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WOMEN EMPOWERMENT
مشروع الإتحاد الأوروبي
لتمكين المرأة



WOMEN ENTREPRENEURS IN LEBANON: SURVIVING THE CRISIS AMIDST THE CHALLENGES

ASSESSMENT STUDY IN BEIRUT, MOUNT LEBANON,
AND SOUTH LEBANON

European Union for Women Empowerment (EU4WE)



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FOREWORD

Gender equality is a core value of the European Union (EU) and a universally recognised human right, as well as an imperative to well-being, economic growth, prosperity, good governance, peace, and security. Through its Gender Action Plan III (GAP III),¹ the EU reinforces its commitment of promoting gender equality as a key political objective of its external action aimed at accelerating progress towards global goals including the Sustainable Development Goals (SDG) at the core of the 2030 Agenda. The aim of GAP III is to promote gender equality and women's and girls' empowerment by setting clear objectives and action and by adopting a transformative approach. GAP III highlights EU actions that support women entrepreneurs and entrepreneurship, as part of its key thematic area of programming 3.3. "Strengthening economic and social rights and empowering girls and women focusing" which includes the following actions:

- Promoting decent work, equal pay for job of equal value and labour rights, and women's transition to the formal economy, among others by reducing labour market segregation and boosting women's leadership;
- Creating an enabling environment for women's economic activities and access to productive resources and eco-system services, including women's access to land, technology and finance, and access to safe and affordable transport options;
- Supporting universal social protection systems, and recognising, reducing, and redistributing unpaid care and domestic work by providing more support for gender-responsive budgeting;
- Challenging gender norms within the household and the labour market, recognising men and boys' responsibilities, and fostering legislative developments, such as the introduction of paid paternity leave;
- Supporting women entrepreneurship and women-led businesses, including social entrepreneurship, and their access to finance by providing innovative investments schemes, addressing the market's failure to reach women, and promoting the creation of SMEs.

Projects like the EU for Women Empowerment (EU4WE) in Lebanon aim to support women in their efforts to participate in national and global economies. This support requires a multi-dimensional approach that includes business environment reforms, laws, and regulations that impact and improve the role of women in society and in the economic sphere, and scaling up access to finance and access to knowledge.

¹ https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf

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The consortium prepared a methodology and implemented the survey, the data analysis, and prepared a preliminary desk review and draft report.

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The photos of the women displayed in the report are photos of women entrepreneurs who were part of this study. You may not use the material and photos for commercial use. You must give appropriate credit, and provide the project name (EU4WE) and the photographer name (Cybele Andrei) should you use the photos. To avoid any legal issues we recommend that you get in touch with us in order to get approval if you can use the photos.

The authors would like to thank all individuals involved in the research, particularly the women entrepreneurs who shared their time and voices.

The concept of gender is applied throughout this document to convey a binary understanding of men and women because this is where this research can support the findings, without the intention of diluting the community of the lesbian, gay, bisexual, transgender, intersex and non-binary persons. Also, the terms 'woman' and 'female' are used interchangeably as an editorial choice to make the text more readable, even though it is acknowledged that these terms are not perfect synonyms.

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ABBREVIATIONS

EBRD	- European Bank for Reconstruction and Development
EU	- European Union
EU4WE	- European Union for Women Empowerment
GDP	- Gross domestic product
GOL	- Government of Lebanon
GBV	- Gender-based violence
ICT	- Information Communication Technology
IPU	- Inter-Parliamentary Union
IFC	- International Finance Corporation
ILO	- International Labour Organization
INGOs	- International Non-Governmental Organizations
ISO	- The International Organization for Standardization
ITC	- The International Trade Centre
IDAL	- Investment Development Authority of Lebanon
KI	- Key informant
KII	- Key informant interview
LBP	- Lebanese Pound
LWAF	- Lebanese Women Angel Fund
MFI	- Microfinance institutions
MOET	- Ministry of Economy and Trade
MSME	- Micro, Small, and Medium Enterprise
NCLW	- National Commission of Lebanese Women
NGO	- Non-Governmental Organisations
RDPP	- Revised Development Project Proposal Community
SOE	- State-Owned Enterprises
SIS	- The Swedish Institute for Standards
SME	- Small to Medium Enterprises
UN	- United Nations
USD	- United States Dollar
WEP	- Women Economic Participation
WLB	- Women-Led Businesses
WOLB	- Women-Owned Businesses
WOB	- Women-Owned and/or Women-Led businesses
PSDP	- Productive Sectors Development Programme



Oils of Nature, Noha Hage

EXECUTIVE SUMMARY

This study aims to assess the current challenges, barriers, and needs of women entrepreneurs in Beirut, Mount Lebanon, and Tyre/South Lebanon. The study provides an overview of the business environment in which female-led and owned firms (WOLBs) currently operate. The report is commissioned within the framework of the EU-funded project EU for Women Empowerment (EU4WE), which aims to promote full and unconditional equality between men and women in Lebanon by empowering women economically and enhancing the legal mechanisms against gender-based violence (GBV). The study will contribute to the design of a financial and technical support programme for women entrepreneurs under the EU4WE project.

The study was conducted in a period of rapidly deteriorating economic conditions amid a continuous deadlock in the formation of a new government. During this political crisis that has prevented the country from addressing the many challenges it is facing, the financial and economic crisis that started in 2019 worsened. Lebanon's GDP has decreased from about USD 55 billion in 2018 to a projected USD 20.5 billion in 2021.² The Lebanese pound has lost up to 90 percent of its value while prices have been soaring. Banks continued to restrict companies and individuals from accessing savings and cash and restricted payments abroad. Micro, small, and medium enterprises (MSMEs) in most sectors were hit badly by the fiscal and financial crisis, and there has been a severe deterioration in the purchasing power of the population. The situation is exacerbated by the lockdown imposed by the COVID-19 pandemic and even more by the blast of the port of Beirut in August 2020. The impact of the compound crisis and the energy's price rise have pushed almost half of the population into poverty, forced hundreds of small and medium businesses to close and fuelled unemployment. The port's explosion has caused the closure of many business, pushing many into poverty, while many Lebanese actors have opted for abandoning the country. According to the International Labour Organization (ILO), some society segments were severely affected by the measures, including young women. In short, the sequence of events has provoke havoc in a country that, despite being accustomed to extremely difficult situations, is facing incredible challenges.

The findings and recommendations of the study are based on primary and secondary data sources. The methodology included a desk review of recent reports to map existing governmental and non-governmental projects and initiatives targeting women entrepreneurs in some geographical areas. Finally, a survey of 78 women entrepreneurs (in Beirut, Mount Lebanon, and Tyre/South Lebanon) and 29 key informant interviews (KIIs) with several stakeholders such as government institutions, donors, national and international non-governmental organisations ((I)NGOs), microfinance institutions (MFIs), banks, incubators and women entrepreneurs in the information communication technology (ICT), fashion and jewellery, agri-food and food and beverage sectors. The survey was conducted through a combination of snowballing and purposive sampling, allowing the team to reach women entrepreneurs who are not captured by larger surveys. All of the women surveyed are entrepreneurs in leadership positions such as founders, co-founders and/or CEOs. Over three quarters of the surveyed businesses (76 percent) were registered and the remaining enterprises (24 percent), mostly in Tyre, were in the process of registration.

² World Bank. Lebanon's Economic Update. October, 2021. Washington, DC: The World Bank.

MAIN FINDINGS OF THE STUDY

The findings reveal and confirm many of the multiple challenges that women-led micro, small, and medium enterprises face in a very challenging context. The survey across a sample of Women-owned and/or Women-led businesses (WOLBs) shows that the main challenges are related to the fluctuation of the Lebanese currency (86 percent), COVID-19 restrictions (76 percent), hyperinflation (55 percent), and a decrease in purchasing power of customers (51 percent). They are also concerned with low market activity, quality of goods and services, and damages to space or equipment.

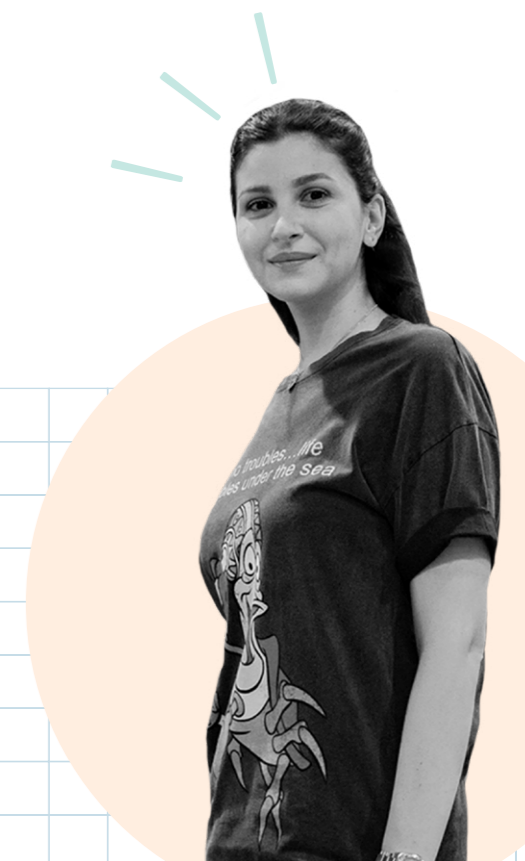
Access to finance remains the biggest need for women entrepreneurs. Around 92 percent of survey respondents reported needing financial support in the coming year. Only four percent of respondents reported accessing business loans in the past year. Businesses with no employees tend to be in greater need of financing (85 percent) than businesses with ten or fewer employees (73 percent). The main reasons for needing financial support were marketing or communication (71 percent), increasing business working capital (68 percent), and purchasing inventory (43 percent). Around 92 percent of respondents would be willing to apply for funding (e.g. a grant) and predict that they would use it to expand to other markets or sectors mostly through offering new products or services (66 percent), to invest in new materials (55 percent), to expand into new locations (51 percent), to invest in new offices/shops (14 percent), or to repay debts and loans (9 percent). Businesses with higher financing gaps are in the design, agri-food, services, and manufacturing sectors. Women entrepreneurs prioritised the need for digitalisation (58 percent), human resources (29 percent), and other skills training (22 percent). One of the most apparent impacts of COVID-19 lockdowns on women entrepreneurs in Lebanon has been the necessity to move business operations online.

Almost one fifth of interviewees believe they need to substantially improve their hard and soft skills. Technical assistance and training were an expressed need of 22 percent of surveyed women entrepreneurs. Key informants recommended digital marketing, branding, use of online platforms, financial management, and business development as areas for support. Women entrepreneurs are also in need of skills to access new markets and to digitalise their businesses and processes using digital platforms and tools to better compete. They need support in both the use and implementation of digital technologies. Almost 60 percent of women entrepreneurs need digitalisation support, and 87 percent stated they would consider using new technologies and digital tools like mobile apps and e-commerce platforms to facilitate their work and optimise market outreach. Developing these areas may allow women entrepreneurs to reach new and/or more international markets to export their goods and services. Key informants emphasised the need to transition sales to e-commerce platforms and the women entrepreneurs interviewed think their inability to shift to cashless operations is holding them back, especially when it comes to smaller enterprises such as grocery stores, agri-food businesses, and artisanal work.

Women entrepreneurs want legal assistance to manage their businesses. 18 percent of survey respondents identified a need for legal support, particularly relevant for businesses in the process of registration. Women entrepreneurs with established businesses flagged the need for support related to operational and contractual legal matters. Some mentioned the often costly need of lawyers to follow up on conflicts that arise.

Commonly held values and norms around the role of women in the household is an added pressure for women entrepreneurs, especially since household responsibilities increased during lockdown. Women entrepreneurs are also concerned by pressures to fulfill family obligations. More than half the respondents whose businesses are not family-owned reported that lack of support from the family was a concern. Social norms prescribe women as the main caregiver of the family, while men are traditionally seen as financial providers, which can explain the lack of family support and why some women withdraw from the labour force when they have children. Of the surveyed women entrepreneurs, 51 percent were married, 4 percent single, and 8 percent divorced. Because of the complex economic situation highly-skilled workers are leaving the country but also part of the workers (migrant and formal/informal) who are traditionally employed in low-skilled jobs, including childcare or domestic work, are also leaving the country.

Interviewees confirm that all businesses are facing the effects of the economic crisis and support may be needed across the board. Offering support to businesses operating in sectors such as the care economy, textile/fashion/jewellery, agriculture and agri-food, e-commerce, and design and media content production may be more likely to result in opportunities for women while also adding value to the local economy. Survey results showed that 75 percent of agri-food businesses, 60 percent of manufacturing businesses, and 56 percent of businesses in the design sector reported increases in sales the past year. Therefore, businesses in the services and manufacturing sectors that have reported growth in the past year may be suitable for additional funding and support to help them sustain the growth and hire more employees.





The Sage Parlour, Maysoon Sleiman

RECOMMENDATIONS FOR SUPPORTING WOMEN ENTREPRENEURS in Lebanon

Helping SMEs in this difficult period can result in significant employment creation and business growth and play a significant role in the economic recovery of the country. This is even more important in periods of credit crunch since it helps as a countercyclical tool.³ The findings, which are the result of the desk review, lessons from other programs, and the implementation of the survey, are encouraging despite the political and social context, and the vulnerable macroeconomic situation of the country. The EU4WE project will take into account these recommendations in the design of its programme in support of WOLBs.

Lack of unified definition of women-led businesses or women-owned businesses in Lebanon.

1. The common factor in both definitions is the decision-making power a woman has in a business. In general, a company is considered to be women-led or women-owned when women have a say in the company's decision-making or leadership. Therefore this report will use Women-owned and/or women-led businesses (WOLBs).

2. Women-owned and/or women-led businesses (WOLBs) in Lebanon are businesses where women own greater or equal to 51 percent of the enterprise, and/or where a woman is in a senior managerial role. Considering power of attorney and signatory capabilities may assist in determining this. Ideally, WOLBs should also have policies to support gender equality in the workplace (relevant for relatively bigger companies), such as opportunities for employing more women, equal pay, and protocols and policies to address sexual harassment and any discriminations based on gender.

Women entrepreneurs or WOLBs, can benefit from technical and/or financial support

3. Without focusing on specific sectors, viable WOLBs facing difficulties due to the ongoing crisis could benefit from financial and/or non-financial support, particularly in the current context, where banks' lending is facing severe constraints. Support for businesses that have thrived despite challenges should target those with clear plans to meet new markets, to offer new products and/or services, to generate wage-based employment opportunities (preferably for women), and to continue adapting to market turns.

4. Flexible selection criteria and a thorough review process can help increase the impact of the support. Review committees involved in selection could be comprised of well-established women entrepreneurs.⁴ A Gender Lens Investing (GLI) approach should be adopted.⁵ The selection process should prioritise WOLBs that commit to hiring women and supporting other WOLBs throughout their supply chain, and businesses with existing policies on gender equality in the workplace, such as equal pay for work of equal value, and decent labour policies, along with zero-tolerance policies for sexual harassment. The support should also include training modalities that facilitate women's participation and engagement (e.g. part-time trainings, support to get care while on the training, among others).

5. Programmes should be open to women entrepreneurs from all sectors in order to promote a culture of women's entrepreneurship, while supporting WOLBs that are demand-driven and perform more competitively in their respective markets. Support should be emphasised for those working in the care economy, textile/fashion/jewellery, agri-food and agriculture, e-commerce, design and media content, and services and manufacturing.

³ This is also the conclusion of other assessment of financial support to SMEs through commercial banks. IFC and Fransabank, 2012. Supporting Job Creation in Lebanon Case Study. <https://openknowledge.worldbank.org/bitstream/handle/10986/26442/113561-WP-LB-Job-creation-PUBLIC.pdf?sequence=1&isAllowed=y>

⁴ CC. 2018. A Research Agenda for the Small and Growing Business Sector. London, UK

⁵ Gender Lens Investing refers to investment strategies that include the analysis of gender aspects. It includes investing in WOLBs but also in organizations with a focus on improving the lives of women. <https://thegiin.org/gender-lens-investing-repository>

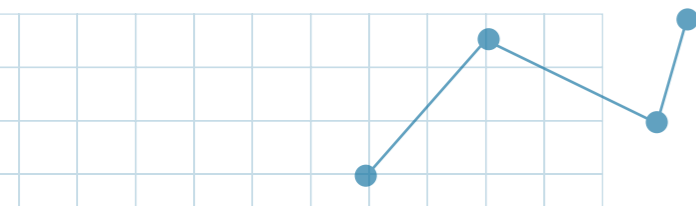
Design adequate solutions for WOLBs

6. Women entrepreneurs should benefit from a combination of financial and technical support services that respond to the needs of their businesses, the characteristics of the sector/segment they operate in, and short, medium, and long-term objectives. Specific support tailored to the needs of each firm could be more efficient than a generic approach targeting many businesses simultaneously. Financial support, mainly through substantial grants (cash or in-kind) is a good practice and is also highly justified in the context of Lebanon.

7. Support should prioritise helping women entrepreneurs adapt their value chain by transitioning to new products/services, access new markets, hire, upgrade, or reopen their businesses. Many MSMEs still lack very basic knowledge and skills which could result in some being less likely to succeed in their business. In an era where the digital divide is increasing dramatically, WOLBs need to upskill rapidly to keep up with business transformation dynamics. The survey shows the recognition by female entrepreneurs of the pressing need to upgrade their digital knowledge. The delivery method can be based on a combination of presentational and online training as well as coaching/mentoring.⁶

8. It is crucial to improve women's business leadership through soft skills that support confidence and self-esteem, such as socio-emotional skills, communication, negotiation and conflict management skills. Training in these soft skills is important for women who do not have access to these resources and helps them on the non-cognitive skills front; the programmes could also build on lessons learnt to gain insight into the psychological factors affecting female entrepreneurs. Interviews confirm this could have a positive impact by helping women entrepreneurs navigate a challenging environment and deal with social pressures and mental health issues. Programmes should encourage networking, coaching, and peer-to-peer interactions for women entrepreneurs to engage with others through local groups. They can focus on building an environment where female entrepreneurs are able to support and inspire each other. The development of individual mentoring and coaching could support the specific needs of each enterprise.

9. Legal advice and registration support can help entrepreneurs where there is a higher prevalence of informal businesses (especially those outside of Beirut). This is particularly important since Lebanese law requires firms to hire and retain the services of a legal advisor for at least a year in order to register a business.⁷



⁶ The Covid-19 pandemic impact on online training is showing its first results in terms of number of courses, students, and learning methods and their impact across different socio-demographic groups. <https://www.weforum.org/agenda/2020/04/coronavirus-education-global-covid19-online-digital-learning/>

⁷ <https://www.doingbusiness.org/en/data/exploreconomies/lebanon>

10. Further outreach activities should be conducted in rural areas where women entrepreneurs are less aware of available support and how to access it, and specific interventions should address the informal sector.

Support the creation of networks to empower women, and strengthen their advocacy capacity

11. Networks can offer opportunities for women with few support mechanisms and can help them build resilience throughout their economic activity. Mentoring and coaching can help them while they strategize and mobilize resources to achieve their objectives. The exchange of ideas and peer support can be key for the success of some. Peer support networks for women entrepreneurs should be established so women can exchange stories about their experiences and coping strategies for challenges they face within and outside the business. Such networks will offer opportunities for women with limited moral support from their family and those in areas with more limited opportunities for social networking. In person or virtual peer support meetings can also include mental health support by a professional.

12. It is important to foster a culture of support between entrepreneurs and newcomers who can inspire each other. Mentoring sessions, webinars, and semi-formal 'women in business' talks for women entrepreneurs as spaces for ideation and networking should be held to promote role models for women's entrepreneurship and increase their self-confidence. These exchanges do not have to be regular but provide a good basis to access information and ideas, and implement them. In addition to specifically targeting women entrepreneurs and women interested in entrepreneurship (including those operating in the informal sector) beyond the selected WOLBs, they can also focus on specific sectors to increase the value of knowledge exchange and make it more time-efficient. In this context, success stories of women entrepreneurs operating in times of crisis should be shared to inspire other women. Networks could facilitate access to more resources and information, making WOLBs more likely to invest, for example, in specific trainings or equipment.

13. Holding open events in the communities of supported women can help generate acceptance of women's entrepreneurship as a respectful career path. Inviting local community leaders, both men and women, and young men and women interested in business, can lead to discussions about the impact of women-owned and/or women-led businesses on their families and their communities and inspire young women entrepreneurs.

14. Because of the problems of access to information and resources, it would be important to strengthen interventions in lagging regions and regularly communicate and support women in those areas.

15. In principle, some barriers to business affect men and women entrepreneurs equally, though the social capital of individuals and groups may help navigate some barriers better. Doing business in Lebanon is a difficult task, but more challenging for women who face additional barriers at all levels, such as social or legal barriers that hinder their capacity to own property and as a result their possibilities of accessing loans. Women, through cooperation among businesses, can also engage in advocacy around the regulatory environment in Lebanon.

16. Data and accountability should be fostered. There is a need to advocate for a centralised repository of information on Lebanese businesses to be publicly accessible along with market mapping data and other key business data such as sectors of operation, geographic coverage, management, and ownership data. This could be of great use to entrepreneurs in the ideation stages of business start-ups. The report highlights the need to agree on a definition of MSMEs and what constitutes women-led/owned-businesses to help organise data and better understand their dynamics. In addition, the national statistics system should be able to collect more data on businesses and have up-to-date firm registries.

Provide learning and support advocacy

17. Learning opportunities should be built into the design of financial and non-financial support packages, with the intent to share findings publicly (or widely with relevant actors) to improve the repository of data on best practice for supporting women entrepreneurs in the region. There is a dearth of publicly available, regional, best practices for supporting women's micro-enterprises, particularly when support is delivered in conjunction with incubators or accelerators.

18. Utilising engagement with enterprises is an opportunity to reflect upon how the MSMEs definition does and does not serve their interests. Given a lack of a unified definition of MSMEs in Lebanon, and the increasing irrelevance of using revenue as a key determinant of an enterprise's size, it is important to determine which behavioural or functional attributes may be accurate proxy indicators in this context.

19. Further research on the barriers facing women entrepreneurs in the informal sector should be considered. These barriers may include challenges around registration, profiling informal, women-led MSMEs, and varying financial literacy levels across geographic locations and market segments.



Introduction

Little Melly, Jennifer Mansour

Accelerating the economic participation of women is crucial to the development of the country and the region. In fact, according to the OECD, MENA is losing around USD 575 billion per year due to the lack of such participation even though women are more educated and skilled than ever before.⁸ It is also crucial to support women's businesses in the context of multiple crisis.

The purpose of this study is to explore the challenges that Lebanese women face in creating and/or managing a business. It captures the more structural challenges for women's economic participation in Lebanon but also the specific difficulties resulting from the economic, political, and health crises the country is facing. The study surveys women entrepreneurs in three regions (Beirut, Mount Lebanon, and Tyre/South) to better understand the challenges they are currently facing, both structural and related to the current crises, and what kind of support could help them grow. The survey was implemented between December 2020 and March 2021. The study provides recommendations based on examples and lessons learnt from projects and programs in support of women entrepreneurs, with a running business or in the process of creating one, and in response to the issues raised by the Lebanese women entrepreneurs interviewed for this study.

This report is financed by the European Union EU for Women Empowerment (EU4WE) project and implemented by Expertise France. The EU4WE is a three-year project (October 2019 – October 2022) that aims to promote full and unconditional equality between men and women in Lebanon. The project seeks to empower women economically and enhance the legal mechanisms around gender-based violence. The specific purpose of the EU4WE is twofold: (i) Reduce gender-based violence through women's empowerment, and (ii) Enhance existing institutional mechanisms working towards gender equality.

