



**MENA-OECD  
INVESTMENT  
PROGRAMME**

# **INVENTORY OF POLICIES, INSTITUTIONS AND PROGRAMMES SUPPORTING WOMEN'S ENTERPRISE IN THE MIDDLE EAST AND NORTH AFRICA**

Yemen

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# I. Introduction

## Characteristics of Yemen

- Yemen is a low-income country with a population of over 24 million. The population growth rate is 2.64%, and the total fertility rate is 4.63 children born/woman . Half of Yemen's 24 million citizens are under sixteen, and the population is set to double by 2035
- The private sector, made up primarily of very small enterprises, is underdeveloped and poorly diversified, with a predominantly male labour force.
- Yemen's total employment-to-population ratio is 47% but the employment-to-population ratio for women is 26%. Women's economic activity constitutes 39% of the male rate, while women's unemployment is 66% of the male rate.

# I. Introduction

- Crude oil is the mainstay of the economy, Contributing 70% of government revenue, 90% of exports, and 30% of current GDP (the per capita GDP (PPP) is of less than US\$2600). Yet it is the agricultural sector that is responsible for creating livelihoods for two thirds of the population
- Yemen was one of the first Arab countries to ratify a range of key international conventions relating to women's rights. These include the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)
- According to Article 6 of the Yemeni Constitution, Yemen is committed to the Universal Human Rights Declaration. Both men and women have an independent financial liability and hence can exercise their civil rights such as signing, selling, buying and renting contracts, grants and wills and all partnership contracts with others.

# Policies Supporting Women Entrepreneurs

- Yemen has accomplished a number of development strategies that are directed to empower and develop the capacities of women or with components regarding women's issues. Yemen's Strategic Vision 2025 aims to raise the country's status from a 'least developed country' to one of 'medium human development' by 2025
- The NSWD 2006-2015 provides a detailed policy framework to promote gender equality and women's rights and reduce gender inequalities.
- The European Union (EU) is assisting the Yemeni Government to develop its SMEs via a Cooperation Agreement signed in 1998 and which still governs the economic relations between the two parties. One of the main objectives of the Agreement is to create a favourable environment for the development of Yemeni SMEs and facilitating exchange of information on enterprise and SME policy;

# Policies Supporting Women Entrepreneurs

- *The NSW (2006 - 2015) follows up on an early strategy for working women, The NSW (2006 – 2015) was developed by the General Department for Working Women's Development at the Ministry of labour and Social Affairs based on four main objectives: Increasing job opportunities for women in the labour market; Enhancing women's competitive skills in the labour market through training and qualification*
- The NSW was prepared in accordance to the Millennium Development Goals and the national priorities defined by the Yemeni government to enhance life standards.
- The strategy focuses on developing and enhancing women's skills and integrating working women in the labour market.
- The Gender Strategy in Agriculture Development and Food Security (2006-2010) focuses on rural women's issues and improving their conditions.
- The Strategy for Developing Women's Health (2006-2010) was issued by the General Department for Women's Development at the Ministry of Health and Population . The strategy emphasizes on reproductive and women's health targeting the youth and young generations.

# Policies Supporting Women Entrepreneurs

*The Women's National Committee (WNC) fourth five-Year Plan* issued its fourth five-year plan on Feb. 22<sup>nd</sup>. Unlike previous plans which focused solely on issues of health and education, the new plan aims to empower Yemeni women in economic, social, educational, cultural and political fields.

# Policies Supporting Women Entrepreneurs

## ***Strategic Vision through 2025,***

The formulation and adoption of Yemen's Strategic Vision 2025 by the Government in 2002, was widely recognized as the reference point for policymakers to transform Yemen to the rank of countries with middle human development with a diversified economy and social, scientific, cultural and political progress. Among the strategy's development efforts is the focus on narrowing the existing gaps between men and women, in education, health, and providing greater chances for women to participate in political, economic and social activities.

# Policies Supporting Women Entrepreneurs

Yemen Government Promotion of Women Entrepreneurs have attempted several procedures that contributed to a positive shift in the societal perception of businesswomen and their role in economic development. The fourth development plan puts high priority for the contribution of women through Yemeni Businesswomen or through the integration of women in governmental work, aiming at women's better share in the job opportunities.

