover as one of the conditions for state support to the companies during the pandemic).” (Online Survey Respondent, OEQ)

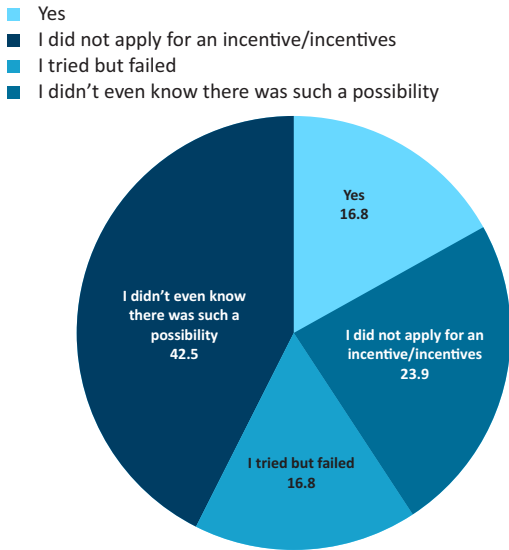


Figure 5: Access to financial resources for their start-ups from the international and domestic donor organizations

The possibility to gain a loan or incentive from business associations and/or women entrepreneurs for starting up the business was unknown to 54.9% of respondents. Only 8.8% did apply while 25.7% decided not to. Only 10.6% of them did try but without success.

As the main reason for not reaching out and applying to nonprofit associations (women business associations, etc.) respondents mentioned the lack of knowledge and information that these types of financial programs exist at all.

“I did not apply for an incentive for women. After four applications for an incentive from the FBiH Government in the last two years (which) I did not pass even once, I did not follow up (further). As a mother of three and the owner of two companies that started active work shortly before the COVID-19, I am disappointed with the functionality of the public sector and the treatment of entrepreneurs in this country.” (Online Survey Respondent, OEQ)

The majority of respondents did not use any type of credit support or loan for starting up the business (71.7%), while 23% of them benefited from it, mostly from bank loans (47%) and loans from microcredit organizations (42.3%).

Those who did receive positive outcomes for their applications referred to association Budućnost Modriča, Foundation 787, Employment Agency Zenica and similar as their donors.

The 71.6% of respondents answered openly the question “How did they manage to overcome the initial financial obstacles”, from which the following answers are most revealing:

- I borrowed money from the family – 37%
- I borrowed the money from a friend – 14.8%
- I received the support in a form of money/equipment from potential partners/ investors - 17.3%
- I did not purchase all equipment – 25.9%

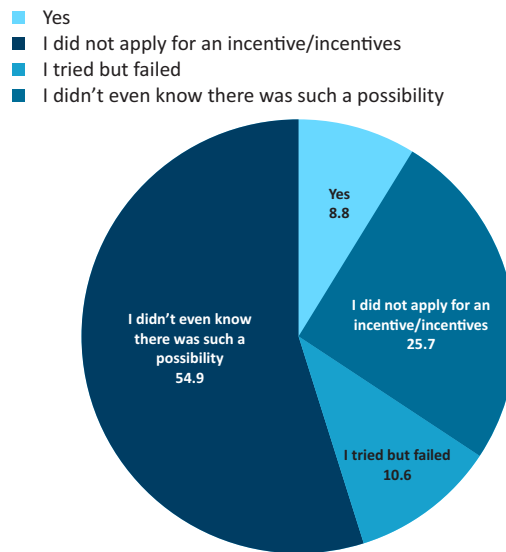


Figure 6: Possibility to gain a loan or incentive from business associations and/or women entrepreneurs for starting up the business

Current situation

Presently, more than half of respondents have employed only one person, while 34.8% have anywhere from 2 up to 5 employees.

For 54% of respondents the husband is the person who supports them the most in their business, follow by their child/children (18.6%) and parents and close friends (15.9%). Only 8% of them recognized professional associations as their supporter.

Almost half of them presently have the person/persons who are co-owners of their business, for 46.9% of them it's a family member, for 8.8% a friend. A high percentage of them (41.6%) is a sole owner.

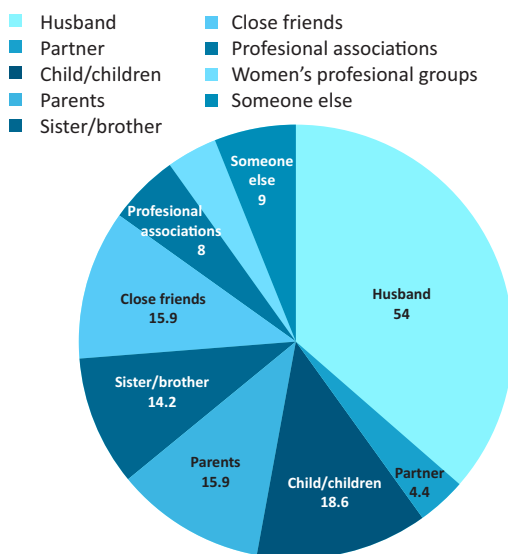


Figure 7: Supporters of women entrepreneurs

Regarding their present situation, 72.6% of them still do not feel that access to finance incentives is easier than before. For 27.4% of them, it is easier now to obtain incentives for various reasons, for illustration:

“Company exists for a long time, our business is good, so we fulfill the conditions!”

“Now the information is available, many associations are helping the entrepreneurs.”

“There are more incentive programs now.”

“When I started, I didn't have an elaborate business plan, I didn't have enough assets to mortgage because the bank requires to have an estimated asset value of almost 1/2 more than the funds I seek. It was hard for me to find guarantors. Today I have a developed business, I can guarantee the company's assets. But it is certainly better not to take a loan because the interest rates are unfavorable and when something like a corona happens, when you do not work easily, you can be left with nothing because the bank has a way to settle (the debt).”

“The trend of supporting small businesses, especially the empowerment of women, is very “popular”. There are several good channels of distribution the information and training for women's entrepreneurship: B2B KFBiH (Chamber of Commerce of FBiH), CEFE, Foundation 787, Peace Network...”

The following comments can offer more insight into the reasons why they do not seek out the loan during their business development:

“There was no need.”

“I was afraid to take a loan.”

“I do not have a secure income.”

“I do not want to take a loan.”

“I did not know that I could ask for a loan.”

“You must be politically eligible to receive incentive because bank loans are not favorable.”

Many of them are thinking now about their beginnings in business as *“a period of time when I learnt a lot and gained skills for fighting out challenges”* (46%) while for 32.7% it was like *“going to adventure unaware of all possible obstacles”*.

The *“careful thinking”* is recognized as the main reason for their business *“survival”* for 32.7% as well as *“lack of willingness to conduct larger financial ventures”* (28.3%).

But still 26.5% of them remembers that time as *“a hard time when I thought a lot of quitting”*.

The biggest challenges:

- Too much competition -24.8%
- Establishing the business relations - 27.4%
- Lack of trust from suppliers - 11.5%
- Insufficient business knowledge - 23.9%
- Sale and product placement - 19.5%
- Too many factors outside my control - 26.5%
- Finding a good employee - 23%
- Increased operating costs - 27.4%
- Too much “paperwork” - 27.4%
- Insufficient time for business/private life - 24.8%
- The problems with cash flow - 23%
- Maintaining the consumer's satisfaction - 9.7%

Measures for overcoming challenges:

- I learnt a lot from my own mistakes - 57.5%
- Responsible behavior toward partners -28.3%
- Responsible behavior toward employees - 21.2%
- Establishing the rules and procedures - 23.9%
- Connecting with business associations - 13.3%

Women to women recommendations for the development of enterprise

The respondents were asked to offer their final comments and recommendations for the development of women's entrepreneurship. Here are some of the illustrative answers:

“Only courage!”

“To give non-refundable funds to women”

“Be prepared to forgo. It is not easy to be a women entrepreneur in man's world.”

“I do not think the term 'women's entrepreneurship' is gender correct, since there is no 'men's entrepreneurship' term. My recommendation is that our society starts treating women entrepreneurs as persons who can contribute to economic development and stability. We can start by excluding the term 'women's entrepreneurship' which will surely have an effect on programs and agendas of various financial institutions and organizations who deal with these questions and allow equal rights to start up the business to the women who decided to become entrepreneurs.”

“I will recommend to all women to first inform themselves well and only then start their own businesses. I was ill-informed, believing that everything will develop itself. I miss knowledge about commerce, communication, I only had an enormous wish to work and succeed.”

“It is extremely important to have someone to encourage you, to tell you what you will face off, to not feel alone. The support at the beginning, when you have nothing, is of great value. Maybe to establish a fund for women's entrepreneurship support.”

“Go for it!!!”

“Stop donating the cows and hives as well as amounts up to BAM 2000 for starting up the business. Nobody can start anything serious with BAM 2000. Start supporting the women with the same amount as you support men.”

9.2. Findings on interviews with key stakeholders on women's access to financing schemes

This chapter presents the findings derived from conducted in-depth interviews with key stakeholder regarding the quality of existing funding measures and sources for women in business, identification of key denominators and challenges, as well as areas in which donors' support will be most helpful.

The key denominators and challenges faced by female business owners accessing financial incentives

The majority of key informants shared beliefs that disharmonious BiH's legal framework is one of the main aggravating factors for women to succeed in their business ventures. The related laws and politics on the entity level correspond to some extent with the needs of women's entrepreneurship especially sectoral politics on the entity level (informants mentioned programs for gender responsible budget, Action plans for women entrepreneurs...). Nevertheless, the opinion is that these frameworks are not helpful on a significant level.

The key informants are aware that support or incentive of women entrepreneurs is not a sole or at least a major subject of related laws or politics. This issue is positioned low on the priority scale, both on state and entity levels, and therefore many initiatives that could help women to overcome the challenges are still a hostage to political games:

"Some of the Strategies on the federal level (that were drafted for promotion of women's entrepreneurship) are for last two years captures in parliamentary procedures due to the political situation in Federation..." (informant UNW SH3)

Even when the law recognizes the institute of installing the special measures for promoting women in business, this opportunity is not applied in practice:

"The BiH Law on Gender Equality stipulates that the authorities in BiH at all levels can adopt temporary special measures, as they called it in the law, which is intended to eliminate inequality, promote equality and protect gender equality. This means, in translation, that this provision means that the governments and in fact all providers of certain support measures (grants or any other type of support or incentives for women's entrepreneurship) have the opportunity to (...) specifically endorse women who apply to Grant/ Incentive Calls (...) this is not considered discrimination or inequality. And all these special measures can be applied until a 40% of women's representation in the public and private sectors is reached. This (possibility) seems to me to be unknown to us, but it is a very good framework and starting point for stimulating the involvement of women in business processes." (Informant UNW SH5)

As another key denominator of the state/entity low interest toward enabling the women, better access to finance is the fact that there is no established system of collecting the sex disaggregated data on any level. These types of information could be a valuable resource from which it could be derived the demographic and other statistics data related to women, and therefore be a crucial factor for tailoring the future programs specifically to women's needs.

The traditional values, patriarchal stereotypes and prejudices that paint women as not equally capable to run the business as man, as well as their fear of financial failures are just some of the socio-economic challenges that women are facing.

There are many tangible obstacles for women that informants recognized: high interest rates, obligatory request to prove that women are owners of property before the loan could be even considered, the condition of having the starting funds before the bank proceeded with the loan approval.

Besides the necessity of balancing private and business life, women are also facing with lack of information on financial incentives, especially from institutional grant schemes, and a shortage of initial funding for purchasing equipment, materials, permits. Female entrepreneurs do not have sufficient knowledge of how to apply for grants, how to keep the financial records, what the market is and how to investigate the market needs.

But, the informants identified the unstable political situation in BiH as “an umbrella” challenge for all women who want to start or have their own business. Some of the informants described this country as a “cemetery for laws” dedicated to development.

“I work in the public institution which explicitly deals with developing programs, but we never did do anything in the field (of financial incentives for women). It is not a question of our knowledge, we will know how to do this, but I think that lack of political will is a reason for not dealing with this issue.” (informant UNW SH12)

Review of existing measures and sources of funding

The biggest challenges that women are facing off when starting or running their business that key informants identified are the following:

- Lack of support after the start-up phase
- How to deal with tax benefits, administrative procedures
- How to work in a digitalized environment

The majority of key informants have some general knowledge regarding the existing financial measures for equal participation in the economy for men and women, as well as of the measures that empower women's participation in business. Mainly they are aware only of the measures that their institutions are involved with.

