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IN BRIEF

GENDER-SMART & SUSTAINABLE FINANCE

What WEPs signatory companies in the South Caucasus are doing to widen women's access to finance

Introduction

Women's access to finance is where gender equality and sound economics meet. Women-owned small and medium enterprises face a significant credit gap, and while women's financial inclusion in Europe and Central Asia has risen sharply over the past decade, women still make up 61 per cent of the region's unbanked adults, and roughly 700 million women worldwide have no bank account.[1] The economic case for gender equality is clear: closing gender gap in labor participation generate up to US$28 trillion in additional global GDP, while gender lens investing has surpassed US$120 billion in assets under management,[2] demonstrating growing recognition that investing in women drives both social and economic returns.

Gender-responsive sustainable finance turns these gaps into a market. It treats gender not as a separate product line but as a lens applied across products, data and sustainable-finance instruments. Women clients borrow, repay and grow differently, and serving them well improves portfolio quality, market reach and social impact at once. Access to finance here means more than loans: it spans financial products and the advisory, training and mentorship that make women entrepreneurs bankable and ready to grow. This brief outlines the context for women's financial inclusion in the South Caucasus, introduces the Women's Empowerment Principles (WEPs), a global framework guiding private sector action on gender equality, and highlights how signatory companies are putting these commitments into practice.

The South Caucasus context

Financial inclusion in the region is uneven, and the barriers women face are structural rather than a matter of capacity:

- Account ownership among women across the South Caucasus ranges from 46.2% to 81.3%, highlighting persistent disparities in access to formal financial services across the region.[3]
- Women's business ownership: Across the South Caucasus, women's participation in business ownership ranges from 9.6% to 29.5% of firms, reflecting continued barriers to women's entrepreneurship and enterprise growth.
- In Georgia, 78.3% of surveyed financial institutions have no strategy or program for women entrepreneurs, and most still offer gender-neutral products and collect no gender-disaggregated data.[4]
- Women are less likely to hold registered collateral and face weaker financial literacy and informal-business hurdles; rural women are furthest from the formal system.
- On the demand side, women rely mainly on personal savings and family support to start a business; high interest rates, fear of risk and limited business networks are the most cited barriers.
- On the supply side, high collateral requirements and a shortage of products tailored to women, developed mostly at the initiative of international organizations, leave the segment underserved.

The WEPs and UN Women's work in sustainable finance

The Women's Empowerment Principles, established by UN Women and the UN Global Compact, are seven principles guiding business to advance gender equality. With more than 13, 000 signatories across over 160 countries, the WEPs represent one of the world's largest business networks advancing gender equality and women's economic empowerment in the workplace, marketplace and community.[5] Signing is the starting point; the value lies in implementation. For sustainable finance, the link runs mainly through the last three principles:

- Principle 5 (enterprise, supply chain and marketing): women-focused products and supplier finance.
- Principle 6 (community): outreach to underserved groups, notably rural women, through access to finance and non-financial services.
- Principle 7 (measurement): gender-disaggregated data and impact reporting.

The WEPs set the commitment; gender-responsive finance delivers it and proves it. UN Women supports this shift on three fronts:

- Embedding gender in strategy, governance and product design, rather than pink marketing.
- Building frameworks that make women's finance visible and measurable.
- Brokering partnerships between banks, IFIs and the public sector; 44 companies in Armenia, 59 companies from Azerbaijan and 347 companies in Georgia have become WEPs signatories.[6]

In sustainable financing instruments, gender enters three ways: eligibility of proceeds (gender bonds), KPI targets linked to pricing (sustainability-linked loans), and risk-sharing in blended structures (IFI-backed women-in-business credit lines), the instruments now appearing across the region.

In Georgia this is being codified. UN Women and the Investors Council developed the Georgia Gender Inclusive Reporting Framework (GGIRF), sets out four entry strategies for investors:[7]

- women-led businesses, majority-owned or led by women;
- products and services intentionally designed to meet women's needs;
- workforce diversity across staff and leadership;
- value-chain inclusion through sourcing from women producers and distributors.

The framework pairs the 2X Challenge criteria (what qualifies as a gender-smart investment) with IRIS+ metrics (how to measure it), including the share of capital directed to women-owned and women-led SMEs. Georgia's WEPs community has grown to 343 companies, which mobilized USD 10.4 million and reached more than 121,000 women between 2021 and 2025.