Advances have also been made in fostering entrepreneurship among women with the establishment of a businesswomen's association. ***Businesswomen Department, Ministry of Industry and Commerce***

The Businesswomen Department was established in 2003 at the Ministry of Industry and Commerce

# Policies Supporting Women Entrepreneurs

*Federation of Yemen Chambers of Commerce & Industry  
(FYCCI)*

The aim of FYCCI to establish the BWD, is to organize women business in the formal sector, to offer better services and assist to women seeking to start businesses. provide support, advice and solve problems faced by business women in the private sector. BWD opened 7 branches in the governorates of 07, Capital City Alamana ,Sanaa, Aden, Hadhramout, Alhodiadha , Abben and Ibb. A strategy for the integration of women entrepreneurs in economic development was prepared and approved at the first national conference for businesswomen in early 2009.

# Mainstreaming of Issues Affecting Businesswomen in Public/Private Policy Dialogue

The government's support programs and policies aiming to activate the role of businesswomen particularly the practice and management of commercial and productive works. Businesswomen are considered by the government important part in the promotion of economic development and therefore efforts needs to be concerted to resolve the problems facing them Hence issues affecting women in business are raised in a dialogue between government and the business community. A good example is the annual meeting that is organized by the Business women Committee and which offers a good opportunity for women entrepreneurs to meet with policymakers

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

Institutional Body Responsible for Co-ordinating Women's Enterprise Development

The Women National Council (WNC) was established in 1996 as a technical committee affiliated with the Ministries' Council. In 2000, the WNC's status was upgraded when it became a consultative and administrative body for the new Supreme Council for Women's Affairs (SCWA), headed by the Prime Minister.

## ***Civil Society***

Yemen civil society traditions date back to the 1940s when the self-help organizations of Labour migrants were established, and the cooperative movement in the 1970s . Since unification, Civil Society Organizations (CSOs) have developed in urban areas and work in areas such as election observation, human rights education, women's rights and press freedom. However, most of them have only very limited or no appeal among the general public, and many suffer from a shortage of funding and skills. The ruling elite and political parties continue to manipulate their work.

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## *Yemen Women's Union*

YWU is one of the active CSOs in the rural areas. Its services are provided throughout its centers which spread across the country's 21 governorates. There is even a branch in Soqatra island. (175 centers overall in the districts and villages). These organizations operate according to the Public Organizations and Societies Law No. (1) for the year 2001. Since then, associations have been established and operating according to this law. There are mechanisms and ways for coordination between government tools concerned with women and (CSOs) which lead to forming two networks

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## *Women in Syndicates*

The number of syndicate leadership in various occupations has reached 350 female leaders among the total number of leaderships. In the syndicate committees the number of various working sectors reached 2453

Business Advisory, Registration and Licensing Body  
Several procedures have been initiated by the Yemeni Government to reduce barriers which face women while registering businesses in the formal sector.

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## SME Support Agency

### *Small Enterprise Development Fund (SEDF)*

SEDF is an independent government institution with the objective to provide SMEs with adequate financing. SEDF was the first institution in Yemen to concentrate on SME-finance entirely. It was originally established in 1991 under the name Small Enterprise Development Unit (SEDU), which was then a special department belonging to the Industrial Bank. In the course of the restructuring process SEDF was made an independent entity and exists in its current form since 2002.

### *The Social Fund for Development (SFD)*

SFD is an innovative quasi-governmental body established in 1997 per Law No. 10. The program that SFD conducts seeks to develop small and microenterprises through establishing and supporting financial institutions, programs and banks for small and micro financing as well as facilitating the provision of non-financial services to entrepreneurs to help them increase their incomes and provide new job opportunities

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## Business Support Service Providers

Most of the MFIs report offering a mix of productive, service, seasonal and consumption loans, using both Murabaha and cash transactions. However, aside from these methods of the transaction (i.e. “Islamic” or conventional lending), there was little evidence of product diversity in the field, with most clients taking a similar graduated loan product, with little variation regardless of their length of time with the institution, repayment history or type of business being financed. And while there is a growing use of mandatory savings components among MFIs (3 of the six reported using this feature), broad based voluntary savings mobilization is still non-existent due to current legal/regulatory restrictions.

