



2022 UfM-UNIDO WOMEN BUSINESS FORUM

Gender-Smart Financing to Unlock Women's Entrepreneurial Potential in the MENA region

20th-21st July 2022 (Barcelona, hybrid format)

1. Background

Women entrepreneurs face significant and additional obstacles in expanding their businesses and taking them to the next level. Factors such as the regulatory environment, laws, public order, culture, and social norms represent major barriers to their entrepreneurial development. When it comes to their financial capabilities, they do not enjoy equal opportunities to innovate, scale and grow, or create wealth through equity funding. Yet, when funded, women entrepreneurs perform similarly or better. On the other hand, investors are missing profitable opportunities for investment and returns, while policymakers and other stakeholders have fewer opportunities to develop and grow ecosystems.

The MENA region, having the world's largest entrepreneurial disparity between men and women (ca. 5% of women-led business compared to a global average of 23%-26%) and one of the weakest female labour participation rates, is particularly affected. The region's female unemployment rate (average of 20%) being over twice as high as men's¹.

Within the framework of the UfM labelled project on "Promoting Women's Empowerment (PWE) for Inclusive and Sustainable Industrial Development in the MENA Region", UNIDO has built a strong knowledge of the multifaceted challenges faced by women entrepreneurs in the MENA region, access to finance being at the forefront.

A 2017-2018 UNIDO study² on women entrepreneurship development in seven MENA countries, in which 1,411 women were surveyed, detected the following as the main obstacles to starting a business (in % of respondents): lack of financing (34.7%), lack of experience (28.5%), and lack of contacts/network (25.6%). Moreover, a **2020 UNIDO baseline study, in which a gender-sensitive mapping of access to finance in Palestine, Morocco, and Tunisia** was conducted, concluded that among the most critical problems facing women entrepreneurs running small businesses in raising funds was lack of proper bookkeeping and limited accounting skills to manage a loan. Moreover, the study indicated that women entrepreneurs do not seem to consider indebtedness to financial institutions as an option, fearing (among others) high-interest rates, strict collateral requirements, and a long-term commitment.

¹ <https://ufmsecretariat.org/women-business-club/>

² https://www.unido.org/sites/default/files/2017-04/MENA_REPORT_Eng_interactive-1_0.pdf



Consistently, a 2017 IFC study³ identified **the MENA region as having the second-highest female micro-enterprise financing gap (29%) globally**. The funding gap between the credit female entrepreneurs need and the financing received amounting to US\$ 16 billion. According to a 2017 OECD report⁴, **only 38% of women in the region possess a bank account comparing to 57% of men**. These figures are well below the global female average of 65%. A 2019 OECD report⁵ also states that women in the MENA region face some of the **highest levels of discrimination in accessing productive and financial resources: 45%, compared to a global average of 27%**.

Behind this funding gender gap, is inter alia the pervasiveness of **stereotypes** of the ideal entrepreneur and venture as male and male-led that creates a perception that female entrepreneurs are less capable, less growth-oriented, and higher risk investments. Although there is still limited scientific literature on the subject, **gender bias seems to play a role in men funding other men, overlooking the female entrepreneurs who are also seeking business funding. As a matter of fact, the venture capital industry is 92% male**. A strong propensity for investors to invest in those similar to themselves (especially in terms of gender, race/ethnicity, and educational background) exists. Hence, women entrepreneurs are excluded from key business and social networks, especially if they live in areas who lack connectivity to financial ecosystems.

Yet, several studies across the world tend to demonstrate that not only women-led SMEs are more reliable in repaying loans than small businesses headed by men, but evidence also shows that venture capital funded women entrepreneurs are just as likely to succeed as men. Lately, it has been acknowledged that **investing in women-led businesses or businesses that have a higher representation of women on the board and in leadership positions is a predictor of long-term value creation and better financial performance**⁶. This acknowledgement is underpinning to the rise of Gender-Lens Investing (GLI) together with the recognition that investing in women has disproportionately high social and economic impact because of the spill-over effects in healthcare, education and economic growth and job creation.

What could be hence the best practices and disruptive new models able to unlock women's access to finance?

- All ecosystem participants can help by identifying, training, connecting, and sustaining, funding, and enabling public policy, and by celebrating women entrepreneurs.
- Change must first address assumptions about women entrepreneurs that play into narratives about the misunderstanding of them and their businesses. Thus, stereotypes labeling them as more risky investments need to be overturned. This however is only one side of the equation.
- Women themselves, need to overcome their reluctance, apprehension, and lack of confidence in turning to the financial system to fund their business (rather than the reassuring so-called "love-money") which sometimes leads to a form of self-censorship and prevents long-term growth.

The challenges women entrepreneurs face in obtaining growth finance are an urgent concern for entrepreneurial ecosystems. Investing in women entrepreneurs is an opportunity for entrepreneurs,

³ <https://www.smefinanceforum.org/sites/default/files/Data%20Sites%20downloads/MSME%20Report.pdf>

⁴ <https://www.oecd-ilibrary.org/sites/253d320e-fr/index.html?itemId=/content/component/253d320e-fr>

⁵ <https://www.oecd-ilibrary.org/sites/253d320e-fr/index.html?itemId=/content/component/253d320e-fr>

⁶ <https://www.theguardian.com/business/2015/sep/29/companies-with-women-on-the-board-perform-better-report-finds>



investors, and other stakeholders to benefit from innovation and economic development. Current models need to be displaced with disruptive new ones that overturn misleading stereotypes and accurately reflect the opportunities for women entrepreneurs to contribute to the vibrancy of ecosystems.

