

► Easing Access to Finance

AFERE: Supporting Women's Entrepreneurship Development in Rural Tunisia



When: 2019-2022



Where: Africa



Funding: Multi-Bilateral Donors



Website: https://www.ilo.org/africa/countries-covered/tunisia/WCMS_742364/lang--fr/index.htm

Similar to other countries in North Africa, women's formal labour force participation rate in Tunisia is particularly low. Building on its Decent Work Agenda and technical expertise on women's economic empowerment, as well as the support of the Canadian and Tunisian governments, the ILO office in Tunis is implementing AFERE (Projet d'appui aux femmes rurales en entrepreneuriat), from 2019 to the end of 2022 with the vision of increasing women's labour force participation in the country. To this end, the project seeks to foster women's employment through cross-sectoral interventions to support women's entrepreneurship, advance gender equality and ultimately achieve inclusive and sustainable economic growth. While this project fosters WED in an integrated manner, it also innovated in terms of access to finance by creating a new financial product tailored to women entrepreneurs.

The Project at a Glance

AFERE targets existing and future women entrepreneurs from rural areas as its main beneficiaries, through concerted actions in partnership with Tunisian governmental and national institutions and organizations involved in the development of women's entrepreneurship in rural areas at the national, regional and local levels, with a focus on the governorates of Nabeul and Sfax. Among its partners, AFERE works with the Ministry of Employment and Vocational Training and the Ministry of Agriculture, Hydraulic Resources and Fisheries, as well as the Ministry of the Family, Women, Children and the Elderly, and worker and management representatives, such as the Tunisian Union of Industry, Commerce and Handicrafts, the National Chamber of Women Entrepreneurs, the General Union of Tunisian Workers and the National Union of Tunisian Women. The project also engages with entrepreneurship support service providers and civil society organizations promoting female entrepreneurship.

Its main results can be categorized in two dimensions, the first at the micro level, in terms of increasing the number of rural women entrepreneurs and their incomes through capacity-building initiatives in the rural areas of the governorates of Nabeul and Sfax, and the second at the macro level, in terms of a strengthened entrepreneurship ecosystem more conducive to rural women's entrepreneurship and access to finance. The main activities included:

- Develop and implement a new financial product and promote greater awareness among financial institutions of the importance of financial inclusion for rural women

- ▶ Identify and analyze the main value chains for the inclusion and promotion of rural women entrepreneurs
- ▶ Establish distribution channels for women entrepreneurs and facilitate their participation in available larger scale distribution channels
- ▶ Train 30 trainers/coaches on women's entrepreneurship in rural areas, sensitize rural women to entrepreneurship and adopt a graduation scheme to accompany a group of these women in starting and developing a business

At the national level, in terms of access to finance, the project supported the Ministry of the Family, Women, Children and the Elderly in the design and development of the national program for entrepreneurship and investment. This program seeks to support the creation of 3,000 projects led by women entrepreneurs, with a particular focus on entrepreneurship in rural areas and lines of financing for agricultural projects.

AFERE also combined financial and business development support with a value chain development approach, by identifying the activities with the greatest potential for the women entrepreneurs, such as peppers and almonds in agriculture, and embroidery in manufacturing, and by creating an electronic online sales [platform](#).

The project reached beneficiaries through a graduation scheme, whereby 1000 women were trained in the two target governorates in soft skills adapted to entrepreneurship and the development of project ideas, and 250 women were selected by the regional monitoring committee, which included financial institutions, and trainers. Among the 250 women who received training in business planning and then presented their project ideas, 124 were selected to benefit from a new financial product, additional training and material support, and 50 of them were coached to formalize their business and further develop their activities.

A Focus on AFERE's new financial product

In order to improve the financial inclusion of women entrepreneurs in rural settings and mitigate the negative effects of the pandemic on incomes, a guaranteed savings product was developed in consultation with a microfinance institution (MFI) and a national bank. The MFI accompanied the women entrepreneurs who benefited from the product. To this end, a public-private partnership was developed between local actors involved in women's entrepreneurship and the MFI in order to identify training participants and candidates for selection interviews. As MFIs in the country do not have the right to create savings accounts, AFERE worked to secure an agreement between the participating MFI and the Tunisian Banque de l'HABITAT.

In practice, the product consists of an account in a bank with a pre-deposited starting amount to encourage savings, in which beneficiaries can deposit money and withdraw it as they wish. The MFI, thanks to its advisors, accompanies the beneficiaries and helps them navigate the financial system. In so doing, this product contributes to enhancing the participation of women in marginalized communities in the banking system and fostering greater stability from a financial point of view, particularly in a time of crisis. To further this goal, the project also contributed to the design of a programme for the promotion of women's entrepreneurship, which will be carried out by the Ministry of Family, Women, Children and the Elderly and provides a specific line of financing for women rural entrepreneurs.

Emerging Learnings

Strengthen the financial ecosystem. AFERE contributed to developing the financial ecosystem through various strategies, including ensuring the follow-up of women entrepreneurs' business projects by the MFI and helping trainers in the National Observatory of Financial Inclusion, in collaboration with the Central Bank of Tunisia, to become certified on the ILO's financial education training to scale results on a national scale.

Ensure equal access to financial knowledge. Although AFERE adopted a graduation approach, which ultimately provided direct access to finance to a subset of project participants, it ensured financial training and technical support based on ILO tools to all participants so that all participants could learn to better budget their finances and learn about the financial services offered by banks, thus boosting their confidence and knowledge to accomplish future business endeavours. The project also sought to set the foundations for future access to finance. By getting women to start a savings account, the project sought to get the women on their journey to more sustainable and reliable means to accessing finance from existing and established financial institutions in the country.