



2009 ACTION PLAN ON FOSTERING WOMEN'S ENTREPRENEURSHIP AND EMPLOYMENT IN THE MENA REGION

**AND 2007 DECLARATION ON FOSTERING WOMEN'S
ENTREPRENEURSHIP IN THE MENA REGION**



**MENA-OECD
INVESTMENT
PROGRAMME**

ACTION PLAN ON FOSTERING WOMEN'S ENTREPRENEURSHIP AND EMPLOYMENT IN THE MENA REGION

PREAMBLE

WE, participants in the Marrakech Women Business Leaders Summit held on 22 November 2009, endorse this Action Plan as a framework for developing effective means for women's economic empowerment and for mainstreaming gender in business reforms:

- **BUILDING** on the Declaration on Fostering Women's Entrepreneurship in the MENA Region, adopted by governments on the occasion of the 2007 MENA-OECD Investment Programme Ministerial Meeting in Cairo;
- **RECALLING** that the key objective of the MENA-OECD Investment Programme is to mobilise investment as a driving force for sustainable economic growth and employment in the region, and that support of business climate reforms is instrumental to accomplishing this objective;
- **ACKNOWLEDGING** that the private sector is a key driver for job creation and sustainable economic growth in the region;
- **ACKNOWLEDGING** that in both MENA and OECD countries achievements in educational equality represent a remarkable opportunity for inclusive growth and private sector development, which requires translating these achievements into the labour market;
- **CONVINCED** that the MENA region can tap into the great potential of an increasingly well-educated youth and female population, who can contribute to economic diversification towards sectors that are internationally competitive, knowledge-driven and labour-intensive, leading to rapid growth and rising standards of living;
- **SHARING THE VIEW** that co-operation and action-oriented knowledge sharing, both among countries participating in the MENA-OECD investment Programme and with other regional and international gender-related initiatives, can strengthen women's involvement in the economy and strengthen women's economic empowerment;
- **RECOGNISING** the large body of valuable work conducted by governments and international organisations operating in the region including the World Bank, the Organisation for Economic Co-operation and Development and the United Nations, as well as a broad series of national, regional and international business associations, in particular women's business associations;
- **RECOGNISING** that social, cultural and legal aspects of society need to be addressed to ensure women's empowerment. More particularly, implicit or explicit legal or cultural prohibitions that inhibit women's ability to work should be analysed, their consequences on the economy fully described and recommendations made.
- **STRESSING** the importance of leveraging the collective knowledge and experience of existing long-standing initiatives, and of sharing their established regional and international good practices;
- **WELCOMING** the pledge of representatives of business and civil society to promote women's empowerment in business and to support governments of the region in their efforts to foster women's entrepreneurship employment;

- **WELCOMING** the pledge by donor countries and international organisations based within and outside the region to support the countries of the region in their efforts to foster women's entrepreneurship through technical co-operation programmes.
- **APPROVING** this Action Plan as a framework for the development of effective mechanisms to support women's economic empowerment and to anchor gender-related issues within business climate reforms.

ACTIONS

In order to meet the above objectives, participants encourage governments in the MENA region to take concrete policy actions to promote women's entrepreneurship and employment and invite the MENA-OECD Investment Programme to continue including gender issues in relation to private sector development as a core activity of its programme.

ACTION 1: ENCOURAGE WOMEN'S ENTREPRENEURSHIP AND EMPLOYMENT BY CREATING A BUSINESS ENABLING ENVIRONMENT:

The Progress Report on *Women's Entrepreneurship and Employment in the MENA Region* shows an improvement in training for women and a corresponding increase in women's entrepreneurship and employment. It provides an overview of actions by governments and other stakeholders in the MENA region to promote gender equality and women's economic empowerment. It also outlines a series of existing barriers and obstacles. In particular it brings to light that:

1. Overall levels of women's entrepreneurship are amongst the lowest in the world although more women have received training.
2. Statistics on the number of women entrepreneurs and women's economic participation are often unavailable or incomplete.
3. Women's entrepreneurship and economic participation are relatively limited due to gender-specific barriers to business creation and development, including cultural norms, civil law, or barriers in the business environment.
4. The global economic crisis has created a cluster of new challenges for women's entrepreneurship that are also common in other regions. Falling demand for exports, slowing capital flows and sluggish growth create new risks for women that may threaten past achievements and impede progress in promoting gender equality.

Exchanges amongst representatives of governments, corporations, business associations, non-government organisations and international organisations in line with the Stocktaking Report shall:

- Recognise the positive role women play in economic growth;
- Identify all key barriers to levelling the business playing field for women;
- Formulate recommendations to governments and other stakeholders such as employers and business organisations in the MENA region on measures to reduce these barriers and help adopt policy responses and solutions that encourage women's employment and business development, who are drivers of innovation, job creation, and economic growth;
- Collect good practices materials on how to foster women's entrepreneurship and enhance women's involvement in the economy.

Subsequent to the completion of the Stocktaking Report, and in view of further facilitating women's entrepreneurship and employment, the MENA-OECD Investment Programme will support and encourage other studies on gender-related issues that bring to light problems encountered by women in doing business in the MENA region, provide suggestions on how these problems could be overcome and the specific contributions that women can make to the single economies of the region, leveraging OECD's expertise and existing work (such as Wikigender).

ACTION 2: FACILITATE BUSINESS REGISTRATION AND GROWTH THROUGH ENHANCED ACCESS TO FINANCE, IN PARTICULAR FOR WOMEN-OWNED BUSINESSES:

Barriers and costs for opening and closing firms in the MENA region, including access to financing for business creation and development, create difficulties for all businesses. However, as identified in the Stocktaking Report on Progress in Implementation of the 2007 *Declaration on Fostering Women's Entrepreneurship in the MENA Region*, difficulties are particularly acute for women-owned businesses. Legal, social and cultural norms associate higher risks with investment in women-owned companies. Biased low confidence in women's abilities to create or manage a business successfully and repay a loan makes women's access to finance difficult. It is also reported that loans for women are subject to increased collateral and their costs are substantially higher than those for men.

The MENA-OECD Investment Programme shall conduct a comparative study of legal, institutional and cultural provisions regulating access to finance for businesses in the MENA region, with a particular emphasis on gender-based obstacles. This study will help identify:

1. *De jure* and *de facto* practices applicable to access to credit in the MENA countries;
2. Cultural codes associated with obtaining credit or business development measures;
3. Status of ownership rights and collateral requirements, including land tenure;
4. Good practices materials on reducing barriers and costs related to business loans and grants, including via government-supported programmes.

Representatives of governments, corporations, business associations, non-government organisations and international organisations shall promote gender responsiveness by:

- Identifying key barriers regarding access to finance in the MENA region and bringing to light particular gender-based differential treatments;
- Providing country examples of how to overcome barriers;
- Formulating recommendations to governments on legal and institutional business climate measures that reduce barriers to opening and closing businesses and growing SMEs by facilitating access to finance;
- Formulating recommendations to the financial sector to better contribute to the development of private businesses, including women-owned and -managed businesses, through objective consideration of qualifications and business strategies.

ACTION 3: IMPROVE ECONOMIC POLICY THROUGH BETTER GENDER-DISAGGREGATED STATISTICS AND INDICATORS

Economic data, in particular gender-disaggregated data, is relatively limited in the MENA region. Lack of harmonised data makes it difficult to affect comparisons across the region.

This represents an important obstacle, as government strategies and policies for fostering women's entrepreneurship and employment require a solid understanding of the state of women's effective and potential participation in the economies of the MENA region.

To assist MENA governments in building more comprehensive data systems and supporting the development of adequate business climate reforms, the MENA-OECD Investment Programme shall:

1. Take stock of existing gender-disaggregated statistics in the MENA region. This will involve data on self-owned entrepreneurs, economic participants (including business managers); participation in the public versus the private sector; participation in specific sectors of the economy; contribution to the economy in terms of employment, productivity, wealth and openness to new technologies and innovations.
2. Ascertain which further gender-disaggregated statistics are required to determine adequate policy responses to enhance women's participation in the economy.

Analysis of available and required data to support the dialogue on policy reform and growth assessments shall be followed by:

- Diagnosing necessary measures governments should take to gather gender-disaggregated statistics and indicators on meaningful gender-related data.
- Training of government representatives to develop their statistical apparatus to produce internationally-comparable data.
- Supporting governments in the MENA region in collecting, publishing and monitoring gender-disaggregated data on women's participation in the economy.