Some of the informants express their reservation regarding the transparency and effects of institutional financial incentives for women. According to their opinions, the incentives for agricultural ventures are mostly well done and very regular.

“The supportive measures for agricultural holdings are determined on a yearly basis according to 'The Rulebook on conditions and ways of financial incentive realization' and 'The Rulebook on capital investment.' The approved financial incentives are of 30% of the total value of eligible investment costs for commercial farms and of 15% for non-commercial farms. If an owner of a commercial farm is a woman, the percentage of incentives will be increased by 5%. This measure is direct support to the women and every year the number of women, owners of farms, is increasing.” (informant UNW SH11)

The measures for supporting women from vulnerable groups

The majority of informants were not aware of special measures for supporting women from marginalized groups, except for women from rural areas, mostly for agricultural endeavors. Only one informant had knowledge of financial incentive for marginalized groups of women given by the municipality in the amount of BAM 10,000 for equipment purchasing. The effort of allocating funds to marginalized women, namely women survivors of domestic violence on the federal level was deemed unsuccessful:

“There are measures for supporting the women with disabilities through Employment Agency programs, for women 45+ of age, for those who are unemployed the longest...we did try to implement the measures for women victims of domestic violence's and women victims of war rape. Unfortunately, this measure did not come to life due to the lack of informing the key stakeholders (especially Centers for social work) and poor communication (toward women and others involved).” (informant UNW SH3)

Institutional financing programs

According to the informants' testimonies, there are two sources for institutional financial programs: donors support and public budget. They are aware of the State Agency for gender equality and entity gender centers financial programs, and their relation to the implementation of gender action plans, for example, program FIGAP, funded by SIDA). The Federal Ministry of Entrepreneurship and Crafts was mentioned as one of the institutions who granted incentives for women in business as well as the Ministry of Agriculture and Entrepreneurship of the Republika Srpska that allegedly allocated approximately BAM 100,000 for women's associations and BAM 500,000 for women cooperatives on a yearly basis. (informant UNW SH11)

Institutional capacities for development and promotion of incentive measures

The overall opinion on institutional capacities for the development of incentive measures is that there is much room for improvements. Their capacities for promotion of existing incentives are also found lacking, since they are not developed enough:

“The officials do not have enough knowledge about these topics. Before the pandemic when we tried to talk to them about that (empowering women in business) they would not say a word. Unfortunately, we can thank to COVID-19 pandemic for the fact that we start to talk more about empowering the women as a sensitive category...” (informant UNW Sh4)

What are the donors' failures in financing women-owned companies?

Regarding the type and quality of donor support, the key informants' answers were very conservative. The informants believe that most of them are funding start-ups, women in a rural areas and small craft companies. They do think that donor support in BiH is not synchronized, and only partially covers the needs. The amount of financial support is very limited by the informant's understanding:

“You cannot start a business with BAM 5000!” (informant UNW SH6)

The informants had identified the areas in which donors should focus more support in the future:

- investing, empowering and promotion of women in decision-making, owners' and co-owners' positions
- networking opportunities for women-owned companies
- investing and supporting women engineers
- empowering and compensating women mentors.

The donor agencies recognized as a valuable source of financing women in business are listed below (in the order of appearance in transcripts): UNDP, USAID, SIDA, UN Women, EBRD, British Embassy, American Embassy, CARE International, European Union.

POSITIVE EXAMPLE

“The good example is CARE International that financed the establishment of three women cooperatives in BiH. The process of developing the cooperative lasted whole year (education on market, market research etc.). CARE did not want to only give women the money for starting the cooperatives and leave them to their own devices.” (informant UNW SH6)

The private investments in women owned business

The majority of informants do not possess any information on private investments in the women-owned business. The informants from commerce chambers have no knowledge of companies who acted as private investors in women's businesses.

Only information on private company incentives are those published by media outlets, mostly as a report on humanitarian support to the women CSOs whose beneficiaries are vulnerable women.

The quality and quantity of existing financial incentives for the development of women's entrepreneurship

The overall opinion of informants is that the quality and quantity of financial incentives for women should be increased. The number of financial programs and individual grants is mostly in the range of 2,000–10,000 BAM, which is not sufficient. COVID-19 pandemic heavily affected redistribution of public budget:

“These last two years we had a situation that none of the funds were distributed for the women in business. Only incentives were for companies to fight off the COVID-19 consequences (for salaries).” (informant UNW SH3)

Republika Srpska plans to allocate BAM 4,500,000 for “establishing and functioning of special grant scheme/fund for women entrepreneurs for various types of support”. The resources for this fund will come from the different levels of government and donor support. The quality of support will be measurable by indicators, maybe for the first time.

POSITIVE EXAMPLE

An example of positive practice for sharing information and knowledge is the new web site for women entrepreneurs designed by the Federal Chamber of Commerce with the support of the Gender Centre of FBiH. The website B2B Platform (<http://b2b-kfbih.com>) is a virtual meeting place for women in business who allows to register members more visibility, better access to information on available grants/incentives and the possibility for networking.

Key informants recommendation for public institutions

- Include gender perspective in all documents related to women's access to finance in strategies, plans and programs
- Increase the amount of financial incentives
- Systematic approach to financial programs
- Mapping of existing initiatives
- Harmonize related laws
- Every state and entity ministries plan incentives in their budgets
- Improve promotion and distribution of information on grant schemes
- Exploit the opportunities offered by the Law on public-private partnership for fostering the women's access to finance by private investors

9.3. Findings from focus group discussion with private investors

This chapter offers insight into private investors' focus on women's entrepreneurship, the main barriers to significant investments and recommendations for improved business and investments climate.

The current position of investors in entrepreneurship

The focus group participants come from the companies and institutions dedicated significantly to promoting and supporting women access to finance. They run the programs and projects aimed to develop and restore the economy¹⁶³.

"We are very open to women's entrepreneurship, mainly we finance microbusinesses, crafts and agricultural ventures. The percentage of women who participate in our client base is approx. 42%. They are mostly clients who do not have access to the traditional financial sector – banks and they cannot receive their incentives."(informant UNW FG 1)

Regarding the financial resources allocated to women in business on country level, some of FG participants believe that there are enough incentives available for women. According to their opinions funds from local communities or cantons are not utilized.

"Last year Sarajevo Canton Government allocated BAM 470,000 for women's entrepreneurship but this fund was not exploited."(informant UNW FG 2)

The reason for not utilizing the existing funds is not only that women are uninformed about opportunities. According to the FG comments, existing funds are not always customized for women applicants, some of them are unattainable or tailored only for bigger companies.

POSITIVE EXAMPLE

The website www.lonac.ba offers information on the economic empowerment program Step by Step, developed by Foundation Mozaik and Sparkasse bank as a partnership initiative with the aim of opening the door to financial services for those clients for whom these services are difficult to access.

Current investments in women's entrepreneurship

For some of the investors, women's business makes up to 50% + of their portfolio; they have more than 80 women cooperates from whom they are buying the products. They have direct and indirect financial schemes/programs for this client group, credit lines for startups, agricultural microbusinesses, credit lines for bigger companies. The crisis caused by COVID-19 produced different views on the economy, putting the spotlight on the importance of developing the BiH economy, entrepreneurship and small business.

Others support female businesses indirectly, establishing cooperation with institutions and banks to open the credit lines for women (UniCredit Bank Banja Luka and Raiffeisen bank). The purpose of these schemes is to make it easier for non-eligible businesses to apply for and receive bank credits. And the banks who accepted this cooperation are offered "first loss cover" for financial losses.

The majority of FG participants are involved in educational and/or advisory activities, with the aim to build the knowledge base and communication skills of women in business. And in management – in the EBRD Women in the business program, there is a line "Access to know-how" which provide advising services to female managers (directors, deputy directors...).

¹⁶³ The BiH Federation Development Bank recently launched a new credit line in cooperation with World Bank targeting (among other groups) companies who are gender sensitive (women inclusive). The EBRD currently run several programs with women as target beneficiaries (Women in Business program, Star Venture program, etc.) as well as microcredit organizations. More information available at: bit.ly/3PUxkGW

POSITIVE EXAMPLE

During the beginning of the pandemic, cooperation with local producers helped DM company to overcome the procurement challenges on certain types of products. Although they do not invest directly in women's businesses, last two years DM company in cooperation with web portal [Bonjour.ba](#) invested BAM 19.000 in the promotion of women-owned businesses, to share their know-how.

The main barriers to significant investment in women's entrepreneurship

The private investors recognized the following main challenges for women-owned businesses:

- Lack of systematic financial support to the women owner of small business,
- Gray economy,
- Inadequate legal framework.

Regardless of gender, the FG participants recognized a negative trend in number of persons who are applying for loans. First COVID-19 pandemic, then the war in Ukraine influence entrepreneurs plans for business expansion, purchasing equipment, etc. making them hesitant to invest.

These negative effects influenced by outside factors still do not affect significantly financial schemes operated by non-profit foundations in cooperation with banks, since they share the investment burden.

All private investors in FG claimed that the applicant's sex and/or gender played no role in the decision to invest in their idea/business. Nor in the risk assessment.

"We value an idea and business in general, which gender is behind is of no importance" (UNW FG PI 1.)

The age limits for loans are individual for every participant's institutions/company. For some all under the age of 70 are eligible, for other males under the 25 are at high risk. One organization has a strict rule to give incentive to the age groups 18-35 years and another focus on women 45+.

According to the FG discussion findings, usually credit lines are going from 5,000 to EUR 50,000. In the area of agriculture, the average loan is around EUR 2,300 which is insufficient, with rare cases of credit lines in amount of BAM 500,000 (EUR 250,000).

There are credits in the range of 3–5 million EUR to financial institutions which further channel out those funds to banks for developing a new credit line. The average bank loan is up to EUR 20,000 and microcredit around EUR 2,000. The loans for technical support are available to incubators, accelerators or other institutions dedicated to the development of entrepreneurship. Their range is from 1,000 to EUR 50,000.¹⁶⁴

The investors are most interested in financing the agricultural ventures and service industry (natural cosmetic, organic food and similar). They are making decisions whose application to finance is based on the quality of the business idea, the feasibility, and risk assessment. Some of them also consider a psychological profile of the applicant and the impact of their business on society.

Banks evaluate the applications for credit based on analysis of project purpose, financial performances, owner reputation, offered collateral which is for micro and small companies usually hard to obtain. If companies cannot obtain collateral, they can apply to commercial banks and use the mechanism of the FBiH Guarantee Fund.

The new initiative was presented during the discussion: Development Bank of the Federation of Bosnia and Herzegovina offers a co-financing model to local municipalities where non-refundable grants are redirected into subsidized loan interests (loan without interest).

¹⁶⁴ The Foundation Mozaik offers mutual investment scheme up to EUR 20,000 and EUR 5,000 worth of mentorship support. The interest-free loans are also available in amount up to EUR 5,000, but they are rarely awarded. More information available at: bit.ly/3aioQJt

POSITIVE EXAMPLE FROM THE REGION

A notable example of women's entrepreneurship support was a program implemented by IKEA in Croatia¹⁶⁵. The program was implemented by donating all revenues received from sales of a social game “Fierce Women” to the program “Odvažna” (Croatian for *brave* or *courageous*)¹⁶⁶. “Odvažna” also provides mentoring support to its participants. The program has been operating for two years and is a joint venture consisting of the Office of the Gender Equality Ombudsperson, the European Parliament Office in Croatia, Erste Bank, the Croatian Bank for Reconstruction and Development (HBOR), EBRD Support to Small Businesses in Croatia, consulting company Apsolon, Women in Adria, Raiffeisen bank Croatia and the Croatian Chamber of Crafts - HOK¹⁶⁷.

Recommendations from private investors to the government / decision-makers

- design a program of support for entrepreneurship
- interest subsidiary, favorable interest rates, longer repayment terms
- change the tax policy: allow a grace period in the first few years of business
- establish a fund for innovation
- decrease payroll taxes and accompanying social contributions
- harmonize laws at entity levels.

¹⁶⁵ Anonim. IKEA podupire žensko poduzetništvo u Hrvatskoj – Living.

Available at: bit.ly/3wZlfqd

Anonim. IKEA Socijalni poduzetnici – Zajednički stvaramo promjene.

Available at: bit.ly/3MeGpqS

¹⁶⁶ Anonim. Održan godišnji skup programa ODVAŽNA 2020: „Za odvažne poduzetnice i u doba krize poslovni razvoj je moguć!.

