
EBRD, EU LAUNCH REGIONAL SMALL BUSINESS PROGRAM IN UZBEKISTAN

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The European Bank for Reconstruction and Development (EBRD) and the European Union (EU) launched the Regional Small Business Program (RSBP) in Uzbekistan on March 1.

The project is aimed at transferring know-how in financing micro, small and medium-sized enterprises (SMEs) throughout Central Asia.

The project is implemented under the leadership of the EBRD and is funded by the European Union.

In Uzbekistan, SMEs will provide access to a platform for the transfer and exchange of knowledge to financial institutions that finance SMEs.

The RSBP project will also support financial institutions in obtaining a systemized electronic access to the EBRD's experience in this field.

It is expected that this platform will gradually be transformed into an online learning system that will be available to financial institutions in Central Asia with a wide coverage.

Moreover, financial institutions in Uzbekistan will have access to regular full-time education on various topics related to SME services.

The SMEs plays a particularly important role in Uzbekistan, as their total contribution to GDP is about 60 percent and they provide employment for almost 80 percent of the working-age population of the country.

The program is implemented by the German consulting company IPC (Internationale Projekt Consult GmbH). This company has extensive experience in developing and implementing projects and training programs related to SMEs financing, including in Central Asia. The Association of Banks of Uzbekistan will assist in the launch of RSBP in Uzbekistan.

The project will equip financial institutions in Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan with new digital business tools for effective work with small businesses.

Access to finance is one of the most significant challenges for the survival and advancement of SMEs. Unfortunately, the global financial crisis, as well as uneasy economic situation in Central Asia, led to a decrease of the local banks' offers of new loans.

Commercial banks and other lenders generally view SMEs as high-risk borrowers. Consequently, small companies from the region often face high interest rates and collateral requirements that

they are unable to meet. Therefore, a number of initiatives and support programs are being introduced in Central Asia with a view to open more SMEs and employ population.

Kaynak/Source: