

# BANKING ON WOMEN IN TUNISIA

Innovations in the Banking Industry  
Workshop Report

IN PARTNERSHIP WITH:



 **IFC** | International  
Finance Corporation  
WORLD BANK GROUP  
*Creating Markets, Creating Opportunities*

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# INTRODUCTION



## THE TUNISIAN CONTEXT

Women in Tunisia participate in the ownership of 18-23 percent of the country's formally registered firms.<sup>1</sup> Yet their financial needs are largely unmet and their credit demand (among formal MSMEs) is estimated to be \$595 million.<sup>2</sup>

For banks in Tunisia, targeting women-owned SMEs and providing customized financing solutions to them – known in the global banking sector as “Banking on Women” – represents tremendous and untapped market potential. Despite the business opportunity at hand, financial institutions in the country have yet to recognize women-owned SMEs as a distinct segment, understand their specific needs and develop strategies to address this market gap. To explore this business opportunity, IFC hosted its second in a series of roundtables on the potential of the women's banking market in MENA in Tunis on May 22, 2017.

This report summarizes the discussions, which focused on the women's market opportunity for banks and recommendations at the bank and ecosystem level to target this emerging profitable segment. It also includes a case study from BLC Bank in Lebanon on its successful women's market program, as well as the World Bank's EmpowerHer Hackathons Initiative.

**“Women entrepreneurs are changing the landscape of the global economy, creating sustainable jobs and driving economic growth. Extending financial services to them will create much-needed growth and jobs, and help banks to benefit from this untapped market.”**

*Georges Ghorra, IFC Country Manager in Tunisia.*

## THE MARKET OPPORTUNITY

Global and regional evidence from IFC client banks indicates that women are the next frontier and a profitable market segment for financial institutions.<sup>3</sup> While banks in Tunisia generally have low awareness of the business rationale for targeting female customers and how the Tunisian market is skewed towards microfinance, some of them are aware of the market potential of this customer segment. Below are some key trends at the global, regional, and national level indicating the potential of the women's market:

### INCREASED ECONOMIC PARTICIPATION OF WOMEN

Women's participation in the labor force is increasing fast. It is estimated that 870 million women will participate in the global economy for the first time in 2020.<sup>4</sup> Economically active women require financial services, both as individuals and as entrepreneurs. In emerging markets, an estimated 31-38 percent of formal registered SMEs are fully or partially owned by women, and this number is predicted to rise.<sup>5</sup>

<sup>1</sup> INTERNATIONAL LABOUR ORGANIZATION AND IFC 2017 FINANCE GAP DATABASE

<sup>2</sup> IFC 2017 FINANCE GAP DATABASE

<sup>3</sup> INVESTING IN WOMEN: NEW EVIDENCE FOR THE BUSINESS CASE – BLC BANK CASE STUDY

<sup>4</sup> HARVARD BUSINESS REVIEW (2009)

<sup>5</sup> GPF1 AND IFC 2011

Given that the MENA region has the lowest representation of female-owned formal SMEs – at 12-15 percent – there is room for further growth in this segment, and, in turn, in demand for financial services.<sup>6</sup> Nonetheless, women’s economic participation in Tunisia is not insignificant; women participate in the ownership of 18-23 percent of the country’s formally registered firms, which represents a huge and untapped market opportunity for banks and financial institutions.

### RISING EDUCATION LEVELS OF WOMEN

Globally, women are better educated than ever before, with women’s participation in education surpassing male participation in almost all developed countries and in half of developing countries.<sup>7</sup> Tunisia aligns with this global trend and has been able to progress in gender inequalities, especially through reforms in personal law through the Code du Statut Personnel in the 1950s, the ratification of the CEDAW convention, and the recognition of “equality between men and women” in the constitution, all of which are major achievements.

However, the promotion of women’s rights, especially in education, did not translate into more economic empowerment. Women in Tunisia represent one-third of employees, and are still paid less than men for equal work – the wage gap currently stands at almost 15 percent, one factor that contributes to their low participation in economic activities. In addition, only 18-23 percent of businesses in Tunisia are owned by women.

Though Tunisia has the most progressive laws on women’s rights in the region and has been setting an example for other Arab countries, this has not translated proportionately into large-scale economic participation by women (some of the constraints to this will be addressed later in the report).