This project is implemented and managed by Expertise France (EF)⁹ and has three specific objectives:

1. Developing the entrepreneurial capacities of Lebanese women.
2. Enhancing the legal mechanisms against gender-based violence.
3. Producing gender-oriented knowledge and disseminating it to relevant stakeholders.

⁸ OECD, 2017. The Pursuit of Gender Equality: An Uphill Battle. Paris, OECD Publishing.

⁹ The French public agency for international technical assistance. The agency provides partner countries with knowledge, skills, and management expertise in democratic, economic and financial governance; stability, international security and peace; sustainable development, climate and agriculture; and health and human development.

The EU4WE project will support women's economic empowerment through the provision of financial and technical assistance to women-owned and/or women-led businesses. This report will feed into the implementation of a specific programme for WOLBs. The programme will support women entrepreneurs through capacity building, coaching, and funding within the context of multiple crisis to support them to continue in business.

Methodological Approach

The report is the result of a desk review, the implementation of a quantitative and qualitative survey, and in-depth interviews with selected stakeholders. The survey was implemented in Beirut, Mount Lebanon, and Tyre/South. The methodology is based on a mixed-method approach which allowed the study team to capture quantitative estimates from women entrepreneurs over a range of livelihood and business aspects as well as detailed qualitative insights from a sub-sample of these women and stakeholders from various agencies. Whilst quantitative methods were used through survey research instruments with women entrepreneurs, the qualitative methods enabled the team to obtain more insights on the ongoing business environment and constraints for women-led and owned businesses. The methodological approach was structured as follows:

• Phase 1: Desk review, secondary data analysis, and preliminary findings.

o The desk review of relevant and relatively recent reports, statistics, and assessments provided the context to start developing the quantitative and qualitative survey. In this phase, the study team assessed the existing gaps and challenges to women entrepreneurs and the landscape of support available to WOLBs in the target locations.¹⁰

o **As part of the desk review, the team mapped out existing or recently closed projects supporting women entrepreneurs, even if not only focused on women, in Beirut, Mount Lebanon, and Tyre.** This phase focused on ongoing programmes of government institutions, donors, INGOs/NGOs, accelerators/incubators, and related to academic institutions.

¹⁰ The initial desk review covered 47 recent reports from sources representing the public sector (e.g. government institutions), the private sector (e.g. research institutes), and international organisations (e.g. the World Bank, UN agencies, etc.).

• Phase 2: Primary quantitative and qualitative data collection.

o **Quantitative** data was collected through telephone surveys with 78 women entrepreneurs from Beirut, Mount Lebanon and Tyre/South Lebanon. All respondents owned or led a business. The final sample included 62 micro-enterprises, 13 small enterprises, 2 medium-sized enterprises and 1 large enterprise. The survey included questions about the business profile, access to markets, value chain, availability of financial and non-financial services, and needs, as well as perceptions of external factors such as gender barriers, constraints to business operations, and grant size.

o **Qualitative** data was collected through 29 key informant interviews (KII). 24 KIIs were conducted with key stakeholders from agencies supporting MSMEs and/or women empowerment to identify the support needed for women businesses in Beirut, Mount Lebanon and Tyre, to understand root causes of the issues that women entrepreneurs face and reasons for women's low levels of economic participation, and to capture lessons learned from previous support programmes. Five KIIs were conducted with female entrepreneurs from the ICT, fashion, jewellery, agri-food and the food and beverage sectors to gain additional insights on challenges and barriers to the growth of specific sectors, as well as understanding needs in those sectors. The KIIs were conducted by phone by the research team in Lebanon using conferencing applications and included elements of the MSMEs survey.

Survey Sampling Strategy

There is no unified registry of enterprises in Lebanon. This situation added to the COVID-19 constraints, made it necessary to find alternative ways of accessing firms. The survey used a mix of snowballing and purposive sampling approach, allowing the researchers to reach people and small organisations outside the scope of more mainstream, large-scale surveys. The enumerators conducted online research, selected potential respondents, and contacted them for survey participation. Participants were then asked to refer other businesses, organisations or women entrepreneurs they know, to then be contacted to be included in the survey sample.

The criteria for selecting businesses were:

- (i) Registered businesses or businesses currently involved in the registration process;
- (ii) Micro, small enterprises or start-ups only,
- (iii) The business is either owned by a woman in a decision-making position ("women-owned") or led by a woman decision-maker without a share of ownership ("women-led").

In total, 78 women entrepreneurs were surveyed out of the target sample of 102 across the three regions (estimated at 34 per region). The smaller sample in the Tyre region implies that margins of error are significantly larger for this subsample. Any numerical estimate solely based on Tyre respondents will therefore need to be interpreted with caution and in a qualitative rather than quantitative way. Further elaboration of this challenge can be found in the Limitations section below.

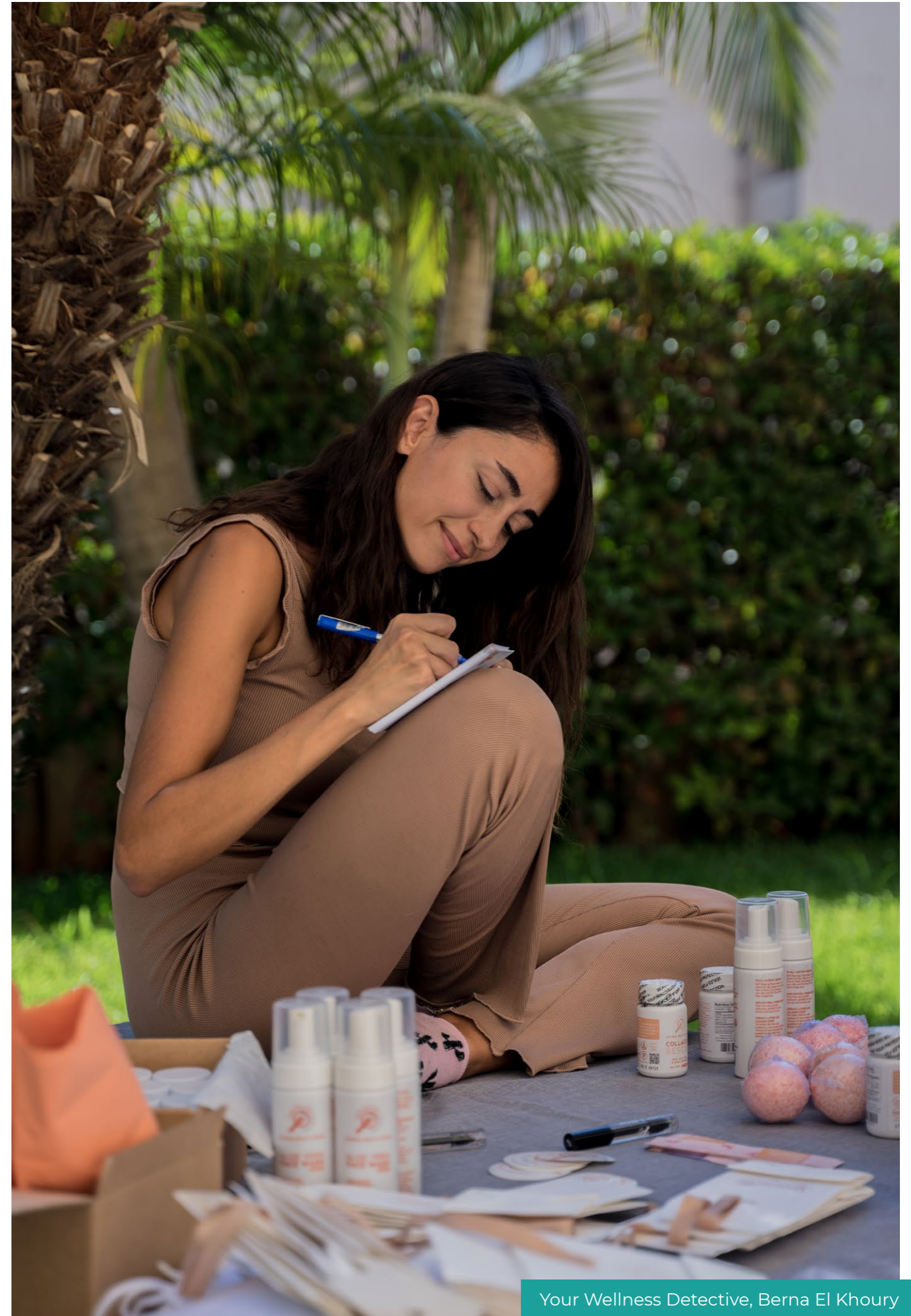
Table 1- Survey Sample Size (achieved sample)

Sample group	Final sample size (number of completed surveys)	Maximal margins of error at the 95 % level
All	24%	±11.1
Beirut	34	±16.8
Mount Lebanon	34	±16.8
Tyre	10	±31.0%

Survey Implementation

A team of three field enumerators administered the telephone surveys. They were selected based on their relevant and prior contextual knowledge and experience in electronic data collection. Aim and Jouri team experts trained the enumerators on using the questionnaire, ethically collecting good quality data (introductions, informed consent, and confidentiality) and avoiding potential bias. Another training on communication skills focused on addressing the limitations posed by telephone and online methods of data collection, due to reduced face-to-face interactions and facing challenges in fully engaging with interviewees. The training placed emphasis on the importance of communication when presenting the objective of the study and asking questions.

The project objective and the confidentiality of the data collection process were communicated to potential respondents via email, and prior written consent was sought from all survey participants via email as well. Surveys were administered only after proper documentation of consent.



Characteristics of Sampled Businesses

Out of the total sample, 76 percent were registered enterprises and 24 percent were in the process of registration (the latter figure exclusively representing micro-enterprises). The highest proportion of registered businesses were based in Beirut (82 percent registered, 18 percent in process of registration), while 30 percent of the surveyed enterprises in Mount Lebanon and the South were in the process of registration and 70 percent of the surveyed businesses were registered. The survey also included interviews of businesses in the process of registration to understand the ongoing challenges and perspectives in this context of crisis.

Figure 1 - Number of Businesses Surveyed (by region and size)

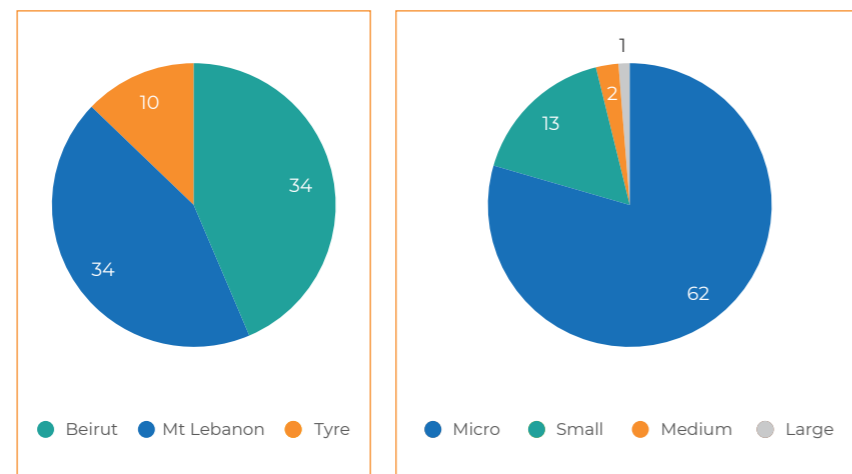
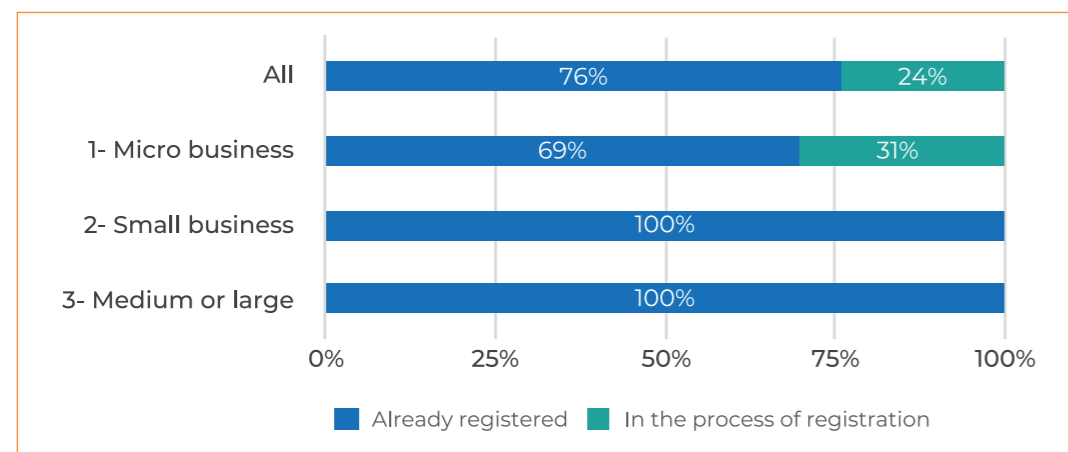


Figure 2 - Registration Status of Surveyed businesses (by size)



As shown in Table 2 below, the percentage of businesses in the process of registration was about the same across all regions. However, there are large variations of number of employees: 41 percent of businesses with no employees are in the process of registration, compared to 18 percent of businesses with one to 10 employees and no businesses with more than 10 employees.

Table 2 - Businesses in the Process of Registration as a percentage of the Overall Sample (by location and size)

	All	Beirut	Mt Lebanon	Tyre
In the process of registration	24%	18%	29%	30%

	No employee	1 to 10	11-40	41-100
In the process of registration	41%	18%	0%	0%

The distribution of the survey sample by sectors of business activities and number of employees are shown in the tables below. While the Tyre region has no sampled business in the Food and Beverage sector, three out of ten Tyre businesses belong to the Tourism sector. Similarly, the Design and Fashion, Jewellery and Cosmetics sectors are relatively overrepresented in Tyre compared to the other two regions. Regarding size, Beirut businesses tend to have more employees than those in other regions, with only 18 percent of them having no employee compared to 53 percent in the Mt Lebanon sample and 30 percent in the Tyre sample.

Table 3 - Distribution of Surveyed Businesses by Sector (by region)

	All	Beirut	Mt Lebanon	Tyre
Tourism	9%	6%	6%	30%
Agri-Food	21%	12%	32%	10%
Design	12%	12%	6%	30%
Fashion, Jewellery, Cosmetics	22%	26%	15%	30%
Food and Beverage	23%	29%	24%	0%
Other Manufacturing and Retail	6%	9%	6%	0%
Other Services	8%	6%	12%	0%
Sample Size	78	34	34	10

Table 4 - Distribution of Surveyed Businesses by Employee size and Region

	All	Beirut	Mt Lebanon	Tyre
No Employees	35%	18%	53%	30%
1-10	56%	71%	44%	50%
11-40	6%	9%	3%	10%
41-100	3%	3%	0%	10%
Sample size	78	34	34	10

Limitations of the Study

Several limitations impacted the survey implementation: external and geographical constraints to outreach, complications and sensitivities to sharing revenue-related data, and geographical challenges. Data collection took place from late January to February 2021 under national lockdown due to the COVID-19 pandemic, making it difficult to access businesses, many of which were closed. The outreach challenges were aggravated by a lack of accessible data on registered businesses per district, which necessitated a purposive sampling: all businesses that could be contacted and wished to participate have been included. This may have created a bias towards those most willing to take part in the survey and may have influenced who was able and willing to participate in this study. Furthermore, the emotional and psychological distress associated with the multiple crisis was noticeable among some respondents and affected the level of engagement of some women entrepreneurs, who seemed more pessimistic about future prospects.

It was particularly difficult to reach the sample size in the Tyre region, where the team faced many challenges contacting registered businesses or selecting based on first respondents.

The target numbers of completed surveys were reached in Beirut and Mount Lebanon but only 10 businesses were successfully contacted in the Tyre region. The smaller sample resulted from lack of access to the list of registered businesses from the Chamber of Commerce and relevant bodies. The team resorted to the snowballing approach to identify companies: researchers had to identify women's enterprises by asking surveyed women entrepreneurs to refer us to others. Numerical comparisons between Tyre and the two other surveyed regions, Mount Lebanon and Beirut, must be interpreted with the survey limitations in mind as the results, while reflecting many issues raised in reports and other interviews, were not obtained by applying a full-fledged sample methodology.

There is no standard national definition of what constitutes a micro, small, and medium enterprise as well as women-led and women-owned businesses. As a unified definition of these terms is missing, the team tried to categorise the firms by looking at number of employees and annual turnover or gross revenue.¹¹

However, some women entrepreneurs were reluctant to share information related to revenues making it impossible to use this indicator to classify them. Reporting revenue is also a challenge, as many businesses deal with a variety of currencies and use a black-market rate, which is constantly in flux. While the survey asked respondents to give data in Lebanese Pound (LBP), some respondents shared information in US dollars (USD). We consider this to be a significant limitation in understanding ranges of revenue by enterprise size. The lack of sufficient revenue data limited the differentiation of businesses along the MSME continuum for this research.

Country Context

Overview

Since the country's independence in 1943, Lebanon's political system has been a consociational democracy built on power-sharing among its religious communities. This political arrangement fostered corruption, nepotism, clientelism, and negligence of public interest when it is not aligned with the personal interests of elites.¹² For decades, the state has failed to cover the basic needs of the Lebanese people. Public goods have been offered in exchange for loyalty rather than duty. As a result, political elites have grown more powerful while the country has been declining.

Following 15 years of war (1975-1990), the power-sharing model was used by the elites to entrench a model that led to extreme inequality in income and wealth. The richest one percent of the population receives 20 percent of the national income, and the richest decile own almost 70 percent of the total wealth.¹³ The rentier economic model, which benefited the elites, did not encourage the development of productive sectors, while the interest of political elites in maintaining their clientelist networks through the provision of basic services and jobs impeded the development of public services such as healthcare and education.

In October 2019, deteriorating economic conditions and proposed austerity measures triggered large-scale protests against the lack of genuine political and economic reforms. Thousands of people protested regularly across the country until the first lockdowns in March 2020, demanding prompt governmental reforms and instigating civil unrest and social and political instability. As periodic protests for political and economic reforms continued alongside the effects of the pandemic, a catastrophic explosion took place in August 2020 in the port of Beirut, disrupting all aspects of life in the capital city and beyond. With the scale of the disaster unfolding, the Government of Lebanon (GoL), UN agencies, donors, I/NGOs and civil society actors focused immediately on response, recovery and dealing with this new humanitarian disaster. The explosion resulted in tens of thousands of displaced persons, food shortage, and power shortages and exacerbated the economic crisis. The lack of trust in the political elite to start rebuilding the country, respond to immediate health and food needs and begin reconstructing the port does not help mobilise additional financial resources at the international level.

¹¹ Other market actors, such as the IFC, use three indicators, essentially capturing the same data: number of employees, annual sales, and total assets. In some instances, they have successfully used a loan size proxy when other data is not available. See IFC, 2012. Assessing Private Sector Contributions to Job Creation. Washington, DC: IFC.

¹² Lebanon: The Legacy of Sectarian Consociationalism and the Transition to a Fully-fledged Democracy, Samir Makdissi and Youssef El-Khalil, Working Paper Series # 14, March 2013.

¹³ Lebanon's Political Economy: From Predatory to Self-devouring, Lydia Assouad, Carnegie Endowment for International Peace, January 2021.



The Lebanese population continued to demand transparency and accountability from the GoL, as a result the Lebanese Cabinet resigned on 10 August 2020 due to lack of confidence from both the citizens and the international community.¹⁴ As of May 2021, Lebanon still did not have a functional government for over seven months, and the polarised political relations between the mainstream parties have led to increased social tensions and instability.

Economic Context

Throughout its more recent history, Lebanon has faced a continues series of economic setbacks fuelled by mounting political uncertainties and war. The current COVID-19 and economic and political crises have exacerbated the uncertainty across Lebanese society. The blast in the port of Beirut in August 2020, added pressure on the supply of basic goods, increasing costs for firms damaged by the blast and/or impacting customers. Social tensions have mounted with episodes of unrest.

Box 1 - The Impact of the COVID-19 Pandemic

The COVID-19 pandemic has only worsened the already frail state of Lebanon's economy and exacerbated some of its vulnerabilities. Among them, Lebanon's huge reliance on imports for basic supplies has been hampered by the significant decrease in the volume of international exchanges through reductions in cross-border shipments and value chain disruptions, including necessity goods and commodities such as wheat. Lebanon has also been affected by the sharp decline in global remittances, which have been estimated to decrease by as much as 20 percent in 2020, according to the World Bank. Remittances have amounted to up to one fifth of the national GDP over the past year and to a significant part of the income of the most fragile households (often used to fund healthcare and education costs). In July 2020, Moody's Investor Service downgraded Lebanon to a C credit rating (the lowest possible rating).

The COVID-19 pandemic has also increased the strain on the Lebanese pound, and its value continued to fall in 2021, resulting in a decrease of purchasing power for most Lebanese families. More than 800,000 workers in Lebanon are employed in six "high-risk" sectors as defined by the International Labour Organization (ILO): accommodation and food services, manufacturing, construction, wholesale and retail trade, real estate and business activities, and arts and entertainment. These sectors represent almost half of the Lebanese workforce and 60 percent of non-Lebanese workers. ILO's August 2020 "Rapid Diagnostic Assessment of Employment Impacts under COVID-19 in Lebanon" identified "specific groups" which have been severely impacted. These included: youth with a particular emphasis on young women, low wage workers, informal workers, and "own account workers and daily, weekly, or piece rate workers" in crisis affected sectors.

Lebanon is enduring a profound and prolonged economic depression and the lack of policy responses to the compound crises and their mismanagement have aggravated the already complicated economic situation. Lebanon did not have a budget from 2005 to 2017, when a new budget was presented to Parliament. This is just one indication of the challenges the country has been facing in its decision-making processes and the lack of consensus on fundamental measures.¹⁵ Corruption is widespread, and the burdens of debt and public deficits are huge with a structural deficit in the country's primary balance. After the war of 2006, which further increased public debt levels, the Lebanese economy went through a sustained expansion with close to a double-digit growth rate between 2007 and 2010.^{16, 17}

Lebanon has been heavily affected by the Syrian crisis, now in its 10th year, and the COVID-19 pandemic hit at a time where the country was already struggling to reform politically and economically.¹⁸ By April 2020, the country had entered an unprecedented crisis and a deep economic recession, with a severe shortage of foreign currencies, compounding the crisis by limiting peoples' access to withdrawals and leading to a spike in the prices of food supplies, which are largely imported. On March 9, 2020, Lebanon did not repay a USD 1.2 bn Eurobond, which constitutes the first sovereign default in the country's history. The alternative was to stop helping its citizens in these times of hardship.¹⁹

At the time of this report's writing, the country's economic outlook is negative with a very frail fiscal framework. In the meantime, the bailout from international financial institutions will not occur without significant reforms, and the lack of well-functioning executive is making this process impossible.²⁰ Political instability is feeding inflation and depreciation, fiscal revenues are decreasing adding to the fiscal pressure, which will impact poverty rates. However, donors keep supporting the country even if using fresh dollars is necessary. The gross domestic product (GDP) of Lebanon was estimated at USD 55 billion in 2018,²¹ and the public debt was estimated to amount to approximately 150 percent of the national GDP at around 80 billion USD the following year.²² The projected GDP for 2021 is of USD 20.5 billion which represents a dramatic decrease that has made the World Bank consider the Lebanese crisis one of the three worst crises since the nineteenth century.²³ Each year, 10 percent of the GDP and one third of the annual budget are dedicated to paying interest on debts, significantly straining the Government of Lebanon's (GoL) capacity to invest and leverage money on external markets. A key feature of the Lebanese public debt is that it is mostly owned by Lebanese banks and individuals. Buying public debt was indeed an excellent deal for national investors, offering high returns and hardly any risks due to the parity between the LBP and the USD.²⁴

¹⁴ Beirut explosion: Lebanon's government resigns as public anger mounts - BBC News, 10.08.2020.

