



USAID
FROM THE AMERICAN PEOPLE



Women National Business Agenda

December 2017

Prosperous Women,
Prosperous Pakistan

Disclaimer: This report is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the sole responsibility of the authors and do not reflect the views of USAID or the United States Government. The contribution of USAID Pakistan Regional Economic Integration Activity (PREIA) has been in terms of supporting the process of advocacy and stakeholder consultations leading up to the finalization of WNBA. Whereas USAID PREIA has supported the process of developing policy recommendations, the recommendations themselves are the outcome of stakeholder consultations led by FPCCI members.

Facilitators

The Federation of Pakistan Chambers of Commerce & Industry (FPCCI)

Center for International Private Enterprise (CIPE)

USAID Pakistan Regional Economic Integration Activity (PREIA)

Acronyms

BOI	Board of Investment
CIPE	Center for International Private Enterprise
FPCCI	Federation of Pakistan Chambers of Commerce & Industry
MOC	Ministry of Commerce
SMEDA	Small and Medium Development Authority
TDAP	Trade Development Authority of Pakistan
WNBA	Women National Business Agenda

Table of Contents

Messages

President FPCCI 1

Vice President FPCCI 2

Mission Statement 3

Executive Summary 3

WNBA Roadmap 6

Key Policy Areas and Recommendations

Policy Area 1: Small and Medium Enterprise (SME) Policy..... 7

Policy Area 2: Strategic Trade Policy Framework (STPF)..... 8

Policy Area 3: TDAP Policy for Trade Promotion and Facilitation..... 9

Policy Area 4: Finance Policy and Credit Guarantee Scheme for Credit Facilitation..... 10

Annexure A 11

Message: President FPCCI

I am happy that the document of Women National Business Agenda –WNBA is presented from the platform of the Federation of Pakistan Chambers of Commerce & Industry – FPCCI. This is the first ever document that highlights the key policy recommendations which have been brought into attention of political leadership for inclusion in their election manifesto in the coming general elections for the year 2018. The objective of the document is to propose gender inclusive policy reforms to create a business and trade enabling environment for women.

I would especially like to acknowledge the great efforts of Ms. Masooma Sibtain, Vice President FPCCI for leading the WNBA initiative. She has put tremendous efforts in preparing the WNBA document by holding consultative meetings with women entrepreneurs all across Pakistan.

I feel that it is the need of the hour for the government to develop gender inclusive economic policies for a level playing field. This includes opportunities for women entrepreneurs and businesses to actively participate in exports, SME development and employment generation. The WNBA documents focuses on key policies and suggests economic reforms for a significant impact on the economic fabric of the country by increasing women participation in many areas of economy.

As the President, I assure you that the incoming leadership of the FPCCI will also continue to provide support for taking the WNBA initiative a step further and ensure its implementation by pushing the political leadership and the government.



Zubair F. Tufail
President FPCCI

Message: Vice President FPCCI

I feel privileged in presenting the first ever “Women National Business Agenda – WNBA” document that represents the collective voice of the women entrepreneurs of Pakistan. When I took over charge as the Vice President of the Federation of Pakistan Chambers of Commerce & Industry - FPCCI, women entrepreneurs encouraged me to voice their concerns from FPCCI’s platform for policy reforms. I am indeed thankful to the leadership of the FPCCI for providing tremendous support to women entrepreneurs and transforming the idea of the WNBA into a reality. I would also like to thank the Center for International Private Enterprise (CIPE) and USAID Pakistan Regional Economic Integration Activity (PREIA) for their technical support and guidance in holding useful consultative meetings.

History shows that no significant work has been done for developing gender inclusive economic policies in Pakistan. The platform of WNBA provides an excellent opportunity to the women entrepreneurs, businesses and trade for networking with stakeholder government organizations. It provides impetus to prepare policy recommendations to create a business and trade enabling environment for women. A large number of members of Women Chambers, representatives of the stakeholder government organizations, and political leadership participated in these meetings. The meetings and consultations highlighted critical issues and presented key recommendations for inclusion in the WNBA document.

I must acknowledge the efforts of the women entrepreneurs, FPCCI and stakeholder organizations. Without their active involvement and support, the preparation of the WNBA document would have not been possible. Today, the WNBA document has been presented and it is now the responsibility of the political leadership and government organizations to give due consideration to the WNBA document for gender inclusive economic policies and provide opportunities to the women entrepreneurs for their economic empowerment and effective role in the economy.



Masooma Sibtain
Vice President FPCCI

Mission Statement

The Women National Business Agenda is part of a movement to voice the collective concern of women entrepreneurs for sustainable business development and economic empowerment.

Executive Summary

Gender inclusion is a significant indicator of economic growth. Several studies link increased participation of women in business and trade to higher economic gains. Highly successful economies around the world have made women empowerment and gender mainstreaming part of their agenda. Therefore, the provision of equal opportunities to women in business, entrepreneurship and trade is a priority.

Unfortunately, Pakistan has not tapped into the full potential of gender inclusion as a catalyst for economic growth. According to the World Bank Pakistan Development Update Report, Pakistan has the lowest comparative rate of women entrepreneurship in the world. There are twenty one male entrepreneurs for every single female entrepreneur. Pakistan also fares poorly on the Global Gender Gap Report 2017 of the World Economic Forum. The report, which assesses women participation in the economy, ranked Pakistan as 143 out of 144 countries in the studies.

However, the Government of Pakistan has

taken steps towards addressing this issue. The Trade Organizations Ordinance was reformed in 2006 to allow establishment of women-only business chambers across the country. Women chambers act as a platform for female entrepreneurs, businesses and traders to identify challenges exclusive to women and grant them opportunities to develop and build their technical capacity for business.

While there has been some progress on building membership and institutional capacity of these women chambers, there has been no collective action at the policy level. It was realized that no permanent change or progress is possible without engagement with the government. The government is the only institution in the country that can effectively create an environment that allows for innovation, skill and business development for the female community.

The Federation of Pakistan Chambers of Commerce & Industry (FPCCI), the apex body of all chambers and industry associations in the country, identified this challenge. FPCCI, in partnership with the Center for International Private Enterprise (CIPE) and USAID Pakistan Regional Economic Integration Activity (PREIA), is leading the Women National Business Agenda (WNBA) as part of a movement to voice the collective concern of women entrepreneurs, businesses and traders for sustainable business development and economic empowerment.

1. Dr. Sarah Bradshaw, Dr. Joshua Castellino and Ms. Bineta Diop, "Women's role in economic development: Overcoming the constraints". Background paper for the Challenges of Social Inclusion: Gender, Inequalities and Human Rights Conference, May 2013, <http://unsdsn.org/wp-content/uploads/2014/02/130520-Women-Economic-Development-Paper-for-HLP.pdf>; "Women's Economic Engagement And the Europe 2020 Agenda", April, 2013, <http://www.genderequality.ie/en/GE/IE%20PRES%20REPORT.pdf/Files/IE%20PRES%20REPORT.pdf>.

2. "World Bank says Pakistan ranks lowest among countries with women entrepreneurs", The News, November 11, 2017 <https://www.thenews.com.pk/print/243346-World-Bank-says-Pakistan-ranks-lowest-among-countries-with-women-entrepreneurs>. (Accessed December 11, 2017)

Mubarak Zeb Khan, "Gender gap index puts Pakistan in second-last place", October 26, 2016, Dawn News, <https://www.dawn.com/news/1292347>. (Accessed December 11, 2017)

3. A. Nadgrodskiewicz, 2011, "Empowering Women Entrepreneurs: The Impact of the 2006 Trade Organizations Ordinance in Pakistan," Center for International Private Enterprise. <http://www.cipec.org/publications/detail/empowering-women-entrepreneurs-impact-2006-trade-organizations-ordinance>. (Accessed December 05, 2017)

4. A. Nadgrodskiewicz, 2011, "Empowering Women Entrepreneurs: The Impact of the 2006 Trade Organizations Ordinance in Pakistan," Center for International Private Enterprise. <http://www.cipec.org/publications/detail/empowering-women-entrepreneurs-impact-2006-trade-organizations-ordinance>. (Accessed December 05, 2017)

The WNBA document is the product of multiple consultations with women entrepreneurs and representatives from various women chambers, associations, public sector and civil society, across the country.