Available at: bit.ly/3GFpL2H

¹⁶⁷ Ibid.

9.4. Findings on focus group discussion with key stakeholders

This chapter represents the findings of the focus group discussion with key stakeholders from civil society organizations and institutions related to the coherence of the existing legal framework for gender equality, challenges for women-owned businesses, the effectiveness of existing financing resources and measured as well as gaps in support to work/life balance.

The existing legal framework and public policies

Stakeholders' position on the existing legal framework and public policies at the state and entity levels in terms of fostering the competitiveness of women-owned enterprises was very clear: the current environment is a disincentive for women-owned businesses. In their opinion, there is no system support for women-owned businesses and/or businesses with women majority. And when some type of incentive is open to women, the realization of the support process is "incoherent."

They had recognized a lack of measures for establishing and maintaining a balance between work and private life for women and men. Although the stakeholders deemed the increased amount for parental leave compensation in Sarajevo Canton and Tuzla as praiseworthy, this stimulation is not provided to everyone. Therefore, it is more of a rarity than a proof of a systematic approach.

"Recently the state Agency for Statistics published data that shows how a big percentage of women with small children are not employed. They are forced to take care of the children because the state does not offer social protection or support to families with children. The state does not care about the fact that there are not enough kindergartens,

there is no Labor law reform. I do not speak only about the nuclear family, but also on minority types of families: single-parent families, LGBT partnerships... simply speaking the state does not do absolutely nothing about it." (informant UNW SH9)

Key denominators and challenges for women-owned businesses access to finance

According to this FG, the women in BiH lack financial knowledge. They are not educated for or brought up in the spirit of entrepreneurship. From stakeholders' experience, many of them judged application procedures as too complicated and beyond their scope of knowledge. Writing a business plan is commonly believed to be most demanding. There are so many computer illiterates that Federal Employment Agency decided to adjust the application form for several financial supports into one to be filled out by hand, not by computer programs.

"We asked them (women grantees) what they need after that year (year of incentive). For 69.66% the most important thing after the expiration of the contract period is additional financial support. Then support for business promotion (for 44.94%) and 28.09% mentioned partnership and networking with similar businesses. We also asked them what knowledge and skills are most important? 67.42% of them said the knowledge and skills to develop marketing and business promotions. Additional knowledge and skills in product sales and marketing for 52.81%, 47.19% accounting, and book-keeping records, and 44.94% of them said business management." (informant UNW FG KHS)

Therefore, stakeholders concluded that women share the biggest obstacle of all: the difficulty of access to finance.

All of the above-mentioned open up a new set of challenges: how to develop a business idea into the quality and successful application for incentives.

In addition, the insufficient funds for women-owned businesses are a constant problem. According to stakeholders, experience available incentives are not enough for securing the business without linking them with loans or personal assets. And those are very hard to obtain since they represent a financial risk for banks or microcredit organizations.

But the challenges do not stop with ensuring the finance, just the opposite. Stakeholders share their experience that after the business is open, other types of problems start:

“...with most basic activities like keeping up with accounting, communication with clients, how to deal with accountants...They need a lot of help in the beginning, but institutions like Federal Employment Agency cannot offer mentorship support. Although I am sure that employees of the Employment Agency are willing to help, they simply do not have enough knowledge. Even we, who work directly with women, have had difficulties answering all their requests since every business has its specificity.”
(informant UNW FG KSH)

The BiH socio-cultural environment is not very helpful for raising the self-esteem of women in business. It is a feeling that respondents shared. The women from rural areas have additional burdens to overcome – they are usually not the owners of the land on which they want to realize their agricultural ventures. Their husbands are usually the owners and do not have any intention to gift the land to them. Some respondents even experienced that women, owners of businesses, are still totally dependent on their husbands. They do not have their means of communication - phone and email address. Therefore, formally they were business owners but in reality, they just followed the husband's orders.

Review of existing sources for women-owned businesses

A few opinions have been expressed on the topic of the institution's capacity for the development of incentive policies and the promotion of women's entrepreneurship. Those opinions were the opposite. For some stakeholders, the institutions increased their performance in the last decade. Others judged institutional capacities as underdeveloped, without an understanding of what truly means to strengthen women's entrepreneurship.

For them gender equality is not a statistical representation of women with access to finance; it is a development of coherent politics for advancing vocational retraining, mentorship, favorable loans and similar.

“The women's entrepreneurship development policy needs to be built systematically. This can be done in two ways: 1. By systematically integrating the gender perspective into key strategies and other documents in the field of entrepreneurship development policy (such as SME development strategy, industrial production development, regional development strategy, etc.) and 2. By developing a specific strategy/action plan for women's entrepreneurship development.”
(informant UNW SH10)

The stakeholders noted the financial incentives from cantonal and federal employment agencies as a positive example of support for women's entrepreneurship. In 2022 the FBiH Employment Agency allocated non-refundable funds in the amount of 3 mil BAM for women's self-employment and employment regardless of age, experience, or level of education.

On a cantonal level and BD, there is evidence of programs that allow women access to finance in amounts of 800-900 BAM per month.

Regarding the situation in RS, one of the focus group participants stressed several positive initiatives that are realized on the entity level.

“For many years the Employment Service of RS implemented employment action plans derived from the Employment Strategy, realized employment financing programs for various target groups. In 2018, a special measure through the “Program for employment and self-employment of target categories in the RS economy” was dedicated to women, victims of domestic violence, and from 2020 also for women from the rural area, women victims of war torture. This program was realized through 2 components: financial incentives to employers to engage unemployed persons (incentive worth an amount of BAM 4000) and supporting self-employment (incentive worth an amount of BAM 5000).

From 2019 to 2021, 3 women, victims of violence were employed (Doboj, Prnjavor, and Vlasenica). In 2021 we started the realization of the “Program for employment and self-employment of target categories in Republika Srpska economy 2021” whose value is BAM 4,5 mil. One of the targeted categories is women, victims of domestic violence and war torture and until now employment of this target economy within this program is not recorded.” (informant UNW SH10)

The gaps in donors' financial programs and schemes for women in business

The opinions on the quality of donor support/incentives in this focus group were scarce. It was pointed out that there is no evidence of cooperation between donors. Their projects on empowering women, in respondents' opinion, are usually short-term and despite all realized actions *“the problem still exists and there is no solution.”*

The USAID-funded “Program for support to the women from marginalized groups” (USAID PPMG), implemented by Institute for Youth Development KULT was mentioned as a positive example of donor support. This program successfully utilized the resources from international donors and local municipalities for the creation of an entrepreneurship fund for women.

“...we announce the public call for local municipalities (as target groups) and then select 9 of them to work with. Next, we pool the resources of USAID and local municipalities in equal measure to create the fund to support women to start their businesses. The next step is to publish the call for beneficiaries and based on their business plans select the grantees. It is not only financial support for their business ideas, we gave them experts and mentoring support through 1 year, as well as promotion.” (informant UNW FG KSH)

The focus group participants are aware of private companies' donations (e.g. Bingo, Violeta, and Hifa) to women CSOs (the safe houses), as a part of companies' corporate social responsibility. But they were unfamiliar with the existence of private investments in women-owned businesses.

“High school for tourism and management from Konjic started recently a support program of university education for marginalized (women), financed by private company ASA insurance. So again, a private company financed a socially responsible project. Financing women's entrepreneurship cannot be a project of social responsibility. That should be a project of positive discrimination for empowering an economic role of women in society.” (informant UNW SH9)

Recommendations to institutions for the advancement of the economic environment

- institutions should create multidisciplinary teams to support women entrepreneurs by including the private investors for financial and mentorship support
- adopt policies on work/life balance for stimulating women's entrepreneurship
- start programs of financial literacy education for women entrepreneurs
- perform root-cause analysis on women's participation in the grey economy
- adapt the regulatory and institutional frameworks to enable easier access to loans for women.



10. CONCLUSIONS AND RECOMMENDATIONS

10. CONCLUSIONS AND RECOMMENDATIONS

This chapter offers gender-responsive recommendations and necessary actions/initiatives to be undertaken to address the challenges in financing women-owned businesses.

Based on the evidence presented in the report, drawing from the experience of developed and developing countries, and in line with the UN Women financial inclusion agenda, the report provides the following conclusions and recommendations:

Conclusion 1

Sex-disaggregated data shape fiscal and regulatory policies to accelerate financial inclusion for women, build evidence-based financial inclusion policymaking and enable the effective chronicling of steps to address barriers facing women. But according to the 2021 EU Country report, BiH is still at an early stage of preparation in the area of statistics: **“In order to better support policy analysis, improvement is needed on the provision of timely, exhaustive and countrywide statistics on government finance, national accounts and labor market.”**

The share of businesses owned by women in Bosnia and Herzegovina is not known, as the statistical agencies in BiH do not collect data on this indicator as part of their structural business statistics. A lack of sex-disaggregated data in BiH further entrenched the “invisibility” of women and yielding an incomplete picture of gender gaps in BiH.

There is enough evidence to conclude that incomplete statistical practices hinder the creation of evidence-based responses and policies for women's better access to finance. Therefore gender-differentiated data on the state and entity-level regarding women in business must be available for policymakers to be able to assess the situation and develop appropriate, evidence-based responses and policies. Such data will ideally cover several years to track changes and take corrective action and in accordance with EU statistical standards.

Recommendation 1

Introduce and enforce reporting of gender-disaggregated data by financial and statistical institutions on all levels. Harmonize data collective methods at state and entity levels for ensuring the coherent and comprehensive report.

Possible actions:

- Provide technical support to the statistic and tax authorities to improve collection and reporting of gender-differentiated data in accordance with EU Standards and practice with respect to the national data privacy laws.
- Build the awareness of statisticians and representatives of related ministries of gender disaggregated data values through the organization of trainings and interactive workshops.

Conclusion 2

Based on study findings it can be concluded that disharmonious BiH's legal framework is one of the main aggravating factors for women entrepreneurs. The related laws and politics on the entities' level, especially sectoral politics (for example, programs for gender responsible budgets and action plans for women entrepreneurs) correspond to some extent with the needs of women, but they do not induce changes on a significant level. Legislative and bureaucratic barriers to alternative sources of finance are numerous. The institutional finance programs for women entrepreneurs are often insufficient and generally their promotion does not reach those for which programs are designed. Any further development of legal framework, law, policies, strategies and action plans, needs to be based on women's economic and social realities. CSOs, including women's business groups, should be recognized as allies in gathering information about the potential or actual impact of government policies, and they should be consulted regularly.

Recommendation 2

Improve implementation of laws and regulations to boost gender equality in the finance sector.

Possible actions:

- Provide technical assistance to institutions to develop the policy positions, procedures and human capacities that are a prerequisite for effect institutional support for the women's access to finance.
- Revise sectoral strategies and policy documents to include female enterprises as actors in those policies.
- Coordinate various entity and canton state institutions to jointly work on the economic empowerment of women cross policy platforms.
- Provide technical assistance to create a women's enterprise database.

Conclusion 3

The majority of institutions that provide incentives for women entrepreneurs are understaffed and suffer from limited budgets, hindering the services extended to SMEs (mentorship, monitoring etc.). Based on study findings, the existing staff lacks understanding and knowledge of women's entrepreneurship as well as promotion of financial programs. Given these constraints, it is essential to develop their capacities for understanding and managing financial programs. Creating synergy across the administrative levels will decrease the risk of programs duplication.

Recommendation 3

Develop capacities of public institutions/financial providers

Possible actions:

- Develop and implement educational modules for public institutions official regarding the women's economic empowerment, access to finance, finance literacy, grant management and information dissemination
- Organize regular working conferences gathering together financial providers from state and entity levels in order to foster institutional cooperation and information sharing.

Conclusion 4

According to the study findings, financial barriers for women entrepreneurs in BiH gravitate around the following issues: lack of collateral, insufficiently developed financial infrastructure, inadequate perception and evaluation of risk and lack of a customized approach and unfavorable lending policies. Most commercial banks don't consider women as a specific market segment with different characteristics to take into account. As a result, banks offer generic products and services which are most likely not suitable for the types of businesses women are running. Banks perceive the majority of women business owners to be microenterprises with the need for microfinance size loans and with little chance of qualifying for bigger loans. Hence, there is reasonable access to microloans, but much less for small and medium-size loans. In order to foster recognition of women's economic potential governmental stakeholders should work with the financial institutions to develop acceptable credit risk guarantees for female-led MSMEs which would enable women entrepreneurs' easier access to finance.

