

SANAD Gender Strategy




SANAD's objectives in advancing gender equality through MSME finance



As part of its mission to finance micro, small, and medium enterprises (MSMEs), and foster economic development and job creation in the Middle East and North Africa (MENA)¹, SANAD is committed to promoting equitable financing for women entrepreneurs, who are often underserved by local financial systems. By doing so, the fund is working towards SDG 5 (Gender Equality).

The Gender Strategy outlines the fund's approach and its areas of contribution to gender equality through debt and equity financing, as well as advisory support for its partners and sector stakeholders. This document presents a summary of that strategy.

The fund objectives are to contribute to:

-  1 Supporting investees in strengthening internal gender equity considerations and expanding outreach and services for female clients.
-  2 Increasing access to finance and capacity building of women-owned/led MSMEs.²
-  3 Creating an enabling environment for women's entrepreneurship.

¹ While the Fund focuses on investees in the MENA region, SANAD also operates in select SSA countries

² The Fund applies the IFC definition of women-owned enterprises

Regional context and key challenges

Women's economic empowerment is crucial for poverty reduction and economic growth in emerging markets. Increasing women's workforce participation in the MENA region can significantly boost GDP by 57%³. In sub-Saharan Africa (SSA), women entrepreneurs contribute around USD 250–300 billion annually, accounting for about 13% of the continent's GDP⁴. Despite this potential, SANAD's target countries experience gender equality gaps across multiple economic dimensions, negatively impacting women entrepreneurs' access to finance.

Women's contribution to GDP



MENA: women's workforce participation boosts GDP by 57%

Education ≠ Equality



Women are earning more degrees—but still missing from leadership and formal jobs⁵

Socio-cultural norms



Women often bear greater household and caregiving duties

Gender wage gaps⁵



MENA: 16%
SSA: 45%

Woman labor participation⁶



MENA ~ 20%



SSA ~ 30%

Woman firm ownership⁷



MENA: less than half of the global average



³ PWC, 2022, [MENA Women in Work Survey](#)

⁴ WEF, 2022, [How female-led start-ups can transform Africa](#)

⁵ ILOSTAT, 2024, [Indicators and data tools](#)

⁶ World Bank, 2022, [Labor force participation rate, female \(% of female population ages 15+\)](#)

⁷ World Bank, 2023, [Firms with female participation \(% of firms\)](#)

Challenges in access to formal credit

Women across the SANAD countries face limited access to financial services, with MENA's women-led MSMEs facing the world's second-largest financing gap⁸. Women in the region are less likely to obtain formal credit compared to men due to various obstacles.

- **Low financial and business literacy**, discourage women's engagement with financial institutions, increasing reliance on personal connections.
- **Lack of official documentation** restricts access to traditional financial services, further driving dependence on microfinance institutions (MFIs).
- **Socio-cultural norms** such as primary household and caregiving responsibilities disproportionately burden women, limiting their time and mobility to pursue financial opportunities.

Financial sector barriers

A key challenge in both the MENA and SSA regions is the limited awareness among financial institutions of gender lens investing, women's distinct financial needs, and the strong business case for addressing this gap. This gap leads to underserved female clients, ranging from rural women with small businesses facing limited accessibility and mobility, to more established women entrepreneurs seeking larger capital, stronger networks, and improved investor relations.

- The lack of **gender-disaggregated data** complicates the ability to assess and address women's financial needs.
- Traditional banking requirements, such as **substantial collateral**, disadvantage women—who often have fewer assets—and **overlook alternative ways to leverage data** that better capture women's repayment capacity.
- Banks often lack **gender-sensitive staff training**, leading to **unconscious bias** and a gender-neutral approach that overlooks the potential of reaching women through smaller loan sizes or flexible repayment structures.

National policy developments

The policy environment for women's entrepreneurship in MENA is gradually improving. Egypt has launched national strategies to boost women's economic participation and financial inclusion, encouraging financial institutions to increase female representation and report gender-disaggregated data⁹.

Palestine and Jordan have incorporated women-focused pillars in their national financial inclusion strategies to promote financial education, support women entrepreneurs, and increase women's access to credit^{10,11}. Despite these commitments, enforcement at the national level is often inconsistent due to cultural and legal resistance.



⁸ Middle East Institute, 2022, Promoting Entrepreneurship in MENA: A Catalyst for a Sustained and Inclusive Recovery from COVID-19

⁹ Afi, 2019, Integrating Gender and Women's Financial Inclusion into the Central Bank of Egypt's (CBE) Framework

¹⁰ Palestine Monetary Authority, National Strategy for Financial Inclusion in Palestine 2018-2025

¹¹ Central Bank of Jordan, National Financial Inclusion Strategy 2023-2028

Business case for advancing gender equality in the financial sector

The economic empowerment of women entrepreneurs represents a significant yet largely untapped business opportunity, with substantial socio-economic benefits for SANAD, its investees, and the markets they serve. Women entrepreneurs are not only a profitable but also a responsible segment of borrowers:



Women are low-risk clients

Women-owned businesses have **lower non-performing loan (NPL)** rates than men¹².