The objective of this document is to:

- Identify key challenges for women business, entrepreneurship and trade
- State policy recommendations necessary to develop and strengthen the current environment
- Advocate for policy solutions with the policymakers and political leadership.

The WNBA focuses on advocating steps for gender inclusive reforms in the following policy areas:

- Small Medium Enterprise (SME) Policy
- Strategic Trade Policy Framework (STPF)
- TDAP Policy for Trade Promotion and Facilitation
- Finance Policy and Credit Guarantee Scheme for Credit Facilitation

The launch of this document is crucial in its timing as well. The general elections for Pakistan are scheduled for 2018. FPCCI believes this is the right time to convince political parties to include gender focused policy areas in their election manifestos and further advance the dialogue.

WNBA Roadmap

The WNBA process has been a year-long effort. Ms. Masooma Sibtain, Vice President (FPCCI) and Mr. Hammad Siddiqui, Country Director (CIPE) have moderated meetings and discussions with Women Chambers and representatives of Small and Medium Development Authority (SMEDA), State Bank of Pakistan, Trade Development Authority of Pakistan (TDAP), Board of Investment, financial institutions and development sector organizations. Mr. Majid Shabbir, Consultant WNBA project, Mr. Talib Uz Zaman, Program Officer (CIPE), USAID PREIA and FPCCI Secretariat (Karachi, Lahore, Islamabad,

Peshawar and Quetta) provided support in developing reports, concept papers and press releases, and facilitating the meetings.

The format of the meetings and discussions emphasized on insights and inputs from the private and public sector. FPCCI Secretariats in all the provinces, CIPE and USAID PREIA compiled all the recommendations and assisted in refining the narrative to be presented before policy makers.

During the consultation sessions, members of various chambers and associations, along with the public sector, endorsed the WNBA initiative by signing an endorsement paper.

The timeline below represents the various stages:



Key Policy Areas and Recommendations

Following four key policy areas came under discussion in the consultative meetings:

Policy Area 1: Development of Small and Medium Enterprise (SME) for Women led Businesses

Policy Review: SME Policy

Organization: Small Medium Enterprise Development Authority –SMEDA

Problem Statement: No clear framework for gender in the current SME Policy Document

1. The SME Policy document needs to be revised with a gender angle.

The policy document has not been reviewed since 2007 and therefore, has not taken account of its social and economic implications. It is currently missing a coherent definition of what entails an SME, this means that several businesses and segments of the society are excluded from SMEDA's scope of work on SMEs. It is also important to recognize characteristics, such as size, and capital, of women-owned small and medium businesses, and include it as part of the definition.

2. SMEDA needs to build a stronger outreach network for women across all four provinces.

SMEDA should work with provincial governments to establish Women Business Facilitation and Training Centers across all four provinces and strengthen existing ones, for technical capacity building and skill development of women entrepreneurs. These centers will act as a common platform for knowledge sharing as well.

3. SMEDA needs to create Initiatives to encourage more women to participate in the economic system and start their businesses.

Women SMEs lack information on basic regulations, policies or incentives that can improve their businesses. Currently, one of the major reasons why women businesses do not grow is the lack of resources and policy-led guidance available. SMEDA can amend this issue by publishing small a business tool-kit, which describes business registration process, tools and techniques to start and run a successful business. It should be specifically aimed towards women entrepreneurs. The establishment of a toll-free “SME hotline,” to provide speedy assistance on queries, will also be useful in addressing this issue.

4. SMEDA should prepare business guidelines for women entrepreneurs, both in English and Urdu language with pictorial representations, to reach a wider segment of the society.

There is a lack of market research, facilitation and distribution amongst women SMEs. SMEDA can remedy this by preparing, publishing and distributing an annual report to describe gender facilitation initiatives and gap analysis for further interventions. Additionally, a business feasibility report for women led startups at half the cost of men led startups will help ease the technical and financial burden for women entrepreneurs. SMEDA's Website should have the option to translate website in Urdu language to reach a wider segment of women.