¹⁵ <http://www.finance.gov.lb/en-us/Finance/BI/ABDP>

¹⁶ Lebanon is ranked 138th in the 2019 Perception of Corruption Index from Transparency International and 149th in 2020.

¹⁷ Kassim M. Dakhllallah. The dilemma of public debt in Lebanon. March 22, 2021.

¹⁸ Updated estimates of the impact of COVID-19 on global poverty, World Bank Blogs, 08.06.2020.

¹⁹ The Eurobond default and a better deal on Treasury Bonds have decrease expenditures because of the cuts in interest rate payments. See The Economist, March 12th 2020. <https://www.economist.com/middle-east-and-africa/2020/03/12/for-the-first-time-lebanon-defaults-on-its-debts>

²⁰ <https://www.dw.com/en/lebanese-banks-financial-crash-middle-east/a-57061393>

²¹ CIA, 2021. The World Factbook: Lebanon.

²² Explainer: Why is Lebanon in an economic and political mess? Reuters, November 6, 2019.

²³ World Bank. Lebanon's Economic Update. October, 2021. Washington, DC: The World Bank.

²⁴ CARE International. 2020. Lebanon Context Report.

Lebanon puts no restriction on capital movements across its borders and has a mostly dollarised economy, with the Lebanese pound pegged to the US dollar since 1997. However, the actual LBP/USD exchange rate has risen over the years and, since September 2019, a multiple exchange system has developed with much higher and rapidly fluctuating rates. Between October 2019 and March 2021 the Lebanese pound lost 80-90 percent of its value, and the year-on-year inflation reached 155 percent in February 2021.²⁵ According to the World Bank, the exchange rate deteriorated significantly between March and August of 2021, with the the LBP 19,800/USD, which represents a depreciation of 68 percent, much higher than the 18 percent experienced in the previous six months period.²⁶ Food prices have been most affected, marking an inflation of 402 percent and putting hundreds of thousands at risk of food insecurity.²⁷ Inflation in basic food items has driven inflation and contributing to the deterioration of the financial situation of households. The necessary imminent removal of the foreign exchange subsidy and the uncertain policy measures will surely impact prices in the incoming months.²⁸

The banking sector has stopped lending and does not have new deposits with very small inflows of “fresh dollar.” SMEs are the most negatively impacted by the situation of the banking and financial sector. The COVID-19 pandemic and the Port of Beirut explosion combined with the lack of a functioning executive have eroded the economic and business environment. This has also impacted the private sector fabric with the closure of hundreds of small and medium businesses, fuelling unemployment and poverty. It is forecasted that more than half the population will be in poverty by the end of 2021.²⁹ In May 2020, before the port blast, the Lebanese Minister of Labour announced that 30 percent of registered companies in Lebanon had shut down and 20 percent of companies have reduced their employees by half.³⁰

Lebanon is facing a situation in which banks that traditionally attracted capital, mainly from the region, are facing serious pressures. Banks can no longer draw so much foreign capital to pay their debts despite having sold subsidiaries to other banks but not managing to increase the capital ratio to 20 percent (USD 4.1 billion) to manage the crisis. Banks have no money to pay out depositors (including companies and individuals from Yemen, Syria, or Kurdistan as well as Lebanese citizens and firms) and no longer have the capacity to attract depositors (primarily from the region) with good interest rates and little transparency. Lebanese banks imposed stringent measures on businesses in the form of unofficial capital control on depositors and limited dollar availability in the market, directly impacting people and businesses.³¹ As a result, many companies were forced to shut down, leaving many out of jobs.

²⁵ Lebanon Inflation Rate | 2008-2021 Data | 2022-2023 Forecast | Calendar | Historical (tradingeconomics.com).

²⁶ Ibid. n.26

²⁷ World Bank, 2020. Lebanon Economic Monitor: The Deliberate Depression (Fall 2020). Washington, DC. The World Bank. COVID-19 on global poverty, World Bank Blogs, 08.06.2020.

²⁸ Ibid. n.26

²⁹ Ibid.n.30

³⁰ Alalamtv- May 10 , 2020.

³¹ Knech, E. and Francis, E. “Starved of dollars and drowning in debt, Lebanon’s economy sinks fast”. Reuters, March 12, 2020.

The social impact is major, and more than half of the Lebanese population will be below the upper income poverty line with rising unemployment and challenges accessing food, healthcare, and services. Whilst the crises have impacted the livelihood and financial security of the whole population, women were at a substantial disadvantage even before the economic downturn. The social impact for women will probably become catastrophic in the absence of quick changes. In times of crisis, gender equalities tend to be of least priority and the work opportunities that women have access to, as well as their quality, deteriorate. This happened when the budget allocation for women’s affairs and gender equality was first slashed from the 2019 budget and then entirely eliminated by the crisis government headed by Diab. A decrease in social protection and an increase in vulnerability may push many women (and men) further into poverty.³² Many already vulnerable Lebanese citizens, including women, are facing a crisis that is making it increasingly more difficult to meet basic needs, including education, food, and healthcare.

Even prior to the crisis, women’s labour participation in Lebanon was one of the lowest in the world. According to 2019 data from the ILO, the total labour force participation in Lebanon is 48.8 percent, of which 70.4 percent are men, and 29.3 percent are women.³³ UN Women reported a 25 percent contraction in real GDP from 2017 to 2020. This has exacerbated women’s unemployment which increased from 14.3 percent before the crisis to 26 percent by September 2020.

Box 2 - The Impact of the Port of Beirut Blast

On August 4, 2020, back-to-back explosions rocked the port of Beirut destroying infrastructure, homes, businesses and impacting national economic activity. The blast was the ultimate blow to the Lebanese downturn, causing losses of billions of dollars in an already collapsing economy, damaging key infrastructure, and contributing to the postponement of all actions to improve gender equality in the country. The World Bank estimated damages of \$3.6-4.6 billion and losses of \$2.9-3.5 billion. Strategy & (part of PwC) estimated that around 30,000 businesses suffered from the explosion. The blast damaged 40,000 buildings, including around half of Beirut’s establishments, four severely damaged hospitals and 178 damaged schools. The International Rescue Committee estimates that around 150,000 women and girls have been displaced by the blast.

The rapid assessment published after the explosion suggests that one in five businesses in the explosion radius was owned by women and half of those businesses will not be capable of re-operating without assistance according to a UN Women/Stand for Women assessment.³⁴ Meanwhile, Lebanese women are likely to be excluded from paid reconstruction work opportunities as most are in male-dominated sectors such as construction. Many related occupations like builders, electricians, plumbers, or carpenters, are mainly male dominated occupations.

³² “Women on the Verge of Economic Breakdown,” Nisreen Salti and Nadine Mezher, September 2020.

³³ ILO Labour Force and Household Living Conditions Survey (LFHLCs) 2018–2019 Lebanon wcrms_732567.pdf (ilo.org), page 8, December 18, 2019

³⁴ UN Women, CARE, UN ESCWA, ABAAD, UNFPA. 2020. Rapid Gender Analysis of the August 2020 Beirut Port Explosion: An Intersectional Examination (October 2020). New York, USA.

³⁵ World Economic Forum. 2020. Global Gender Gap Report 2020.

³⁶ <http://archive.ipu.org/wmn-e/classif.htm> (last accessed January 2020).



Ayadina Homemade, Nathalie Boueiri

Barriers to Women's Political and Economic Participation

Women entrepreneurs in Lebanon face a range of barriers at the individual, household, community, and national levels. Lebanon ranks 139 out of 153 in economic participation and 149 out of 153 in political empowerment.³⁵ Regarding women's political participation, women received the right to vote in 1952 although no woman has held the head of state position. According to the Inter-Parliamentary Union Index Lebanon ranks 179th among 190 countries with 4.69 percent women parliamentarians in the election of 2018 (6 members out of 128 seats).³⁶

Lebanon ranks 145th out of the 153 countries listed in the World Economic Forum Global Gender Gap Report and has the lowest global rates of women's labour market participation. Women's labour market participation is higher in comparison to other countries in the region. Only 29 percent of women are part of the labour force in Lebanon, which is one of the lowest rates worldwide. The ongoing crisis is probably negatively impacting participation by increasing female unemployment.³⁷ Women in Lebanon's workforce are largely limited to wage-employment.

Even in the wage employment sector, women are far behind men since women's labour force participation is approximately 26 percent, according to World Bank estimates and 29.3 percent according to CAS and ILO estimates (2018-2019). When it comes to exploring representation in management boards, there is unfortunately no recent data on women's representation at management levels; the only available data dates to 2007. At that time, women accounted for only 8.4 percent of all Lebanese executives which included legislators, senior officials, and managers in the private sector or related.³⁸

Despite differences across regions and communities, social norms and constructs also continue to pose a barrier to women entrepreneurs. The Arab Barometer in 2020 showed that 77 percent of Lebanese would accept a women prime minister or president although 50 percent of the surveyed sample believed that men were more capable to hold political leadership posts.³⁹ In Lebanon, 57.2 percent of men consider that they should have access to jobs before women when opportunities are rare, and 30.5 percent of women share this sentiment.⁴⁰ One of the primary challenges in Lebanon is women's responsibility for unpaid caregiving at home. Limited access to childcare is a challenge that has been exacerbated by pandemic restrictions with women facing increased responsibilities in their families. The compound crises disproportionately affect women in remote areas where there is more work in the informal sector. According to some surveys, there is also a general mistrust of the quality of childcare and people consider that early childhood healthcare is better provided at home.⁴¹ It is also generally common for women in the MENA region to exit the labour market, formal or informal, once they marry and/or have children. Labour market policies do not offer any leave or flexible work schedules.

³⁷ According to IFC, women represented just 23 percent of Lebanon's labor force in 2019. UN WOMEN 2020 BEIRUT PORT EXPLOSION RESPONSE PLAN, August 13, 2020.

³⁸ IFC. 2019. Women on Board in Lebanon. Washington, DC. The World Bank.

³⁹ Still a much better percentage than in Sudan (82 percent), Egypt (75 percent), or even the democratic Tunisia (56 percent). Arab Barometer, 2020. Gender Dynamic: Examining Public Opinion Data in Light of Covid-19 Crisis. <https://www.arabbarometer.org/wp-content/uploads/Gender-Data-in-Light-of-Covid-19-Crisis.pdf> (last accessed June 14, 2021).

⁴⁰ Understanding Masculinities: International Men and Gender Equality Survey, Images Mena Lebanon Country Report, 2017

⁴¹ Elzayr Assy, Angela and Haneed Sayed. 2018. Brief. "Why aren't more Lebanese Women Working?". Washington, DC. The World Bank.

Maternity leave is 10 weeks and not the ILO's recommended 18, and women do not have the guarantee of returning.⁴² Reducing and redistributing responsibilities in the household is necessary to free up women's time in order to engage them in paid labour and starting or growing their businesses. Innovative solutions regarding childcare and care in general also need to be explored.⁴³

“ There are negative connotations related to the inability to take the risks which also come from lack of education but even in educated families like mine, it was scary to tell my parents that I want to become an entrepreneur, this word sometimes means you are unemployed. ”

Woman Entrepreneur - Beirut

The lack of access to decent jobs and the rise in unemployment impact the wellbeing of women and households. According to a recent UN Women report⁴⁴, the increased number of women who have gone from being employed to becoming jobseekers or simply discouraged and outside the labour force, can have a direct toll on women's livelihoods and wellbeing by reducing earnings and non-wage benefits and opportunities that come with employment. Women also lose jobs to men, which is a setback to the livelihood and benefits of the whole household. Inequality in salaries also discourages women. The report highlights that poverty adds to women's burden in caring for the household, requiring them to manage unpaid care work at home with more limited resources. Furthermore, the most vulnerable segment of the population has a high concentration of female-headed households, putting these households at greater risk of falling below the poverty line.

Women do not participate in formal and informal networks and lack social capital, impacting the performance of their businesses, particularly in a country with widespread clientelism. The lack of social capital impacts many aspects of their businesses⁴⁵, but also the professional trajectory of women, for example, the likelihood of women accessing top management positions. Insufficient access to peer support and learning opportunities from other women (role-models) and a limited ability to organise and advocate for the interests of women's enterprises hinders the development of women entrepreneurs' potential. Studies show that women are more likely to employ other women⁴⁶ and a recent assessment of 99 women-led businesses following the Beirut Port explosion shows that female employers in this area employed 1.54 women on average while male employers employed 0.95 women on average.⁴⁷ This evidence points to potential for peer learning and peer support that can contribute to the development of women's businesses and support women's employment and empowerment more broadly. This need has increased as the COVID-19 lockdowns have further limited women's access to support networks.

⁴² Ibid.
⁴³ Jamali, Dima, Yusuf Sidani, and Assem Safieddine. Constraints facing working women in Lebanon: and insider view. *Women in Management Review*. Vol. 20. No. 2005. Pp. 581-594.
⁴⁴ Nisreen Salti, N. M. 2020. *Women on the Verge of Economic Breakdown*. UN Women
⁴⁵ Olamide, A. 2021. *Social capital and business performance: a study of female-owned SMEs in the Nigerian informal Sector*.
⁴⁶ World Bank, 2014. *Supporting Growth-Oriented Women Entrepreneurs: A Review of the Evidence and Key Challenges*. Washington, DC. The World Bank.
⁴⁷ UN Women, CARE, UN ESCWA, ABAAD, UNFPA. 2020. *MRapid Gender Analysis of the August 2020 Beirut Port Explosion: An Intersectional Examination* (October 2020).
⁴⁸ USAID, 2015. *Strengthening Lebanon's Economy by Supporting Women Entrepreneurs*. Washington, DC.
⁴⁹ UN Women, *Addressing the Economic Fallout of Covid-19*.

Table 5 - Regional Overview: Women's Participation in Senior Business Leadership in MENA (2017)

	Firms with female ownership	Female senior executives
MENA	23.3%	5.4%
Egypt	16%	7.1%
Jordan	15.7%	2.4%
Lebanon	43.5%	4.4%

Source: IFC, 2019. *Women on Board in Lebanon*. The World Bank: Washington, DC. And World Bank, 2017. *Firms with Female Participation in Ownership*. Data Bank Gender Statistics. Washington, DC.

Access to finance is limited for women and has worsened in the context of the ongoing crisis. The challenges to access loans include discriminatory banking practices and stringent collateral requirements that reduce the likelihood of providing credits to women since women often do not have access to property and therefore lack the required collateral.⁴⁸ The current context of crisis exacerbates financing needs when credit availability is at its lowest as explained in the country's economic context above, complicating the expansion, viability, or creation of businesses.⁴⁹ Business environment reforms should encourage banks and other financial institutions to scale up financing to women entrepreneurs as part of efforts to address the impact of the crises and foster private sector-led growth and job creation.

“ We find it hard to ship out locally produced products and it is costly. In case of any return/exchange, shipment companies make it hard on us by considering the order as brand new one, therefore we pay the fees twice. ”

Woman Entrepreneur - Jewellery

Women face sexual discrimination in the workplace. A new legislation addresses sexual harassment in the workplace,⁵⁰ but the implementation and enforcement of the law will take some time to translate into practice.

It is a good step to help create a safer work environment, and in the meantime, there is need for more awareness and to strengthen the mechanisms for its successful enforcement and implementation. Although gender-based violence has reportedly increased during the pandemic, international funding and the response to the economic crisis have highlighted emerging priorities that have “pushed back discourses on gender equality”.⁵¹

⁵⁰ Dec. 21, 2020, Law to criminalize sexual harassment and rehabilitation of its victims.
⁵¹ Now and the future: gender equality, peace and security in a Covid-19 world, Lebanon, ABAAD, January 2021.

Box 3 - Increase in Gender-Based Violence Under Lockdowns

The lockdowns to control the spread of the COVID-19 pandemic have led to an increase in gender-based violence. Social norms and values, increased inequalities, in addition to stress associated with the pandemic and the worsening economic situation also contribute to this increase. Court closures due to lockdowns have made access to legal protection for survivors difficult and has delayed responses as a result.

COVID-19 has added a significant burden on women as caregivers, increased restrictions of their mobility, and greatly affected their work opportunities. Women's rights associations have also highlighted the increased risks faced by domestic workers and members of the LGBTQI+ community. The financial, care and health pressures on women in Lebanon are pushing activists to call for a focus on gender equality in international aid responses.

“We don't want anything, we just want COVID19 to end and we will manage”

Woman Entrepreneur - Fashion Sector

The Business Fabric in Lebanon – MSMEs & Start-Ups

There is no official MSME registry that can provide reliable data on existing businesses. The Investment Development Authority of Lebanon (IDAL) estimates that 93 – 95 percent of companies in Lebanon were SMEs in 2014,⁵² larger firms are normally in the financial sector (banks). Other reports mention about 225,000 firms mainly located in Beirut and Mount Lebanon with many of these businesses operating informally.⁵³

There is no standard definition for Micro, Small, and Medium Enterprises in Lebanon. According to the United Nations Development Programme (UNDP) and the Ministry of Economy and Trade (MOET), the lack of a unified definition of MSMEs in Lebanon has “often been used as a scapegoat for inaction”⁵⁴ in supporting MSMEs. Nevertheless, access to finance has not been a big issue until now due to the strong banking sector and several initiatives of the LCB and private banks. The barriers used to be non-financial. The definition in the national MSME strategy dates back to 2014 and there has not been any progress on establishing a new MSME definition nor on elaborating a national MSME strategy. According to the MOET, the definitions of MSMEs rely on business reforms as it is not clear where the country is heading now and deciding on revenue categorisation seems to be very challenging, especially in the current economic crisis wherein several exchange rates are used in the country.

⁵² Government of Lebanon, 2014. Lebanon: A roadmap to 2020. Ministry of Economy and Trade. Beirut, Lebanon.

⁵³ International Rescue Committee, 2016. Market overview of Small and Medium Enterprises in Beirut and Mount Lebanon. Lebanon.

⁵⁴ Ibid p.14.

IDAL also differentiates between SMEs and start-ups, considering companies younger than five years start-ups and older companies SMEs. While the World Bank does not have a standard definition of an SME and relies on country standards instead where available, the International Finance Cooperation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) use a standard definition based on three indicators: employee numbers, assets, and sales.⁵⁵

The MOET's definition appears to be the primary definition used in Lebanon although key institutions do not always follow it themselves. Some take into consideration both the number of employees and revenue, while others consider only one of these factors.⁵⁶ For example, the Lebanese Central Bank defines SMEs as enterprises with a turnover of less than LBP 15 billion while Kafalat defines SMEs as enterprises that have fewer than 40 employees and less than LBP 5 billion.⁵⁷ Some of the institutions that use the MOET's definition to determine business size currently use revenue data from 2019 instead of 2020.

With different and incomplete definitions, this study will use MOET's criteria with the understanding that using country definitions should be the preferred option. While we use LBP for this definition, it is important to note that most businesses are dealing in a number of currencies, and the black-market rate is most often used to determine corresponding revenue sizes. The samples we used to confirm the above definitions are based on revenue in LBP⁵⁸ and on the number of employees when revenue data was not available. Cross-tabulations showed that the number of employees was a reasonably appropriate predictor for revenues (as shown by a very small number of outliers as seen in Figure 13). When revenue data was not available, employee numbers were a strong determinant of the enterprise's size.⁵⁹



Oils of Nature, Noha Hage

⁵⁵ World Bank Group, World Bank Group Support for Small and Medium Enterprises: A Synthesis of Evaluative Findings. (2019). September 16, 2019.

⁵⁶ For further discussion and consideration of how to best define MSMEs, please see Van der Vaart, H.J. and Gibson, T. 2008. Defining SMEs: A Less Imperfect Way of Defining Small and Medium Enterprises in Developing Countries. Washington, DC. The Brookings Institution and the European Commission. 2015. User guide to the SME Definition. Brussels, Belgium.

⁵⁷ Malaeb, O. 2018. Small and Medium Enterprises in Lebanon: Obstacles and Future Perspectives. Kuwait. Arab Planning Institute.

⁵⁸ The exchange rate used at the time of analysis was 9,000 LBP for every 1 USD.

⁵⁹ Notes: 1) When an enterprise exceeds the ceiling for either indicator used (employee numbers and revenue), they automatically reposition into the higher category. 2) Revenue data should be taken from 2019 (and possibly looking at a range of time from before, such as an average from 2018-2019), when revenue has been greatly impacted by the crises of 2020. These criteria could continue to evolve to reflect the current situation.

Table 6 - Criteria for Defining the Size Categories of Sampled Businesses

Category	Revenue and Employee range
Micro	≤ 10 employees AND ≤ 500 million LBP or no reported revenue
Small	11-49 employees AND > 500 million LBP and ≤ 5 billion LBP revenue
Medium	50-100 employees AND >5 billion LBP and ≤ 25 billion LBP revenue

Out of the 78 businesses interviewed, 62 were micro-enterprises, 13 small enterprises, and two medium-sized enterprises. One enterprise emerged as an outlier: it could be considered “large” and thus does not fit within our defining criteria for MSMEs. While its employee numbers fit the range for a medium enterprise, it reported a revenue of 36 billion LBP. For the quantitative data analysis, this enterprise was included with the medium enterprises (see above).⁶⁰

The start-up ecosystem in Lebanon is complex and new ventures are constantly being created, closed down, or morphing into something different or new⁶¹. The Investment Development Authority of Lebanon (IDAL)⁶² defines start-ups as any enterprise in business for less than five years.⁶³ Others, such as the World Bank Group, have identified start-ups as “a newly established business venture that is in its first stages of operation.”⁶⁴ According to IDAL’s definition, 79 percent of the surveyed microenterprises qualify as a start-up, as well as 58 percent of small enterprises. All of the medium enterprises’ respondents surveyed have been present in the country for more than 5 years.⁶⁵

This high percentage of “start-ups” per IDAL’s definition makes it impossible to differentiate them from microenterprises in our sample. For the purposes of this study, the importance of the distinction is understanding at what phase the enterprise is currently in to better design support projects. While the desk review findings confirm the complexity of the start-up ecosystem in Lebanon, in large part due to the current economic and political crises, years of operation or years since registration are less useful as indicators. It can be more useful to look into the stage the startup is in, from conception to ideation and operation.⁶⁶ According to our proposed definition, start-ups are those businesses which have surpassed a pre-start up or initial ideation phase, as the survey participants have already registered or registration is in process. They will typically be in early phases of operation with some level of financing (although most likely bankrolled by themselves or other founders). Their financing models and whether they have achieved scale may be factored into determining if they have graduated beyond a start-up phase, but this is an area which we believe could benefit from further

⁶⁰ The categories used for the definitions of MSMEs do not have any external validity beyond the sample.

⁶¹ Kathy Qian, Victor Mulas, Matt Lerner. 2016. Supporting Entrepreneurs at the Local Level; The Effect of Accelerators and Mentors on Early Stage Firms. Washington, DC. The World Bank and Shaimaa El Nazer. “Can Lebanon’s entrepreneurship ecosystem survive?” Wamda. 13 August 2020.