Increased revenues

Financing women entrepreneurs drives growth in untapped markets¹³.

Gender-focused strategies across the region are driving results.

- **Jordan:** Bank al Etihad's collateral-free loans and women-focused savings products—guided by gender-disaggregated data—led to significant growth in women SME clients and depositors¹⁴.
- **Palestine:** Bank of Palestine's *Felestineya*¹⁵ mini-MBA, paired with networking events and business training, increased revenues for women-owned businesses, and boosted customer numbers. Digital tools, like mobile banking helped reach unbanked women by overcoming mobility barriers.
- **Egypt:** The *Heya Fawry* initiative trained female agents and introduced an educational platform, leading to increased transactions and greater adoption of e-payments among women clients¹⁶.

These gender-focused initiatives are expanding outreach, increasing sales, and supporting sustainable growth for financial institutions.

¹² IFC, 2023, *Banking on Women*

¹³ WEF, 2025, *How public-private partnerships are empowering women entrepreneurs beyond funding*

¹⁴ Financial Alliance for Women, 2018, GBA Case I: Bank al Etihad

¹⁵ Bank of Palestine, *Felestineya*

¹⁶ Daily News, 2019, *Women generate 30,000 Financial transactions worth EGP1m through "Heya Fawry" initiative*



SANAD's approach to advancing women's access to finance

Building on its impact mission and scope of influence, the SANAD Gender Strategy focuses on addressing the following key regional challenges:

01

Limited financing for women entrepreneurs

SANAD provides dedicated financing to encourage on-lending to women-owned/led MSMEs by local financial institutions.

02

Lack of non-financial services

SANAD collaborates with investees and business support organizations to offer capacity building, including business literacy, networking, and digital skills for women entrepreneurs and women professionals.