### WOMEN’S DECISION-MAKING AND SPENDING POTENTIAL

As levels of education have improved and as women increasingly enter the workforce, they have greater access to disposable income and their personal and household purchasing power rise. Some 85 percent of households worldwide identify women as the main decision-makers, and women control about \$20 trillion of global consumer spending.<sup>8</sup> Studies have shown that Tunisian women spend a greater proportion of their income than men on household well-being.<sup>9</sup>

<sup>6</sup> GPFI AND IFC 2011

<sup>7</sup> UN, “THE WORLD’S WOMEN: EDUCATION,” 2015

<sup>8</sup> HARVARD BUSINESS REVIEW, 2009

<sup>9</sup> [http://lead.univ-tln.fr/fichiers/Paper%20S2016/27-04\\_JEBILI%20&%20BAUWIN.pdf](http://lead.univ-tln.fr/fichiers/Paper%20S2016/27-04_JEBILI%20&%20BAUWIN.pdf)

<sup>10</sup> IFC 2010 AND 2017 FINANCE GAP DATABASE, AND INTERNATIONAL LABOUR ORGANIZATION

<sup>11</sup> AXA, ACCENTURE, AND IFC, 2015



### UNMET DEMAND FOR FINANCIAL SERVICES

Banking women can satisfy unmet demand for financial services and help banks diversify and grow their portfolios. In developing countries, women account for 28 percent of MSMEs and have an unmet financing need of \$1.7 trillion in credit per year. Within MENA, demand for credit from women-owned SMEs is estimated at \$50 billion per year, rising to \$73 billion when including micro enterprises and the informal sector. In Tunisia, credit demand from women-owned SMEs is estimated at \$595 million.<sup>10</sup>

There is similar unmet demand in the insurance market segment. A study by AXA, Accenture, and IFC found that the annual premium value from women customers will hit \$1.7 trillion globally by 2030, double the size of the 2013 market. In emerging markets, the figure is predicted to increase up to nine-fold, reaching \$874 billion<sup>11</sup>.

## ROOM FOR GROWTH IN LEVELS OF FINANCIAL PENETRATION

Financial inclusion is defined as a state in which households and businesses have access to a range of financial services that meet their needs: savings, payments services, credit, and insurance.<sup>12</sup> Although Tunisia is home to a large number of locally and foreign-backed banks from the public and private spheres, access to financial services remains difficult for many. A key building block of improved financial inclusion is proximity to financial services, and on this metric Tunisia had 18.2 commercial bank branches per 100,000 adults in 2013, below the figure of 24.1 in neighboring Morocco.<sup>13</sup> Banks are concentrated in coastal areas, leaving Tunisians in interior regions underserved.

Financial penetration is low in Tunisia; World Bank 2014 Findex data indicates that only 27 percent of adults have a bank account and only 20 percent of women are banked.<sup>14</sup> To address this, the Tunisian government identified financial

inclusion as a priority area, and a decree-law passed in November 2011 authorized the establishment of credit institutions dedicated to low-income people. It also created a modern regulatory agency, the microfinance supervisory authority. Beyond micro-lending, the Tunisian Ministry of Finance now aims to modernize the entire financial sector in Tunisia by 2020.<sup>15</sup>

There is considerable room for growth in the banking market overall in Tunisia. Emerging evidence suggests that financial inclusion contributes to economic stability, hence promoting financial inclusion and targeting the women's market is a prerequisite for a solid and stable financial system. Therefore, increasing financial penetration levels in the Tunisian market can help contribute to financial stability and an improved operating context for banks, which will be good for business.

## KEY FACTS: Financial Inclusion Statistics – Tunisia<sup>16</sup>

Indicator	Percentage
Account (% aged 15+)	27.4
Account at a financial institution, male (% age 15+)	34
Account at a financial institution, female (% age 15+)	20.7
Borrowed from a financial institution (% age 15+)	8
Borrowed from a financial institution, male (% age 15+)	10
Borrowed from a financial institution, female (% age 15+)	6.2
Saved at a financial institution (% age 15+)	10
Saved at a financial institution, male (% age 15+)	12
Saved at a financial institution, female (% age 15+)	9

<sup>12</sup> Financial Inclusion in Tunisia, The World Bank Group and CGAP (2015), <http://documents.worldbank.org/curated/en/861061467998506998/pdf/96222-REVISED-Box393219B-PUBLIC-ENGLISH-2015-Tunisia-Financial-Inclusion-Snapshot-EN-10-06.pdf>