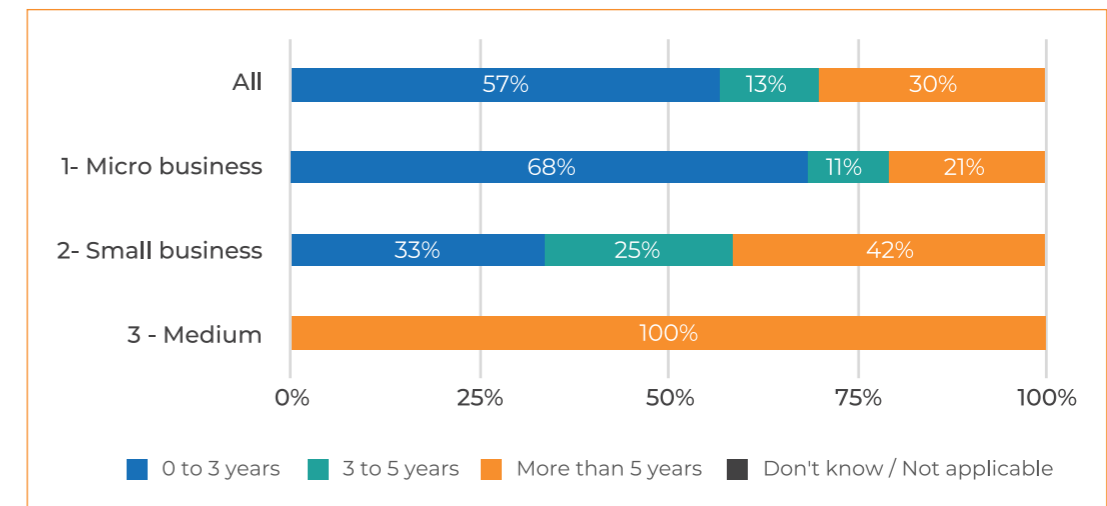
⁶² IDAL was established in 1994 as a national investment promotion agency. Their aim is to promote Lebanon as an attractive destination for investments. More information can be found on their website at: <https://investinlebanon.gov.lb/>

⁶³ The MOET currently has no official definition of a start-up.

⁶⁴ World Bank. 2016. Tech Start-up Ecosystem in Beirut. Washington, DC. World Bank.

One further consideration here is further differentiation of enterprises by typology, such as looking at high-growth firms, niche ventures, dynamic enterprises, and livelihood sustaining enterprises. The nuance of the definition and graduation of start-ups in the Lebanese context may be lost without further consideration of where the enterprise falls within these categories (for example, reaching scale may be an indicator for some, but may not be relevant in other cases like with niche ventures).⁶⁷ Tech start-ups are another specific example due to their usual fast growth and their technological component.

Figure 3 - Age of Surveyed Businesses (years since registration, by size)



Women-led vs Women-owned Businesses in Lebanon

There is no unified definition of women-led businesses or women-owned businesses in Lebanon. Discussions with stakeholders confirmed that in Lebanon these two terms are used interchangeably. The common factor in both definitions is the decision-making power a woman has in a business. In general, a company is considered to be women-led or women-owned when women have a say in the company’s decision-making or leadership. This is valid since most companies in Lebanon are family businesses and a woman might be a shareholder in the company without any managerial or decision-making power.⁶⁸ The authorities could consider establishing a definition to help in the analysis of women entrepreneurship and businesses dynamics.

⁶⁵ Our survey asks how long the respondent has been involved since registration. It could be that the respondent has only been involved recently but the business existed previously. The high percentage of “start-ups” within our sample size may partly explain the high rate of failure facing women entrepreneurs with registered businesses. Another hypothesis which may be interesting for further study is whether start-ups were self-selecting for this study because they are more in need of support and thus interested in participating in shaping future projects.

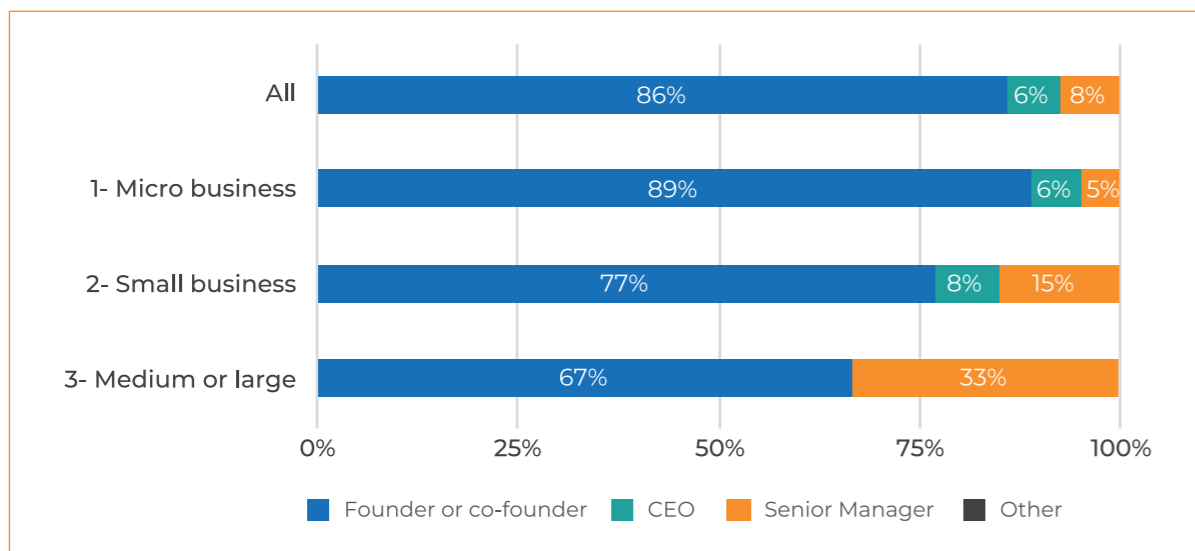
⁶⁶ Measuring the tech start-up ecosystem is difficult. Relevant databases of start-ups are not readily available, and the fast-paced and multidimensional dynamics of start-up ecosystems, with new ventures constantly being created, failing, being closed, being bought or transformed (changing names and/or purpose), makes accurate measurement over time inherently difficult”, *ibid.* 78. p.2.

⁶⁷ Woodruff, C. 2018. Addressing constraints to small and growing businesses. London, UK. International Growth Center.

⁶⁸ Fahed, Hreich, J. and Pistrui, D. 2012. Motives for Entrepreneurship: The Case of Lebanese Family Businesses in Burger-Helmchel, T. 2012. Entrepreneurship: Gender, Geographies, and Social Context. Intechopen.

In our sample, 86 percent of survey respondents were founders or co-founders of the business, with a slightly higher prevalence of businesses founded or co-founded by women in Beirut compared to Mount Lebanon and the South. More than half (54 percent) of the respondents reported that they were the sole owners of the business and a further 41 percent stated they owned part of it. Importantly, out of the 32 women entrepreneurs who reported owning part of the business, only 16 percent owned more than 50 percent, 22 percent owned exactly half, and the remaining 62 percent owned less than half or were unable to declare their share.⁶⁹ Out of the whole sample, 54 percent of respondents are the sole owners of the business. The percentage is higher for microbusinesses, while in the case of small and medium firms, women have 32 and 33 percent of ownership respectively. This points to some challenges with defining women-owned businesses based on shares.

Figure 4 - Respondent's Role in the Business (by size)



Consultations with stakeholders confirmed the importance of reflecting women's decision-making power in defining what constitutes a women's business. In the Lebanese context, using "women-led businesses" is more appropriate than women-owned businesses. Some business registration procedures require three shareholders for the founding and official registration of a company. This disqualifies many businesses from being considered "women-owned" even when women may be the sole or primary decision maker. The articles of association determine the shareholding structure and powers. In most cases, companies have one manager with full-signatory power who can take financial and contractual decisions. In some cases, and especially for bigger companies, these powers are divided among shareholders and delegated to other senior positions in the company. The delegated powers involve co-signatory rights granted to senior positions each depending on her role and within designated thresholds.

⁶⁹ 25 percent were unable to declare their share and 37 percent owned less than half.

Box 4 - Possible Definitions of WOLBs in Lebanon

Women-owned and/or women-led businesses (WOLB) in Lebanon are businesses where women own greater or equal to 51 percent of the enterprise, and/or where a woman is in a senior managerial role. Considering power of attorney and signatory capabilities may assist in determining this. Ideally, WOLBs should also have policies to support gender equality in the workplace (relevant for relatively bigger companies), such as opportunities for employing more women, equal pay, and protocols and policies to address sexual harassment and any discriminations based on gender.

Existing Support for Lebanon's Women Entrepreneurs

A mentioned above, the private sector in Lebanon is largely composed of MSMEs, employing approximately 50 percent of the labour force.⁷⁰ These are more predominant in the services and trade sectors. In 2017, according to the World Bank Enterprise Surveys, 73.4 percent are in the services sector and only 9 percent in manufacturing. Firms are largely concentrated in Mount Lebanon and Beirut (78 percent). In terms of MSMEs lending, Lebanon has done well since 2000. This is due to several GoL programs supporting SME lending, which includes lowering borrowing costs through subsidised interest payments for SME borrowers, extending special guarantees to SMEs, and granting exemptions on compulsory reserves of creditors.⁷¹ The incentives initially targeted projects in agriculture and industry to later include others in Information and Communication Technologies (ICT), environment/energy efficient projects, tourism, and housing. In line with the bottlenecks identified in the Doing Business report, although more than 90 percent of firms have a bank account and 57 percent access to credit lines (57 percent), the banks request high collateral that can reach 200 percent of the loan value. However, the economic crisis in Lebanon has deteriorated the business environment for accessing financing, impacting women, already in a disadvantaged position even further.

Although there are still gaps and needs, international donors have been supporting entrepreneurship in Lebanon for many years. Direct support to MSMEs can be financial (e.g. grants), technical (e.g. training on technical skills or non-cognitive skills), or a combination of both. In addition to macro reforms that impact the business environment, there are other projects that seek to reform specific regulatory or competitive aspects to facilitate doing businesses or enhance their capacities. Other projects can also support specific ecosystems (e.g. tech start-ups). Support to MSMEs exists in parallel to other initiatives that focus on activities leaning towards social protection or support of livelihoods. The latest could include assistance to vulnerable groups such as refugees, including cash-based interventions such as cash for work aimed at infrastructure and improvement of public spaces, or support to social enterprises among others. The ongoing economic financial and economic crisis in Lebanon has resulted in increased social protection programmes and scaled up support to MSMEs to keep businesses going.

⁷⁰ The World Bank. 2017. Lebanon MSME Supply Side Report. Washington, DC: The World Bank.

⁷¹ The World Bank. 2012. Financing Solutions for Micro, Small and Medium Enterprises in Bangladesh. Washinton, DC: The World Bank.



Little Melly, Jennifer Mansour

Financial Support

In Lebanon, access to financial services remains lower for women compared to men. According to the International Finance Cooperation (IFC),⁷² the main barrier to increasing the participation of women in business in Lebanon remains access to finance. It affects small to medium enterprise (SMEs) in general but tends to disproportionately affect women-owned businesses. In Lebanon, only 3 percent of bank loans go to female entrepreneurs,⁷³ only 33 percent of women have a bank account compared to 57 percent of men and only 26 percent have a debit card versus 44 percent of men.⁷⁴ Due to cultural and legal factors, women are worst placed when asking for credits due to their lack of collateral.⁷⁵ Only 4 percent of firms have a woman as top manager compared to 5 percent in the MENA region and 19 percent worldwide, and only 17 percent of women are self-employed compared to 43 percent of men.⁷⁶

For entrepreneurs in need of financial capital, the few available grant support schemes offered by donors, NGOs and incubators/accelerators offer a much-needed lifeline. As described in the economic context section above, the banking sector and microfinance institutions in Lebanon are facing a severe crisis and the lending levels have decreased dramatically. Currently, financial support is mainly provided by the international community. There is a large plurality of donors supporting private sector development focusing on improving access to finance, skills, MSMEs, and increasing market access. There are also many implementers, sub-grantees, and subcontractors working on the operationalisation and implementation of projects on the ground. Most organisations offering financial support to women entrepreneurs tend to do so under the umbrella of larger programmes.

Only a few programmes specifically target women-led or women-owned businesses. These programs include UNDP's Women's Economic Participation (WEP) project implemented by ACTED and the René Mouawad Foundation (funded by the Government of Canada), and the World Bank's Mashreq Gender Facility (MGF), which is implemented by the National Commission of Lebanese Women (NCLW), representing the GoL in the MGF Steering Committee. Other programmes and projects are open to both men and women entrepreneurs, although some prioritise women alongside youth and people with disabilities. Some projects such as the Productive Sectors Development Programme (PSDP, 2020-2023)⁷⁷ jointly implemented by six UN agencies, have specific targets for women beneficiaries, ranging from 50 percent to 75 percent for various activities.

Most of the projects mapped for this report support MSMEs in all sectors or include widely defined sectors such as manufacturing, industry, services and/or focus on export-oriented businesses/sectors/firms. A few projects target sub-sectors of activity: i) Design and textiles (EU Stand-Up project by Berytech); ii) Agriculture and agri-food (RDPP-funded Growth Accelerator project by Al-Fanar and Bloom, Canada/UNDP project implemented by Acted in South and Bekaa, and René Mouawad in North and Mount Lebanon); iii) E-commerce (WB/IDAL, WB We-Fi Initiative, RDPP-funded Growth Accelerator). Outsourcing, creative industries, "knowledge economy" and "circular economy" also appear as priority sectors in some programmes (RDPP-funded Growth Accelerator).

⁷² IFC, 2013

⁷³ IFC, 2019. https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/ifc+helps+expand+access+to+finance+for+women+entrepreneurs+in+lebanon (last accessed 7 January 2020).

⁷⁴ World Bank, 2019. <https://www.worldbank.org/en/news/infographic/2019/01/17/infographic-women-in-lebanon>. Inheritance laws discriminate against women, which negatively impacts their capacity to provide assets that can back up loan requests.

⁷⁵ Ibid n.9.

⁷⁶ Ibid n.9.

⁷⁷ Not to be confused with the EU-funded Private Sector Development Programme PSD-P implemented by Expertise France 2016-2020.

Box 5 - Mechanisms Supporting SMEs and Early Start-up Businesses

In addition to the mapped projects, two additional mechanisms have recently been announced. The first is a European Bank for Reconstruction and Development (EBRD) Euros 5.5 million loan to the Government of Lebanon for support to innovation in SMEs. The second is a ScaleX initiative financed by the We-Fi Fund and the International Finance Corporation that will provide incentives to accelerators to support women-led businesses and improve access to e-commerce markets specifically for women entrepreneurs. The rationale behind this initiative is the fact that only 11 percent of enterprises receiving seed funding are female-led.

An interesting program is the IM Capital that provides matching grant, equity guarantee, as well as technical assistance and support to Qualified Early Stage Businesses (QUEBs). This is a USAID initiative that aims to improve access to finance, competitiveness, and revenue growth. It matches new private sector investment with selected investment partners and/or qualified angel investors. Some of these investment partners include the World Bank iSME program with financing channelled by Kafalat SAL, the Lebanese Women Angel Fund (LWAF), and HIVOS, among others. Financing ranges from USD 40,000 to USD 80,000.

Source: <https://www.im-capital.com/what-we-do/matching-capital/>

Financial support is frequently available in conjunction with technical support and benefits a relatively small number of enterprises per project. Grant support is provided to start-ups and established MSMEs, usually ranging from a couple of thousand USD to approximately USD 20,000⁷⁸. Grants are used by both NGOs and incubators/accelerators, and their disbursement often involves a competitive application and selection process. Most selection criterion are based on geographic location and potential for increased productivity or generating employment. However, organisations often take decisions on a case-by-case basis rather than following a clear, checkbox system when assessing business potential.

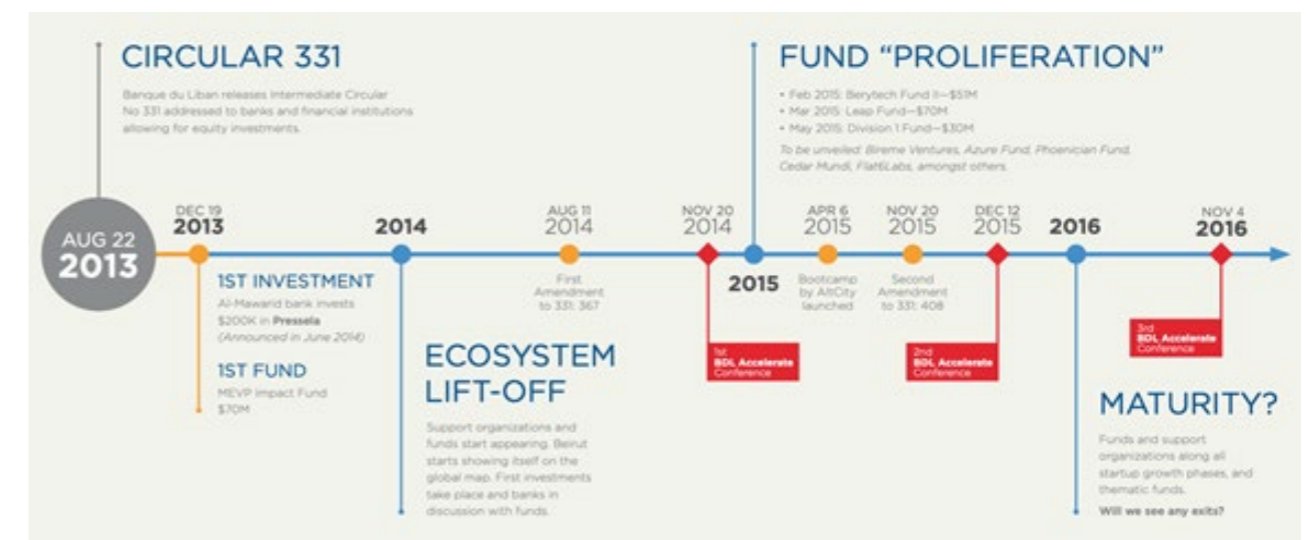
Incubators and accelerators in Lebanon appear to be overlapping since the same entities provide support with both incubation and acceleration. Some identify as 'business innovation centres' (Berytech), others as NGOs (AltCity/Bloom) or Social Enterprises (Tripoli Entrepreneurs Club).

⁷⁸ Support to MSMEs, similar to grant support to NGOs, has traditionally been provided in US dollars. At the time of writing of this report, the UN agencies and the GoL are negotiating the payment of humanitarian assistance to vulnerable families in USD too, due to the currency fluctuations. It is unlikely that grant support to MSMEs will be switched to LBP in the immediate future.

Box 6 - Kafalat

Kafalat is the government programme providing financial guarantees for loans granted by commercial banks to MSMEs. Incubators and accelerators can also benefit from financing through Kafalat thanks to Circular 331. Circular 331, published in August 2013, and issued by the Central Bank of Lebanon in August 2014, was designed to foster the "knowledge economy." It is a guarantee scheme to increase equity investment into Lebanese start-ups through investments made by Lebanese banks. An associated objective was to retain human capital by providing an adequate financing framework that could eventually stop brain drain but also address the decline in foreign direct investment the country was facing years before the approval.

Circular 331 has made more money available for start-ups and accelerators, while incubators have also benefitted from more financing. Despite some critiques that this circular goes beyond the mandate of the CBL, several donors have given support to the private sector through the Kafalat under different programmes. Kafalat has received support from donors such as the World Bank and the IFC. This is the case of the Innovation in SMEs (iSME) programme consisting of USD 30m initiative financed by the GoL through a loan with the World Bank. This programme had the objective of encouraging the equity investment market to increase the supply of early stage investment finance for financially viable, new, and existing innovative firms. This was matched by other programs such as the USAID IM Capital Program previously described.



Source: Choucair, N. and Flynn, T. 2017

Non-Financial Support

A wide variety of technical and in-kind support is currently available to MSMEs in Lebanon. These include training, mentoring, coaching, and in-kind support, like the purchase of equipment or services. Training, mentoring, and coaching have largely shifted online since the start of the pandemic. The majority of projects revised for this study offer technical rather than financial support, and stakeholders indicated that this is due to the perception that this modality reaches a larger number of beneficiaries.

Training programmes currently offered in Lebanon usually cover basic business skills, product design, marketing, accounting, or digital skills. Some programmes focus on specific sectors and/or value chains and offer product-specific trainings in restoration and hospitality (e.g. the LED programme in Bekaa, Nawat Consortium in Tripoli), environmental sustainability for agriculture cooperatives and SMEs (PSDP project), or crisis management (Berytech's Google Youth Business International programme). The World Bank-IDAL collaboration on the We-Fi initiative supports women-led SMEs to become visible on e-commerce platforms, a project first piloted by the World Bank in Jordan, Tunisia, and Morocco. A number of technical support projects have fully shifted services online, including remote mentoring and linking to e-commerce and export promotion platforms.

Few projects currently offer support for networking and peer support, access to internal and external markets, or advocacy for creating an enabling environment. Some existing networking initiatives aim to connect MSMEs to potential investors, distributors, and clients, such as IDAL's Invest in Lebanon platform for business matchmaking. Initiatives promoting mentorship by highlighting women role models or linking women investors, such as the Lebanese Women Angel Fund (LWAF), fall under this category. The latter initiative offers a support network to entrepreneurs while also helping shift social norms around women in business. In identifying the challenges of accessing e-commerce platforms for women entrepreneurs, which hinders their access to national and international markets, initiatives such as Scale-X (mentioned above) have emerged. However, many women entrepreneurs, as will be discussed later, identify needing IT equipment and support with digitalisation, which often goes hand in hand with accessing e-commerce platforms.



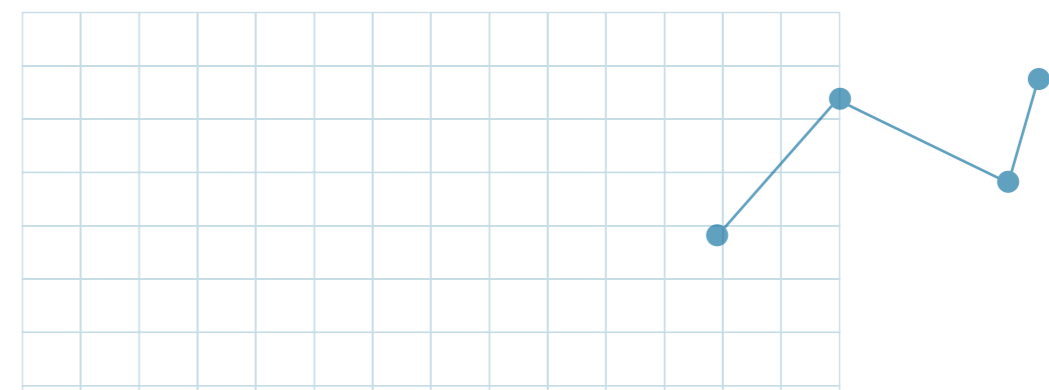
Kiddo Toys & More, Jana Ezzeddine

Box 7 - A Sector Perspective

The scope of this study did not include an in-depth assessment of market trends, including global market trends, which could justify focusing on a sector. However, the survey shows how firms in certain sectors have grown over the past year. Our survey showed that 75 percent of agri-food businesses, 60 percent of manufacturing businesses, and 56 percent of businesses in the design sector reported sales increases in 2020. A few sectors are experiencing increased demand, which in some cases is attributed to the economic situation and outflows of migrant workers. These could be sectors in which female entrepreneurs could succeed or existing companies could grow businesses with the appropriate technical and financial resources. While it is not the scope of this section, it is important to bear in mind the choice of sector by women and the associated gender earning gap that somehow persists associated to that choice.

