



United Nations Industrial Development Organization

Title of the project:	Promoting women empowerment for Inclusive and Sustainable Industrial Development in the MENA region
Starting date :	February 2015
Duration :	18 Months
Geographic coverage:	6 countries of the MENA region: Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia
Counterpart Organizations:	MENA Women National Associations of Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia

Background analysis

The relatively high economic growth registered by the MENA region during the last decade, with a 5.38% average GDP growth rate during the 2002-2012 period¹, didn't prevent the region from having the world's highest unemployment rates, in particular among youth under 25, which represents more than half of the population. The share of youth (ages 15 to 24) in total unemployment at least doubles the total rate. Moreover, at about 25%, the youth unemployment rate in the MENA exceeds that of any other region in the world. When it comes to women, the figures are even more striking. Women register an unemployment rate which is approximately the double than men and that rises to almost 40 percent in female youth labor force. The public sector in the MENA countries is thus playing a dominant role as employer and the region registers the highest central government wage bill in the world: 9.8 percent of GDP compared to a global average of 5.4 percent. Even if this gap also reflects the fact that public wages are on average 30% higher than private sector's, compared to 20% lower worldwide, it remains that, in a majority of MENA countries, the public sector has crowded out the private sector as provider of jobs and growth, consequently diverting resources away from a potentially more dynamic private sector. In particular, *"government hiring practices have typically inflated wage expectations and placed a premium on diplomas over actual skills, influencing educational choices and contributing to skill mismatches"*².

Yet, with regard to:

- (1) the level of unemployment in the region, that rose by 3.3 million between 2007 and 2013 and that is expected to reach 16.8 million in 2015 (ILO 2013), with youth and female unemployment at staggering levels;
- (2) the fact that the leading role in job creation can't be anymore assumed by the public sector, because many governments are facing budget crunches and are dealing with political and security issues.

Only a dynamic private sector can help achieving the 7 percent annual growth rate that is estimated to absorb the labor supply flux, while projections for 2014-2015 assume an average growth of 3.45 (IMF 2013).

¹ IMF (2014): World economic outlook database, April 2014

Youth Unemployment in the MENA Region: Determinants and Challenges (2012). Published in the World Economic Forum's Addressing the 100 Million Youth Challenge—Perspectives on Youth Employment in the Arab World in 2012, June 2012

² OECD (2012): Women in business – Policies to support women's entrepreneurship development in the MENA region. Competitiveness and private Sector Development Series

Besides the crowding-out effect, the limited development of entrepreneurship in the MENA region can be explained by three main factors, according to findings from recent OECD-MENA research on entrepreneurship³:

- (1) High barriers to doing business, particularly for smaller firms (e.g., corruption, complex licenses, rigid labor laws, high taxes, unfair competition, access to finance, shifting policies etc);
- (2) Cultural norms in which entrepreneurial activity is seen by young graduates as second-best compared with employment in the public sector, which offers more job security;
- (3) The very low participation of women in entrepreneurial activity.

Other challenges for women entrepreneurs in the MENA region are lack of education and training opportunities, difficulties in accessing business support services, and networks. Research shows that many women do not have adequate connections for credible introductions to industry associations, chambers of commerce and other key business networks. Last but not least, some business barriers lie in the regulatory and legal framework.

Yet, women's entrepreneurship represents an untapped potential of growth, prosperity and poverty reduction by creating more and better jobs, contribute diversifying economies with new ideas, technologies, and production methods.

It is estimated that raising female employment to male levels could result in a 34% increase in GDP in some countries and that productivity could also increase by 25% if discriminatory barriers against women were removed⁴. Women economic empowerment would also result in a positive collateral long term effect due to the propensity for women to reinvest in their communities and homes, in particular in education and the well-being of children. In both developed and developing economies, savings rise and spending shifts toward food, health, and education as women gain power over household income⁵.

Target beneficiaries and intervention logic:

The project's direct beneficiaries will be the women's business national associations of the 6 MENA countries: Association for Women's Total Advancement and Development (AWTAD), Egypt; Business and Professional Women, (BPWA) Amman, Jordan; The Lebanese Association for Development - El Majmoua, Lebanon; The Association of Moroccan Business Women (AFEM) Morocco; Business Women Forum (BWF) State of Palestine; Women and Leadership – (F&L), Tunisia. The indirect beneficiaries will be the women entrepreneurs (and aspiring entrepreneurs) of the involved countries. Through the project activities women will be more efficiently supported in creating or developing their businesses and therefore ultimately, the workers, both male and female, will benefit from the created jobs.

Intervention logic: The proposed project is seeking to enhance women's economic inclusion and thus to create the conditions for a sustainable and inclusive growth by harnessing the great potential of women entrepreneurs in the MENA region.

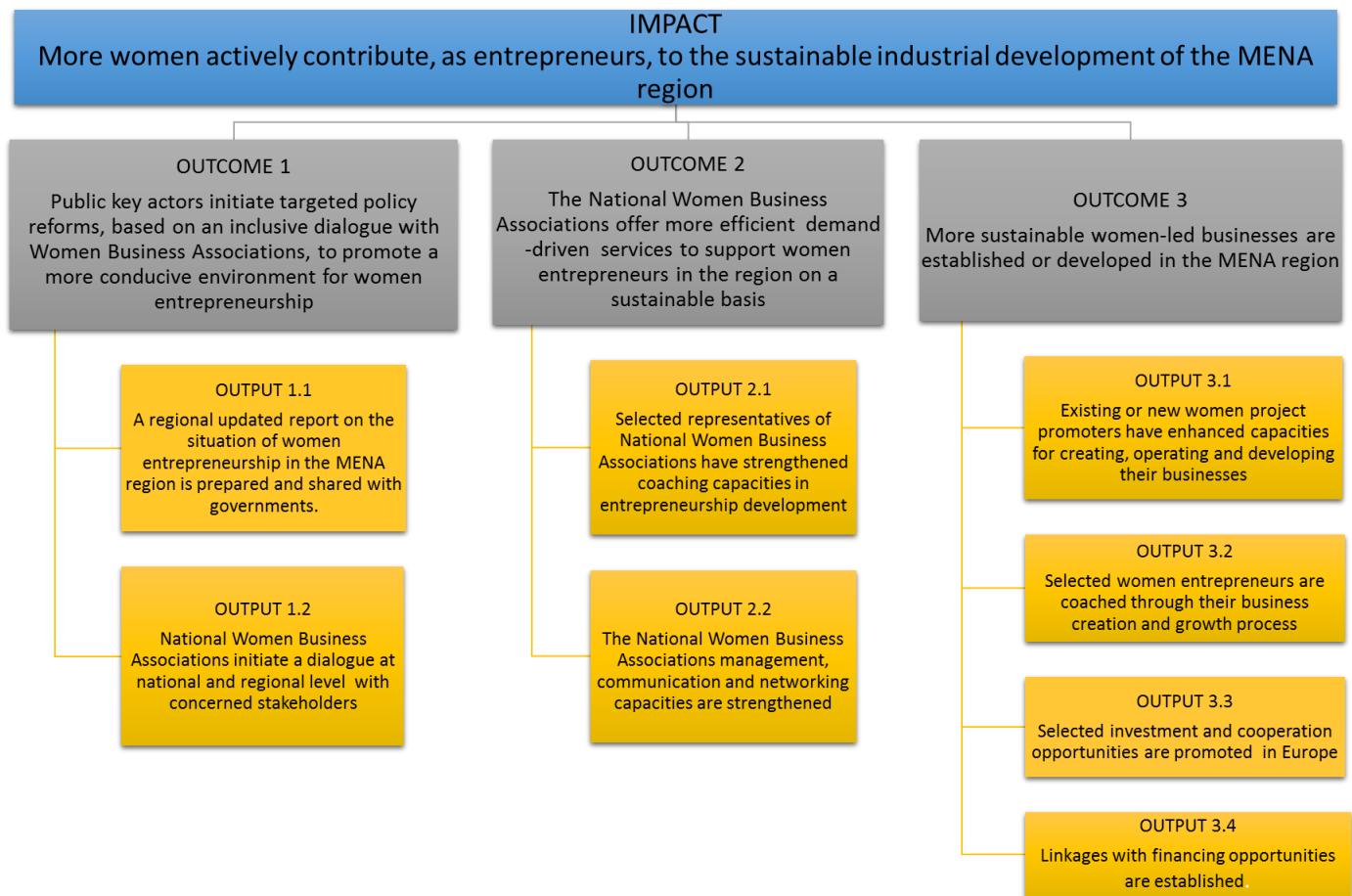
The project approach is holistic and will build on a three levels approach:

- (1) It will nurture, facilitate and accompany the policy dialogue between the key stakeholders with the objective to produce a set of recommendations and actions points endorsed by all parties to promote women entrepreneurship in the region.
- (2) It will strengthen the capacities of national business women's associations in providing better quality and demand- driven services to women entrepreneurs to create and grow their businesses and
- (3) It will directly promote about 200 promising women-led investments in the target countries through training, coaching, identification and facilitation of business partnerships opportunities and access to finance.

⁴ UNIDO : Empowering women: Fostering entrepreneurship

⁵ Ingrid Vanderveldt (2014): Female Entrepreneurs Are Key to Sustainable Global Development. UN Foundation

The logic of the project is summarized in the below result chain:



Expected Outcomes:

The project aims to reach the following three outcomes estimated to favorably impact the overall ecosystem for women entrepreneurship in the MENA region, on a sustainable way. This change will lead, in turn, to an increase in women economic empowerment and contribution, as entrepreneurs, to growth and job creation in the MENA region.

• **Outcome 1:**

Public key actors initiate targeted policy reforms, based on an inclusive dialogue with national and regional women associations, to promote a more conducive environment for women entrepreneurship.

Expected changes for target beneficiaries:

- At least 3 policy initiatives based on the Milano’s round table recommendations to promote women entrepreneurship are under development at regional level.
- The report on Women Entrepreneurship in the MENA region is validated by concerned governments
- National Public-Private working groups are established to prepare the implementation of the project’s recommendations for a more conducive environment for women entrepreneurship

• **Outcome 2:**

The National Women’s Business Associations of the MENA Region offer more efficient demand-driven services to support women entrepreneurs in the region on a sustainable basis

Expected changes for target beneficiaries:

- At least 2 awareness seminars are organized to support women's entrepreneurial development by the task forces set up at national level.
- 20 % average increase in number of women members of the National Women's Business Associations requesting services in access to finance
- 20% average increase in national women's associations membership
- The National Women's Business Associations have formulated a regional strategy to support women's economic empowerment

• Outcome 3:

More sustainable women-led businesses are created or developed in the MENA region. Expected changes for target beneficiaries:

- 60% of assisted women entrepreneurs have created their business
- 10% of assisted women entrepreneurs have invested in new technologies
- 40 % of assisted entrepreneurs developed new business partnerships
- 50% of women assisted in their negotiations with banks obtained a loan
- 300 new jobs created by assisted women-led companies

As part of the activities foreseen under Outcome 1 and 3, UNIDO, Women for Expo, ASPEN Institute Italia, No Peace Without Justice and the 6 national MENA Business Women Associations will partner in organizing an international conference and business forum. The event will take place at MILAN EXPO 2015 in October 2015.