<sup>13</sup> Oxford Business Group, <https://www.oxfordbusinessgroup.com/analysis/building-blocks-number-approaches-aim-improving-financial-inclusion>

<sup>14</sup> WORLD BANK 2014 FINDEX

<sup>15</sup> CGAP, <http://www.cgap.org/blog/financial-inclusion-opportunities-and-challenges-tunisia>

<sup>16</sup> GLOBAL FINDEX DATABASE, TUNISIA (2014)



## A PROFITABLE MARKET SEGMENT

When the environment is conducive to business, female entrepreneurs perform very similarly and have comparable rates of borrowing to men.<sup>17</sup> IFC has successfully tested the proposition that women customers are profitable for banks and found that the following factors contribute to the business case for the women's banking market:

- **Market share growth:** Targeting the women's market provides a source of market differentiation in competitive SME markets.
- **Higher cross-sell and loyalty:** Women stay with their bank of choice if it is serving them well. There are higher cross-sell ratios (between one and two times) for women, and they have higher footings per relationship and higher fee generation.
- **Strong savings propensity:** Women customers save more than men as both retail and business customers, and their deposits grow at a higher rate.

- **Positive risk behavior:** Women are more risk-aware. Women-led SMEs outperform those led by men, and women are either the same or better than their male counterparts in terms of default rates and non-performing loan rates.
- **Linkage to the family wallet:** Women clients refer more customers to a bank than men and can create a strong conversion rate for the husband and other family members' business.

In Tunisia, women entrepreneurs are known to be more educated and younger than their male counterparts and are known, especially among micro-finance institutions, for their dynamism, prudence, and compliance.<sup>18</sup> This segment has real expectations for financial products, but is still underserved by banks, leasing firms, and insurance companies. The first financial institution to develop products adapted to women entrepreneurs will likely earn their loyalty.

<sup>17</sup> IFC ANALYSIS

<sup>18</sup> IFC MARKET ASSESSMENT OF THE FINANCIAL NEEDS OF VSSMES IN TUNISIA

# CURRENT CONSTRAINTS TO LEVERAGING THE MARKET POTENTIAL OF BANKING FOR WOMEN IN TUNISIA



**“Financial inclusion has always played a dynamic role in wealth and job creation; financial inclusion is mandatory for development.”**

*Ahmed El Kharm, President of the APTBEF*

The roundtable participants identified several constraints to tapping into the women’s market, including:

## LEGAL AND CULTURAL BARRIERS

The interplay of legal and cultural constraints currently limit women’s employment, entrepreneurship prospects, and access to finance.

**“Tunisia achieved progress and is dynamic in different regions. The solution however is not only about money and resources but also about culture and education. It is important to have a cultural revolution.”**

*Chedly Ayari, Governor, Central Bank of Tunisia (BCT)*

Gender differences in personal income tax regulations may affect a woman’s decision to enter the workforce, especially if it means paying disproportionately higher taxes. Tunisia is among the 16 of 173 economies studied by IFC which have tax provisions that directly favor men.<sup>19</sup> Article 23 of the Personal Status Law identifies the husband as head of the household,<sup>20</sup> which allows him to claim tax deductions on each child in the family.<sup>21</sup>

The default marital property regime in Tunisia is separation of property, and the original owner has the legal right to administer their property during marriage. In practice, however, few women own land, and most non-land assets – whether owned or rented – are registered in the husband’s or father’s name.<sup>22</sup> This constitutes a huge barrier to women entrepreneurs accessing finance as they cannot present collateral when they apply for loans from banks.

**“I counted on myself to finance my project and do the feasibility study. When evaluating a project, banks don’t rate the quality of the project or the qualities of the entrepreneur. They are only interested in collateral.”**

*Sonia Fekki, Owner of Habiba Jewelry*

<sup>19</sup> WOMEN, BUSINESS, AND THE LAW, 2016

<sup>20</sup> Code Du Statut Personnel, Article 23, [http://www.e-justice.tn/fileadmin/fichiers\\_site\\_francais/codes\\_juridiques/Statut\\_personel\\_Fr.pdf](http://www.e-justice.tn/fileadmin/fichiers_site_francais/codes_juridiques/Statut_personel_Fr.pdf)

<sup>21</sup> Bulletin Officiel des Douanes et des Impots No. 2013/03/10 [http://www.impots.finances.gov.tn/NC/NC2013/nc6\\_2013\\_fr.pdf](http://www.impots.finances.gov.tn/NC/NC2013/nc6_2013_fr.pdf)