- o **Agriculture, agri-food:** More labour intensive and traditionally employing more women, this sector is experiencing a local growing demand and can respond to the weakening purchasing power and decreasing access to imported goods. While most companies are in the Beirut area, agriculture and agri-businesses can thrive in poorer regions. Innovation and added value in these sectors are essential to increase the competitiveness of the sector. One KI indicated that agri-food initiatives in Lebanon often also have social impact, which can have a positive effect on the enterprise's ability to access additional funding and support. Further to this, KIs demonstrated that agri-food can help bring innovation to rural areas and should be considered alongside agri-tech. As many as 69 percent of surveyed agri-food businesses export part of their production.

- o **Creative Economy (fashion, apparel, and jewellery, design and media content production):** Supporting the creative economy in a context where more cities are emerging worldwide can bring significant resultant to a traditionally vibrant ecosystem now also damaged by the crisis Lebanon is considered a fashion design hub, particularly Beirut which also has benefited from the success of its designers. It is crucial to support SMEs on the fashion and apparel. The country has a tradition of fashion and design businesses, normally small with few large brands. Because the sector can use local materials, employ local talent, and export, this seems like a sector with potential to attract talent that is now seeking to leave the country. In 2017 it was estimated that just the jewellery sector represented USD 4.5 billion or 16 percent of Lebanon's GDP although this figure may vary. In 2012, the sector employed around 8,000 persons. Salaries are low but skills are comparatively high. This sector remains mainly male-dominated. However, it could have potential for greater diversity and for WOLBs. While this should not be taken lightly because of the relation to the reduced purchasing power of local consumers and the transition of some items produced by this sector from necessity goods to upmarket or luxury goods, there is export potential here. In fact, 53 percent of surveyed businesses operating in sector-related companies are export oriented. Design and media content production: entrepreneurs in the design sector were most frequently working outside of Lebanon (78 percent). This sector was singled out for the potential to support existing and scalable "boutique" production houses.



o **E-commerce:** A recent report by the IFC “Women and e-commerce in Africa” shows the potential of e-commerce to close the gender gap in the African continent. The potential of e-commerce is also associated to other services it offers in FinTech. In some cases, e-commerce platforms can offer small loans that are more difficult to access through commercial banks. E-commerce can be defined as “The act of electronically buying or selling products using an online marketplace platform service provider.” The rationale is similar for the MENA region and for Lebanon as previous e-commerce projects in the region show. Several projects support e-commerce in Lebanon and several KIs referenced potential for growth of e-commerce in Lebanon, citing the relatively low investment required compared to its added value. KIs also closely linked this to the potential for other remote services, such as translation and customer service hotlines, to be insourced from abroad to Lebanese companies. Given the considerable difficulties entrepreneurs report in accessing e-commerce platforms (in part due to the need for international payment gateways which restrict Lebanese entrepreneurs who are unable to link bank accounts or unwilling to deal with official exchange rates), locally driven solutions may indeed offer opportunity.

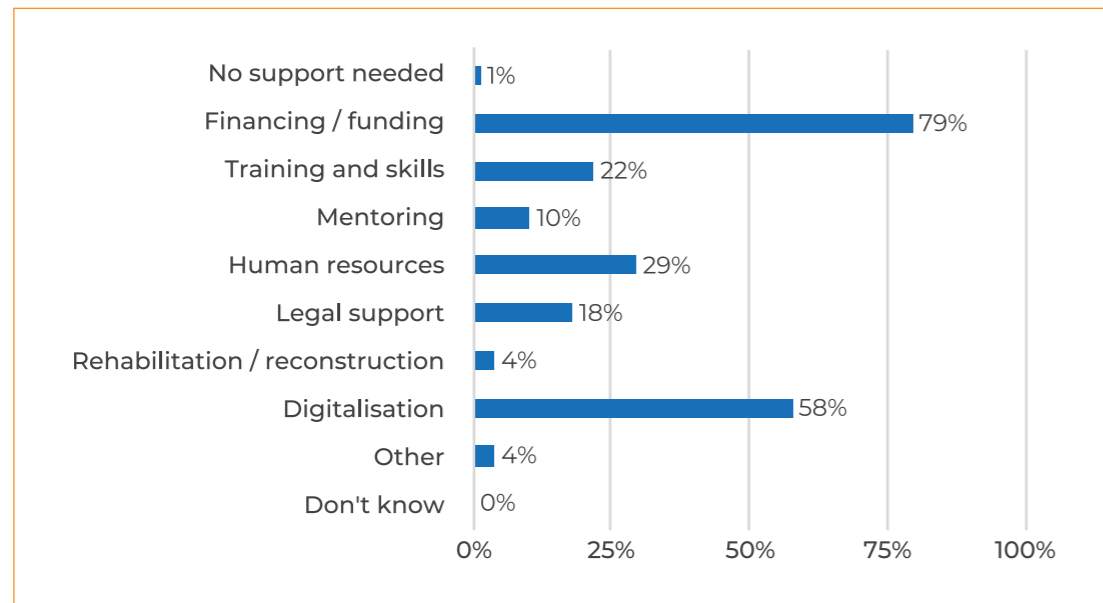
o **Formal Care economy:** Businesses offering housekeeping and care services could offer solutions for families and may offer opportunities for job creation and entrepreneurship. These solutions should consider equitable remuneration and follow decent labour standard. However, in the medium-term, more accessible care, including healthcare, has to be made available because of the highly privatised health-care system. More research is needed to better assess the potential of the sector and the labour and other regulatory measures needed to organize a highly informal sector.

Survey Findings

This next section will summarise the results of the quantitative survey complemented with the insights from key informant interviews. The survey, administered with women entrepreneurs in the three surveyed areas, covered 70 questions ranging from topics of access to markets to value chain finance, financial services, gender-based barriers and needs, and digitalisation needs. Women entrepreneurs and KIs highlighted five main categories of barriers facing women entrepreneurs in Lebanon today: access to finance, access to markets, technical skills, business environment, social norms and values. Access to finance is the priority need together with the introduction of digital processes in firms. Overall, the priority of needs does not change across the three regions covered by the survey but needs are higher in Tyre and Mt Lebanon, respectively, than in Beirut. (See Sub-Appendix A.1).



Figure 5 - Needs Prioritised by Surveyed Women Entrepreneurs



KIIs suggested that many businesses will face difficulties to continue operating if the country context does not improve. Currency issues are severely affecting day-to-day activity. Women entrepreneurs reported facing severe limitations due to currency fluctuations and LBP devaluation, restrictions related to COVID-19, hyperinflation, and reduced customer purchasing power (Figure 6). Some of the goods and services that they offer are now considered luxury items. Women entrepreneurs also reported major challenges affecting their procurement of goods, including fluctuations of the LBP (81 percent), bank restrictions (37 percent), market downturn (22 percent), and duty and taxation (15 percent). Of the surveyed women entrepreneurs, 50 percent only purchase supplies from within Lebanon, 13 percent purchase only from other countries, and 24 percent purchase from both Lebanon and other countries.⁷⁹ There are also concerns related to low market activity, quality of goods and services, and damages to space or equipment, though these appear to be of lesser concern.

“ The dollar should stabilise. The continuous fluctuations are affecting the supply chain, and our pricing and entailing enormous losses on us. ”

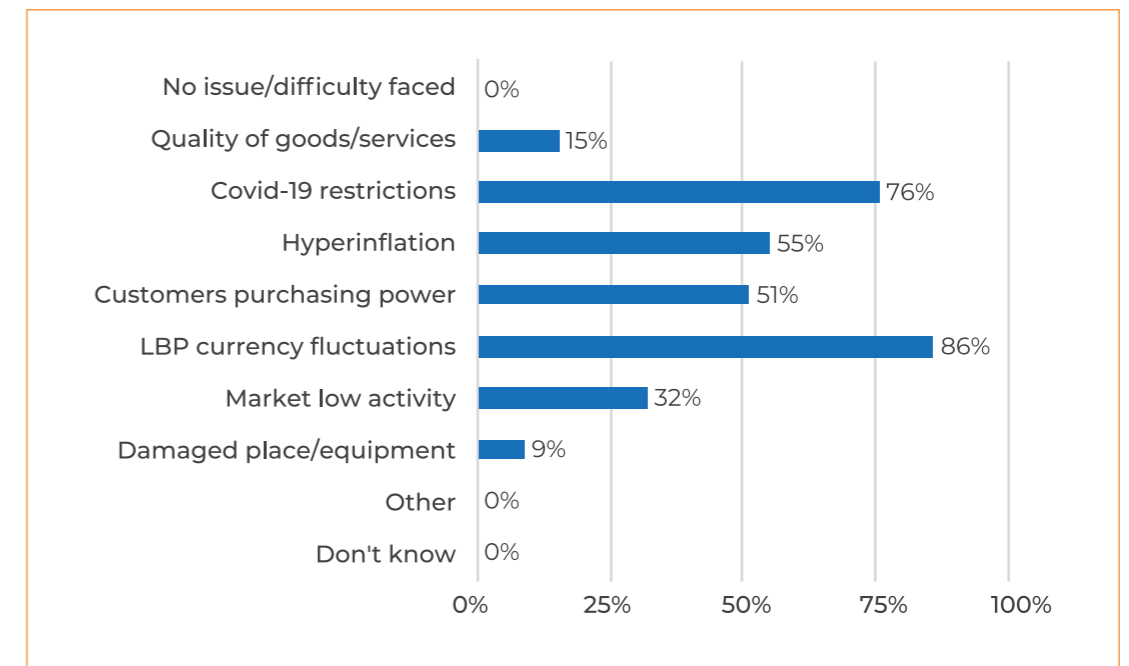
Woman entrepreneur – Food and Beverage sector- Beirut

⁷⁹ The remaining 13 percent of respondents said they “Didn’t know” or that this was “Not applicable”.

⁸⁰ World Bank. 2017. MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small, and Medium Enterprises in Emerging Markets. Washington, DC. The World Bank.

⁸¹ It does not seem that the banking sector will be providing support anytime soon according to discussions with two big banks.

Figure 6 - Issues and difficulties Faced by Survey Respondents over the Last Year



Access to Finance

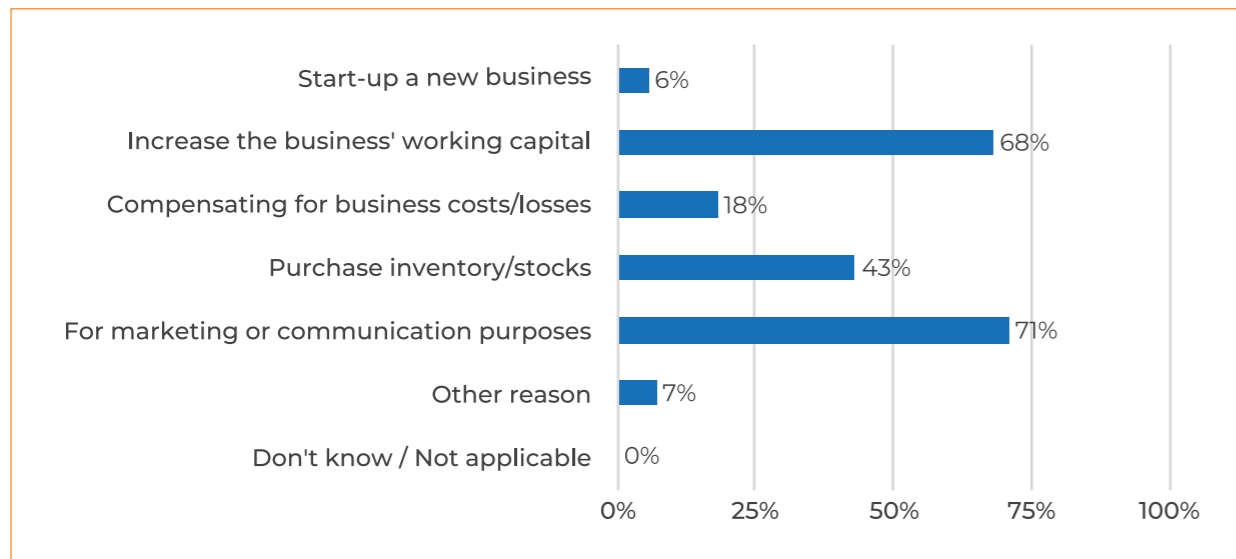
The lack of liquidity has posed unique challenges to businesses, which rely on the import of goods for their production or services. In 2017, the MSME Finance Gap estimated that the financial gap of MSMEs in Lebanon was approximately USD 8.85 million.⁸⁰ More recently, the credit crunch that is partly due to the economic crisis, the COVID-19 pandemic, and the Beirut Port blast combined have hindered firms’ access to finance. The economic crisis has affected businesses of all sizes, especially with the banking system crisis, which is not providing any financial support to businesses, be they small, medium, or large.⁸¹ The GoL’s growing fiscal deficit and debt levels make it impossible to support businesses. International institutions and some local organisations are the main providers of support to SMEs.

Access to finance remains the biggest need for women entrepreneurs in a context of credit crunch and higher financing needs. The survey results show that 92 percent of respondents will need financing in the coming year, and only 4 percent reported accessing business loans in the past year. Of those who need financing in 2021-2022, all the respondents from the agri-food, design, fashion/jewellery/cosmetics, and services sectors reported that they would need financing in 2021, compared to 89 percent in the food and beverage sector, 80 percent in the manufacturing sector, and a surprisingly low 57 percent in the tourism sector. The financing needs are high across the board regardless of firm size.

A study by the Lebanese Microfinance Association showed that the majority of borrowers who could not repay their loans and fell into poverty (54 percent) were women, and 45 percent of women borrowers who were active in the labour market became inactive after one year.⁸² According to the survey interviews, some women entrepreneurs in Lebanon may need support to be motivated to apply for loans. This is why measures such as subsidising interest rates, offering grace periods, and supporting lower operation costs or, accessing in-kind support may be helpful.

Lacking clear information from banks or other financial institutions on financial products and conditions is an additional difficulty for MSMEs to access finance. There is some indication through our survey sample that more businesses where the owner is the sole employee require financing (85 percent) than businesses with ten or fewer employees (73 percent). This may suggest that start-ups at the initial stages prior to hiring may have greater financial needs than more established microenterprises. This is consistent with findings from some incubators that the bulk of financing is aimed at established businesses rather than start-ups or pre-start-ups. The main reasons for needing financing were marketing or communication (71 percent), increasing the business' working capital (68 percent), purchasing inventory (43 percent), compensating business costs or losses (18 percent), other (7 percent), and starting a new business (6 percent). 91 percent of survey respondents would be willing to apply for a business grant through a competitive process. Fewer microenterprises (90 percent) report they would apply through a competitive process, compared to 92 percent of small enterprises and 100 percent of medium/large enterprises.

Figure 7 - What Would the Firms Spend their Money on?



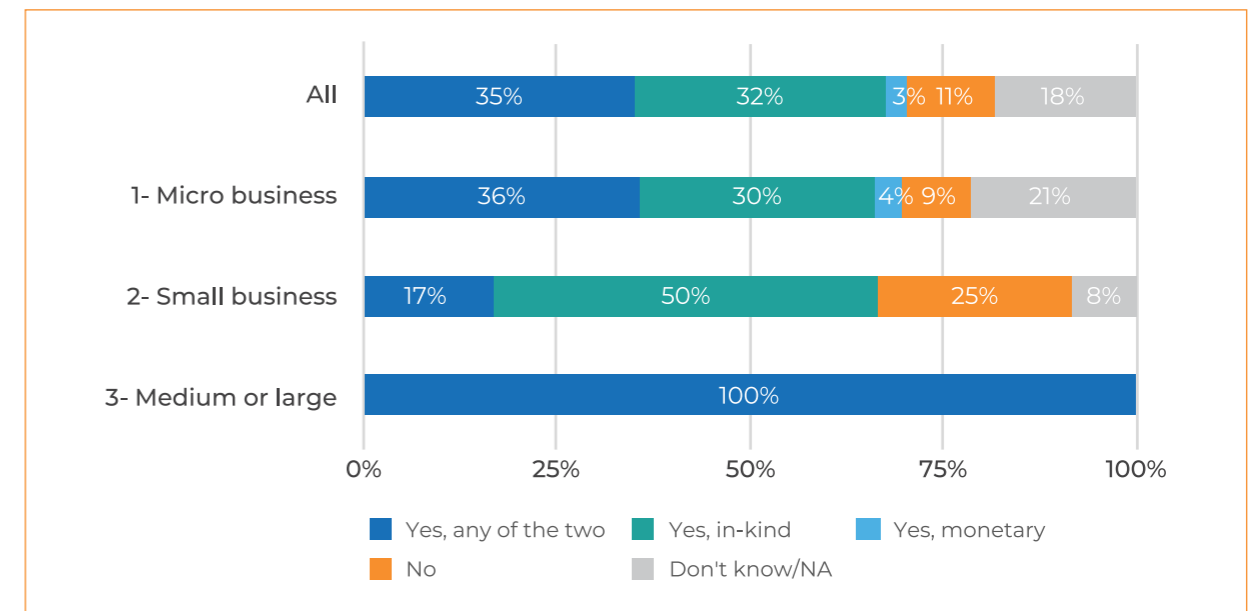
I would apply for the grant because supporting my fine jewellery shop means supporting all the skilled artisans that are behind all the work and need to be supported. 20,000 – 30, 000 USD can cover the renovation / reconstruction fees and finances my production.

Woman Entrepreneur -Jewellery Sector- Beirut

82 CGAP, 2020. Impact of economic and covid-19 crises on microcredit borrowers final report.

Firms need financial resources to keep their businesses going and scaling up. The majority (70 percent) would be able to provide a small match, either in kind, monetary, or both (see Figure 8). Grant funding would most likely be used to expand to other markets or sectors, possibly by offering new products or services (66 percent), to invest in new materials (55 percent), to expand to new locations (51 percent), to invest in new offices/shops (14 percent), to close debts (8 percent), or to repay a loan (1 percent). The average grant size requested by microenterprises was approximately USD 41,000, compared to approximately USD 71,000 by small enterprises and USD 300,000 by medium or large enterprises. (See Sub-Appendix A.2). The purchase of goods is also challenging for firms as it is being affected by the access to finance issues, mainly the impossibility of accessing their funds in banks, as well as the currency fluctuations. This explains why several interviewees will use financing to buy inputs. (See Sub-appendix A.3).

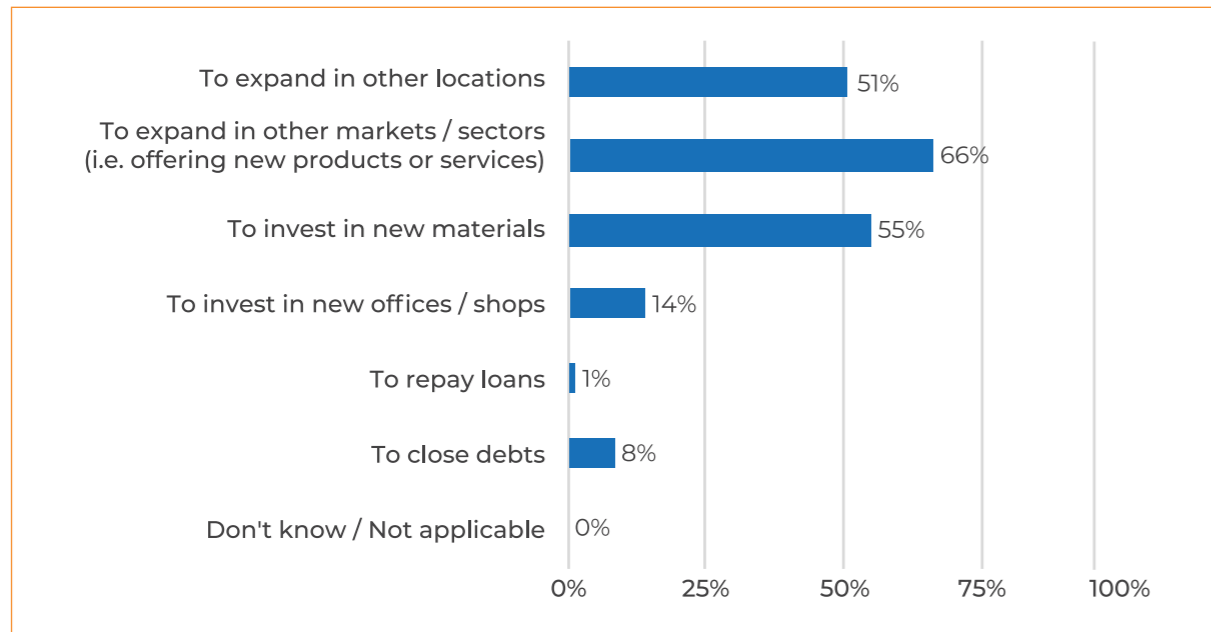
Figure 8 - Respondents' Willingness to Provide In-kind or Monetary Matches to Grants (by business size)



Firm owners or managers tend to look for financial support outside the normal banking system. Survey results demonstrated that the overwhelming majority (87 percent) of women entrepreneurs in our sample did not use formal financing services over the past year, while 8 percent received financial support from local or international NGOs and donors, 4 percent from commercial banks, and the rest from MFIs and/or other sources. Of the minimal number of women entrepreneurs who sought alternate financing (10 percent of the overall sample) in the past year, 5 percent used their own funds, 5 percent used money from family and friends, and 3 percent used angel funding.

It is equally important to consider the non-financial support needs of women entrepreneurs. Survey respondents identified several areas where they could use support. As discussed earlier, 58 percent are in need of digitalisation support, 29 percent need support with human resources, 22 percent in other skill-based training, 18 percent need legal support, 10 percent would like mentoring, 4 percent rehabilitation and reconstruction support, and 4 percent need other support.

Figure 9 - Potential Use of Grant Money by Survey Respondents



What are the Main Skills Businesses Need?

“The Lebanese Market was one of our strongest selling platforms and we have been going through a very difficult time finding clients willing to buy, which is understandable. Expanding to the international market is our best option and has been our only source of small income.”

Woman Entrepreneur - Jewellery sector - Beirut

Women entrepreneurs consider the use of digital platforms and digital marketing one of the main areas for improvement. Approximately 58 percent of women entrepreneurs reported the need for digitalisation support, and 87 percent stated that they would consider investing in new technologies and digital tools like mobile apps and e-commerce platforms for their business to facilitate their work and better reach existing markets or expand into new ones. In order to reach local markets, 97 percent are relying on social media, 78 percent rely on word of mouth, 49 percent rely on online platforms, 12 percent use marketing agencies, 4 percent rely on sponsorship, and 1 percent rely on other business support.

Box 8 - Digitalisation as Part of the Solution

While COVID-19 has wreaked havoc across the globe, it has also presented some businesses with opportunities for technological growth, while highlighting inequities in access to digital technologies. The COVID-19 lockdowns have triggered a faster transition towards the digitalisation of businesses. However, women's access to digital technology is more limited than men's, due to fewer digital skills, so they are less present on digital platforms and frequently own fewer devices, according to global studies.

Digital transformation can help Lebanese businesses, accelerate growth, facilitate job creation, and increase productivity. Of all survey respondents, 68 percent need support with IT equipment and services, 49 percent require digital equipment, and 18 percent need capacity-building support on using digital tools.

Firms need support to understand foreign markets and to internationalise and grow. When it comes to accessing international markets, some key informants⁸³ stated that bigger and more established companies are successfully expanding but micro and small companies have problems marketing and exporting their products and services. This is normal since smaller companies tend to close before the three-five years of operations. The type of sector the company is in plays a role in this. The survey shows that women entrepreneurs lack of available support to expand their markets and need financial support (e.g. trade finance) and technical support (specific and tailored trainings). For example, women entrepreneurs require financing to improve digitalisation, access e-commerce platforms, as well as technical support to improve digital marketing strategies. Much of this need is attributed to COVID-19 pandemic restrictions and companies being forced to market their services and goods online and engage in social media and other online platforms. Understanding certification and quality requirements, as well as the capacity to strategize around segments with potential, could also help them.