Institutional coordination of women's SME and MSME policies would boost gender equality and contribute to higher-impact results on women's entrepreneurship. The public sector can notably play a role in mobilizing more private investment in women-driven companies and providing funding (follow-on investment and growth finance) to such companies along their lifecycles, thereby putting them on a sustainable growth path. Understanding the limitation of grants that could be provided by the government even by increasing the allocation, the government should encourage more banks and micro institutions through tax incentives to provide a broader range of financial services with flexible terms and conditions to assist women in establishing and expanding their enterprises.

Besides government grants and loans from financial institutions, the associations of women entrepreneurs and other CSOs should continue providing financial schemes to women entrepreneurs. Financial institutions can proactively and profitably engage with women entrepreneurs as clients, not as social categories. Relevant entities' Ministries (e.g. FBiH Ministry of Development, Entrepreneurship and Crafts and the RS Ministry of Economy and Entrepreneurship) could act as the cohesive factor between different stakeholders to ensure appropriate, applicable and relevant activities.

Recommendation 4

Take a collaborative approach to women-owned businesses to support policies

Possible actions:

- Provide coordination through regular meetings between governmental, non-governmental and financial institutions as a part of a comprehensive ecosystem approach to addressing financial and non-financial barriers to women's entrepreneurship.
- Harmonize efforts of private and public institutions, non-governmental organizations and training centers, to effectively enhance women MSMEs' financial capabilities through opening a regular and continuous communication channel between women entrepreneurs and other stakeholders.

Conclusion 5

Women entrepreneurs often lack sufficient knowledge and skills required for the qualitative and quantitative assessment of their financing needs and the available sources of financing, understanding the funder's requirements, and finally for the successful application.

There are various programs aimed at supporting entrepreneurs and especially young entrepreneurs and start-ups, however, the needs of people from different age groups and different backgrounds might significantly differ. Also, our research indicates that often the information about available sources of finance does not reach women entrepreneurs, or they do not get the information in a timely manner.

Recommendation 5

Assess and address the needs of women entrepreneurs

Possible actions:

- Assess the actual needs of women entrepreneurs taking into account their educational and social background. Map the available training programs with the assessment results and organize specific and tailor-made educational and support programs to fill the gap.
- Provide support to the existing programs to ensure their continuation and expansion.

Conclusion 6

Research indicates that women's businesses are traditionally oriented to services, agriculture and small home-run business. With a few the exceptions, there are no funds, especially public, available to stimulate women entrepreneurs in the non-traditional area (women in IT, women in science) as well as women lead innovative projects. Although these types of projects might be financially risky, a well-funded financial instrument available to women in business wanting to conduct research and development, develop prototypes should be introduced.

Recommendation 6

Support research and Innovative women's businesses

Possible action:

- Advocacy campaign for establishing the well-funded public-private financial instrument for women in research and development, innovation and the IT sector.

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The image features a stylized graphic composed of several rectangular blocks. The top half is primarily blue, with a solid dark blue horizontal bar at the very top. Below this, there are two columns of blocks. The left column has a light blue block on top, followed by a darker blue block. The right column has a light blue block on top, followed by a darker blue block. The bottom half of the image is primarily green, with a solid dark green horizontal bar at the very bottom. Below this, there are two columns of blocks. The left column has a light green block on top, followed by a darker green block. The right column has a light green block on top, followed by a darker green block. The word "ANNEXES" is written in white, bold, uppercase letters on the left side of the green section.

ANNEXES

Annex I: Online survey of women entrepreneurs motivation, challenges, social circumstances, current business needs, and future plans: Findings

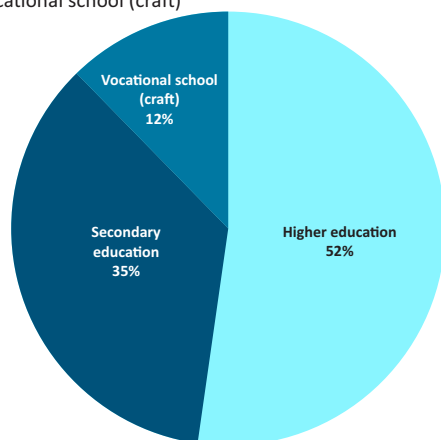
The online study of knowledge, attitudes and practices on access to finance and investing of women entrepreneurs was conducted via online questionnaire. The purpose of study was to gain understanding of the current problems that women are facing in accessing finance as well as to analyse the conditions for women entrepreneurs in accessing finance.

Demographic profile of respondents

The dominant age group of women respondents is 30-44 years of age (43,4%), followed by age groups 45-59 (38,9%). Smallest representation was with the age groups 19-29 (12,4%) and over 65 (5,3%).

When it comes to education degree level obtained, dominant is higher education (BA, MA, VI and VII grade of pre-Bologna system) with 52,2%, followed by secondary education with 35,4%, and vocational education (III grade) with 12,4%.

- Higher education
- Secondary education
- Vocational school (craft)



Graph1: Education degree level of respondents

Marital status of respondents indicates that the majority are married (68,1%), while single women were represented by 13,3%, divorced women by 8%, extramarital union 6,2% and widows 4,4%. Majority of respondents indicate that they have dependents (children) -77,9%.

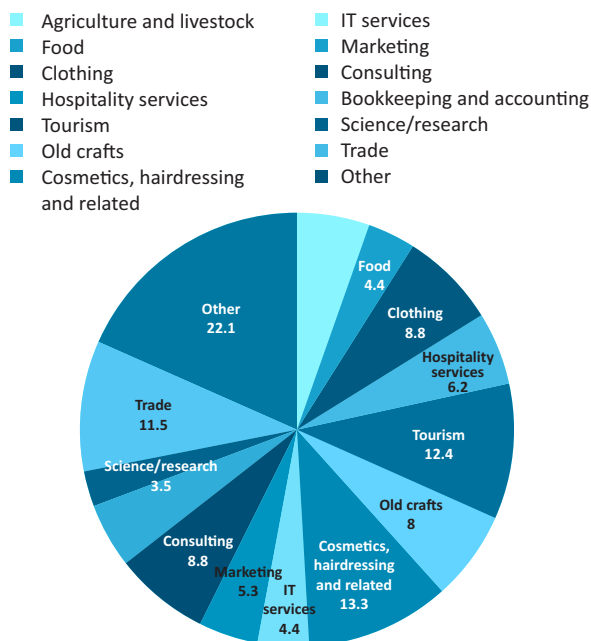
Participants in this research were targeted from the entire territory of Bosnia and Herzegovina, with representation of all cantons in Federation of Bosnia and Herzegovina, and all regions in Republika Srpska (except from Trebinje), and Brčko District.

Business registration

More than half of respondents have described their business as a craft (64,5%) and 35,4% as a company. Almost 60% of them have registered their businesses on municipality level and 20,4% of them at Court registers of business entities¹⁶⁸. The same percentage of respondents (20,4%) are currently in the inception phase of business registration.

Regarding the classification of their businesses, most of them comes from the cosmetic industry (13,3%), tourism (12,4%) and sales (11,5%). Notable percentage of them did not recognize their business in one of available options, so they choose neutral answer "something else" (21%). This data corresponds with percentage of respondents who are still in the process of business registration therefore still not in the official classification of businesses.

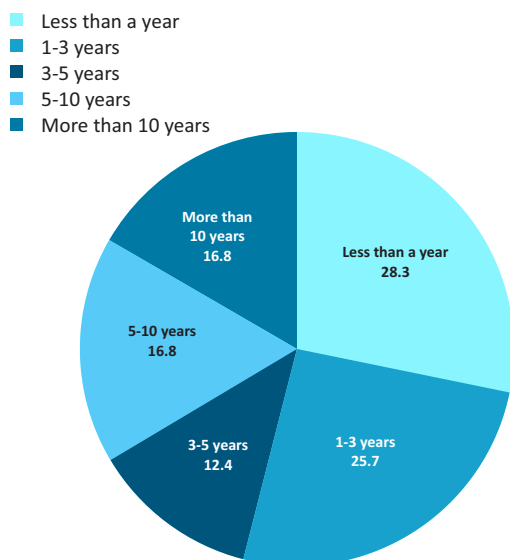
¹⁶⁸ The electronic court registers contain information on all business/legal entities that are required to register by the Law on Registration of Business Entities. In BiH exist Register of Business Entities of Brčko District of Bosnia and Herzegovina, Register of Business Entities of the Federation of Bosnia and Herzegovina and Register of Business Entities of Republika Srpska.



Graph 2: Official classification of businesses of the respondents

Access to finance

Most respondents have their own business less than one (1) year (28,3%) or 1–3 years (25,7%). It's the same percentage of women who run their own businesses more than 15 years and from 5 to 10 years – 16,8%.

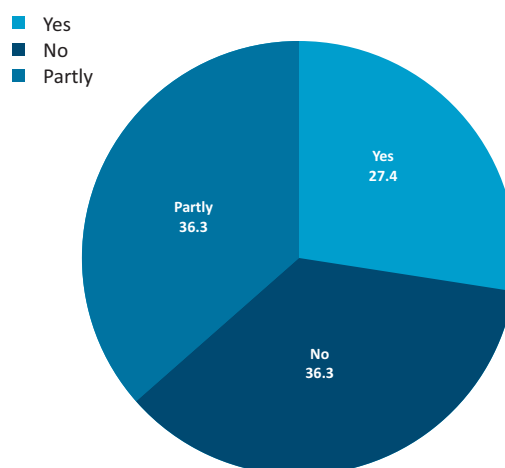


Graph 3: Business registration (years since registration)

Majority of respondents answered positively the question, 'Did they share ownership with other persons during the business registration?' High percentage of them (62,8%) established their company with members of family and 11,5% with friends, while 15,7% of respondents identified themselves as a sole owner of their businesses.

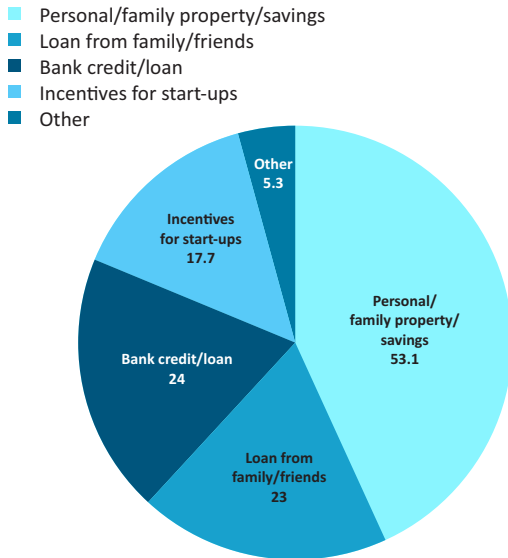
Also, most of them have support during the process of registration and starting their businesses – 72 respondents (63,7%) from family members and 13 (11,5%) from friends, while 15% of them did not receive any support.

Only 27,4% of them have ensured financial resources for starting their own business. The rest of them did not or have only partially provided financial resources – 36,3% per each respondent's group.



Graph 4: Respondents have ensured financial resources for starting their own business

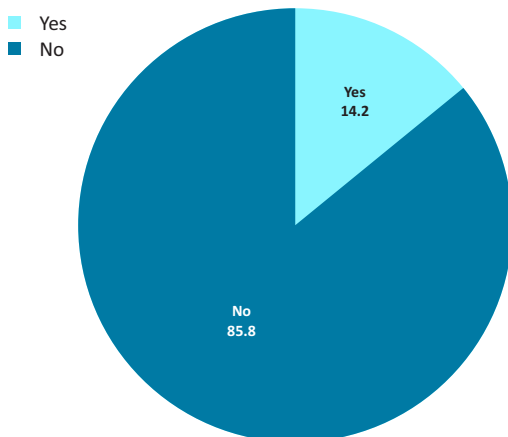
More than half of respondents identified usage of their “personal funds/property” as a way for providing the financial resources for establishing a startup (53,1%), while 23% of them received “loan” from a family member or friend. “Credit or loan from the bank” took 20,4% and “financial incentive for startups” 17,7%. None of them identified private investors as a resource.



Graph 5: Financial resources for establishing a startup

The financial incentive from institutions

High percentage of respondents (85,8%) did not receive the financial incentive for start-ups from state institutions.



Graph 6: Financial incentive for start-ups from state institutions

“Ignorance of the fact that incentive existed at all”, is recognized by 46,4% respondents as a main reason for not receiving the institutional incentive. For 22,7% of them, the process of applying to this type of support is too complicated. While 9,3% did not meet the conditions for successful application.