<sup>22</sup> UN Women, <http://spring-forward.unwomen.org/en/countries/tunisia>



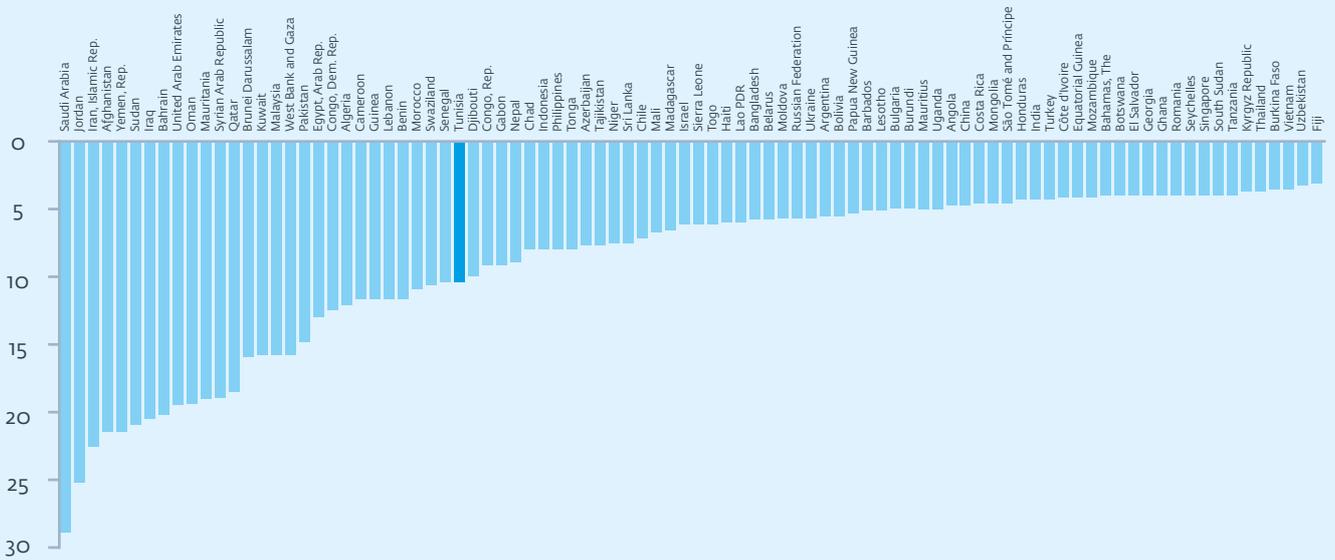
*“What does a woman entrepreneur need from her bank? She needs advice, support, and training on new processes.”*

**Sonia Fekki,**  
Owner of Habiba Jewelry

# TABLE 01: Blocking access

Action	Economies where married women cannot perform some actions in the same way as married men	
Be head of household	Bahrain   Benin   Burundi   Cameroon   Chad   Chile   Congo, Dem Rep. Congo, Rep.   Djibouti   Gabon   Guinea   Honduras   Indonesia   Iran, Islamic Rep.   Iraq   Jordan   Madagascar   Mali   Mauritania   Morocco   Niger   Oman   Philippines   Rwanda   Saudi Arabia   Senegal   Sudan   <b>Tunisia</b>   United Arab Emirates   Yemen, Rep.	30

## KEY FACTS: Number of legal gender differences, by economy





*"I borrowed money from my family to start my project. Some institutions underestimate the ability of women; also banks are too slow to make decisions. They take a long time to answer. Their procedures are not time-efficient."*

**Yosr Chayah, Owner of Yosr Chayah Company  
for Road and Traffic Signs**

## INFORMAL BUSINESS ENVIRONMENT

High levels of informality persist among businesses in Tunisia. The informal economy accounted for 38 percent of gross domestic product (GDP) in 2013, compared with 30 percent in 2010.<sup>23</sup> Businesses, especially those owned or led by women, are more constrained by cultural and social barriers that affect their ability to grow their businesses, and hence tend to remain longer in the informal sector. Tax revenues from these businesses are needed to boost the economy and bring savings into the formal financial system, which can help enhance financial stability and contribute to a more prosperous society.