Digitalisation and the use of digital platforms help businesses reach a wider audience around the world, yet women need real networks to facilitate wider reach locally and internationally in order to export their services and goods and get fresh dollars to help them maintain their businesses.



Flukka, Claudia Chahine

“At this point we mainly need technical, financial and legal support on how to carry out an e-store with minimum transaction fees and expenses. And obviously seed money eventually to be able to secure bigger production that can retail at a more competitive price that we are able to offer now and which is a main factor for clients when shopping online. We also need seed money to produce proper content for the e-store and design marketing strategies that we can actually afford to drive online shoppers to our e-store as a shopping destination in the vast and very competitive shopping websphere.”

Woman Entrepreneur- Fashion Sector - Beirut

Women entrepreneurs need support in digital marketing for existing and new products and services, branding, and use of online platforms. Entrepreneurs require support related to understanding marketing strategies, especially digital marketing strategies for example involving social media strategies, email marketing, and Search Engine Optimisation (SEO) techniques. The need to access wider markets has been flagged widely by entrepreneurs, which creates a need to cover basic skills for them to learn how to use digital marketing tools like Google Analytics, Facebook, Instagram and LinkedIn Marketing. This would enable women entrepreneurs to develop e-marketing plans that would target the relevant market and engage and attract the right audiences.

“Trainings are not being as useful. I looked at the available trainings and did not find them very useful. I prefer to learn from the experiences of successful profiles rather than listen to theories. I prefer to learn from high profiles.”

Woman Entrepreneur- Fashion Sector - Beirut

Current country regulations of online payment make operating on online platforms difficult.

It is noteworthy that 90 percent of surveyed businesses currently receive their payments from customers in person or in cash, and merely 26 percent have online payment system platforms. Many entrepreneurs perceive the inability to shift to cashless operations to be holding them back, especially smaller enterprises such as grocery stores, agri-food businesses, and artisanal work. Similarly, many entrepreneurs feel they are left behind in the absence of digitalisation, particularly as online platforms grow amid the COVID-19 pandemic. The capacity to engage with e-commerce platforms has the potential to open access to new markets, although currency fluctuations make this a challenge for those hoping to engage internationally.



Financial management is another area that women entrepreneurs need to develop. KIIs indicated that financial literacy levels may vary significantly, and women entrepreneurs in these areas may need support with rule-of thumb or heuristics trainings, basic bookkeeping, and accounting. Most women do not have a financial management system in place and their level of involvement in financial issues is often low. In these cases of training non-finance managers in finance, it is essential to provide women entrepreneurs with an overview of accounting, budgeting, financial reporting, and key performance indicators of their businesses.

Women entrepreneurs need soft skills and business development skills. Needs include basic business development skills such as conducting research and market studies, as well as HR management, talent acquisition, and retention, which are critical in any context but especially noteworthy in the context of Lebanon where “brain drain” is seen as a limiting factor to talent retention in the entrepreneurial ecosystem.⁸⁴

Box 9 - Attracting Talent and Brain Drain

29 percent of surveyed women flagged human resources as an area where they require support. The survey shows that if firms were to obtain additional financing this would be allocated to pay salaries. However, human resources needs are related to the difficulties in hiring staff with the required skills. They need to better identify these skills but also to find them in the market. Hiring skilled staff has become more complicated with the crisis as more and more Lebanese are looking for opportunities abroad. This situation, aggravated by the crisis, is not new. Lebanon experiences significant brain drain that affects higher skilled people as migration dynamics show. With the devaluation of the LBP, salaries paid in LBP are no longer sufficiently attractive for talented Lebanese job seekers. Therefore, finding ways to attract, retain, and motivate these talents is an area where many women entrepreneurs would benefit from receiving support packages. However, the overall political, economic, and business environment, the lack of a well-functioning administration, and the infrastructure deficit impact the willingness of highly competent individuals to stay. It also affects foreign direct investment both in volume and quality.

An IMF report citing a 2014 survey mentioned that 52 percent of the surveyed firms identified challenges in talent retention and 75 percent identified brain drain as one of the main challenges: “even if entrepreneurs perceive human capital as available in the country, finding skilled and experienced workers remained a challenge for most of them.” In fact, this is one important reason that made the Central Bank of Lebanon come up with Circular 331 in 2013 to help tech start-ups and to promote investments in the knowledge economy.

The Kalafat program had a specific scheme (Circular 331) to make equity-financing available to entrepreneurs. This scheme included a guarantee of 75 percent on any investment to commercial banks to lend in start-up companies or in venture capital funds investing willing to allocate financing. However, in 2016, the total investment in start-ups was only USD 10m while the potential was much higher as commercial banks could invest up to 4 percent of their tier 1 capital which, if all banks had done, could have raised the investment to USD 450m.

⁸⁴ Building Markets. 2016. Market Overview, Small & Medium Enterprises in Beirut & Mount Lebanon. 2016. Report commissioned by the International Rescue Committee (IRC).

Many women entrepreneurs require support to build their leadership and “soft” skills in order to confidently run their business, which was reflected in both KIIs and surveys. The survey found that 41 percent of respondents identify the lack of confidence as a concern for women entrepreneurs in their area, which affects women’s ability to lead their business.

A number of KIIs emphasized communication and crisis management skills. Crisis management skills may better equip women entrepreneurs to confidently adapt their businesses in times of crisis and may teach them negotiation skills which could, for example, help them negotiate rates with suppliers. A social empowerment component may also support women on a personal level to adapt to and manage changes they face that affect their ability to engage in economic activity. KIIs recommended the use of targeted mentoring, peer-to-peer coaching, and one-on-one management support, rather than generic trainings. Other soft skills related to self-help, peer support, and mental health were suggested for further investigation.

“As the Lebanese education system does not focus enough on management and entrepreneurship, and women are often less exposed than men to business management, especially in rural areas, the knowledge about how to manage a business is not widespread enough among women and they need therefore to be trained and learn about how to become an entrepreneur.”

Former Minister - Beirut

KIIs highlighted how technical needs for women entrepreneurs depend greatly on the size and phase of the company.⁸⁵ The smaller the company the bigger the needs, especially in relation to launching and managing a business during a crisis.



Mišca Spreads, Christelle Abou Youness

⁸⁵ Berytech, USAID, WLC, among others.

Business Environment

The business environment has worsened, impacting competitiveness of firms. Lebanon’s inadequate infrastructure is in dire need of capital. Transforming the electricity sector is of central concern, but there are also deficits in other basic services including water supply, sanitation, transport, waste management, and telecommunications. The lack of efficient services is felt across sectors and the explosion of the port and costly reconstruction of this key infrastructure is also affecting businesses. In April 2019, the GoL adopted a reform roadmap that entails higher tariffs, investment in renewables, increasing the efficiency of distribution networks, and the reform of Electricité du Liban and State-owned enterprises (SOE.) For this reason, the GoL launched the Capital Investment Plan (CIP) in 2018, with estimated financing needs to upgrade the country’s infrastructure. Political instability explains the lack of progress despite the commitments of many donors to the ambitious reform plan the government approved in 2018 at the CEDRE Conference.⁸⁶

Bureaucracy, inefficiency, red tape, costly regulatory and setup processes, and restrictive taxation policies place smaller enterprises at a disadvantage compared to larger, more established competitors. 24 percent of this study’s survey sample were women in the process of registering their companies, many of whom were struggling due to the lengthy, complex, inefficient, and costly processes which are made even worse by the banking system not opening new accounts for companies. Surveyed women entrepreneurs requested that legal support and guidance on registration processes and legal and administrative matters be made available to them.

Interviews with women entrepreneurs reveal a loss of trust in institutions and failures in the social contract. Some women questioned why they would pay taxes for an inefficient government they perceive as having done very little to meet their basic needs. As evidenced by the following quote, some women flagged issues related to lack of monitoring or controls on invoicing, and suggested that if not controlled, these practices will place an unequal burden on small companies who are already striving to survive. Unfortunately, the GoL does not have a taxation system with an efficient fiscal incentive system to help MSMEs.⁸⁷

“Our suppliers are invoicing us in USD and are declaring their taxes on the official rate”

Woman Entrepreneur - Food & Beverage Sector

“As Fine Jewellery brand in Lebanon, we find it hard to ship out locally produced products and it is costly. In case of any return/exchange, shipment companies make it hard on us by considering the order as brand new one, therefore we pay the fees twice. There is little support from the government to small businesses in exporting, and accessing foreign markets.”

Woman Entrepreneur - Jewelry Sector - Beirut

⁸⁶ The CEDRE Conference was a part of three conferences after Rome and Brussels scheduled as part of the meetings of the International Support Group for Lebanon. The resignation of Prime Minister Saad Hariri provoked a situation of uncertainty that needed to be averted. One of the objectives was to raise investments for a Capital Investment Fund (CIP) to modernize the country’s weak infrastructure and scale up public-private partnerships. The pledges from donors reached USD 11 billion. The balance, a few years down the road, is negative, as many of the reforms (e.g electricity reform, accountability and anticorruption measures) linked to the financial package were not implemented and donor funding remained unlocked.

⁸⁷ Former Minister

MSMEs consider the tax burden excessively high. The GoL has developed some tax incentives and exemptions for specific sectors/geographies yet their adoption and implementation is low.⁸⁸ No progress has been made in reducing import and export tax on raw materials for MSMEs, or on looking into certain tax exemptions. The only progress that was made was extending the tax payment periods.⁸⁹

“ We demand a decrease in exportation fees for small enterprises in legal terms and conditions ”

Woman Entrepreneur- Fashion Sector- Tyre

Women and Economic Participation: Values, Perceptions, and Risk-Taking Attitudes

According to the interviews, women entrepreneurs in Lebanon face a range of gender-related barriers at the individual, household, community, and national levels that impact their access to equal opportunities and the outcomes of their activity. At the individual level, some barriers relate to decision-making, risk adversity, and views on jobs. At the household level, barriers exist due to women’s family obligations and weak or lacking family support. Gendered social norms shape community level barriers. Lastly, existing legislation and lack of enforcement pose national-level barriers.

Gender roles at home, social norms, and social constructs, in addition to the COVID-19 crisis, have added pressure to women entrepreneurs as they have to devote more time to domestic and care activities. The majority of men in Lebanon (57 percent) think they should have access to jobs before women when opportunities are rare, and 31 percent of women share this sentiment, according to a 2017 national survey.⁹⁰ Widespread social norms, as discussed above, suggest that women are the primary caregivers and hold responsibility for the home and bringing up children. Such norms force many women to withdraw from the labour force when they have children.

A large percentage of the surveyed women are unmarried (41 percent of the surveyed women were single and 8 percent divorced). Almost two-thirds of women entrepreneurs face pressures to fulfill family obligations (72 percent of married women reported this concern), and around two-thirds are concerned about supporting children with online schooling (56 percent of married women), which is not surprising given dominant social norms around gender roles and limited access to childcare (a reported concern of 47 percent of married women). Women’s confidence in their ability to lead a business is also a barrier (reported by 41 percent of respondents); while KIs pointed to risk aversion among women entrepreneurs as an additional constraint to growth.

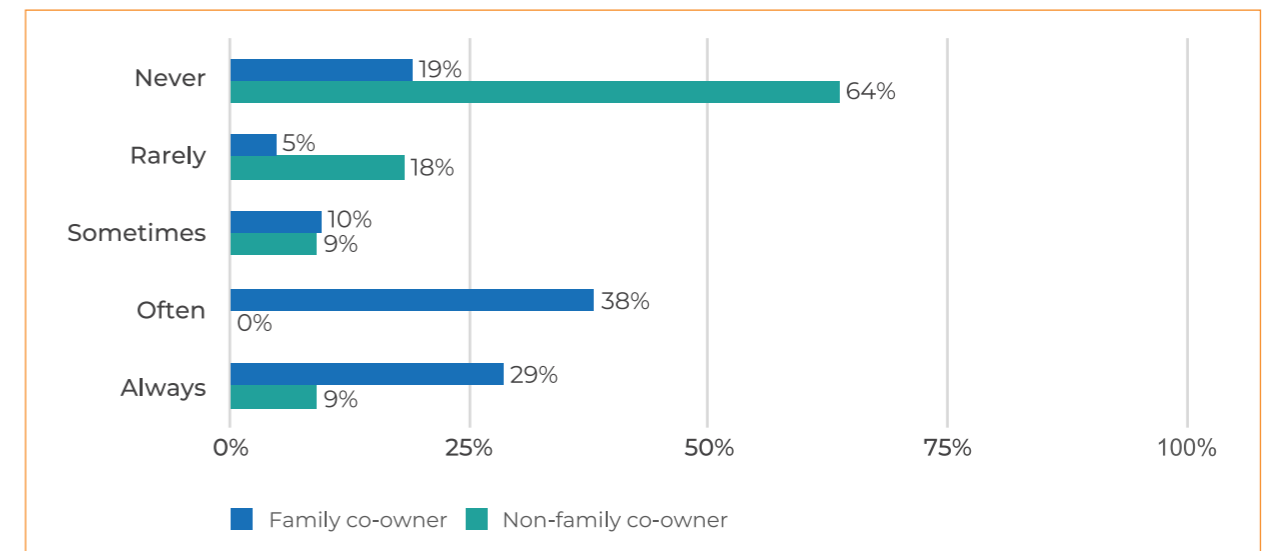
⁸⁸ Ibid n.68.

⁸⁹ Discussions with MOET, NCLW, among others.

⁹⁰ Understanding Masculinities: International Men and Gender Equality Survey, Images Mena Lebanon Country Report, 2017

The ability of women entrepreneurs to make independent decisions free from interference of male relatives is influenced by the type of business ownership. Women entrepreneurs who lead family businesses report regular involvement of male relatives in making decisions (only 19 percent of women in businesses with family co-owners reported that male relatives were never involved or were only rarely involved in decision-making). In contrast, most women entrepreneurs with business partners from outside the family (64 percent) said that male relatives never interfered in decision-making in the company and 18 percent said their male relatives rarely interfered. Greater support in financial literacy, business-related skills, building networks and soft skills, could help empower women to be more independent in making decisions for their businesses.

Figure 10 - Frequency of Male Relatives Involved in Business Decision-Making



Farah Design, Farah Chaaban

Women's general adversity to risk is a barrier to the growth of women-led businesses, according to key informants. This is probably due to social norms and values, which encourage women to secure a job rather than start a business, as the latter is seen as riskier.⁹¹ Social norms shape how women perceive themselves and their capacities, goals, and aspirations and both, women and men, internalize gender-biased norms. This can show variations within the same country context based on level of urbanization, cultural/religious beliefs, socio economic status and other factors. This is compounded by the lack of confidence many women feel in running their business, as well as the stigma they report facing when it comes to business failure. As a 32-year-old woman in the ICT sector in Beirut explains, *“There are negative connotations related to the inability to take the risks which also come from lack of education but even in educated families like mine it was scary to tell my parents that I want to become an entrepreneur, this word sometimes means you are unemployed.”*

Women entrepreneurs demonstrate strong beliefs in women's and men's equal right to work, according to survey results. Only 9 percent of the sampled women agreed that men should have access to jobs before women, three times less than the findings of a 2017 national survey.⁹² This result reaffirms assumptions that women entrepreneurs are more aware of the need for equal access to the job market, though it should be noted that the sample of women entrepreneurs involved predominantly younger women and equal numbers of struggling and thriving businesses. 99 percent of the sample agreed that they would fully support their daughters if they wanted to start a business, indicating the potential multiplier effect of women entrepreneur support on creating a positive social environment.

Women entrepreneurs tend to employ women. As seen above, women are more likely to employ other women, and the women entrepreneurs surveyed for this report employed on average three other women. The literature also shows that having women in leadership positions is positively correlated to hiring more women and/or having a greater number of women at the associate level (in larger companies). This is a relevant finding that can also be looked at from a sector level. A Boxed In study conducted in 2018-2019 by the Center for the Study of Women and Television and Film found that television shows with at least one female creator are more likely to hire other women. Part of the reason is that past discrimination experiences made them more aware of diversity and inclusion issues.⁹³ There is not comprehensive research about patterns in the MENA region, but the respondents seem to point in that direction as well.

Family Obligations and Family Support

In Lebanon, women carry the responsibility of housework and taking care of children and/or the elderly. A 2016 study by UN Women concluded that women in Lebanon spend on average 60 hours per week working on unpaid domestic work and childcare, the equivalent of one and a half full-time jobs.⁹⁴ The survey shows how women entrepreneurs are concerned about pressures to fulfill family obligations such as childcare. Of the 64 percent of respondents who reported this as a concern, the percentage is higher among married women (72 percent), and more prevalent in Tyre (70 percent) compared to Mount Lebanon (65 percent) and Beirut (62 percent). Although less frequently than married women, single women also report family obligations as a concern (59 percent).

⁹¹ KII with key stakeholders and women entrepreneurs.

⁹² Lebanon report IMAGES_Leb_Report_Final_Web_Dec13.pdf (imagesmena.org)

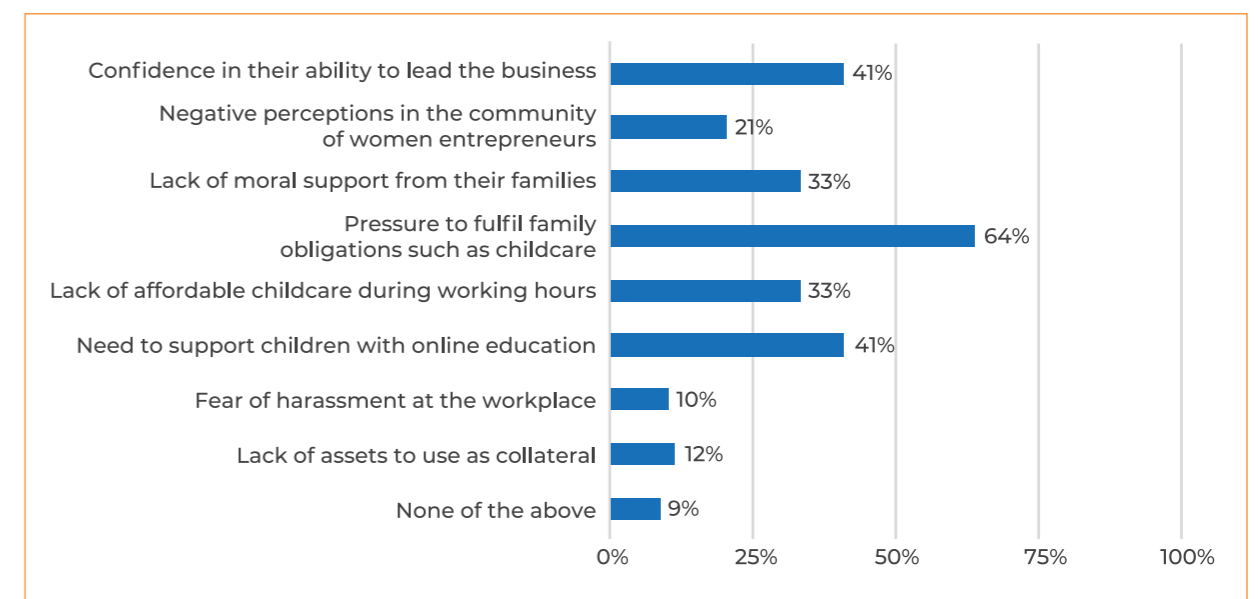
⁹³ Lauzen, Martha M. 2020. Boxed in 2019-2020: Women On Screen and Behind the Scenes in Television. Center for the Study of Women in Film and Television. San Diego, US. The study is quoted in: <https://www.hrtechnologist.com/articles/diversity/how-do-female-leaders-hire-trends-challenges/>

⁹⁴ UN Woman, 2016. Supporting Women's Empowerment and Gender Equality in Fragile States, Lebanon research Brief.

The pandemic has put additional pressures on women by increasing their workload at home and driving stress levels up.⁹⁵ As a direct consequence of the pandemic and the lockdowns, 41 percent of surveyed women were concerned about supporting their children with online education due to schools shifting to home-based online classes. More than half of the married women (56 percent) point to this as an impediment to continuing their economic activity, which is likely to remain a stressor for women in the upcoming months until face-to-face schooling resumes.

Close to half of married women (47 percent) report that lack of affordable childcare is a concern for women entrepreneurs. The concern is most prevalent in Beirut, where distances and access to family support are generally more challenging than in smaller cities and towns. Outside of domestic paid care provided by foreign domestic workers, little support is currently available to respond to women's needs to alleviate some of the burdens of family care. As noted by an interviewee: “the care economy should be looked at seriously because it decreases the burden on women, especially after the decrease of international domestic workers in Lebanon.”⁹⁶ Another contributing factor to existing burdens is the predominant social norms that dictate women should hold domestic responsibilities, including childcare, while men are traditionally seen as financial providers.⁹⁷

Figure 11 - Concerns for Surveyed Women Entrepreneurs



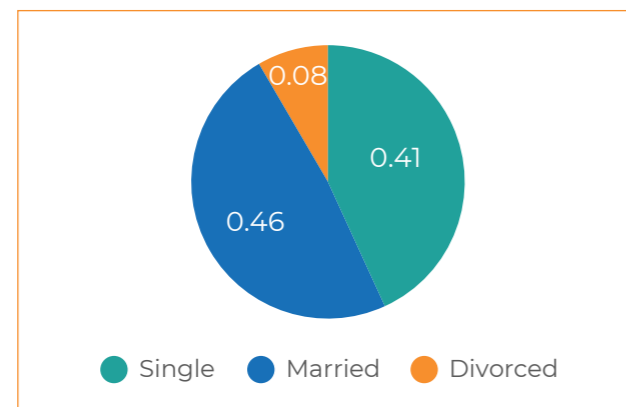
Lack of moral support from the family is also seen as a concern by a third of all surveyed women entrepreneurs (33 percent), and by more than half (55 percent) of women entrepreneurs whose businesses are not family owned. Divorced women most frequently (50 percent) point to the lack of moral support from the family as a barrier. While this can be attributed to the lack of support from a spouse, it deserves further research as it may also indicate a lack of support from the woman's parents and siblings. It also points to the larger need among divorced women for peer support to fill in a gap left by the absence of family assistance and encouragement.

⁹⁵ KII with a women rights NGO representative, March 2021.

⁹⁶ KII with a representative of UN agency, February 2021.

⁹⁷ See for example Unicef, 2020. Underneath the Surface: understanding the root causes of violence against women and children in Lebanon. New York, US. and UN Woman. 2017. Understanding Masculinities: Results from the international men and gender equality survey (IMAGES) in Lebanon. New York, US.

Figure 12 - Marital Status of Surveyed Women Entrepreneurs



Single and divorced women face more negative community perceptions. Approximately one third of single women and one third of divorced women expressed this perception, compared to only 3 percent of the married women in the sample. This barrier for single and divorced women can be attributed to social norms which give married women a higher status, and put pressure on unmarried women to fulfill what is widely understood as a primary social role. Similarly, our survey showed that single and divorced women are more concerned with harassment at the workplace than married women, highlighting vulnerability posed by their marital status.

