

# Financial Inclusion for Young Female and Male Entrepreneurs in Tunisia and Palestine

Project name	Cooperation with Arab Donors from Gulf Countries
Commissioned by	BMZ
Partners	Arab Gulf Fund for Development (AGFUND) and Saudi Fund for Development (SFD)
Implementing Agency / Partner	Center of Arab Women for Training and Research (CAWTAR)
Programme objective (short form)	Young female and male entrepreneurs in Tunisia and Palestine have better access to financial inclusion and self-employment
Duration	02/2017 – 02/2018

## Context

The Middle East and North Africa (MENA) region has the highest levels of financial exclusion in the world. Only 43 percent of adults hold accounts in a formal financial institution, while the average rate for high-income countries stands at an estimated 88 percent. This figure rises to 75 percent for women compared to 52 percent for men, and 73 percent for low-income groups in Arab countries.

Tunisia and Palestine are developing national financial inclusion strategies with an emphasis on financial education. Yet, financial institutions often lack expertise to address groups of the population who do not make use of banking services. In the Palestinian Territories, low access to financial products and services figure prominently among the internal factors that depress inclusive economic growth and lead to high rates of poverty, unemployment and inequity. For example, while 60 percent of adults in the Palestinian Territories have bank accounts, only 10 percent use credit products and only 8.6 percent have an insurance policy due to poor financial awareness and literacy, limited supply of appropriate financial products and their high costs as well as a lack of trust in the formal banking sector.

Tunisia has a well-developed banking and microfinance sector, however, the financial inclusion rate was only 37 percent in 2017. Fostering a better understanding of basic financial products and services, financial education programs that target especially women, youth, small and medium-sized enterprises, and low-income groups could contribute to close the gaps.

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has established an Open Regional Fund (ORF) for the MENA region which is managed by the GIZ programme *Cooperation with Arab Donors from Gulf States (CAD)*.

In cooperation with CAD, the Arab Gulf Program for Development (AGFUND) and the Saudi Fund for Development (SFD) provided funding for the Tunis-based Center of Arab Women for Training and Research (CAWTAR). CAWTAR, as a regional non-government Organisation, implemented the project *Financial Inclusion for Young Female and Male Entrepreneurs in Tunisia and Palestine*.

## Objective

The project objective was to support young female and male entrepreneurs in Tunisia and the Palestinian Territories to have better access to financial inclusion and self-employment.

## Approach

The project *Financial Inclusion for Young Female and Male Entrepreneurs* allowed CAWTAR to pioneer in the field of financial education. Over a period of 18 months, from February 2017 to August 2018, CAWTAR exemplified a financial education methodology in the form of intensive and constant training



on Financial Education, Business Development Skills (including Business Planning) and Social Skills (including Business Communication), followed by six months of individual coaching for the participants.

In-class training reached, in two terms, a total of 308 female and 97 male participants (expected: 150) of whom 74 were female participants in Palestine. Additionally, equally in two terms, E-Learning Courses on Financial Literacy reached 435 female and 119 male participants, of whom 316 were female participants in Palestine. About 300 participants (expected: 278) completed the E-Learning Course.

Training-of-Trainers courses (ToT) were extended by CAWTAR to four partner organisations, with 33 trainers trained.

In Tunisia, partner organisations were trained, such as the micro-finance specialists MICROCRED BAOBAB and TAYSEER Conseil, and the Ministry of Women, Family, Childhood and the Elderly to deliver financial education programmes. In particular, TAYSEER, with a more personalised approach, paid intensive attention to customers' needs and developed capacity by designing supply chains, production chains, and value chains; coaching efforts were spent on 51 loan beneficiaries/potential beneficiaries.

Furthermore, the Palestinian Businesswomen Association ASALA organised E-Learning Courses, face-to-face training for women and coaching sessions for 34 participants.

## Results

In total, 405 training graduates were identified to qualify for loans. Of them, 105 persons (26 percent, of them 80 Tunisians and 25 Palestinians) received loans to start or extend their business (for example handicraft, recycling, online shopping, trade, training centres). 62 percent of loan beneficiaries were women (65 persons); the beneficiaries' age was on average between 26 and 38 years.

## Project Results and Outcomes

- A national study "Financial inclusion of youth and women entrepreneurs in Tunisia, (Age: 18-35 years)"
- 1 National Needs Assessment Report on Non-Financial Services.
- 3 Training of Trainers courses (ToT)
- 4 partnering financial institutions were trained to deliver financial education to customers from low income groups
- 33 trainers trained
- Monitoring and evaluation tools produced
- Trainers guide (in Arabic and French)
- More than 30 training sessions
- 405 beneficiaries (76 percent women)
- 3 Awareness Videos produced
- 554 users had access to E-learning courses on financial education. (435 female)

## About CAWTAR

The Center of Arab Women for Training and Research (CAWTAR) was created in 1993 in response to the desire expressed by a number of Arab stakeholders, including local, regional and international institutions as well as governments, to establish a center of academic research and field studies related to the status of women. In addition to collecting data, indicators and statistics on women's economic, social and political conditions, CAWTAR significantly contributes in sharing knowledge, building partnerships and reinvigorating policy dialogue and advocacy in order to improve the lives of women in the Arab world.

CAWTAR seeks to establish equal rights, both in law and in practice, for women and men in the Arab World, by overcoming gender gaps, empowering women, and allowing women and men to act equally for the prosperity of the community.





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The three pillars of CAWTAR's operations are:

- **Pillar 1:** Economic, Political and Socio-Cultural Empowerment of Women;
- **Pillar 2:** Women in Water Resources Management;
- **Pillar 3:** Policies and Mechanisms to Improve Women's Status in the Arab Region

For more information see <http://www.cawtar.org/SitePages/Home.aspx>.

## About AGFUND

The Arab Gulf Program for Development (AGFUND) is a regional organization based in Riyadh, Kingdom of Saudi Arabia. AGFUND was established in 1980 upon the initiative of His Royal Highness, Prince Talal Bin Abdul Aziz Al Saud with the support of leaders of the Gulf Cooperation Council Countries: United Arab Emirates, Kingdom of Bahrain, Kingdom of Saudi Arabia, State of Qatar, Sultanate of Oman and the State of Kuwait.

AGFUND works mainly in the field of development through partnerships with the United Nations and regional and national public, private and civil society development organizations.

AGFUND established microfinance banks in Tunisia, Palestine and many other Arab and African countries with the objective to achieve financial inclusion of low-income groups and women.

For more information see <http://agfund.org/>.

## About the Saudi Fund for Development

SFD was established by virtue of Royal Decree No. M/48, issued on 01/09/1974, and it commenced the operations on 01/03/1975. As defined in its charter, the SFD's main objectives are to participate in financing projects in the developing countries by granting them the necessary loans, and technical assistance necessary for financing studies and institutional support and guaranteeing the national non-crude oil exports

The SFD is managed by a six-member Board of Directors. The Fund's Vice Chairman and Managing Director assumes the executive authority and is responsible for the implementation of the Board's decisions.

As the main national institution for development assistance, SFD started its activities with a seed capital of approximately \$ 240 million provided by the Saudi government. Over time, this capital had been increased in three phases to reach \$ 8.3 billion. The Fund runs several programs including the Saudi program to help the Palestinian people.

For more information see <https://www.sfd.gov.sa/en/web/guest/home>

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On behalf of Federal Ministry for Economic Cooperation and Development (BMZ)