ACTION 4: FACILITATE PARTICIPATION IN THE OECD-MENA WOMEN'S BUSINESS FORUM AND ENSURE INCREASED CONTACTS BETWEEN BUSINESS NETWORKS:

Local, regional, and global women's associations have grown over the last decade. Moreover, the women's business associations have been instrumental in identifying regional obstacles to women's entrepreneurship and employment and have been able to provide valuable support to women-owned businesses. All these associations also have helped draw government and international attention to women's rights and their contributions to economic development.

To further participatory dialogue aimed at stimulating policy change and consolidating the knowledge base – while avoiding duplications of local, national or regional efforts – the MENA-OECD Investment Programme shall:

1. Identify and list relevant MENA women's governmental bodies, business associations, NGOs, and other organisations working on women's economic empowerment.
2. Invite representatives of organisations to join the OECD-MENA Women's Business Forum to enhance partnerships and encourage information sharing on respective activities and lessons learned. Streamlining the various efforts and avoiding duplication will make the various undertakings more effective.
3. Set up an internet platform through which participants in the OECD-MENA Women's Business Forum can regularly exchange information and identify the key issues for discussion regarding fostering women's entrepreneurship.

4. Establish an electronic library where all research regarding women's economic empowerment in the MENA region and in OECD countries can be referenced.
5. Create a corporate ambassador's programme to foster women's economic role through mentoring programmes between OECD countries and the MENA region.
6. Provide support and advice on training programmes designed to facilitate women's involvement in the economy.

IMPLEMENTATION

Implementation of the pillars of action calls for the participation of many stakeholders. Governments of the MENA region will designate government representatives with sufficient authority as well as adequate staff support and resources to engage and fulfil the policy objectives of the action plan.

Partners in the Action Plan, in particular MENA governments, will take measures to promote and publicise the Action Plan. While governments from the region have primary responsibility for addressing gender-related obstacles to women's empowerment in the economy, the international community as well as the business sector and civil society have a key role to play in supporting a country's reform efforts.

Progress will come from the efforts of participating governments supported by the business sector and civil society to identify concrete policy measures to level the playing field for women. Concrete efforts and achievements will build on local ownership and partnerships with stakeholders from within and outside the region. Consultative and collaborative efforts will mobilise local, regional and international initiatives involved in gender-related business climate reforms.

The OECD-MENA Women's Business Forum will provide the institutional framework for exchanging information and ensure co-ordination within the activity and with other initiatives. The OECD-MENA Women's Business Forum will occasionally meet with the MENA-OECD Working Group 2 on SME Policy, Entrepreneurship and Human Capital Development (WG2) and report progress achieved under the different pillars of activities. Based thereon, WG2 will inform to the Steering Group of the MENA-OECD Investment Programme. Specifically, the OECD-MENA Women's Business Forum will:

- Convene regular meetings to engage in discussions, with a view to identifying best practices and solutions to reduce obstacles to women's entrepreneurship and enhance women's empowerment in the economy;
- Facilitate and help establish regular contacts and exchanges with the OECD as well as MENA business associations;
- Evaluate, assess and monitor the impact of the Action Plan as well as assess progress on women's economic empowerment in the region.

Findings and conclusions by the OECD-MENA Women's Business Forum will also feed discussions of the MENA-OECD Business Council. The latter can provide input and recommendations on concrete private sector actions to further policy reforms which bear a gender impact.

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 28 November 2007, Cairo, Egypt**

PREAMBLE

Women's entrepreneurship is expanding around the world, both in emerging and developed economies. Women entrepreneurs constitute a growing share of SME owners and are creating new niches for entrepreneurial activity, but are often confronted with 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, is deserving of 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 regions 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;

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

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;
- “*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 for 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 in the area of women’s entrepreneurship are still low, although progressing. Some of the main barriers and constraints identified relate to microfinance and commercial credit, as well as the lack of research and data to inform an effective advocacy strategy.

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’s 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:

- Facilitating the exchange of best practices between MENA countries, OECD countries, and other non-member economies on fostering women's entrepreneurship and the growth of women-owned SMEs;
- 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 countries, 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.



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