## DATA AVAILABILITY AND AWARENESS OF THE BUSINESS CASE

Lack of awareness about the business case for catering to the women's market in Tunisia is preventing the targeting of this potentially profitable segment, which banks are not prioritizing.

**"Banks wait for women to approach them, which eliminates a considerable number of women from the start."**

*Manar Korayem, IFC's Banking on Women Lead in MENA.*

Unavailability of gender-disaggregated data poses a huge challenge to gaining greater clarity and understanding of the constraints on demand and supply for women's access to finance in Tunisia. On the demand side, is financial exclusion of both women and men voluntary or involuntary, and if the latter, what constraints urgently require addressing? On the supply side, to what extent are banks already serving the women's market segment?

## LACK OF MUTUAL UNDERSTANDING BETWEEN BANKS AND CUSTOMERS

Banks are more focused on satisfying their existing clients, and tend to invest less in exploring new market opportunities and assessing needs of new market segments. This results in a growing gap of unserved market segments that end up with very limited knowledge of banking services that might be available to them. Women customers are often perceived as risky by banks and vice versa. Women often choose not to bank primarily with formal financial institutions and to borrow from family and friends instead.

<sup>23</sup> TUNISIAN GENERAL LABOUR UNION (UGTT) "CURRENT STATE OF THE INFORMAL ECONOMY IN TUNISIA" (2014)

# RECOMMENDATIONS FOR ACTIONS



While the business case for targeting the women's market may be clear, various obstacles need to be overcome for banks and the country to profit from this significant untapped opportunity. To address these challenges, create an enabling environment, and get the buy-in to establish and operate a successful women's market program, participants at this discussion suggested a host of recommendations. By embracing these actions at the financial ecosystem and bank level, through national and global collaborative partnerships, Tunisian financial institutions can help stimulate the women's market to boost bank profitability, women and, ultimately, the Tunisian economy.

**“Together with IFC, we developed a good and accurate offer, we have good arguments, and the offer is already tested with BLC. We can replicate this example in Tunisia. There is a quite clear need and gain in empowering women with regards to access to finance.”**

*Olivier Bovet, State Secretariat for Economic Affairs SECO*

## RECOMMENDATIONS AT THE FINANCIAL ECOSYSTEM LEVEL

### LEGAL FRAMEWORK

- Identify and address legal and regulatory barriers to women's access to finance.
- Take part in a cultural revolution that is more equitable to women, especially concerning access to economic opportunities and finance.

### NATIONAL MARKET RESEARCH

- Conduct a national demand-side study on financial services' access and usage.

### NATIONAL STRATEGY

- Create a national financial inclusion strategy based on multi-stakeholder collaboration, including setting measurable targets for increasing women's access to finance and an action plan for implementation.

### PUBLIC CONSUMER EDUCATION

- Promote initiatives to support consumer financial education, including different strategies for women and men, the educated and the illiterate.

### FINANCIAL INFRASTRUCTURE AND TECHNOLOGY

- Adopt technology solutions, especially mobile phones, for payments and financial transactions to overcome mobility issues for women and men in remote areas. And ensure confidentiality and personal data protection while using the above-mentioned technologies.<sup>24</sup>
- Strengthen payment-system infrastructure including credit bureaus and credit guarantee schemes to address specific barriers to access to finance for women, including their lack of collateral.

<sup>24</sup> AS PART OF EFFORTS TO IMPROVE THE ECONOMIC AND FINANCIAL AUTONOMY OF TUNISIAN AND MOROCCAN WOMEN, THE WORLD BANK LAUNCHED AN INITIATIVE TO HELP EMPOWER THE ECONOMIC CAPACITY OF WOMEN FROM INNER REGIONS: EMPOWERHER



*“The ideal banker for me is the one who trusts me, and trusts my project; who guides me in entrepreneurship and all that is related to foreign transactions and banking.”*

**Sarah Hefaidh,**  
General Manager of Studio Design Corian

## RECOMMENDATIONS AT THE BANK LEVEL

Banks that would like to target and reach women borrowers can establish a “Women’s Market” program in their respective banks by:

### DATA AND MARKET RESEARCH

- Setting a clear definition of businesses owned or led by women.
- Establishing a baseline of existing women customers in the individual/retail and SME/corporate segments to be able to measure progress.
- Conducting market research to learn more about the women’s market segment and understand its needs.
- Adapting existing bank systems and processes to generate gender-disaggregated data on customers.