The issue of access to finance is central to UNIDO's approach in supporting women entrepreneurial development in the MENA region. Accordingly, many relevant meetings and conferences have been held, leading to an accumulation of best practices and concrete recommendations, including to adjust institutional frameworks, implement targeted gender-sensitive financial services, facilitate access to Guarantee Funds⁷, which cover risks incurred by banks in providing loans to entrepreneurs, and last but not least increase women's financial literacy and demystifying finance.

The financing challenges as well as other pervasive issues hampering female entrepreneurship development in the MENA region are at the core of the **White Paper produced by UNIDO within the framework of the PWE UfM labelled project**. The White Paper highlights the relevant knowledge accumulated by UNIDO over the years, identifying the lessons learned and good practices carried out, including on access to finance. It will be presented and discussed at the Women Business Forum 2022 and will, together with inputs gained from stakeholders, lead to a set of specific recommendations for future projects.

Ultimately, unlocking women's entrepreneurial potential in the MENA region requires **Gender-Smart Financing** – a financing approach that purposefully funds, empowers, and inspires female founders and investors⁸. Investors and employers across the MENA region have the opportunity to accelerate women's inclusion in the economy. Including by fostering digital inclusion and thus leveraging digital financial opportunities as means to increase access to finance and stimulate new economic opportunities for women entrepreneurs. Alongside the above-mentioned women-focused financial services and Guarantee Funds, **Gender-Lens Investing (GLI)** represents such a Gender-Smart Financing approach. Gender-Lens Investing is a deliberate approach that integrates gender analysis, investment analysis and decision making, leading to targeted investments in women-owned and -led enterprises in order to advance women's inclusion in the workforce, as both workers and entrepreneurs. Thus, simultaneously generating financial return, while advancing gender equality and debunking the female entrepreneurial myths⁹.

Be part of a sustainable and inclusive economic movement where mission-driven entrepreneurs, business advisors, incubators and impact investors are changing the landscape of today's economy with a Gender-Smart and particularly Gender-Lens Approach.

2. What is the UfM Women Business Forum?

⁸ https://ec.europa.eu/info/sites/default/files/economy-finance/dp129_en.pdf

⁹ <https://we-fi.org/wp-content/uploads/2020/03/Gender-Lens-Investing-how-finance-can-accelerate-gender-equality.pdf>



Based on 6 years' experience of dialogue with women entrepreneurs, national women business organizations, international leading organizations and business support schemes from the Euro-Mediterranean region, the UfM Women Business Forum is a regional platform taking place every year that offers women-owned and women-led businesses a unique opportunity to grow their business to the next level by learning from successful and innovative business models, and by building business connections with diverse and high-level international business leaders, policy makers and experts from the world's leading companies. It allows to share knowledge and ideas on various business opportunities, good practices, and innovative and successful business models. It includes high-level panels with international business and industry experts, and site visits to leading companies in the targeted sectors. **In these last editions, the UfM Business Forum has benefited from the successful cooperation with UNIDO.**

UfM-UNIDO Business Forum 2022 Edition: which objectives?

In this year's edition, the Women Business Forum (WBF) co-organised by the UfM and UNIDO, will provide the opportunity to discuss gender-smart financing to empower women as entrepreneurs, traders, workers, and professionals, as well identify financial inequalities that remain gender-based. It will also discuss which models and good practices should be disseminated to ensure that women-led businesses can be an engine and growth and job opportunities for women and girls of the MENA region.

This year the UfM-UNIDO Women Business Forum will include

- ✓ Two round tables with the participation of high-level international experts from the public and private sector.
- ✓ Field visit to women-led companies in the Barcelona (Spain) region.
- ✓ Networking opportunity through the speed networking events organised by the [MENA Women Business Club](#) a joint initiative UfM/UNIDO
- ✓ Several training sessions aimed at reaching out to women led businesses who aim to improve their access to finance.



3. Programme 20th-21st July 2022

The UfM-UNIDO Women Business Forum 2022 will take place in a hybrid format.

The first day being hosted by the UfM in Barcelona but accessible also online while the second day being fully online.

20 th July (in Barcelona, Spain)	
9:00-9:15	Opening remarks
9:15-9:35	Presentation of UNIDO's White Paper 2022 on Women Economic Empowerment in the MENA region
9:35-10:45	Round Table 1: Alleviating barriers to entrepreneurial success and access to finance Q&A from the audience
10:45-11:15	Coffee break
11:15-13:00	Round Table 2: Access to finance and Gender lens investments
13:00-14:30	Lunch
14:30-16:00	Free networking sessions at the Palau
16:00-18:00	Visits to local women-led businesses/business support organisations
21 st July (fully online)	
Expected participants: This session is targeted towards practitioners and beneficiaries: Women led business and women entrepreneurs from the MENA region and EU countries needing/wanting to grow their business by increasing their access to finance	
9:30-11:00	Fundraising tips for SMEs/Preparing an impactful pitch deck
11:00-12:30	Gender lens Investments*: Venture Capital, FinEquity
12:30-13:30	Lunch
13:30-15:30	Speed Networking events UfM & UNIDO: MENA Women Business Club initiative