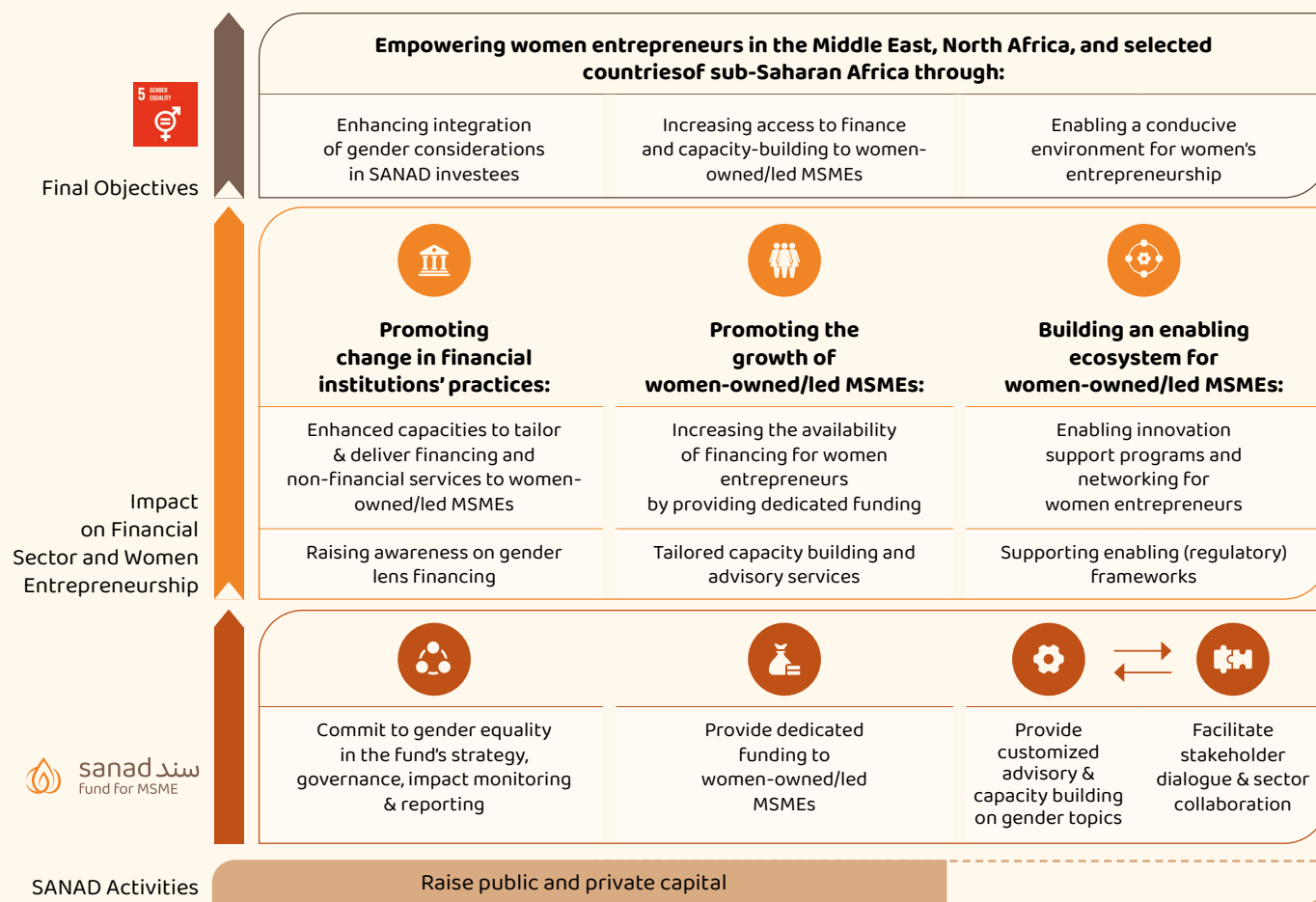
03

Lack of gender-disaggregated data

SANAD promotes the collection and management of gender-disaggregated data among investees.

SANAD's Gender Impact Pathway complements the fund's Theory of Change and summarizes how the fund's activities are expected to contribute to advancing gender equality in access to finance for women entrepreneurs.

SANAD's Gender Impact Pathway



The fund integrates gender considerations at three levels: 1) Fund level, 2) Investee and ecosystem level, and 3) End-client level.

Fund level

SANAD integrates gender considerations across its governance and processes:

- **Leadership:** The fund and Fund Advisor are committed to maintaining gender diversity in governing bodies, key leadership, and decision-making functions in line with 2X leadership criteria for financial institutions and funds based in Luxembourg.
- **Investment cycle:** The fund assesses the investees' gender integration during the due diligence and monitors investee's progress to steer performance.
- **Impact monitoring:** The progress towards the fund's gender objectives is monitored based on relevant impact indicators, building on the Fund and sub-loan data. The core indicators include:



Share of women-owned/led MSMEs and women in the sub-loan portfolio and equity investees' client base;



Number and share of investees engaged on gender integration through financing and/or advisory and capacity building;



Number of women entrepreneurs and professionals empowered through business development support and gender-focused advisory and capacity building services.

Investee and ecosystem level

The fund conducts a gender assessment of each investee to inform the investment decision. The assessment evaluates the investee's outreach to women entrepreneurs and integration of gender considerations across strategy, internal policies, and processes to categorize it as gender neutral, aware or smart. Accordingly, the fund provides tailored financing terms and advisory and capacity building services, helping the investee to strengthen gender considerations through a customized approach:

Gender-neutral investees

Raise awareness and support investee's in initial integration of gender considerations and capacity-building

Gender-aware investees

Support investees in formalizing the gender integration at the institution level and in the tailored product offering

Gender-smart investees

Leverage investees' experience and lessons learned in outreach to women for sharing with peers

Based on the investee's level of gender maturity, demand, and ambition, the fund can engage with them through targeted advisory and capacity building projects including:

- **Enhancing investee's practices and processes:** Gender-disaggregated data collection and analysis, gender maturity assessment, gender strategy development and implementation, staff capacity building, and end-client product and service development.
- **Promoting female leadership in the financial sector:** Programs to prepare women professionals in financial institutions for leadership positions.
- **Contributing to building an enabling financial system:** Collaboration with financial regulators and sector stakeholders in promoting gender equality and the development of a more inclusive financial sector.

Case study on engaging investees in gender-related topics: SANAD's advisory and capacity building services support the fund's investees to mainstream Gender Key Performance Indicators (KPIs) into their operations through a Gender KPI Toolkit developed in 2023. The Toolkit aims to facilitate better understanding of gender KPIs and the ways to collect, analyze, and integrate them into processes to assess the impact of the institution's services on both female and male clients. To facilitate the update of the Toolkit, SANAD conducted internal capacity-building workshops on gender-smart data analytics. See more about the Toolkit [here](#).

End-client level: Women entrepreneurs

The SANAD advisory and capacity building team extends its non-financial services to support women entrepreneurship through:

- **Capacity building:** Training and business literacy workshops to build women's financial planning skills and grow their business.
- **Ecosystem development:** Sectoral interventions to promote innovations and foster a supportive business environment, particularly for companies in FinTech and AgTech sectors and sustainability space.
- **Advocacy & awareness:** Events and seminars to serve as networking platforms and enable women entrepreneurs to share experiences and build business relationships.

In addition, the fund aims to enhance access to financing for women entrepreneurs by encouraging investees to allocate dedicated funding for them where applicable. By promoting targeted financial support, the fund seeks to address the unique challenges faced by women entrepreneurs, helping to close existing funding gaps and foster a more inclusive business environment.



Case study of sector-level capacity building: SANAD's advisory and capacity building team joined forces with a non-profit organization Womenpreneur Initiative to launch the "Womenpreneur Tour": a first-of-its-kind awareness campaign to promote women leaders in tech. The Tour van traveled across the MENA region having visited Morocco, Tunisia, and Jordan in 2019, Algeria, Lebanon and Egypt in 2022 and Ghana and Kenya in 2024 and interviewed digital talents having brought together bright minds to explore the state of the startup ecosystem in these regions. See more about the first edition of the tour [here](#).

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