National Bank of Georgia, in partnership with UN Women, the Investors Council, commercial banks and the Banking Association, has integrated a unified definition of "women-owned and women-led micro, small and medium enterprises" (WMSMEs) into its regulatory reporting framework, marking the first official recognition and measurement of women's participation in business finance in Georgia, and enabling the systematic collection of sex-disaggregated MSME data by defining WMSMEs as businesses where the entrepreneur is female, women own at least 50 per cent of the company's shares, or women hold the position of CEO or at least 50 per cent of the governing body.

Best practices: WEPs companies in action across the region

Each entry focuses on what the institution does to widen women's access to finance, through both financial products and the non-financial support (advisory, training and mentorship) that builds women's bankability. Figures reflect each institution's own disclosures.

Converse Bank (Armenia) offers a full product range to women entrepreneurs (SME and corporate lending, leasing, working capital and a dedicated Women in Business line), built with European Bank of Reconstruction and Development (EBRD), International Finance Corporation (IFC) and Asian Development Bank (ADB). Its women-led portfolio exceeds AMD 12.3 billion across 397 businesses and 727 facilities, up to over 13% of the corporate book from 11.5% in 2023. The Women in Business line offers collateral-free options based on account turnover and had reached 23 entrepreneurs through 27 loans (AMD 260 million). Solutions are tailored to each stage of business growth, and IFI partnerships bring advisory and technical support to underserved segments. A business qualifies as women-led when women hold at least 51% of voting shares, or 20% with a woman in an executive role and 30% of the board, and lending spans trade, healthcare, hospitality and even construction, a sector where women have historically been underrepresented.

Ararat Bank (Armenia) identifies women clients in its core system and reports that women-owned and women-led businesses make up 28.9% of its corporate lending portfolio. It has run women-entrepreneur lending with EBRD and Dutch Entrepreneurial Development Bank, with reduced and interest-free loans around International Women's Day and is developing a standing product with preferential conditions on the strength of women's repayment performance. It pairs lending with non-financial support: technical assistance, help structuring cash flow, and long-running trainings, seminars and networking events for women entrepreneurs, including risk-assessment and KPI sessions run with EBRD.

Ararat Bank presenting its WEPs implementation during the WEPs Exchange Workshop in Tbilisi.
Photo: UN Women | Gvantsa Akhalaia

Access Bank (Azerbaijan) the first local bank to endorse the WEPs (2022), works on access to finance largely through capacity building. Its Access2Success program for women business owners (with ADB and EBRD) combines financial literacy, digital marketing, PR and branding, business law, financial reporting, consulting and mentorship with tailored loan repayment terms and alumni benefits. The program has reached around 200 women entrepreneurs in Baku and the regions, making them more bankable. It serves micro and small enterprises, a segment still dominated by men in Azerbaijan, and names disaggregated tracking and a dedicated women's lending offer as next steps. Beyond Baku, Access2Success also runs cohorts in Ganja, Lankaran, Nakhchivan and Gabala, and the bank's Future BankHers program has brought a new cohort of young women into banking careers.

> "Gender bonds are not charity. They are infrastructure, giving access and funding to a pipeline, not only mentoring individuals."
> *MicroBank Crystal*

WEPs Exchange Workshop in Tbilisi brought together financial sector leaders and representatives of 18 WEPs signatory companies from Armenia, Azerbaijan, and Georgia.
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ProCredit Bank (Georgia) (EUR 475 million loan portfolio) runs a Women Entrepreneurs Financing Program with EBRD lending at 0.5% below the standard rate with low collateral, bundled with non-financial services such as trainings and master classes. It had disbursed 100+ loans (over EUR 4 million) since November 2025. With UN Women and the governments of Norway and Denmark, it co-financed business trainings, mentoring and grants for rural women across five regions of Western Georgia: 80 completed a 49-hour course and 79 received grants of up to GEL 6,000 to launch micro-enterprises, with post-grant mentoring to follow.

MicroBank Crystal (Georgia) issued the first certified gender bond in the South Caucasus: a GEL 25 million bond in February 2023, anchored by a GEL 18.75 million ADB investment, with 100% of proceeds for women-owned MSMEs. The framework was certified against ICMA's Social Bond Principles, and Crystal won the CAREC Gender and Green Innovation Award in 2025. Alongside the bond, it provides value-added advisory services to micro and small entrepreneurs and has trained its staff on gender equality, showing how capital markets can fund women's access to finance at scale. The bond was structured in roughly nine months with an independent second-party opinion from SCOPE Ratings; with 1,000+ staff, 48 locations and 100,000+ clients, Crystal is the first Fitch-rated non-bank institution in the region, and the issue also helped develop Georgia's local capital market.