Systemic Barriers at the National Level

Policies and laws need to respond to the challenges that women are facing at all levels to advance equality of opportunities. Laws secure a supporting environment for women, regulate working conditions, and fight discrimination embedded in society.⁹⁸ Unfortunately, in times of crisis, women's issues tend to become less of a priority, if not completely forgotten. The approval of the law on sexual harassment is a positive step although is too early to determine its impact. Other laws are pending action in this path towards reform.⁹⁹

At the national level, structural impediments to women entrepreneurs include challenges to accessing loans due to discriminatory banking practices and male-oriented requirements for collateral, as women are less likely to own property than men due to social pressures and traditions.¹⁰⁰ As discussed in the Financial Support section, most surveyed women entrepreneurs (87 percent) did not have access to loans in 2020. Lack of targeted support for economic sectors where women's businesses and employment are concentrated is specifically affecting women entrepreneurs in times of crisis.

⁹⁸ KII with MOET, NCLW

⁹⁹ Whatever happened to women's rights legislation? A long overdue update. L'Orient Today / By Abby Sewell, 16 November 2020

¹⁰⁰ See for example, Dailey, James, Strengthening Lebanon's Economy by Supporting Women's Entrepreneurs, April 2015, and Potential Opportunities for Women's Economic Empowerment in Akkar, ILO, 2017

¹⁰¹ UN Women. 2020. Addressing the Economic Fallout of Covid-19. New York US.

¹⁰² Beirut blast worsens financial, health conditions for Lebanese women, TRT World, September 16, 2020.

¹⁰³ UN Women, Addressing the Economic Fallout of Covid-19, 2020

Globally, women entrepreneurs have been affected by the COVID-19 measures as they are overrepresented in some of the most affected sectors such as retail, agriculture, textiles, and tourism.¹⁰¹ Furthermore, most employed women on a global scale are in the informal economy with little social protection. In Lebanon, the financial, care, and health pressures on women are further pushing activists to request a focus on gender in aid responses¹⁰² and supporting social protection for all working women, including women in the informal economy and domestic workers.¹⁰³

Despite clear gendered barriers for women entrepreneurs, too few programmes provide a holistic range of services for women entrepreneurs that include psychosocial support, childcare support, initiatives to challenge social norms and mobilise community support for women entrepreneurs, and advocacy for creating favourable a legal environment for female entrepreneurship. While several women's rights organisations work on the promotion of women's rights and advocate for legislative changes or enforcement of laws on issues such as equal pay for job of equal value or harassment in the workplace, these interventions may benefit from being better connected through networks of WOLBs which can serve as a source of support and guidance. One such pilot is planned by ACTED and ABAAD in the South, combining support to women-led SMEs and cooperatives with community interventions (e.g. a community café) aimed at shifting gender norms.

Women entrepreneurs also have insufficient access to peer support, learning from other women and opportunities to organise. In the face of community pressures or dwindling support from families, women entrepreneurs can benefit a lot from peer support networks, especially in rural areas where professional networking is more restricted. These networks can also bring business opportunities, as informal contacts play an important role in the Lebanese context. When developed, networks facilitate organising and advocacy for the interests of WL enterprises.



Ayadina Homemade, Nathalie Boueiri



Flukka, Claudia Chahine

Conclusion

Lebanon is facing a complex economic and social situation exacerbated by the political deadlock.

As of this writing, Lebanon has endured almost two years of political and economic instability, there is a need for the government to pursue the reform agenda and to foster good governance if it wants to receive the support it needs. The Lebanese currency has lost more than ninety percent of its value against the US dollar and Lebanon is experiencing shortages of basic goods. The economic downfall and the continued lack of stability have severely affected all people in Lebanon and halted or gravely impacted business activity. More than half of its population is currently living below the poverty line and the poverty rate is forty percent. The government has failed to pay Eurobonds debt and printing money has only increased inflation. Gas and fuel shortages, combined to power cuts that last for hours, have further slowed down economic activity.¹⁰⁴

This report offers an overview on the current challenges WOLBs face, including those resulting from the ongoing crisis, and explores ways of supporting women entrepreneurs and businesses in Lebanon.

While the business environment was already challenging prior to the economic crisis, the current banking and financial meltdowns makes it even more difficult for MSMEs to operate than before. MSMEs, which constitute most businesses in the country, have been hit hard by banking restrictions, pandemic-related business closures, currency depreciation, lack of access to USD, and the problems to access fuel and electricity. To avoid even further deterioration of the Lebanese economic activity and business fabric, it is important to provide support to the private sector, and to WOLBs as they struggle with economic but also social constraints to move forward.

Creating businesses is fundamental to overcome economic hardship and bring prosperity to families and communities.

Businesses that are owned or led by women face additional pressures due to gender-specific barriers, including disproportionate family responsibilities driven by social norms and expectations, increased pressures of family care resulting from the COVID-19 lockdown and distance learning, limited access to financial services, and challenges with digitalisation. Many of the challenges described throughout this report are not new, but are exacerbated by the current context. These challenges do not only affect WOLBs but also the entrepreneurial spirit which already faced both the constraints coming from social norms and self-perceptions regarding the capacity to succeed or the simple consideration of becoming entrepreneurs.

WOLBs in Lebanon require a combination of technical and financial support to thrive or to create new businesses.

Support can target their capacity to cope with the business environment (e.g. advocacy, networking, and collective action), firm-level support (e.g. digitalization, exports) and support at individual level (e.g. enhancing management skills, but also non-cognitive skills through networking and/or mentoring). The survey and desk-review offer an opportunity to reflect on the broader picture of what works and what does not in support of female entrepreneurs. They show how women-led MSMEs are in urgent need of support to keep their business running and scale up. The economic crisis is pushing more women into the informal sector and threatens smaller WOLBs, forced to lay off employees and close their doors.¹⁰⁵ The survey results capture the concerns of women entrepreneurs in a context where even access to informal financial support from family and friends is limited. Most of the firms interviewed need financial resources to cover from marketing and communication costs to purchasing inventory to keep the business running.

But the data also shows that WOLBs want resources to scale up their businesses indicating the ambition and the drive of these female entrepreneurs. Digitalization, as a broad concept, is a key priority for WOLBs. While COVID-19 has wreaked havoc across the globe, it has also presented some businesses with opportunities for technological growth, albeit while highlighting inequities in access to digital technologies.¹⁰⁶ Female entrepreneurs are aware of the importance of incorporating digital tools and processes, innovations that can bring access to more markets and scale up exports as well as increase the variety and quality of services.

Firms need support, both financial and technical, but also help with building networks and enhancing the advocacy capacity of women in businesses. Evidence shows that the combination of services has more impact on MSMEs as well as entrepreneurs.¹⁰⁷ Technical assistance components, from a capacity building standpoint, can include several activities. For example, strengthening the advocacy capacity is essential to improve the business environment women operate in and to address issues such as access to markets, finance, social perceptions, or other policies that impact private sector growth in general. Networks and networking skills are important and needed by WOLBs; they can be useful tools for women, but also for men operating in similar sectors or facing similar situations. Specific and tailored support through coaching and one-to-one mentoring can be extremely effective as it can provide women with more medium-term support, so that they do not feel alone, particularly if, as mentioned in the report, it is also important to operate in sectors with less of a female presence. Accessing networks has proven useful in several projects and can help female entrepreneurs grow their businesses. Networks can trigger change in firms and allow entrepreneurs to think strategically both about their business strategy and about their internal organization. They can facilitate a firm's integration in the local and international value chains by positioning it in the right node, but also by providing it with the right knowledge to step up the quality of services/production to international standards. WOLBs targeted by the survey show their understanding of what is needed to succeed as well as their knowledge of their limitations.

More resources and more targeted support can not only help WOLBs in this difficult context, but also make these businesses grow and contribute to Lebanon's recovery while providing great examples for other women. WOLBs can continue to work in more female-dominated sectors, but more successful businesses should enter other sectors traditionally male-dominated. Scaling up production, diversifying services, entering new markets, and improving operational efficiency are all inter-linked activities that can increase the competitiveness of these firms. Any program in support of WOLBs should focus on their specific needs and goals, avoid generalist trainings that may not be useful for already well-trained business-women, and provide more sustained access to one-to-one mentoring. Both cash and in-kind support can be useful, together with additional resources, to encourage women decision-making and help them acquire the skills to better understand what is needed for their strategy and where it can be obtained. Finally, programs should apply a gender-lens investment approach to advance women's economic empowerment both directly and indirectly.

¹⁰⁴ Quiblawi, Tamara. CNN. August 12, 2021. Electricity and Transport become 'luxury' items overnight accelerating Lebanon's economic tailspin. CNN. <https://edition.cnn.com/2021/08/12/middleeast/lebanon-fuel-subsidies-electricity-intl/index.html?fbclid=IwARI7ZOLxCha9NOyyDO1rSw9oFo3CE-T6W7MwqAeSRINuWqws3BFhUzDaaUc>

¹⁰⁵ UNNEWS: Lebanon 'fast spiralling out of control' leaving many destitute and facing starvation, warns Bachelet, 10 July 2020.

¹⁰⁶ Samir Saran, 2020. Technology: Digital Epiphany? Covid-19 and our Tech Futures", chapter in World Economic Forum, 2020. Challenges and Opportunities Post-Covid. Geneva, Switzerland.

¹⁰⁷ The World Bank, 2018. An Operational Guide to Women's Entrepreneurship Programs in the World Bank. Washington, DC: The World Bank.



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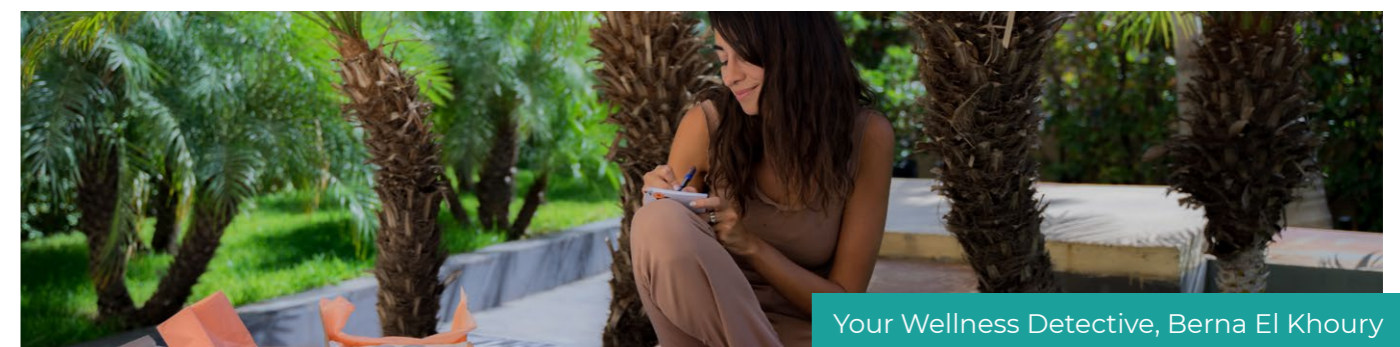
Annexe 1: Survey

Ayadina Homemade, Nathalie Boueiri

Annexe 1.1 - Questionnaire to WOLBs.

Women Owned-MSMEs (WOMSMEs)	Key Assessment Questions
Business Profile	<p>A. What is the name of your business? [Open]</p> <p>B. What is your role in the business? [Founder, Co-founder CEO, senior manager, other if owner what percentage do you own?]</p> <p>C. How long have you been in business? [3-0 years, 5-3 years, +5 years]</p> <p>D. Age [Open]</p> <p>E. Marital status [Single, Married, Divorced, Widow]</p> <p>F. Number of children [Open]</p> <p>G. What is the sector of your business? [F&B, Tourism, Retail, Fashion & Jewellery, Technology, Service, Agriculture, etc..]</p> <p>H. Business areas a. In which area/areas is the business activity located? [Beirut, Mount Lebanon, Tyre]</p> <p>I. b. Do you have activities in other areas in Lebanon? [Tripoli, Akkar, Baalbek-Hermel, Bekaa, Saida] [Rural, Urban]</p> <p>c. Do you have activities outside Lebanon? [Yes, No]</p> <p>J. Employees a. How many employees do you have in total? [0-9/ 10-40/ 41-100] b. How many women work in your business? [Open] c. How many of them are in leadership positions? [Open] d. For larger firms, how many women are on your board? [Open]</p> <p>K. Approximately how much is your annual revenue in LBP and in USD? [Open]</p>

Women Owned-MSMEs (WOMSMEs)	Key Assessment Questions
Business Profile	<p>L. What was the volume of your sales/revenue last year (2020) compared to the year before? [Much lower / Slightly lower / About the same / Slightly higher / Much higher]</p> <p>M. Level of input a. Do you think the volume of inputs/resources required for your business increased over the past year? [Decreased more than 25 percent / Decreased less than 25 percent / About the same / Increased by 5-15percent / Increased by 15-25percent]</p>
Access to Market	<p>1. What issues/difficulties are you facing as a business in the past 12 months? [Quality of goods/service, COVID-19 Restrictions, Lockdown measures, Hyper-inflation, Customers purchasing power, LBP currency fluctuations, market inactivity, Damaged place/Equipment, other]</p> <p>2. What are the platforms you are using to reach the local market? [Online platforms (i.e. Social media), Word of mouth? Marketing agencies, Sponsorship, Business Support Platforms, Women Business Support Platforms, Facebook marketplace, WhatsApp] b. Are you reaching external/international markets? [Yes/No]</p> <p>3. How does your business receive payments from their customers? [in person/cash, online payment service platforms, bank transfer, banker's cheque]</p> <p>4. What challenges do you face receiving payments? (Regulation restrictions, high transaction costs, do not know about payment service providers, etc)</p>
Value Chain	<p>5. Are you buying your business supplies locally or externally? [Local manufactures, local wholesalers, external manufactures, external whole salers, other]</p> <p>6. Have you faced challenges in procuring your goods over the past year? If yes, which? [Bank restrictions, Duty & Taxation, Market downturn, LBP fluctuations, other] [Likelihood: Very Often, Sometimes, Rarely]</p> <p>7. Have you ever received financing from your supplier or buyer in the form of credit?</p>



Your Wellness Detective, Berna El Khoury

Women Owned-MSMEs (WOMSMEs)	Key Assessment Questions
Formal and Informal Financial Services	8. Have you availed financial services from a formal financial services provider over the past year? [Government/Public Institutions, MFIs, Commercial Bank] [Other?] 9. What products? [Savings, loan, business loan, insurance, etc] 10. What were the terms and conditions 11. If you were not approved for a loan, do you know why? a. [Yes, reasons for refusal were explained to me / No, I don't know] b. Did you seek alternative financing mechanisms? [Yes / No] c. If Yes, what were they? [List of alternative financing mechanisms to be provided, i.e. from other businesses, family or friends, angel funding, own personal funds, etc.] 12. What are reasons you may need financing this year? [start up] [restarting business costs] [working capital] [purchase of inventory] [marketing purposes]
External Non-financial Services	13. Has your business received any external non-financial support (like business development training) over the past year? [Yes / No] a. If Yes, what was the support received? [Advisory, Awards, Business Training, Financial Education, Leadership training and skill-based trainings, Digitalisation, Health & Safety, Crisis Management, Legal Support, HR Support, Paying salaries, Stocks Buying, Equipment Other:] b. What was the frequency of the support received? [Once or twice / Few times a year / Few times a month / Ongoing-permanent support] c. If you received any support, was it useful? [Not useful / Slightly useful / Very useful] e. By who? [List of training providers to be provided, i.e. private organisations, government body, NGO, etc.] 14. What other training would you need to increase your profit/decrease your losses or expand your business? Other topics? [Open-for brief words]
Digital training and Support	15. How familiar are you with digital services (like online bookkeeping; digital and transfers; receiving training online)? [Not familiar at all, Not familiar, Familiar, Very Familiar] 16. If you are familiar, what are the digital tools or equipment that you use as part of your business activities? [POS, Laptops/tablets, smartphones, Internet modem/routers, Receivers, projects, other] 17. Have you ever received training on digital tools to support your business? [Yes / No] 18. If yes, from who? [List of training providers to be provided, i.e. private organisation, government, NGO, etc.]

Women Owned-MSMEs (WOMSMEs)(WOMSMEs)	Key Assessment Questions
Digital training and Support	19. If yes, was the training useful? [Not useful / Slightly useful / Very useful] 20. Would you consider applying new technologies and digitisation to your business at a cost but to improve business efficiency (like inventory management, process of payments or bills)? [Yes, No] 21. What support do you need when it comes to digitalisation? [Capacity building, digital equipment/material, IT services, other]
Constraints and opportunities	22. What support does your business need the most at the moment? [Financing, training, mentoring, human resources, legal, rehabilitation, other]
Gender-based barriers and needs	23. How often are women entrepreneurs in your region concerned with the following? [Confidence in their ability to lead the business, Negative perceptions in the community of women entrepreneurs, Lack of moral support from their families, Pressure to fulfill family obligations such as childcare, Lack of affordable childcare during working hours, Need to support children with online education, Fear of harassment at the workplace, Lack of assets to use as collateral, Other] [1: Never, 5: Always] 24. How often is your husband, father and/or male brothers involved in decisions related to the company/business? [Very often, often, rarely, never] 25. To what extent would you agree or disagree with the following statements? [1-Strongly disagree, 5-Strongly agree] [I sometimes feel ashamed in front of my family because of not having enough income] [When work opportunities are scarce, men should have access to jobs before women] [A woman should tolerate violence to keep the family together] [I would fully support my daughter if she wants to start a business]

Women Owned-MSMEs (WOMSMEs)	Key Assessment Questions
Grant	26. If a grant was available through a competitive process, would your business apply for it? [Yes / No] 27. Would you be able to provide an in-kind or monetary small match to a grant? [Y/N] [in-kind] [monetary] 28. If so, what would you use the grant money for? [List of options to be provided, i.e. to expand in other locations, to expand in other markets, to invest in new materials, in new offices/shops, pay loan, close debts, etc.] 29. What amount of grant funding would you need? [Open]
Miscellaneous and contact permission	30. What additional information would you like to share with us today? [Open] 31. Do you mind if we contact you again with any clarifying questions? [Yes / No]

Annexe 1.2 - KIIs with Stakeholders

Market Actors	Opportunities/Support
Government/ Public Institutions	<p>Definition of MSMEs/WLB/WOB</p> <ul style="list-style-type: none"> o How does your office define Women owned businesses? Women led businesses? Size of SMEs? Size of MSE? <p>Support Services</p> <ul style="list-style-type: none"> o What are services that your agency/office provide to women MSMEs? o Are there particular geographic areas that your office has prioritised to support women MSMEs? Why these certain geographies? <p>Opportunities</p> <ul style="list-style-type: none"> o What are the growth sectors you see? Sectors that you are seeing that involve women? Sectors you see where women are in leadership roles? o Given the current economic crisis (probe: domestic currency fluctuation and unemployment) , how is the government responding to those needs? o What are the future plans/projects that your office anticipates to support WL/WO businesses? o Question for IDAL and/or Kafalat: Do you offer collateral or equity to support women businesses? <p>Needs</p> <ul style="list-style-type: none"> o What do you see as the greatest needs for women entrepreneurs? Why? o What support services do you think are the most critical? Why? <p>Challenges and Constraints</p> <ul style="list-style-type: none"> o What are the specific challenges of WL/WO MSMEs support and how can they be mitigated? o What were the challenges the government faced in supporting WL/WO businesses? <p>Enabling environment/taxation</p> <ul style="list-style-type: none"> o Is the government considering reducing export and import taxes on raw materials for MSMEs? o Would the government consider reducing taxation for women who own businesses as an incentive for more women to enter into the entrepreneurship space? Or other incentives? o What do you see as the key reasons behind the low levels of women labour force participation and entrepreneurship? (Enumerator should be encouraged to probe around social norms, regulation, financing, etc) o Have the numbers of registered WO businesses changed in any way as a result of COVID19-? In what ways?



The Sage Parlour, Maysoon Sleiman

Market Actors	Opportunities/Support
<p>Commercial Banks</p>	<p>Support Services</p> <ul style="list-style-type: none"> o Does your bank currently offer services/financing for SMEs? o What are the terms and conditions of these products (including interest rates, grace period, specific sector loans etc)? o Are there products and services specifically for women owned or women led businesses? o Do you offer a grace period for repayment? Does this differ depending on sector of businesses? o What sort of collateral or co-signors are required for loans? o Can you share with us your process to evaluate loans for start-ups? For microenterprises? For SMEs <p>Support to Women</p> <ul style="list-style-type: none"> o What is approximately the size of women borrowers at your bank? Does your institution have plans to further grow this market within your portfolio? o How are women perceived as clients within your institution? o Have you noted any financial services that are preferred (more used) by WO-WL businesses? o Does your bank offer non-financial services to WL/WO Businesses? If yes, what are those services? If not, do you link to other providers? <p>Opportunities</p> <ul style="list-style-type: none"> o What sectors for MSMEs are you seeing as high growth? o How do you market your products and services to MSMEs? To women entrepreneurs? <p>Challenges/Constraints</p> <ul style="list-style-type: none"> o How has the blast and/or the COVID19- crisis impacted your operations to lending to MSMEs? What modifications to operations and lending have you made to compensate? o What impact has the growing economic crisis had on Bank priorities in relation to financing opportunities? <p>Miscellaneous</p> <ul style="list-style-type: none"> o What are the rates on loan repayment for Women Led Businesses? Women owned etc.. o What are the rates on loan repayment for Women Led Businesses? Women owned etc..

Market Actors	Opportunities/Support
<p>Microfinance Institutions</p>	<p>Services</p> <ul style="list-style-type: none"> o Can you share a bit about your MFI, what is your PAR? Outstanding loan portfolio? Number of borrowers? Deposit taking? Repayment rates? o What products and services does your institution offer to start-up? Microenterprises? SMEs? Are any of these services targeted to women owned/led businesses? o Can you share with us your process to evaluate loans for start-ups? For microenterprises? For SMEs? o What are the key factors determining the decision to advance credit? <p>Needs</p> <ul style="list-style-type: none"> o Based on your experience, what do you think the needs of women entrepreneurs are? What support services are needed the most? o What are the areas women entrepreneurs need technical support on? (leadership, financial education, etc..) <p>Challenges/Constraints</p> <ul style="list-style-type: none"> o What do you see as some of the biggest constraints for Women-owned businesses? Women- led businesses? o What are some of the biggest constraints to your MFI in providing credit to businesses? Start-ups? To women entrepreneurs? <p>Opportunities</p> <ul style="list-style-type: none"> o Where do you see the most opportunity for providing credit or investment for women MSMEs? o What are the sectors you see as the highest growth potential for small businesses? For women led/owned business? <p>Support to Women</p> <ul style="list-style-type: none"> o How does your MFI market their products and services to businesses? To women? o Approximately how many women borrowers do you have currently? Of this how many are women owned businesses? Women led businesses? How does your institution view women borrowers? o Can share what the terms and conditions are of products geared towards MSMEs? Women? (this should include, duration, grace period (if any), interest, collateral requirements, loan min/max etc) o What is the experience with repayment by women?