The objectives of the conference and the business forum are:

- Establish a policy dialogue and propose recommendations, including concrete action points, through a roundtable discussion which will be based on the UNIDO report on women entrepreneurship in the MENA region.
- Sharing of business women's experience at international level in order to support the promotion of a large network of women engaged in contributing to sustainable and inclusive development in their countries.
- Share good practices on relevant topics for women entrepreneurship development in the MENA and European regions such as: investment challenges and opportunities facing women entrepreneurs, business support services, innovation, access to finance, and the development of policy options and partnerships for promoting sustainable investment to foster inclusive growth.
- Promoting new international business partnerships through the organization of B2B meetings between MENA women entrepreneurs and foreign investors. A special focus will be put on innovative sectors, particularly agro-food and green industries that can contribute to sustainability and food security in the MENA region.

Project Counterpart organizations:

Ministries of Industry: Ministry of Trade and Industry in for Egypt, Ministry of Industry and Trade to Jordan, Ministry of Industry for Lebanon, the Ministry of Industry for Morocco , Ministry of Trade, Economy and Industry for Palestine and the Ministry of Industry, Energy and Mines for Tunisia

The 6 national associations of women entrepreneurs (AWTAD, BPW-A, Al MAJMOUA, AFEM, BWF and Women & Leadership). Main counterparts of the project and direct beneficiaries, they will be responsible for and to : (1) the establishment of the National Task Forces bringing together public and private partners to support the political dialogue , (2) the support to the strategic management of the project, (3) the implementation of certain project activities, (4) the collaboration for the formulation of the communication strategy, and (5) ensure benefit , at best, synergies with other programs / projects underway.

No Peace Without Justice (NPWJ): is an international NGO funded in 1993. The organization has a strong focus on the promotion of human rights and democracy campaigns in North Africa and the Middle East. In the framework of a the FORUM PLUS partnership (with Confcommercio and Pancomunicazione) , NPWJ has

organized 2 investment Forums in Torino and Catania (2010-2011) with the aim of launching a strong and concrete signal to promote women entrepreneurship in the Mediterranean. NPWJ will partner with UNIDO in the promotion of the Conference and will participate to the panels with high level speakers. NPWJ will contribute to the formulation of the Conference recommendations.

CAWTAR (Center of Arab Women for Training and Research) is an international NGO based in Tunisia where it operates as a regional research and training institution dedicated to the issue of the relationship between women and development in the Arab region. CAWTAR's mission has indeed two fundamental objectives: Empower Arab women for the attainment of gender equality and contribute to the reduction of the gender gaps in order to help achieve sustainable development. Given its expertise in women's entrepreneurship, gained through its participation in several international research on the issue- especially with the IFC (International Finance Corporation - World Bank Group) and the OECD (Organization for Economic Cooperation and Development)-CAWTAR has been entrusted with the production of a report on female entrepreneurship in the MENA region with the objective to enhance the knowledge on the subject and to nurture the discussions during the Roundtable Conference in Milan,. CAWTAR will also be responsible of delivering a training in Communication for advocacy to the women associations' members.

Fondazione Giacomo Brodolini (FGB) is an independent research and policy orientation center working since 1971 in the field of gender mainstreaming, social policy, inclusion, employment and labor market. FGB has collected an extensive experience in carrying out research and studies in the above mentioned fields, on behalf of public and private bodies, both national and international, such as the European Commission, national ministries, local authorities, entrepreneurial organizations, cultural and research Institutes. FGB will be in charge of preparing an in-depth benchmarking analysis to complement the report on women entrepreneurship in the MENA region prepared by CAWTAR. The objective of this analysis is to identify successful initiatives promoting female entrepreneurship in model countries. The benchmarking exercise aims at providing evidence-based material to support the debates during the Conference in Milan in October 2015 by facilitating the identification of recommendations and action points to boost female entrepreneurship in the MENA region.

PROMOS is the Milan Chamber of Commerce special agency for the promotion of international activities. The agency has built a large experience in the organization and the promotion of high level institutional events, international forums and conferences, business meetings and study tours. Promos has also a proven ability in carrying out investment promotion activities, particularly B2B forums, and has an excellent knowledge of Northern-Italy region industrial tissue and business environment. As such, PROMOS will be entrusted with the full organization of the MILAN event (Conference, B2B and technical tour).