

Declaration on Fostering Women's Entrepreneurship in the MENA Region

Adopted on the occasion of the Second Ministerial Meeting of the MENA-OECD Investment Programme on the 28 November 2007

PREAMBLE

Women's entrepreneurship is expanding around the world, both in emerging and developed economies. Women entrepreneurs constitute a growing share of small and medium enterprise (SME) owners and are creating new niches for entrepreneurial activity, but often confront special barriers to business creation and development. Fostering the growth of women's entrepreneurship is an effective strategy to create jobs, catalyse economic development, empower women and foster social cohesion. Women's entrepreneurship, particularly in the Middle East and North Africa (MENA) region, deserves attention in order to access an underutilised resource and increase economic growth.

Starting from a low base, the Arab region has witnessed a faster increase in women's share of economic activity of all other regional of the world between 1990 and 2003 – by 19% as opposed to 3% worldwide.¹ While encouraging women to participate in economic activity and therefore improving the framework for women's entrepreneurship has been one of the most difficult challenges in the MENA region, it is also one to which significant attention is being increasingly paid by Governments of MENA countries. The following Declaration re-affirms the principles instrumental for further elevating the rates of women entrepreneurship and economic participation in the MENA economies.

Ministers, government representatives, women business associations, private sector associations and chambers, as well as other participants of the MENA-OECD Women Business Leaders Forum, held in Cairo Egypt on 27 November 2007,

RECOGNISING:

- That entrepreneurship is a key driver of economic growth and diversification in OECD member and non-member economies;
- That women's entrepreneurship in the MENA region represents an underutilised reservoir for job creation, economic growth and social cohesion;
- That a targeted and integrated support approach is required to accelerate the rate at which women in the MENA region are starting new businesses, growing their enterprises, creating employment, and participating fully in economic development activity.

RECALLING:

- The adoption by Ministers of almost 50 OECD member and non-member countries of the "*Bologna Charter on SME Policies*" in June 2000 which emphasised the important contribution of women entrepreneurs to economic development and social cohesion;

¹ UNDP Arab Human Development Report 2005, *Towards the Rise of Women in the Arab World*, p. 88.

- *“The Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs”* adopted in June 2004, where Ministers of 73 OECD member and non-member countries/economies noted that women’s entrepreneurship is an essential element in the drive to mobilise human resources in order to promote entrepreneurship. The Declaration stressed that: “Promoting women’s entrepreneurship through the elimination of barriers to enterprise creation and growth, such as impediments to the right to hold property or to sign contracts, where such impediments exist, and by taking into account at the design stage the impact of SME-related policies on women’s entrepreneurship”;
- The Declaration by Ministers from the MENA Region and the OECD on *“Attracting Investment to MENA Countries – Common Principles and Good Practice”* of February 2006 which recognised that fostering the growth of women’s entrepreneurship is an effective strategy to create jobs, catalyse economic development and diversification, empower women, create a more democratic society and foster social cohesion;

ACKNOWLEDGING:

- The important recent work of the MENA-OECD Initiative on Investment and Governance of Development, including its work on fostering women’s entrepreneurship in the MENA Region;
- That an *initial mapping of women’s entrepreneurship* in six MENA countries (Egypt, Jordan, Lebanon, Morocco, Tunisia and Saudi Arabia) by the OECD Centre for Entrepreneurship, SMEs & Local Development (CFE) shows that the levels of activity and the area of women’s entrepreneurship are still low, although progressing. Some of the main barriers and constraints identified relate to micro finance and commercial credit, as well as the lack of research and data to inform an effective advocacy strategy;
- Significant work of regional and international organisations, notably, the report on the *“Rise of Women in the Arab World”*, produced by the UNDP in collaboration with AGFUND, and the study on *“The Environment for Women’s Entrepreneurship in the Middle East and North Africa Region”* authored by the World Bank.

WELCOMING:

- The workshops organised by the OECD Centre for Entrepreneurship, SMEs & Local Development in Istanbul on *“Building Awareness of Women’s Entrepreneurship in the MENA Region”* in 2005 and on *“Promoting Women Entrepreneurship in the MENA Region”* in 2006, which have identified the following four key areas for action:
 - Building knowledge and awareness;
 - Building advocacy capacity;
 - Building women entrepreneurial capacity and skills (including ICT); and,
 - Building networks, business partnerships and trade linkages.

REAFFIRMING the need for an institutional framework that will contribute to a business environment that is conducive to entrepreneurship and facilitates entry, growth, transfer of ownership and smooth exit of enterprises.

Participants in the Women Business Leaders Forum invite Governments of MENA countries to:

DEVELOP targeted policies to support women's entrepreneurship in the MENA Region, by:

- Fostering greater awareness of the benefits of entrepreneurship among women and placing higher value on the role of women in the economy and society;
- Improving their business start up rates through removing gender-related obstacles to entrepreneurship and facilitating women's access to management and technical training, to support services and access to financing;
- Helping women entrepreneurs to take advantage of opportunities to participate actively in existing networks for business people, or to create their own traditional or virtual networks, at local, national and international levels. New technologies offer opportunities for strengthening and expanding these networks;
- Promoting sustainability and ensuring that women-owned and led businesses participate fully in economic development activity.

They also **invite the OECD and its member Governments as well as other international organisations** to:

- Attach a high priority in their development programmes to promoting women's entrepreneurship and enhancing women's participation in the economy;
- Develop tools to improve information and understanding of the current situation of women's entrepreneurship in the MENA Region and of activities to promote it;
- Provide support to regional and national initiatives by MENA countries to research, training and advocacy activities in this area;
- Assist to develop programmes specifically designed to support women ownership and involvement in micro, small and medium-sized enterprises (SMEs);
- Implement, in co-operation with national and regional associations of women entrepreneurs, the programme on *Training the Trainers for Mentoring Potential & Nascent Women Entrepreneurs in the MENA Region*;
- Facilitate the exchange of best practices between MENA, OECD countries, and other non-member economies on fostering women's entrepreneurship and the growth of women-owned SMEs.

They welcome proposals put forward during the meeting to establish a **Regional Forum for Women's Entrepreneurship** and invite the MENA-OECD Investment Programme to extend its support to the activities of the Forum.

They further recommend that this Declaration is annexed to the Ministerial Declaration and presented to the Ministers for adoption on the 28 November 2007.