Only 14,2% respondents (16 persons) did receive financial support from institutions on any level. The following institutions are mentioned as providers of financial incentive: Employment Agency from Sarajevo Canton, Employment Agency of Federation of FBiH, Municipality Novi grad, Municipality Modriča (USAID project), City of Tuzla, Ministry of Economy Sarajevo Canton...

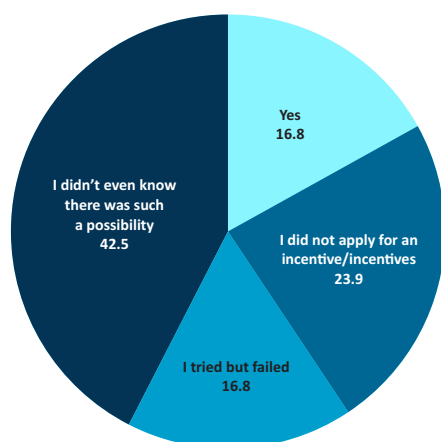
They described the administrative part of the process (preparing the documentation, the volume of documentation, etc.) fairly easy to follow.

As an illustrative example of donors who granted them financial support the responded pointed out the non-governmental organization Budućnost Modriča, Foundation 787, Swiss government, Care International, World Vision, Municipality Modriča, Open Society Fund, Government of Croatia. EBRD, BBI Bank Startup Challenge, CEFE – USAID and others.

The financial incentive from donors

Regarding the access to financial resources for their start-ups from the international and domestic donor organizations, 42,5% of respondents 'did not even know that such a resource even exists' while 24% of them did not apply for incentive. The 34% of them applied for donation, of which 17% did not receive the positive answer from donors.

- Yes
- I did not apply for an incentive/incentives
- I tried but failed
- I didn't even know there was such a possibility



Graph 7: Access to financial resources for their start-ups from the international and domestic donor organizations

Main hindering factors to access to finance were the lack of information on available resources and the deficient knowledge on how to apply. Several of them mentioned that they did not have anyone to help them during the application filling which they found out to be aggravating factor. Some of the respondents did apply for incentives, but never received answers why their applications were not accepted.

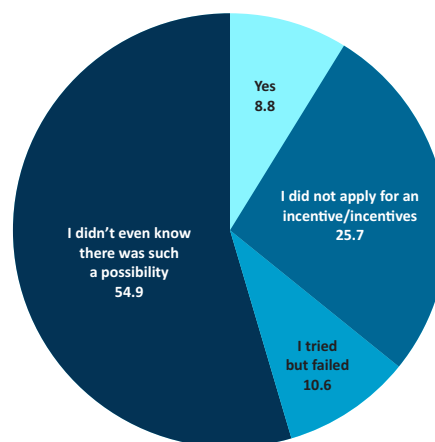
“When we opened the company in 2017 there was no incentive for start-ups. After that, the COVID-19 (pandemic) arrived when we were not able to get an incentive because we did not have a 30% drop in turnover at the company level (respondents referred to decreased turnover as one of the conditions for state support to the companies during the pandemic).”

The financial incentives from women's associations/banks/microcredit companies

The possibility to gain a loan or incentive from business associations and/or women entrepreneurs for starting up the business was unknown to 54,9% of respondents. Only 8,8% did apply

while 25,7% decided not to. Only 10,6% of them did try but without success.

- Yes
- I did not apply for an incentive/incentives
- I tried but failed
- I didn't even know there was such a possibility



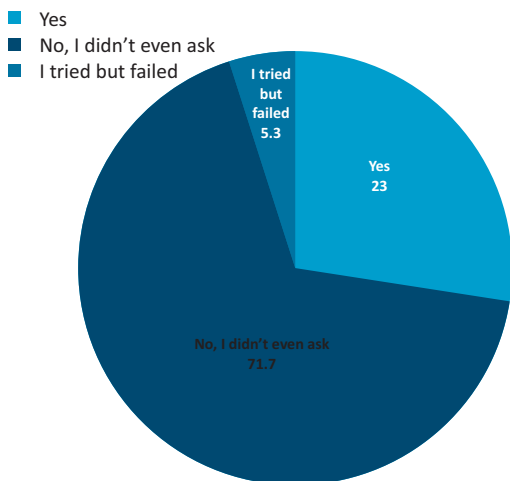
Graph 8: Possibility to gain a loan or incentive from business associations and/or women entrepreneurs for starting up the business

Those who did receive positive outcome for their applications referred to association Budućnost Modriča, Foundation 787, Employment Agency Zenica and others as their donors.

As the main reason for not reaching out and applying to non-profit associations (women business associations, etc.) respondents mentioned the lack of knowledge and information that these types of financial programs exist at all.

“I did not apply for an incentive for women. After 4 applications for an incentive from the FBiH Government in the last two years (which) I did not pass even once, I did not follow up (further). As a mother of three and the owner of two companies that started active work shortly before the COVID-19, I am really disappointed with the functionality of the public sector and the treatment of entrepreneurs in this country.”

The majority of respondents did not use any type of credit support or loan for starting up the business (71,7%), while 23% of them benefited from it, mostly from bank loans (47%) and loans from microcredit organizations (42,3%).



Graph 9: Use of any type of credit support or loan for starting up the business

“Incentives are very small and mostly related to agriculture or crafts. There is very little or no incentive for the IT sector, especially if you are embarking on a more serious business venture and it is not a student start-up idea. There is no incentive to start a serious IT business, just for some small ideas.”

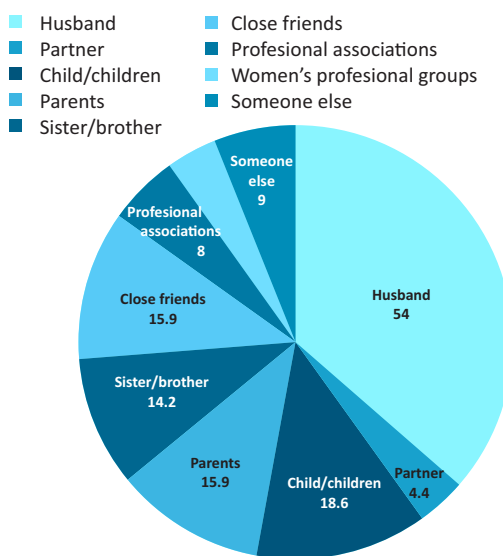
The 71,6% respondents answered openly the question “How did they manage to overcome the initial financial obstacles”, from which the following answers are most revealing:

- I borrowed money from the family -37%
- I borrowed money from a friend - 14,8%
- I received support in the form of money/equipment from potential partners/ investors - 17,3%
- I did not purchase all equipment - 25,9%

Current situation

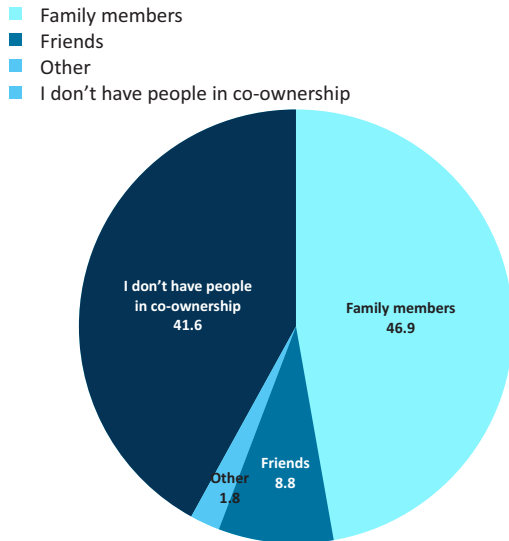
Presently, more than a half of respondents have employed only 1 person, while 34,8% have anywhere from 2 up to 5 employees.

The husband is, for 54% of respondents, the person who supports them the most in their business, follow by their child/children (18,6%) and parents and close friends (15,9%). Only 8% of them recognized professional associations as their supporter.



Graph 10: Supporters for women's entrepreneurship

Almost half of them have now the person/ persons who are co-owners of their business, for 46,9% of them it's a family member, for 8,8% a friend. The high percentage of them (41,6%) are a sole owner.



Graph 11: Co-ownership structure

Regarding their present situation, 72,6% of them still do not feel that access to finance incentives is easier than before, when they were starting the business. For 27,4% of them, it is easier now to obtain incentive for various reasons, for illustration:

“Company exists for a long time, our business is good, so we fulfil the conditions!”

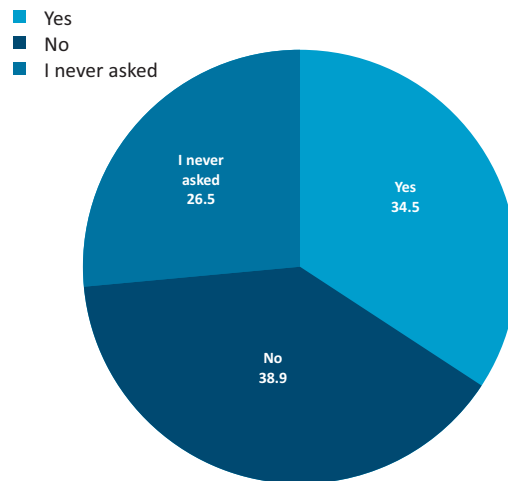
“Now the information is available, many associations are helping entrepreneurs.”

“There are more incentive programs now.”

“When I started I didn't have an elaborate business plan, I didn't have enough assets for mortgage because the bank requires to have an estimated asset value of almost 1/2 more than the funds I seek. It was hard for me to find guarantors. Today I have a developed business, I can guarantee the company's assets. But it is certainly better not to take a loan because the interest rates are unfavourable and when something like a corona happens, when you do not work easily, you can be left with nothing because the bank has a way to settle (the debt).”

“Currently, the trend of supporting small businesses, especially the empowerment of women, is very “popular”. There are several good channels of distribution the information and training for women's entrepreneurship, such as B2B KFBiH (Chamber of Commerce of FBiH), CEFE, Foundation 787, Peace Network...”

Looking back into their financial history, from the start up to today's business, the majority of respondents did not receive (38,9%) and/or requested the incentive or loan (26,5%). The third of them (34,5) did succeed in obtaining the incentive.



Graph 12: Incentives for start-ups (historical perspective)

Comparing this last figure with the number of respondents who answered positively on previous question, “Did they use incentives for start-ups?” For a third (33% of them), it seems that the percentage of women who decided to take a loan is the same in the beginning as well as during the development of their business.

The following comments can offer more insight in reasons why they do not seek out the loan during their business development:

“There was no need.”
 “I was afraid to take a loan.”
 “I do not have a secure income.”
 “I do not want to take a loan.”
 “I did not know that I could ask for a loan.”
 “You must be politically eligible to receive incentive because bank loans are not favourable.”

Many of them are thinking now about their beginnings in business as “a period of time when I learnt a lot and gained skills for fighting out challenges” (46%) “while for 32,7% it was like “going to adventure unaware of all possible obstacles”. The “careful thinking” is recognized as a main reason for their business “survival” for 32,7% as well as “lack of willingness to conduct larger financial ventures” (28,3%). But still 26,5% of them remembers that time as “a hard time when I thought a lot of quitting” (26,5%).“

- I embarked on an adventure without being aware of all difficulties
- I survived by making informed decisions
- I looked at the problems more deeply and logically
- It was tough for me; I was on the verge of giving up several times
- I did not engage in major financial endeavors
- I took fewer risks
- I took care of employee satisfaction
- I learned a lot and gained skills so that I could cope with all the challenges



Graph 13: Perspectives on business beginnings

The respondents recognized the following factors as the biggest challenge they needed to overcome:

- Too much competition - 24,8 %
- Establishing the business relations - 27,4%
- Lack of trust from suppliers - 11,5%
- Insufficient business knowledge - 23,9%
- Sale and product placement - 19,5%
- Too many factors outside my control - 26,5%
- Finding a good employee - 23%
- Increased operating costs - 27,4%
- Too much “paper work” - 27,4%
- Insufficient time for business/private life - 24,8%
- The problems with cash flow - 23%
- Maintaining the consumer's satisfaction - 9,7%

But, according to their testimonies, they succeeded to overcome them with the following measures:

- I learnt a lot, especially from my own mistakes - 57,5%
- Responsible (behavior) toward business partners - 28,3%
- Responsible behavior toward employees - 21,2%
- With establishing the rules and procedures - 23,9%
- By connecting with business associations - 13,3%

Recommendations

The respondents were asked to offer their final comments and recommendations to development of women's entrepreneurship. Here are some of the illustrative answers:

"Only courage!"