### PRODUCT DEVELOPMENT AND MARKETING

- Applying a “gender lens” to banking products, as well as diversifying products to include a range of non-financial services. Provide training and networking opportunities for existing and potential new women customers.
- Building women’s awareness about existing products and new banking products and services targeting women.

## CUSTOMER SERVICING AND LOAN PROCESSING

- Simplifying requirements and processes for existing and new women customers.
- Leveraging technology by providing online banking to enhance access to financial services for women.
- Improving the risk profile of women by creating credit-guarantee schemes and deploying a more innovative approach to collateral, for example by accepting moveable assets like cars and jewelry.

## INTERNAL CAPACITY AND COMMITMENT

- Raising awareness internally on women banking and training frontline staff.
- Improving the internal representation and inclusivity of women in banks as an enabler to launch or target a women’s market program.
- Learning from applicable international experience, which can be tailored to the Tunisian context through partnerships with IFC and peer learning platforms.

**“The return on investment from BLC is clear. There is an untapped opportunity. Who is going to be the Tunisian ‘Banking on Women’ champion?”**

*Nada Shousha, Senior Advisor, IFC*

HACKATHON. THIS INITIATIVE TARGETS WOMEN OF INNER REGIONS WHO HAVE THE POTENTIAL TO WORK BUT FACE CONSTRAINTS. THE OBJECTIVE IS TO PUT YOUNG PEOPLE AND TECHNOLOGY AT THE SERVICE OF THESE WOMEN TO INNOVATE AND DEVELOP APPLICATIONS AND TECHNOLOGICAL SOLUTIONS THAT WILL HELP OVERCOME THE CONSTRAINTS THESE WOMEN FACE. [HTTP://WWW.WORLDBANK.ORG/EN/EVENTS/2017/01/05/MAGHREB-WOMEN-HACKATHON](http://www.worldbank.org/en/events/2017/01/05/maghreb-women-hackathon) MORE INFORMATION ON THE INITIATIVE CAN BE FOUND IN ANNEX 2 OF THIS PAPER.

# ANNEX 1: CASE STUDY

## BLC Lebanon's Journey to Championing Women Banking

Despite differences in Lebanon and Tunisia's market size and legal and cultural contexts, the experiences of BLC Bank in Lebanon provide valuable insights to Tunisian banks seeking to reap the rewards of tapping into the women's market segment. The bank recognized the potential of the women's banking market in 2010, both as a growth market and as a competitive differentiator. Data highlighted that women make up more than half the population of Lebanon, are better educated, save more, exhibit less-risky financial behavior, and are more loyal to banks than men. They also buy more banking products, and refer more new customers.

For example, 58 percent of women budget for the future in Lebanon, as opposed to 46 percent of men, while 57 percent of women try to save for the future compared to 51 percent of men. What's more, 40 percent of women compared to 37 percent of men plan their spending at least one week ahead. This evidence informed a clear business case for targeting this market.

To explore launching BLC Bank's value proposition for women, the bank took the following steps:

- Engaged IFC in a consultancy agreement.
- Became a member of the Global Banking Alliance for Women (GBA).
- Attended the 2010 GBA Annual Summit hosted by IFC and the subsequent 2011 Annual Summit and study tour hosted by Westpac Bank in Australia.
- Undertook a feasibility study for establishing a women's market program.
- Conducted focus groups with women to design the program.

Learning from potential women customers, peers, and technical experts, and acting on the basis of critical partnerships with IFC and GBA, BLC Bank was able to respond swiftly to the promising women's banking market opportunity.

INTERNAL CHALLENGES	EXTERNAL CHALLENGES	SUCCESS FACTORS
<ul style="list-style-type: none"> <li>• Adapting MIS system:               <ul style="list-style-type: none"> <li>- Setting the right definition of women in business.</li> <li>- Tagging exiting accounts.</li> <li>- Defining the baseline.</li> </ul> </li> <li>• Resistance to change               <ul style="list-style-type: none"> <li>- Establishing KPIs to drive sales team behavior (scoring system with higher weight to the women's portfolio).</li> <li>- Encouraging employee buy-in by engaging them in trainings and selecting ambassadors, NPS.</li> </ul> </li> <li>• Lack of data.</li> <li>• Where to situate the "WE Initiative" in relation to SMEs.</li> </ul>	<ul style="list-style-type: none"> <li>• Alienation of male customers.</li> <li>• Irritating people with certain culture and religious beliefs.</li> <li>• Not to be taken seriously by women, transforming them into detractors.</li> <li>• Not to be able to deliver the promises made.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtaining top management support and commitment.</li> <li>• Carefully picking the project management team.</li> <li>• Giving proper weight to internal awareness and training.</li> <li>• Focusing on the business case.</li> <li>• Adapting an efficient IT system that allows proper monitoring.</li> <li>• Setting clear and achievable targets.</li> <li>• Effective communication.</li> <li>• Measuring performance.</li> </ul>