Market Actors	Opportunities/Support
<p>Donors, INGOs/ Local NGOs</p>	<p>Services</p> <ul style="list-style-type: none"> o What are the services that you offer to women MSMEs? How was this determined as a priority? (do you offer grants, trainings, and why?) o How do you engage with women? Women owned businesses. Women led businesses. Women in business organisations? <p>Need</p> <ul style="list-style-type: none"> o Where do you see the greatest need for support either in terms of financing, BDS or other for women MSMEs? Why? o Given the current economic crisis, how are international actors responding to women MSMEs needs? What else could they be doing with donor funds? o What tailored support is needed to encourage entrepreneurship for vulnerable groups of women such as GBV survivors or women with disabilities? o What do you see as skills that women owned/led businesses needed the most prior to the economic situation? <p>Donor specific question</p> <ul style="list-style-type: none"> o What are your definitions for WO/WL businesses? o As a donor, what are the criteria that you request to support women owned businesses? Do you have a certain capacity building plan to enable these women to start up a business? What are the skills that they need now? <p>Gender Barriers and Social Norms</p> <ul style="list-style-type: none"> o What are the specific gendered barriers WO/WL businesses face? How have these been affected by the economic crisis? o How has the economic collapse affected social norms and expectations of women? <p>Challenges and Constraints</p> <ul style="list-style-type: none"> o What do you see as some of the biggest constraints on women MSMEs? Women startups? Why? o What do you see as some of the biggest market barriers to women owned/led businesses? Why? What can INGOs do to respond? Lebanon govt? Donors? <p>Opportunities</p> <ul style="list-style-type: none"> o What opportunities do you see emerging for WO/WL businesses and women's economic empowerment more broadly? o Where do you see the biggest opportunity for business women geographically? Where is the most challenging geographically? Why? (Probe around gendered social norms, regulations, lack of education? Innovation?) o What are the sectors that show the most promise for women led/owned businesses? Why? o What macroeconomic policy environment for women working in order to help create an enabling, equitable, and protective environment for women to actively participate in the labour force? o What is requested to continue helping women led/owned MSMEs? What are your recommendations on the right way>

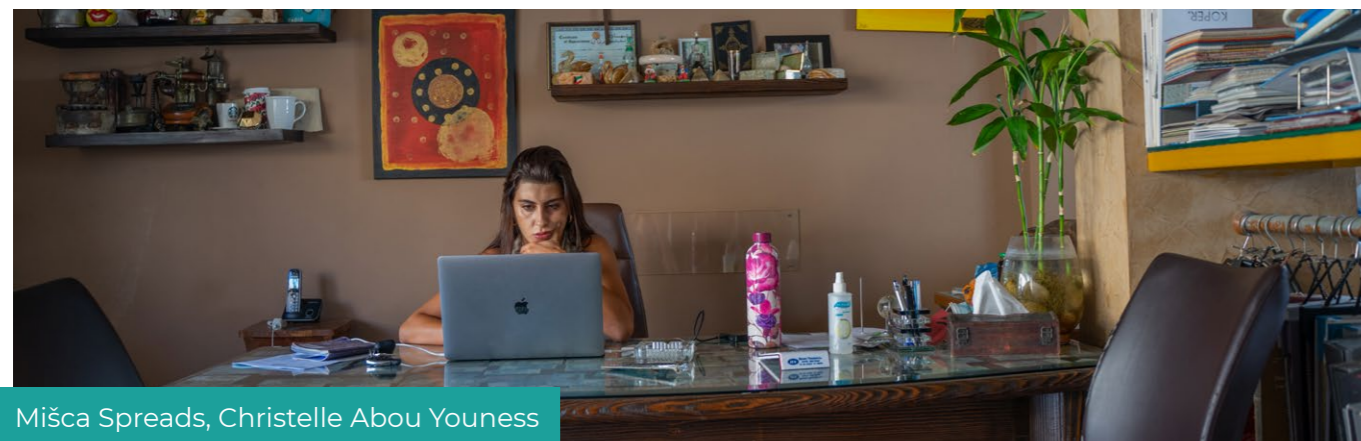
Market Actors	Opportunities/Support
<p>Incubators/ Business Development Support Providers</p>	<p>Services</p> <ul style="list-style-type: none"> o What are the services that you offer to women MSMEs? How was this determined as a priority? (grants? Training?) o If you offer training, what are the topics? Frequency of trainings? o Who does the training? o What other trainings are asked for by businesses? Start-ups? o How do you engage/reach with women? Women owned businesses? Women led businesses? o What are the results? <p>Needs</p> <ul style="list-style-type: none"> o Based on your experience, what do you think the needs of women entrepreneurs are? What support is needed the most? (probe around legal advice/ information, regulations, etc) o Based on your previous experience, what are the areas women entrepreneurs need technical support on? (leadership, financial and business management, business regulations etc..) o What were the skills that women entrepreneurs needed the most prior to the economic situation? o What are the skills that they need now? o Given the current economic crisis, how are international actors responding to women MSMEs needs? What else could they be doing with donor funds? o What tailored support is needed to encourage entrepreneurship for vulnerable groups of women such as GBV survivors or women with disabilities and other minorities? o What do you see as skills that women owned/led businesses needed the most prior to the economic situation? o What are the criteria that you request to support women owned businesses? Do you have a certain capacity building plan to enable these women to start up a business? What are the skills that they need now?



Kiddo Toys & More, Jana Ezzeddine

Market Actors	Opportunities/Support
Incubators/ Business Development Support Providers	<p>Opportunities</p> <ul style="list-style-type: none"> o What is the best modality of learning? (Reflect on duration of training, knowledge of attendees, and modality (blended, physical, online?)) o What opportunities do you see emerging for WO/WL businesses and women's economic empowerment more broadly? o Where do you see the biggest opportunity for women businesses geographically? Where is the most challenging geographically? Why? (Probe around gendered social norms, regulations, lack of education? Innovation?) o What are the sectors that show the most promise for women led/owned businesses? Why? o What macroeconomic policy environment for women working in order to help create an enabling, equitable, and protective environment for women to actively participate in the labour force? o What is the best modality of learning? (Reflect on duration of training, knowledge of attendees, and modality (blended, physical, online?)) o What is requested to continue helping women led/owned MSMEs? What are your recommendations on the right way? <p>Challenges/Constraints</p> <ul style="list-style-type: none"> o What do you see as some of the biggest constraints on women MSMEs? Women start-ups? Why? How can they be mitigated? o What do you see as some of the biggest market barriers to women owned/led businesses? Why? What can INGOs do to respond? Lebanon govt? Donors? Gender Barriers and Social Norms o What are the specific gendered barriers WO/WL businesses face? How have these been affected by the economic crisis? o How has the economic collapse affected social norms and expectations of women? <p>Miscellaneous</p> <ul style="list-style-type: none"> o Was the previous support effective? Did you conduct evaluation of those capacity building programs? What were the results?

Market Actors	Opportunities/Support
Women-led/ Women- Owned Businesses	<p>Participant profile information</p> <ul style="list-style-type: none"> - Name - Age - Background - Years of experience - Business Profile Information - Name of the business - Sector - Number of employees (age/sex) - Years in business <p>Needs and Gaps</p> <ul style="list-style-type: none"> o What are your greatest needs as women entrepreneurs? Why? o What support services are most needed for you as a women-led and /or women-owned business (categorised by some fields)? (Financial, capacity building, probe around legal advice/information, regulations, etc) Why? o What are the areas women entrepreneurs need technical support on? (Leadership, financial education, etc..) <p>Challenges and Constraints</p> <ul style="list-style-type: none"> o What do you see as some of the biggest constraints/challenges for Women owned/Women led businesses? Does it vary geographically? (Why?) (Probe around gendered social norms, regulations, lack of education? Innovation?) o What do you see as some of the biggest market barriers to women owned/led businesses? Why? What can INGOs do to respond? Lebanon govt? Donors? Other actors? <p>Access to Market</p> <ul style="list-style-type: none"> o What are the difficulties you are facing in selling/providing goods/services to the market as usual? o What innovative approaches have you considered to better serve your customers? <p>Value Chain Finance</p> <ul style="list-style-type: none"> o How do you buy your supplies/stocks? Are you facing any challenges in the procurement process? o Have you received any credit from suppliers or buyers? What were the terms and conditions?



Mišca Spreads, Christelle Abou Youness

Market Actors	Opportunities/Support
<p>Women-led/ Women- Owned Businesses</p>	<p>Formal and Informal Financial Services</p> <ul style="list-style-type: none"> o Do you know any public/ governmental, private institutions, donors and/ or non-governmental organisations who provide financial support to women-led and/or women-owned businesses? Who are they? What type of support are they providing? Do you think the support provided is effective? o What is useful and/or not useful about availing services through the financial service providers? o What financial services do you prefer for your business? Why? Have you noted any financial services that are preferred (more used) by other WO-WL businesses? <p>Non-Financial Services</p> <ul style="list-style-type: none"> o Do you know public, private, non-governmental institutions and non-governmental organisations who provide non-financial support to women-led and/or women-owned businesses? Did you receive any? If yes, how was it? Did it support you in your business? o What are the training needed to increase your profit/decrease your losses or expand your business? Other topics? o Would you like to receive any training on digital products and services for your business? Why or why not? o Would you like to receive any training online? <p>Support satisfaction</p> <ul style="list-style-type: none"> o How satisfactory do you think the donors and INGOs support women is? What else could they be doing with their funds and programmes? (The financial & nonfinancial) <p>Grant</p> <ul style="list-style-type: none"> o If a grant was available through a competitive process, would your business apply for it? Why? or why not? o How much would you need in a grant? For what business purposes? o If the grant was a matching grant, would your business be able to provide a match either in the form of a monetary match or in-kind? What percentage?

Annexe 2: Data Analysis Methods & Additional Tables and Charts from the Survey

Data Analysis Methods

The quantitative data collected during fieldwork was uploaded in real time from enumerator devices to the online platform KoBo, a virtual data collection platform. The raw dataset was then exported into Stata for cleaning and analysis. The data was reviewed for internal consistency and integrity (missing responses, data entry errors) and cleaned up. Variables were adjusted (e.g. string variables were transformed into numeric variables where relevant), recoded when necessary, and sometimes combined in new variables for the purpose of analysis. This included the generation of cross-tabulations for all close-ended variables of the survey against the three main regions and business sizes (micro, small, and medium/large). The resulting Stata input was exported into Excel where tables and charts were created.

Qualitative data analysis of the 29 KIIs was done based on interview transcripts, which were first reviewed, cleaned, and summarised based on the interview guide focusing on the key information provided without losing any important insights. The information was categorised and coded by thematic areas, labels, and tags. The categorisation and coding included the support services, definition of MSMEs/WLB/WOB, enabling environment, needs and gaps, challenges and constraints, as well as opportunities. The research team then focused on interpreting and drawing findings from the data, identifying similarities and differences across the mentioned themes, and differentiating between thematic areas including the context, gender, and market perspectives, to ensure an appropriate interpretation and rigorous analysis.



Little Melly, Jennifer Mansour



Mišca Spreads, Christelle Abou Youness

Figure 13 – Annual Business Revenues in LBP (vertically) by number of employees (horizontally)

Note: red lines and size categories are defined according to annual LBP revenues. Outliers for which the size category as per the number of employees only would be different, are shown in yellow circles.

_1_11_a_1A pproximate lyhow_LBP	_1_10_a How many employees do you have in total?				Total	
	1 to 10	11-40	41-100	No empl..		
2000000	0	0	0	1	1	
3.00e+07	1	0	0	0	1	
3.60e+07	0	0	0	1	1	
4.00e+07	1	0	0	0	1	
5.00e+07	1	0	0	0	1	Micro
7.50e+07	1	0	0	0	1	
8.10e+07	0	1	0	0	1	
1.33e+08	1	0	0	0	1	
1.35e+08	0	0	0	1	1	
1.50e+08	0	0	0	1	1	
1.60e+08	1	0	0	0	1	
1.70e+08	1	0	0	0	1	
1.98e+08	0	0	0	1	1	
3.60e+08	1	0	0	0	1	
4.50e+08	1	0	0	0	1	
5.40e+08	2	0	0	0	2	
7.20e+08	1	0	0	0	1	
9.00e+08	1	0	0	0	1	
1.00e+09	1	0	0	0	1	Small
1.30e+09	1	0	0	0	1	
2.25e+09	1	0	0	0	1	
3.60e+09	1	0	0	0	1	
7.20e+09	1	0	0	0	1	Medium
3.60e+10	0	0	1	0	1	

Appendix A. Zoom-in Survey Results

Sub-Appendix A.1. Needs per type of business and regions

Figure A.1.1 - Needs Prioritised by Women Entrepreneurs by Size

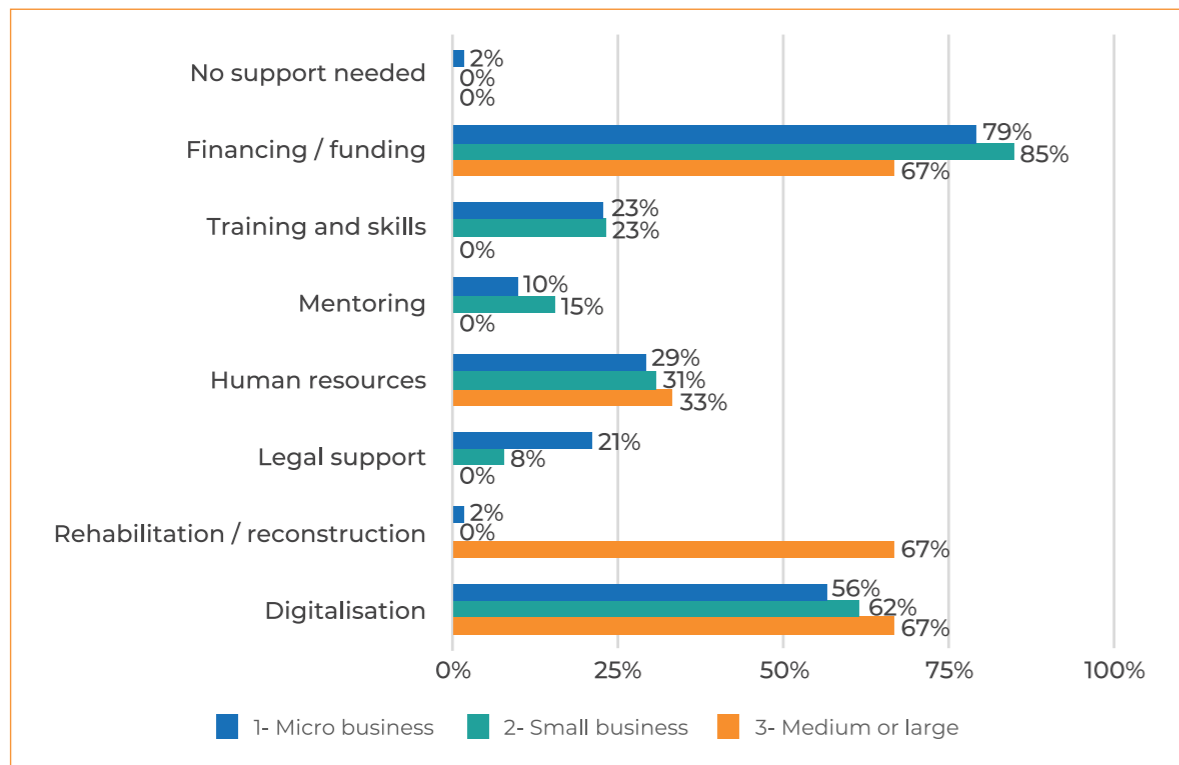
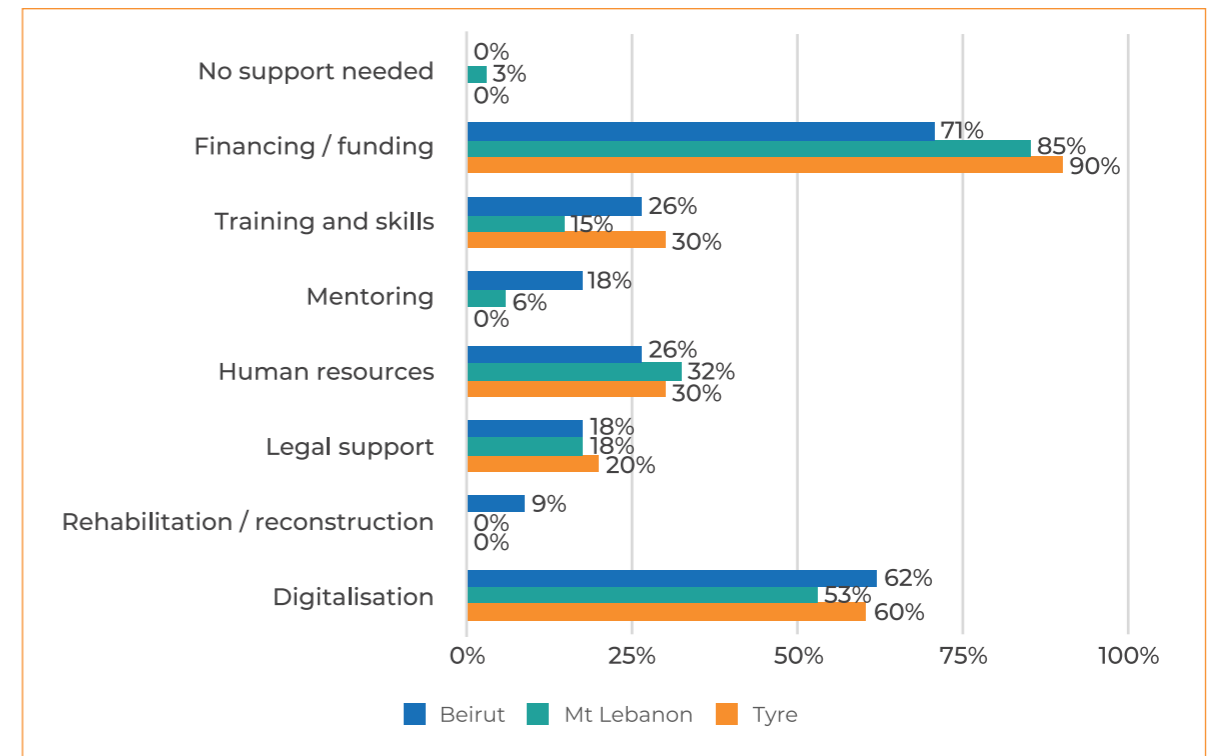
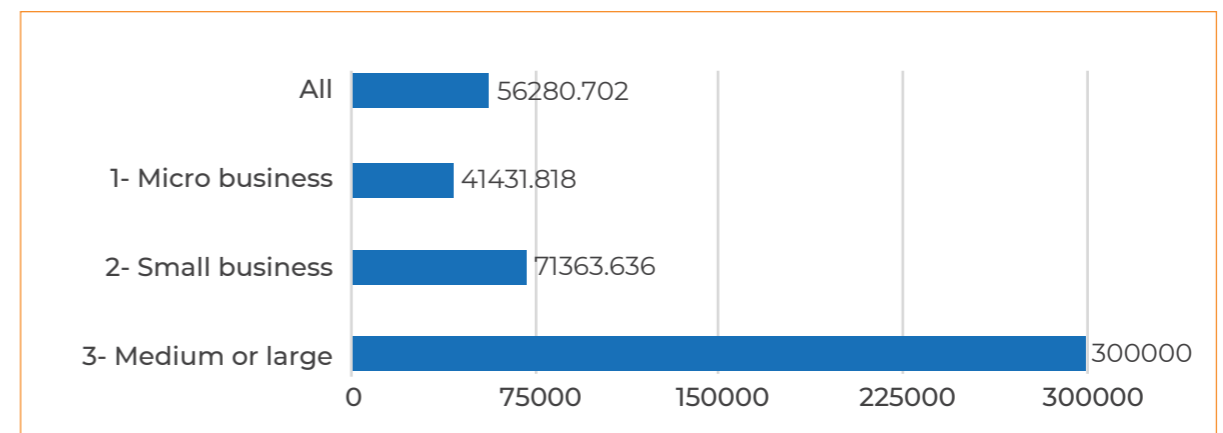


Figure A.1.2 - Needs Prioritised by Women Entrepreneurs by Region



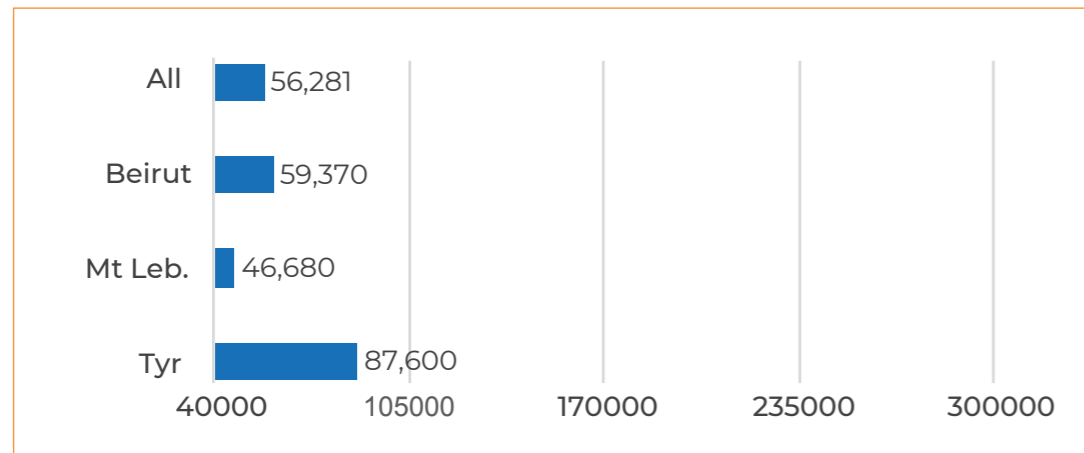
Sub-Appendix A.2. Estimated Funding needed by Firms' Size and Region.

Figure A.2.1 - Amount of Grant Funding Needed by Firms' Size

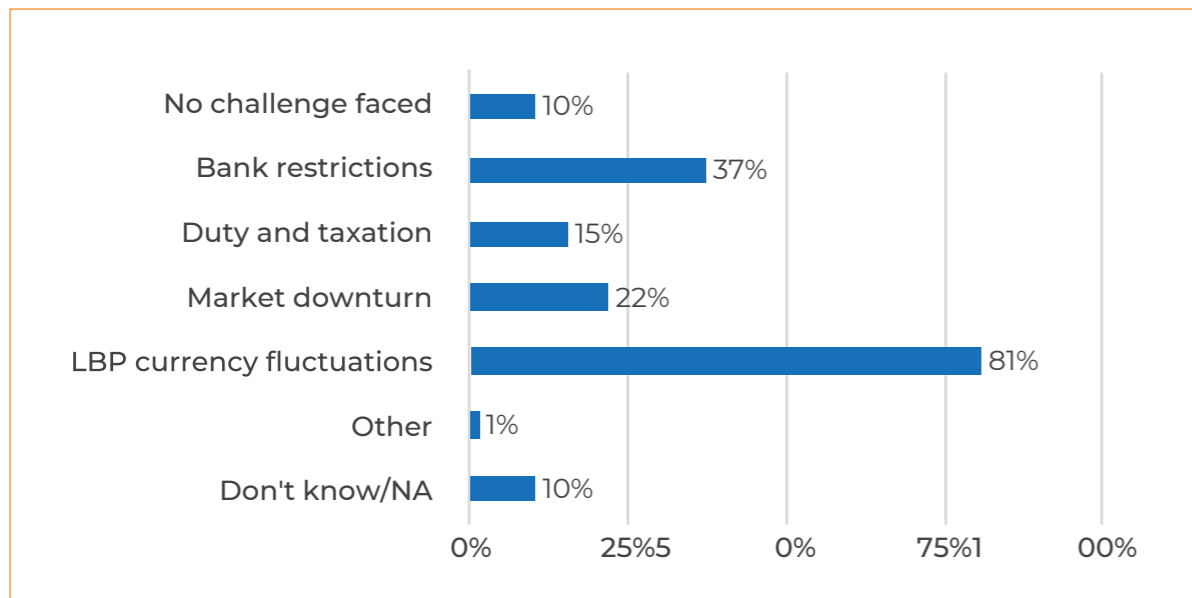


Oils of Nature, Noha Hage

Figure A.2.2 - Amount of Grant Funding Needed by Region



Sub-Appendix A.3. Challenges Faced by Women Entrepreneurs in Procuring Goods






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