"To give non-refundable funds to women."

"Be prepared to forgo. It is no easy to be woman entrepreneur in man's world."

"I do not think that the term 'women's entrepreneurship' is gender correct, since there is no 'men's entrepreneurship' term. My recommendation is that our society starts treating the women entrepreneurs as persons who can contribute to economic development and stability. We can start by excluding the term women's entrepreneurship which will surely affect on programs and agendas of various financial institutions and organizations who deal with these questions and allow equal rights to start up the business to the women who decided to become entrepreneurs."

"I will recommend to all women to first inform themselves well and only then start their own businesses. I was ill informed, believing that everything will develop of itself. I miss knowledge about commerce, communication, I only had enormous wish to work and succeed."

"It is extremely important to have someone to encourage you, to tell you what you will face off, to not feel alone. The support on the beginning, when you have nothing, is of great value. Maybe to establish a fund for women's entrepreneurship support."

"Go for it!!!"

"Stop donating the cows and hives as well as amounts up to BAM 2000 for starting up the business. Nobody can start anything serious with BAM 2000. Start supporting the women with the same amount as you support man."

Annex II: Questionnaire for online survey of women entrepreneurs motivation, challenges, social circumstances, current business needs, and future plans

Feasibility study on women-owned businesses access to finance in Bosnia and Herzegovina

Dear XX,

A consortium team of the INFOHOUSE Foundation and KPMG Tax & Advisory B-H has been hired by UN WOMEN to conduct a "Feasibility Study on Access to Finance for Women-Owned Enterprises in Bosnia and Herzegovina." The aim of the study is to explore the necessary key factors and challenges faced by women entrepreneurs in accessing entrepreneurship financing programs, to assess the framework for the development of incentive policies and the capacity of key actors for the development of women's entrepreneurship.

Your knowledge of financial frameworks, opportunities, but also the difficulties you have encountered will be extremely important to conceive an accurate and complete picture of key denominators and challenges when it comes to women's access to financial flows, identify possible gaps in donor support to women's entrepreneurship, and make a set of recommendations for improving the financing of women's entrepreneurship.

We would like to ask you to take 10-15 minutes of your time and answer the questions from the questionnaire by March 25, 2022, at the latest. In order for the research to be successful, more answers are needed, so it would mean that you forward the questionnaire to your contacts.

On behalf of researchers and partner organizations, we thank you in advance for your input and feedback.

Note: Data are collected for research purposes only. All answers will remain anonymous.

PART ONE: INFORMATION ABOUT THE RESPONDENT

Please select which age group you belong to (only one answer)

1. 19 - 29 years
2. 30 - 44 years
3. 45 - 59 years
4. 60+ years

Please select a degree (only one answer)

1. Craft (III degree)
2. High school (IV degree)
3. College (VI, VII degree, BA, MA)

Please indicate your marital status (one answer only)

1. Married
2. Extramarital union
3. Divorced
4. Widow
5. Free

Do you have children (only one answer)?

Yes

No

DEMOGRAPHIC AND BUSINESS INFORMATION

Please select the area to which your company/business belongs (tick all areas in which you operate)

Federation of BiH

1. Una-Sana Canton
2. Posavina Canton
3. Tuzla Canton
4. Zenica-Doboj Canton
5. Bosnian-Podrinje Canton
6. Central Bosnia Canton
7. Herzegovina-Neretva Canton
8. West Herzegovina Canton
9. Sarajevo Canton
10. Canton 10

Regions in Republika Srpska

1. Banja Luka
2. Doboj
3. Bijeljina
4. East Sarajevo
5. Trebinje

Brčko district

1. Brčko

How your business is registered? (only one answer)

- Crafts
- Company

Where is your business registered? (trade/company) (only one answer)

- Municipality
- Registration Court
- The business is in its infancy

When your business (trade/company) is registered? (only one answer)

- Less than a year
- 1-3 years
- 3-5 years
- More than five years

What category of activity does your company/craft belong to? (mark at most three most important activities)

- Agriculture and livestock
- Food processing and preparation
- Design and sewing of clothing and other related services
- Catering
- Tourism, including accommodation
- Old crafts
- Beauty, hairdressing, and other related services
- IT services
- Marketing
- Consulting services
- Accounting services
- Scientific research activity
- Something else

How many employees did you have in the first year of business? (only one answer)

1. 1 person
2. 2-5 employees
3. 6-10 employees
4. 11-15 employees
5. 16-20 employees
6. More than 20 employees

Did you have people in co-ownership with you when you were founded? (mark multiple answers if necessary)

1. Family members
2. Friends
3. Other _____

Did you have people who worked with you on a paid / unpaid basis when you were founded? (mark multiple answers if necessary)

1. Family members
2. Friends
3. Other _____

How old is your business? (only one answer)

- Less than one year
- 1-3 years
- 3-5 years
- 5-10 years
- 10-15 years
- More than 15 years

FINANCIAL RESOURCES FOR START-UPS

Did you have the initial financial resources to start a business? (only one answer)

- Yes
- No
- Partly

How did you secure start-up funding? (multiple responses)

- Personal/family property or savings
- Loans from family or friends
- Incentive/incentive to start up
- Investors
- Bank financing/credit, loan
- Other

Have you received a financial incentive/incentive from state institutions for start-ups? (only one answer)

- Yes
- No

If yes, from which institution or program (specify) (multiple answers)

1. _____
2. _____
3. _____

What experience did you have in terms of the administrative requirements of the grantor (scope of required documentation, the complexity of the application process, complexity/simplicity of the procedure? Describe

If not, what are the reasons for unused benefits? (only one answer)

- I didn't even know there was such a possibility
- Complicated process
- I did not meet the conditions/conditions
- I did not need funding
- Something else

Have you had a financial incentive/incentive from international and domestic start-up donor organizations? (only one answer)

- Yes
- I did not apply for an incentive/incentives
- I tried but failed
- I didn't even know there was such a possibility

If yes, from which institution or program? (specify)

1. _____
2. _____
3. _____

Did you have a financial incentive/incentive from business associations and/or women entrepreneurs to start up? (only one answer)

- Yes
- I did not apply for an incentive/incentives
- I tried but failed
- I didn't even know there was such a possibility

If yes, from which institution or program? (specify)

1. _____
2. _____
3. _____

Did you use a loan or start-up loan when starting a business? (one answer only)

Yes

No, I didn't even ask

I tried but failed

Can you indicate which financial institutions you contacted? (more answers)

- Commercial banks
- Investment and development banks
- Microcredit organizations
- Other

If you have tried and failed to secure start-up funds through credit lines, can you give reasons for refusing? (multiple answers)

- I had no collateral/mortgage property
- I did not have creditworthy guarantors/guarantors
- Do not approve start-up funds
- Other

How did you manage to overcome the initial financial difficulties? (multiple answers)

- I borrowed money from the family
- I borrowed money from a friend
- I received support in money/equipment from potential partners/investors
- I gave up on purchasing some equipment/materials
- Something else

CURRENT SITUATION

How many employees do you have now? (only one answer)

1. 1 person
2. 2-5 employees
3. 6-10 employees
4. 11-15 employees
5. 16-20 employees
6. 21-30 employees
7. More than 30 employees

Who is currently helping/supporting you in business? (multiple answers)

- Husband
- Partner
- Child/children
- Parents
- Sister/brother
- Close friends
- Professional associations
- Women's professional groups
- Someone else

Do you have people in a co-ownership relationship with you at this time? (more answers)

- Family members
- Friends
- Other _____

Do you currently have people working with you on a paid / unpaid basis? (more answers)

- Family members
- Friends
- Other _____

Is access to financial resources easier for you now compared to previous incentives? (only one answer)

- Yes
- No
- Please comment. If access is facilitated, describe how.

Have you managed to get an incentive, credit, or loan from the establishment until today? (only one answer)

- Yes
 - No
 - I never asked
 - If you didn't or didn't even ask, can you explain to us why? (describe)
-

CHALLENGES

What do you think about your beginnings? (more answers)

- I embarked on an adventure without being aware of all the difficulties
- I survived by making informed decisions
- I looked at the problems more deeply and logically
- It was tough for me; I was on the verge of giving up several times
- I did not engage in major financial endeavours
- I took fewer risks
- I took care of employee satisfaction
- I learned a lot and gained skills so that I could cope with all the challenges

What challenges did you face, especially at the very beginning of the business? (maximum three answers)

- Big competition
- Establishing business relationships
- Distrust of suppliers/customers
- Insufficient business knowledge
- Sales and placement of goods/services
- Too many factors out of my control
- Finding good employees
- Increased operating costs
- Too much paperwork
- Insufficient time for business / personal life
- Cash flow problems
- Maintaining satisfied customers
- Something else

How you managed to overcome difficulties? (multiple answers)

- I learned a lot, especially from my own mistakes
- Accountability to business partners
- Responsible attitude towards employees
- Establishing business rules and procedures
- Connecting with related business associations
- Quality of products and services
- Something else

Annex III: Interview with selected key stakeholders: semi-structured interview questionnaire

For UN Women – INFOHOUSE Foundation and KPMG TAX&ADVISORY B-H

SEMI-STRUCTURED INTERVIEW QUESTIONNAIRE

Only for use by the research team. It's not intended for public dissemination.

Note for interviewers: Ensure that all respondents are on time in the video call via zoom platform. Please note that respondents keep the cameras on at all times. It is necessary to request permission to record the session in order for the transcription to be undisturbed.

It is important to get answers to the following questions/thematic units from the respondent:

- Identifying key denominators and challenges faced by women owners of a company/business when they want/need to access financial incentives/donations/loans etc.
- Identify existing sources of financing for companies founded by women at state and entity levels
- Are there any ifs, what are the failures of donors in the financing of "women's" companies (applies to domestic and international institutions and donor organizations)
- How to improve in the future women's access to finances to start/improve women's entrepreneurship.

SECTION I: INTRODUCTORY NOTES

Good morning/good afternoon!

* Today we will discuss the environment, opportunities and preparation of access to funding by female entrepreneurs

* There are no correct and wrong answers. We're interested in your opinion and every idea you have is important, every answer you have is the right one. In a series of these conversations, we want to get your picture and opinion on the topic of conversation

* What exactly do we expect from you: nothing you don't know, just your honest opinions and your experiences, how you feel and whether you notice any changes in attitudes and behavior on this topic.

* The conversation is recorded exclusively for the purpose of the transcript.

* This conversation of ours will last about 45 to 60 minutes without a break. * For starters, I'm going to ask you to tell us something about yourself: introduce yourself to us as you wish -----

SECTION II: CONTEXT

Today's interview is part of the research process needed to develop a "Feasibility study on access to finance for women-owned companies in Bosnia and Herzegovina."

The aim of the study is to explore the necessary key factors and challenges women face in accessing entrepreneurship funding programmes, to assess the framework for the development of incentive policies as well as the capacities of key actors for the development of women's entrepreneurship.

SECTION III: INTERVIEW WITH SELECTED KEY STAKEHOLDERS

1. What is your position on the existing legal framework and public policies at state and entity levels from the perspective of encouraging competitiveness of women-owned enterprises? How would you characterize an existing environment — as stylistic or?
2. What measures are taken, if enacted, at the state and/or entity levels to encourage the harmonization of professional and private/family life for both women and men?
3. Are there measures to encourage equal participation of women and men in economic decision-making, and are there any opinions about their success?
4. Do they exist, and if so, are you familiar with measures to encourage participation in the labor market as an entrepreneur for certain groups of women with disabilities such as women with disabilities, single mothers, older women, women living in rural areas, etc.?
5. How many of the institutions you represent are involved in public funding programs in the form of smaller grants aimed exclusively at women entrepreneurs, and what do you think is their impact? Can you name some of the lines of incentives, institutions, programs, etc., that you consider examples of good practice?
6. What do you think are the capacities of institutions at state (and/or entity) levels to develop incentive policies for women's entrepreneurship? *(if the answer is "small" or "insufficient," to ask the sub-questions "In which segments? Where do you notice it the most? What would you recommend to increase...")*
7. Do relevant institutions have the capacity to promote female entrepreneurship and support women starting a business? *(if the answer is "small" or "insufficient," ask the sub-questions "In which segments? Where do you notice it the most? What would you recommend to increase...")*
8. Are you familiar with the financing of women entrepreneurs by international donors, and if so, what is your position on their performance? *(if the answer is yes, goes the sub-question "Can you name some of the incentive lines, institutions, programs, etc. that you are familiar with and how do you evaluate them?")*
9. How familiar are you with the lines of financing of women-owned enterprises by private investors, and if so, can you give some illustrative examples?
10. What is your position on the quality and quantity of existing incentives/financial lines – are they sufficient for the development of female entrepreneurship, or do they need to be reinforced on the contrary?
11. What do you think are the joint appointees that women who want to start their businesses face? *(instructions for the moderator in case the question needs to be further clarified but must not be used to influence attitudes: distrust of female entrepreneurs by investors, numerous obligations in the family...)*
12. And what do you think are the most difficult and common challenges faced by women who apply/get a financial boost to their business by women? *(instructions for the moderator in case the question needs to be further clarified but must not be used to influence attitudes: a demanding and expensive procedure for establishing and registering a company, ignorance of the legal procedure, high-interest rates...)*
13. How would you describe the existing social and cultural contexts and their impact on the development of women's entrepreneurship?