In 2012, the bank launched its women's market program called the "WE Initiative," which addressed several key needs for women. First, as women are legally unable to open bank accounts for their children in Lebanon, the bank adopted a legal turnaround that enabled women to do so. Second, the bank designed a collateral-free loan to enhance access to finance for women small business owners.

The program's success has resulted in financial, reputational, and brand benefits for BLC Bank. The women's market currently represents more than 18 percent of the bank's profits, with double-digit growth projected for the next three years.

This success has not come without challenges. The bank had not previously gender-disaggregated its customer data and needed to establish a baseline of its women customers. To do this, BLC needed to establish a new definition of women-owned business and adapt its management information system (MIS) to consistently capture this information. To achieve operational alignment to its strategy and overcome any reluctance in targeting women, the bank also encouraged its salesforce by updating monthly performance scorecards to give women's market incentives a higher weight.

BLC Bank's experience shows that success factors include:

- Starting with top management to leverage and promote the program.
- Carefully picking the project management team and including men in the core team.
- Engaging the beneficiaries of the program as early as possible in its development.
- Emphasizing internal training on the business case for targeting the women's market.
- Adapting IT systems and processes to capture adequate gender-disaggregated data on women customers, both as individuals and as SME owners.
- Establishing a baseline, setting clear and achievable targets, and measuring progress against them.
- Establishing global partnerships, for example with IFC and GBA, to access training, networks, technical expertise and mentors, and to learn about best practice.
- Forming local partnerships with business associations to support on-the-ground delivery of non-financial services.

## ANNEX 2: EMPOWERHER HACKATHONS INITIATIVE

#EmpowerHer: Combining technology and the creativity of youth to promote the economic empowerment of women in the Maghreb

Like many other countries in the Middle East and North Africa (MENA) region, Morocco and Tunisia have a huge untapped source of human talent.



Underperformance in labor market growth over the years has left many people, especially young men and women, with a sense of exclusion. In the Maghreb, women still are unable to compete on an equal footing, as the limited economic opportunities that do exist generally go to men. The World Bank gender strategy aims to help countries remove constraints for more and better jobs for women and to remove barriers so that women have access to finance, technology, land, and other productive assets. Tackling these challenges requires new ideas and experimentation to provide avenues for change and to open up opportunities. Women in the rural regions are hardest hit.

“EmpowerHer: Maghreb” is the latest bold initiative put forth by the World Bank that re-imagines a way forward to leverage technology and the brainpower of the region’s youth while economically empowering women who are often left behind. “EmpowerHer: Maghreb” is a series of hackathons that brings together volunteer technologists and associations who work with women in rural areas in Morocco and Tunisia to address some of the region’s thorniest issues when it comes to women’s economic empowerment.

The hackathons will enable youth to huddle, code, tap, think, and imagine for hours in the hopes of solving some of the most complex and age-old problems for women in the least-developed areas. The initiative applies concrete measures to change perceptions and

create solutions. Instead of youth being viewed as a problem, hackathon participants will be creating solutions for disadvantaged women and others, for example girls and young women with secondary or tertiary education who are often left behind. When it comes to paid work, women still struggle in the Maghreb. About one-quarter, 26 percent, of all women work, which is half the level in similar middle-income countries. This rate has stagnated for more than two decades. Microenterprises aside, entrepreneurship by women is rare. In Morocco, only 4.3 percent of firms have a female top manager compared with 7.1 percent in Egypt and 19 percent in Brazil.

Making matters worse is the high unemployment rate for young people in the Maghreb. Social attitudes dictate that for women only some jobs – usually in government – are suitable. Many young women remain unemployed for a long time. In Tunisia, while for men the average length of school-to-work transitions is 3.6 years, an equivalent figure for women cannot be calculated because, even by age 29, only one-third of women work.