FINCA Azerbaijan (microfinance, Azerbaijan) A WEPs signatory, anchors women's access to finance on its İpek women's business loan, a dedicated product used to draw more women into its client base and encourage entrepreneurship. It pairs lending with non-financial support: financial-literacy trainings (including with the Central Bank of Azerbaijan), women-only focus groups to assess women's financial needs, and partnerships with women's capacity-building NGOs. Following a WEPs gender-gap self-assessment (scoring 41%), it implemented a 2024 action plan embedding gender across outreach, products and community consultations.

AREGAK UCO (microfinance, Armenia) A WEPs signatory since 2022, builds its model on responsible financial inclusion, with women, especially rural entrepreneurs, forming the majority of its clients. Women make up about 55% of its micro and SME client base, an outstanding loan portfolio of over USD 27.6 million. Beyond lending, the organization has awarded more than 7,000 scholarships to clients' children, over 60% of them to girls, supporting long-term access to education in local communities. Its own governance reflects the same commitment: women hold 50% of the Executive Board and a third of the Board of Directors and make up about 55% of staff.

EY Azerbaijan (professional services) strengthens women entrepreneurs' path to finance through non-financial support. EY Entrepreneurial Winning Women gives high-growth women entrepreneurs executive education, mentoring and access to investor and business networks, helping them become investment-ready, while EY NextGen Women builds a pipeline of female talent in corporate finance and strategy.

Deloitte Azerbaijan (professional services) promotes financial accessibility and inclusive participation in business-recognition programs such as Best Managed Companies, widening opportunities for companies of different sizes. It also invests in the future pipeline through girls' education (five girls supported into university over three years through Build Your Future, and a funded year via the Shahla Garayeva Scholarship), gender-equality awareness sessions, mentorship and inclusive-leadership initiatives.

AMX Group (Armenia Securities Exchange, Armenia) a WEPs signatory since 2020, contributes to women's access to finance from the capital-markets side. As the operator of Armenia's securities exchange, it champions inclusive capital markets, marking in 2026 its sixth consecutive year in the Ring the Bell for Gender Equality initiative with UN Armenia, raising awareness of women's economic empowerment and gender equality in the financial sector. Internally, women make up 58% of both its workforce and its management, supported by flexible working arrangements.

Yelo Bank (Azerbaijan) in late 2025 launched a dedicated microcredit product for women entrepreneurs (loans of AZN 500 to 100,000, maturities up to 48 months and a grace period of up to 12 months), and in 2026 it supported the "Women as the Driving Force of Inclusive Cities" event ahead of the World Urban Forum, where its Women's Community Market showcased women entrepreneurs from the regions. Gender-disaggregated tracking and a structured advisory offer remain areas to develop as it deepens WEPs implementation. Yelo Bank focuses also on its workplace practice: women are roughly 45% of staff, with active measures to promote women internally.

WEPs Exchange Workshop in Tbilisi brought together financial sector leaders and representatives of 18 WEPs signatory companies from Armenia, Azerbaijan, and Georgia.
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What works across the cases

- Design that removes the binding barrier: collateral-free or turnover-based lending, preferential rates and longer maturities, often backed by IFI guarantee schemes.
- Finance bundled with non-financial support: advisory, financial literacy, business-skills training and mentorship that make women entrepreneurs bankable.
- Visibility through data: a women-owned/women-led definition and gender-disaggregated tracking that turn a vague segment into a managed portfolio.
- Partnership and capital-market innovation: IFIs, UN Women and instruments such as gender bonds that move from one-off initiatives to scalable, gender-labelled capital.

Conclusion

Smart business is gender-lens business. Across the South Caucasus, the institutions that move the needle on women's access to finance are the same ones strengthening their portfolios: collateral-free or preferential lending, paired with advisory, training and mentorship, builds a bankable pipeline, improves repayment performance and opens a large underserved market.

Applying a gender lens is not a cost of doing business but a driver of portfolio quality, market reach and social impact at once. The next step is action. Financial institutions can integrate gender-responsive approaches into their products, services and everyday decisions, work in partnership with IFIs and UN Women, move from one-off initiatives toward tracked, dedicated women's lending, and scale gender-labelled capital such as gender bonds.

UN Women's role is to keep supporting that journey, from commitment to implementation, so that as the market grows, women's economic empowerment is built in by design.

References

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UN Women exists to advance women's rights, gender equality and the empowerment of all women and girls. As the lead UN entity on gender equality, we shift laws, institutions, social behaviours and services to close the gender gap and build an equal world for all women and girls. We keep the rights of women and girls at the centre of global progress – always, everywhere. Because gender equality is not just what we do. It is who we are.

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