14. And what do you think are the most difficult and common challenges faced by women who apply/get a financial boost to their business by women? (*instructions for the moderator in case the question needs to be further clarified but must not be used to influence attitudes: a demanding and expensive procedure for establishing and registering a company, ignorance of the legal procedure, high-interest rates...*)
15. How would you describe the existing social and cultural contexts and their impact on the development of women's entrepreneurship?

Sub-questions:

 - a. Do you know any networks to support female entrepreneurs at any level (government, non-governmental...)? (moderator instruction: show the respondents a list of organizations planned to be surveyed and ask them if there are any other organizations they consider to be key actors)
 - b. What do you think are the prevailing cultural barriers that put women off doing entrepreneurship? What do you think are the prevailing political and social barriers to creating a more stimulating environment for financing women's entrepreneurship?
16. Do you think there is evidence to believe that women in BiH have fewer rights and opportunities in accessing the financing of their companies than men? If any, can you give any examples? If you disagree, please elaborate.
17. What is your opinion on the availability of women to information about financial support and knowledge of how to request it? Can you compare it with the availability of men to related information and knowledge?
18. What would be your recommendations for improving women's access to finance to start/improve women's entrepreneurship at the state and/or entity levels? 4. What would be your recommendations for encouraging private investment for women business owners?

SECTION IV: EXIT QUESTIONS

1. What do you think of the topics we talked about today?
2. Would you like to add something that we did not ask you?

SECTION V: CLOSING OF THE GROUP

Thank you all for your time and ideas. This is extremely useful. As we said at the beginning, the purpose of this discussion was to help us gain a better insight into the environment for the development of women's entrepreneurship in BiH. Please note that you have agreed that this discussion should be confidential. Please don't share with others the details of what anyone said here.

Thank you for your help.

INFOHOUSE and KPMG for UN Women

Annex IV: Interview with selected key stakeholders: semi-structured focus group interview questionnaire

For UN Women - INFOHOUSE Foundation and KPMG TAX & ADVISORY B-H

SEMI-STRUCTURED QUESTIONNAIRE FOR FOCUS GROUP KEY ACTORS

For use by the research team only. It is not intended for public dissemination.

Note for the researcher(s): Ensure that all respondents are on time for a video call via the zoom platform. Like in a traditional focus group, participants respond to moderators and others. The big difference is that the body language of the participants is not noticeable in the virtual focus group, so the facial expressions of the participants become even more important for the research process. Due to the importance of visibility of facial expressions, a laptop on a stable surface or a desktop computer is needed to ensure that the camera is also tough. Attending a Zoom focus group via a smartphone is not ideal because moving the camera can distract others, and the phone itself is a distraction.

Require participants to attend a focus group in a quiet, distracted area. (No driving or driving in the vehicle as a passenger.) Please note that they keep their cameras on at all times. Ask them if they need to speak to raise their hand and not interrupt the discussion. It is necessary to ask permission to record the session in order for the transcription to be uninterrupted. Please follow the general instructions for maintaining focus groups.

It is important to get answers from the group to the following questions / thematic units:

- Identification of key denominators and challenges faced by women business owners when they want/need to access financial incentives/donations/loans, etc.
- Identify existing sources of funding for companies founded by women at the state and entity levels
- Are there and if so, what are the donors' failures in financing "women's" companies (refers to domestic and international institutions and donor organizations)
- How to improve women's access to finance in the future to start/improve women's entrepreneurship.

SECTION I: INTRODUCTORY REMARKS

Good morning Good Day!

* Today, we will discuss your knowledge of the environment, opportunities, and preparation for access to flows funding by women entrepreneurs

* There are no right or wrong answers. We are interested in your opinion, and each of your ideas is important, each of yours the answer is right. In a series of such conversations, we want to get your picture and opinion on the topic of conversation

* What exactly do we expect from you: nothing you don't know, only your honest opinions and your experiences, how you feel, and whether you notice any changes in attitudes and behavior on this topic.

* We will ask you to describe your experiences and opinions during this gathering.

* The conversation is recorded solely for the purpose of the transcript.

* This conversation of ours will last about 60 minutes without a break.

* To begin with, I will ask you to tell us something about yourself:: introduce yourself to us as you wish...

SECTION II: CONTEXT

Today's discussion is part of the research process needed to produce a "Feasibility Study on Access to Finance for Women-Owned Enterprises in Bosnia and Herzegovina." The aim of the study is to explore the necessary key factors and challenges faced by women in accessing entrepreneurship financing programs, to assess the framework for the development of incentive policies and the capacity of key actors for the development of women's entrepreneurship.

SECTION III: INTERVIEW WITH REPRESENTATIVES OF THE "KEY ACTORS" GROUP

1. What is your position on the existing legal framework and public policies at the state and entity levels in terms of fostering the competitiveness of women-owned enterprises?
 - a. Are there other initiatives to encourage entrepreneurship, including women's entrepreneurship outside of formal education and training (e.g., through the media, organized events, local partners, company initiatives themselves, etc.), and if so, what are they?
2. What measures are being taken, if any, at the state and / or entity levels to encourage the reconciliation of professional and private / family life of both women and men?
3. Are there measures to encourage equal participation of women and men in economic decision-making, and if so, what is your opinion on their success?
4. Are there, and if so, are you aware of measures to encourage participation in the labor market as entrepreneurs for certain groups of women such as women with disabilities, single mothers, older women, women living in rural areas, etc.?
5. How familiar are you with public funding in the form of small grants intended exclusively for women entrepreneurs, and what do you think is their impact? Can you list some of the lines of incentives, institutions, programs, etc., that you are familiar with?
6. Are you aware of the funding of women entrepreneurs by international donors and, if so, what is your view on their impact? Can you list some of the lines of incentives, institutions, programs, etc., that you are familiar with?
7. How familiar are you with the lines of financing women-owned enterprises by private investors, and if so, can you give an illustrative example?
8. What is your position on the quality and quantity of existing incentives / financial lines - are they sufficient for the development of women's entrepreneurship, or do they need to be strengthened?
9. What do you think are the common denominators encountered by women who want to start their own businesses? (*instructions for the moderator in case the issue needs to be further clarified but should not be used to influence attitudes: distrust of women entrepreneurs by investors, numerous family responsibilities...*)
10. And in your opinion, what are the most difficult and most common challenges faced by women that women apply for / receive financial incentives for their business? (*instructions for the moderator in case the issue needs to be further clarified but should not be used to influence attitudes: demanding and expensive procedure for founding and registering a company, ignorance of the legal procedure, high-interest rates...*)
11. How would you describe the existing social and cultural contexts and their impact on the development of women's entrepreneurship?
Sub-questions:

- a. Do you know any support networks for women entrepreneurs at any level (governmental, non-governmental...)?
 - b. In your opinion, what are the prevailing cultural barriers that discourage women from engaging in entrepreneurship?
 - c. In your opinion, what are the prevailing political and social barriers to creating a more conducive environment for financing women's entrepreneurship?
12. In your opinion, is there evidence that women in BiH have fewer rights and opportunities to access the financing of their companies than men? If so, can you give some examples? If you do not agree, please elaborate.
13. What is your opinion on the availability of women with information on financial support and knowledge of how to request it? Can you compare it to the availability of men with related information and knowledge?
14. What would be your recommendations for improving women's access to finance for starting/improving women's entrepreneurship at the state and /or entity levels?
15. What would be your recommendations for encouraging private investment for women business owners?

SECTION IV: QUESTIONS FOR THE END

1. What do you think about the topics we talked about today?
2. Would you like to add something that we didn't ask you?

SECTION V: CLOSING THE FOCUS GROUP

Thank you all for your time and ideas. This is extremely useful. As we said at the beginning, the purpose of this discussion was to help us gain a better insight into the environment for the development of women's entrepreneurship in BiH.

Note that you agreed that this discussion should be kept confidential. Please do not share with others details of what anyone said here.

Thank you for your help.

INFOHOUSE and KPMG for UN Women

Annex V: Interview with private investors: semi-structured focus group interview questionnaire

For UN Women - INFOHOUSE Foundation and KPMG TAX & ADVISORY B-H

SEMI-STRUCTURED QUESTIONNAIRE FOR FOCUS GROUP PRIVATE INVESTORS

For use by the research team only. It is not intended for public dissemination.

Note to the researcher(s): Ensure that all respondents are on time for a video call via the zoom platform. Just like in a traditional focus group, participants respond to moderators and others. The big difference is that the body language of the participants is not noticeable in the virtual focus group, so the facial expressions of the participants become even more important for the research process. Due to the importance of facial expression visibility, a laptop on a stable surface or a desktop computer is needed to ensure that the camera is also stable. Attending a Zoom focus group via a smartphone is not ideal because moving the camera can distract others, and the phone itself is a distraction. Require participants to attend a focus group in a quiet, distracted area. (No driving or driving in the vehicle as a passenger.) Please note that they keep their cameras on at all times. Ask them if they need to speak to raise their hand and not interrupt the discussion. It is necessary to ask permission to record the session in order for the transcription to be uninterrupted. Please follow the general instructions for maintaining focus groups.

It is important to get answers from the group to the following questions/thematic units:

- Drawing the current position of investors in entrepreneurship with a focus on women's entrepreneurship
- Identify the main barriers to significant investment in women's entrepreneurship
- Recommendations for improving the business climate from the perspective of investors in order to encourage and enhance the encouragement of investment in women's entrepreneurship.

SECTION I: INTRODUCTORY REMARKS

Good morning / Good day!

* Today, we will discuss your knowledge of the environment, opportunities, and preparation of access to flows funding by women entrepreneurs

* There are no right or wrong answers. We are interested in your opinion, and each of your ideas is important, each of yours the answer is right. In a series of such conversations, we want to get your picture and opinion on the topic of conversation

* What exactly do we expect from you: nothing you don't know, only your honest opinions and your experiences, how you feel, and whether you notice any changes in attitudes and behavior on this topic.

* We will ask you to describe your experiences and opinions during this gathering.

* The conversation is recorded solely for the purpose of the transcript.

* This conversation of ours will last about 60 minutes without a break.

* To begin with, I will ask you to tell us something about yourself:: introduce yourself to us as you wish

SECTION II: CONTEXT

Today's discussion is part of the research process needed to produce a "Feasibility Study on Access to Finance for Women-Owned Enterprises in Bosnia and Herzegovina." The aim of the study is to explore the necessary key factors and challenges faced by women in accessing entrepreneurship financing programs, to assess the framework for the development of incentive policies and the capacity of key actors for the development of women's entrepreneurship.