Women in the poorer regions and rural areas are hit even harder. Most women who work on farms do so as unpaid family workers – over three-quarters of those who give their primary occupations as unpaid family workers in Tunisia are women. Permanent paid work in agriculture is almost exclusively a male domain. Making matters worse is the huge gap in salaries. There will be a special focus in the hackathons on addressing the specific circumstances of women in rural and underdeveloped, or “lagging,” regions.

In preparation for convening the hackathons, the World Bank went on a listening tour across Morocco and Tunisia to try to identify the specific obstacles that prevent women in lagging regions from accessing economic opportunities. What we heard was a desire for better infrastructure for communicating with urban areas, educational opportunities, and training in technology and business.

When the next generation of technologists convenes in Tunisia and Morocco for the hackathons, they will try to develop applications that address many of the issues raised. The hackathon participants will gain experience, contacts, and skills while developing applications that can then help develop and strengthen women's business acumen.

"EmpowerHer:Maghreb" has caught the attention of the private sector. Major technology firms will sponsor the hackathons in Tunisia and Morocco. These companies will be on the lookout for the most talented youth and their applications. Prizes will include internships that offer an opportunity for local youth to get exposure and to prove their abilities to excel. These opportunities, in addition to

coaching and training the youth will receive as part of the hackathon process, are key to driving tomorrow's innovations and business leaders.

The "EmpowerHer: Maghreb" initiative demonstrates the World Bank Group's commitment to supporting developing countries in the Middle East and North Africa to chart a path forward to enable the empowerment of women economically. The World Bank Group's strategy on gender equality set forth at the end of 2015 focuses on poverty reduction and inclusive growth. How the MENA region will tackle these issues will be further spelled out in its upcoming Regional Gender Action Plan. We can no longer afford to neglect those furthest behind.

# ANNEX 3: IFC BANKING ON WOMEN PROGRAM

IFC’s Banking on Women program is playing a catalyzing role for partners and financial institutions to help them serve women-owned businesses profitably and sustainably. With a goal that 25 percent of its loans provided to SMEs through financial intermediaries go to women-owned SMEs, IFC is currently working with 29 banks worldwide on the investment side and 19 advisory projects with a total committed portfolio of \$808 million.

This includes five banks in the MENA region.

Other modes of IFC engagement include corporate partnerships to provide support to women-owned businesses in the value chain, and the IFC and Goldman Sachs 10,000 Women program, an entrepreneurship facility that aims to raise and invest \$600 million in financial institutions financing women-owned SMEs.

## Examples of IFC MENA Client Banks with Women's Programs:

BANK AL ETIHAD, JORDAN	HBL BANK, PAKISTAN
<p>The bank launched a new customer value proposition with a distinct brand “Shorouq” for the women’s market and four new financial products, as well as a digital platform to provide non-financial services to women: <a href="http://www.shorouq.bankaletihad.com">www.shorouq.bankaletihad.com</a>.</p> <p>Other initiatives included establishing a Bank of Etihad SME Awards program to give women business owners recognition for their success, and training frontline staff to leverage its sales and services platform to become more gender-inclusive.</p>	<p>The bank focused on organizational alignment to improve the gender diversity of the workforce internally, launched a sub brand “Nisa” for its women’s market program “HBL Women,” provided training to women customers, and provided incentives to staff to open women’s accounts. HBL has since experienced a 63 percent increase in the number of women SME loans since 2013 and has approximately 1.9 million deposit accounts held by women.</p>

IFC advisory services can support a bank’s strategic planning, market positioning or segmentation, product repositioning, and staff training, as well as helping to build its capacity across six areas to serve diverse women’s segments.

Key components of women’s banking programs:

- DATA MINING AND CUSTOMER ANALYTICS
- MARKET INSIGHT RESEARCH
- NON-FINANCIAL ADVISORY
- BRANDING AND COMMUNICATIONS
- ORGANIZATIONAL ALIGNMENT
- PRODUCT AND CAMPAIGN MANAGEMENT

Specifically, IFC uses its investment capital to help financial institutions profitably expand their portfolios and deepen their ability to reach women-owned businesses. By working in partnership with IFC, banks can drive new revenues and boost access to finance for women entrepreneurs.



*“I don’t like going to the bank. I never went to a bank and found support. I hope that banks will provide women entrepreneurs with financing and support, warn them about strategic mistakes, and share with them new opportunities and ideas.”*

**Sana Ben Zineb,**  
**General Manager of Hippo Company**

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