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## *Silatech*

Silatech is an initiative engaging the public, private and civil society sectors to promote large-scale job creation, entrepreneurship and access to capital. In cooperation with leading Yemeni NGO, Youth Leadership Development Foundation (YLDF), Silatech is working towards increasing economic opportunities for Young Women.

# III. INSTITUTIONAL SUPPORT FOR BUSINESSWOMEN

## Business women Associations

*Women's Economic Empowerment Association (WEEA)*

WEEA is an organization concerned with women established in 1999 with funding from the Dutch embassy in Yemen.

Member belongs to various provinces of Yemen. Society and which are now economically empower women to build their internal capacity.

## **IV. ACCESS TO CREDIT AND FINANCIAL SERVICES**

### **Financial Initiatives or Facilities to Support Women Entrepreneurs**

Under Yemeni law, once a woman is of legal age, she is permitted to obtain loans and make financial transactions. However, in practice, traditions and customs pose significant barriers for women in approaching, negotiating, and physically navigating banks, which are considered the realm of men and where women feel they will not be taken seriously

# **IV. ACCESS TO CREDIT AND FINANCIAL SERVICES**

***The National Foundation for Micro Financing: was established in accordance to the Public Associations Law No. (1) for year 2001, the foundation was launched in 2003 as the first establishment specialized in micro credit in Yemen.***

***Al-Tadhamun Foundation for Micro Financing: was established through the cooperation of three women associations that were responsible for three programs established by the Social Fund for Development.***

***The Small Industries and Establishment Financing Fund: was established per the Republican Decree No. (39) for year 2002 which stipulated the financial and administrative independence of the fund. The fund targets small creditors who run small projects in the production, services and commercial fields.***

Al-Amal Microfinance Bank (AMB) opened in late 2008 to provide financial services and sustainable small-scale entrepreneurs to those who cannot obtain such services from the banking sector.

# IV. ACCESS TO CREDIT AND FINANCIAL SERVICES

the most common source of finance for most women in Yemen is the 'jimaya', an informal rotating savings and credit association, whereby a group of women pool their money and take turns receiving the pot, and the 'haqba' Local Rotating Savings and Credit Associations where women (neighbours/extended family) make regular weekly payments totalling 10,000 YR per month, with each person getting a turn at the 70-80,000 YR pot. With eight people it can take eight months until every member has a turn.

# **IV. ACCESS TO CREDIT AND FINANCIAL SERVICES**

## **Credit Bureaus Collecting Information on the Microfinance Sector**

The Central Bank of Yemen (CBY) has made achievements in providing credit by introducing a crediting information system.

The Microfinance Information Exchange (MIX), an independent microfinance internet portal incorporated in 2002, provides updated data on main financial information and lending activities, including the number of loan disbursed in Taiz, Sana'a, Hodidah, Aden, Ibb, Mukalla, and Dhamar, and according to gender

# **IV. ACCESS TO CREDIT AND FINANCIAL SERVICES**

Economic Opportunity Funds Established in 2010 , financed by the IFAD , EU and Islamic Bank. It established to fight poverty in Yemen , women is the main targeted group.

# V. BUSINESS SUPPORT SERVICES AND INFORMATION

Public and Private Business Support Services Providers

Access to Business-Related Information

**Access to Markets**

Entrepreneurship and Management Training

***Women Get the Business Edge (WGBE)***

# **VI. DATA COLLECTION AND RESEARCH**

**State of Gender-Disaggregated Data Collection**

***Social Fund for Development- Report on the  
State of Women in Yemen***

***Center for Empirical Research and Women  
Studies (CERWS), Sana'a University.***

***Yemen Central Statistics organization***

***Federation Of Yemen Chamber of Commerce  
and Industry***

*Thank you for your listening*