SECTION III: INTERVIEW WITH REPRESENTATIVES OF THE PRIVATE INVESTOR GROUP

1. Given the current political and economic climate in BiH and the region, how would you describe your willingness to invest in entrepreneurship? Do you think that the attitude towards investing in entrepreneurship today is significantly different from the attitude three years ago?
2. Are you currently investing in entrepreneurship, and do you have investments in women's entrepreneurship in your portfolio - please provide specific examples. If you have no investment, please comment on why this is so.
3. If you invest in entrepreneurship, what is the average amount of your investment?
4. If you invest in entrepreneurship, what is the key thing on which you make decisions, and what is most important to you in the company (or entrepreneurs) in which you plan to invest?
5. If you have invested in other companies, how did you get the information that the company is ready to accept the capital of another legal or natural person?
6. What forms of investment in women's entrepreneurship do you use most often and why?
Explanation without offering an answer: Debt, equity, combination, grant, angel investors, other
7. Do you think that gender differences affect the decision to invest in a particular business in terms of the perception of women's willingness and commitment to run a business compared to men, and to what extent?
Clarification: whether or not you take into account the gender of the entrepreneur and related social factors when deciding whether or not to approve the investment.
8. In the case of a business run by an entrepreneur, do you think that the age limit affects women's access to finance to start or run their own business? How does it affect?
9. In your opinion, is there a tendency for different attitudes towards risk between women and men?
The explanation for the leader: according to some research, risk-averse people are more successful entrepreneurs, and they create additional jobs, while people who are less risk-averse make better workers and executors.
10. Who do you think is more successful in presenting their ideas to potential investors, men or women? Why is that so?
Sub-question: What do you consider to be the main challenges and obstacles for women in presenting ideas to potential investors?
11. What type of financing do women entrepreneurs most often seek? Do you think that women entrepreneurs are well versed in the available sources of financing and that they simply and easily get the necessary information presented in an understandable way?
12. Which economic area do you consider the most attractive for investment in case the business is started by an entrepreneur?
13. How much money would you be willing to invest in a business run / started by an entrepreneur?

14. If you decide to invest in a business run by an entrepreneur, do you care what stage the business is in (e.g., whether it is in the start-up/start-up phase, whether it is in the development phase, or a mature, sustainable business)?
15. Given that access to education in BiH is the same for everyone, do you think that there are gender differences in the competencies needed to run a business?
16. What do you think are the most important factors for the success of a business started by an entrepreneur?
17. In your opinion, what are the main problems of small businesses run by women in BiH?
18. What would you advise entrepreneurs who apply for financing in your country?
19. In general, what do you think are the critical challenges for significant investments in BiH?
20. What activities and measures would you propose at the state/entity / cantonal/municipal level to encourage investors to invest more in businesses run by women (e.g., would you be more willing to invest if there were additional incentives, etc.)?

SECTION IV: QUESTIONS FOR THE END

1. 1. What do you think about the topics we talked about today?
2. 2. Would you like to add something that we didn't ask you?

SECTION V: CLOSING THE FOCUS GROUP

Thank you all for your time and ideas. This is extremely useful. As we said at the beginning, the purpose of this discussion was to help us gain a better insight into the environment for the development of women's entrepreneurship in BiH.

Note that you agreed that this discussion should be kept confidential. Please do not share with others details of what anyone said here.

Thank you for your help.

INFOHOUSE

Annex VI: Overview of financing programmes targeting and/or available to women businesses

Overview of financing programmes targeting women businesses								
Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
European Bank for Reconstruction and Development (EBRD) through Raiffeisen Bank	Countrywide	Women in business (loans through commercial banks)	Companies in which the overall responsibility for operational management lies with the woman (or women),	min BAM 10,000 max BAM 391,166	Nominal interest rate 4.25%	Depends on the purpose of the loan and collateral. From 26 to 60 months	up to 6 months	Collateral in accordance with implementing Bank's credit policy
European Bank for Reconstruction and Development (EBRD) through Raiffeisen Bank	Countrywide	Women in business (grant schemes)	Companies in which all operational responsibility rests with the woman (or women), and the woman (or women) also owns all or part of the capital	min BAM 5,000 max BAM 391,166	Nominal interest rate 5.19%	Up to 5 years	up to 6 months	Collateral in accordance with implementing Bank's credit policy. For loan amounts over BAM 50,000, own participation in the investment is required at least 15% of the investment amount.
The Republika Srpska Investment-Development Bank	Entity: RS	Loans to support and recover micro, small and medium enterprises (Credit line in Nova Banka a.d. Banja Luka)	Underserved MSMEs: women-inclusive enterprises	Up to BAM 2.9 million	Current interest rate is 0.77% + margin of financial intermediary	From 3 to 12 years		

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Addiko Bank Banja Luka	Entity: RS	Loans for small and medium enterprises	SMEs	Up to BAM 1,000				Loan approval in 3 hours, payment in 24 hours
Bosna Bank International (BBI)	Entity: RS	The Trust Fund	Agricultural producers on the territory of the RS			From 12 to 48 months	From 3-8 months	
Bosna Bank International (BBI)	Country-wide	Agricultural financing	Agricultural producers	min BAM 1,000 max BAM 20,000		Up to 84 months		BBI Bank has Turkish credit line for, inter alia: Financing the purchase of land in order to implement agricultural activities, Financing current needs for the implementation of agricultural activities, Financing of agricultural / economic independent entrepreneurs in order to increase production capacities or self-employment, Financing activities related to the development and promotion of tourism.

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Development Bank of the Federation of Bosnia and Herzegovina	Entity: FBiH	Credit line to encourage employment and self-employment	Legal and physical persons engaged in production and services, as well as legal and physical persons who start economic activity	min BAM 40,000 max BAM 500,000	Nominal interest rate from 2%	Up to 7 years	Up to 3 years	
Development Bank of the Federation of Bosnia and Herzegovina	Entity: FBiH	Credit line for long-term financing of microbusiness	Physical persons registered in accordance with the Law on Crafts and related Activities	min BAM 40,000 max BAM 500,000	Nominal interest rate 3.9%	From 13 months to 8 years	Up to 24 months	
Bank Poštanska štedionica a.d. Banja Luka	Entity: RS, Brčko District	Credit line for initial business activity	Entrepreneurs residing in the RS entity and legal entities with a registered office in the RS entity who perform registered activity not longer than five years from the date of applying for a loan; Legal entities based in BD should be 100% owned by persons who are citizens of the RS	min BAM 5,000 max BAM 50,000	Nominal interest rate: 5.4%	Up to 7 years	Up to 12 months	Interest rate can be further reduced based on type of project.

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Bank Poštanska štedionica a.d. Banja Luka	Entity: RS, BD	Credit line for entrepreneurs and companies	Entrepreneurs residing in the RS and legal entities with a registered office in the RS who perform registered activity not longer than five years from the date of applying for a loan; Legal entities based in BD should be 100% owned by persons who are citizens of the RS	min BAM 5,000 max BAM 5 million	Nominal interest rate: 5.4%	From 1 to 10 years	From 12 to 24 months	Interest rate can be further reduced based on type of project.
Bank Poštanska štedionica a.d. Banja Luka	Entity: RS, BD	Loans with the guarantee of the GFRS (Guarantee Fund of the RS)	Start-ups, agricultural holdings, entrepreneurs, companies, exporters, start-ups in the field of information technology development, start-ups in the field of development of rural, hunting, fishing and eco-tourism, start-ups in the berry growing and processing sector, start-ups in the field of cattle, sheep, pig, poultry and fisheries	min BAM 3,000 max BAM 1.5 million	Nominal interest rate: 5.5% - 6.9%	Is determined in accordance with the decision of the bank or other financial organization	Is determined in accordance with the decision of the bank or other financial organization	

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
MF Bank a.d. Banja Luka	Entity: RS	Credit line for initial business activities	Entrepreneurs and legal entities that perform a registered activity no longer than five years from the date of application for a loan	min BAM 5,000 max BAM 50,000	Nominal interest rate: 4.1% - 4.4%	Up to 7 years	Up to 12 months	
MF Bank a.d. Banja Luka	Entity: RS	Credit line for entrepreneurs and companies	Legal entities and entrepreneurs performing registered activity for the purpose of gaining profit, including newly established legal entities	Legal entities: min BAM 10,000 max BAM 5 million Entrepreneurs: min BAM 5,000 max BAM 3 million	Nominal interest rate: 4.2% - 4.4%	From 2 to 12 years	From 12 to 24 months	
MF Bank a.d. Banja Luka	Entity: RS	Micro businesses in agriculture	Natural and legal persons registered in the register of the competent authority	min BAM 5,000 max BAM 50,000	Nominal interest rate: 4.2% - 4.4%	Up to 10 years	Up to 36 months	
Microcredit Company EKI	Country-wide	Loan for agriculture	Farmers who want to start or expand their business activity	min BAM 300 max BAM 50,000	Nominal interest rate 14.50% - 19%	Up to 84 months	Up to 12 months	
Microcredit Company EKI	Country-wide	Express loans	Investors in small business, agriculture	min BAM 300 max BAM 50,000	Nominal interest rate 19%	Up to 18 months	Up to 3 months	

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Microcredit Company EKI	Country-wide	SME Classic loans	Registered companies who need smaller investments, and want to start, improve or expand their business activity	min BAM 300 max BAM 10,000	Nominal interest rate 16,5-18%	Up to 42 months	Up to 9 months	
Microcredit Company EKI	Country-wide	SME Premium Loans	Registered entrepreneurs who need additional investment to improve or expand their business activity	min BAM 10,000 max BAM 50,000	Nominal interest rate 15-16%	Up to 72 months	Up to 9 months	
Microcredit Foundation Lider	Country-wide	Business Start-Up	Start-ups who want to get involved in production, agriculture, trade or services	min BAM 500 max BAM 10,000	24% - 25% fixed, annual	From 6 to 48 months	Up to 24 months	Besides financial support, LIDER support development of business and ideas in line with client's needs and interest through non financial services

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Microcredit Foundation Lider	Country-wide	Farmers	Farmers involved in agriculture production, providing services in agriculture, members of an agriculture cooperative or association	min BAM 500 max BAM 10,000	17.9% - 18.9% fixed, annual	From 6 to 60 months	Up to 24 months	Besides financial support, LIDER s support development of business and ideas in line with client's needs and interest through non financial services
Microcredit Foundation Lider	Country-wide	Crafts	Business registered for production, trade or services	min BAM 500 max BAM 10,000	16.9% - 17.9% fixed, annual	From 6 to 60 months	Up to 12 months	Besides financial support, LIDER s support development of business and ideas in line with client's needs and interest through non financial services
Microcredit Foundation Partner	Country-wide	Farmers	Starting berry production fruits and other crops	Up to BAM 10,000		Up to 84 months		Partner has also Freelancer microloan line for Existing or future freelancers, more information can be obtained by direct contact with Foundation

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
Raiffeisen Bank	Country-wide	Loans for small enterprises	Small enterprises	min BAM 10,000 max max depends on creditworthiness of client		From 12 months to 7 years		Raiffeisen bank has Long-term loan from the EIB credit line for private and public enterprises (legal persons engaged in production, trade, service or other. private or state-owned business in the target regions of BiH) with grace period up to 12 months, more information can be obtained by direct contact with Bank

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
The Republika Srpska Investment-Development Bank	Entity: RS	Loans to support and recover micro, small and medium enterprises (Within the Firm Recovery and Support Project - FRSP. Credit line in Nova Banka a.d. Banja Luka)	1 - Highly impacted entrepreneurs and enterprises, that experienced at least a 20% drop in gross sales/revenue in Q2 2020 compared to Q2 2019 2 - Underserved MSMEs: - young enterprises (that are in operation from 1 to 5 years) and, - entrepreneurs and enterprises in legging regions (undeveloped and extremely undeveloped municipalities)	Up to BAM 2.9 million	Current interest rate is 0.77% + margin of the financial intermediary	From 3 to 12 years		Interest rate for subprojects is equal to BAMIBOR for the preceding six-month period (as calculated by the World Bank each February 15 and August 15) plus a fixed spread of the World Bank + margin of the IRBRS + a financial intermediary's margin
The Republika Srpska Investment-Development Bank	Entity: RS	Loans for entrepreneurs and enterprises	Entrepreneurs and legal entities, including newly established legal entities	min BAM 10,000 max BAM 5 million	Nominal interest rate: starting from 3% depending on the purpose	Up to 12 years	Up to 24 months	

Overview of financing programmes targeting women businesses

Name of institution	Area of operation	Programme	Target group	Amount	Interest rate	Repayment period	Grace period	Additional comments
The Republika Srpska Investment-Development Bank	Entity: RS	Loans for microbusiness in agriculture	Agricultural holdings, entrepreneurs and legal entities dealing with production and processing in agriculture or fishery	min BAM 5,000 max BAM 500,000	Nominal interest rate: 3.9%	Up to 10 years	Up to 35 months	

**UN WOMEN IS THE UN ORGANIZATION
DEDICATED TO GENDER EQUALITY AND
THE EMPOWERMENT OF WOMEN.
A GLOBAL CHAMPION FOR WOMEN AND
GIRLS, UN WOMEN WAS ESTABLISHED TO
ACCELERATE PROGRESS ON MEETING
THEIR NEEDS WORLDWIDE.**

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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