Policy Area 2: Promotion of Women Businesses and Facilitation in Market Outreach

Policy Review: TDAP Policy for trade promotion and facilitation

Organization: Trade Development Authority – TDAP

Problem Statement: TDAP focuses on providing subsidies to women businesses in international exhibitions. However, no written policy for development of women owned export businesses exists

1. The TDAP policy document needs to revive the specific clauses for gender inclusion.

It is necessary to formalize TDAP's assistance towards women businesses. It is also necessary for TDAP to initiate gender sensitization programs for trade commissioners/officers prior to their postings at Pakistani missions abroad as part of the policy process.

2. TDAP should allocate 25% budget/quota for women exporters to ensure their participation in TDAP's sponsored trade delegations/exhibitions and allocate a budget for conducting 75-100 capacity building programs each year for women startups and exporter in all major cities of Pakistan.

Currently, TDAP has no official commitment towards gender inclusion in its budget and program designing. Women businesses can benefit from the monetary assistance towards international exposure (trade delegations) and the technical assistance towards capacity building. These trade delegations, especially those focused on regional trade, are necessary to allow women exporters to explore other markets and grow their business.

3. TDAP should establish multiple platforms to facilitate knowledge and provide necessary guidance on business related matters.

TDAP should establish separate “Women Entrepreneurs Facilitation Desks” and revive the defunct Women Entrepreneur Directorate in Lahore office by providing needed financial support and setting annual targets. TDAP should also initiate the Export Trophy Award for successful women exporters to encourage healthy competition. Incubation Centers for women exporters should be established in collaboration with provincial government. These centers should specialize in product development and export promotion.

4. To increase formal exports by women entrepreneurs in online business, TDAP to ensure simplification by facilitating the process in collaboration with Pakistan customs and international courier companies.

Policy Area 3: Increase Share of Women Businesses in Regional Trade, Improve Export Competitiveness and Annual Exports

Policy Review: Strategic Trade Policy Framework

Organization: Ministry of Commerce (MOC)

Problem Statement: Trade Policy Framework lacks gender focused sectors except “Jewelry”

1. The next Strategic Trade Policy Framework 2018-2021 needs to include a strategic roadmap for growth and development of gender specific sectors.

The STPF 2018-2021 should make inclusion of gender-related clauses mandatory, while negotiating Free Trade Agreements (FTA). The STPF should also identify specific steps to improve Pakistan's ranking in gender gap report. These steps will necessitate a sustainable dialogue on female engagement with the economy, especially trade.

2. The MOC needs to provide incentives for women owned start-ups to accelerate their growth and encourage them to be competitive with incumbent businesses.

The MOC to negotiate with FBR for tax rebate for women owned startups (currently only technology startups are included in it). Women owned startups may be given income tax and sales exemptions for an initial period of 3-years. The MOC to allocate specific quota in Export Development Fund for the projects related to women entrepreneurship **development.**

3. The MOC needs to facilitate women entrepreneurs with relevant research and assistance to Women Chambers.

The MOC to conduct a detailed study to compile a database of women entrepreneurs, by identifying their sector/area of business, export and import commodities and trade volume. The MOC should allocate the amount that is received in the form of penalties by Directorate of Trade of Organizations for capacity building of women chambers.

4. Women Economic Council with nationwide representation from both the public and private sector, should be formed.

Currently, there is no forum to address economic challenges specifically face by women. The establishment of the Women Economic Council will ensure that issues and challenges faced by women specifically are highlighted and addressed promptly.

Policy Area 4: Enable women led businesses to address their financial needs, facilitate gender friendly financial literacy and improvise financial services

Policy Review: Finance Policy, Credit Guarantee Scheme for Credit Facilitation

Organization: State Bank of Pakistan

Problem Statement: 24 key districts where women business are concentrated, were excluded from the Credit Guarantee Scheme for Credit Facilitation. The current policy on providing guarantor is too strict and there is a lack of facilitation by commercial banks

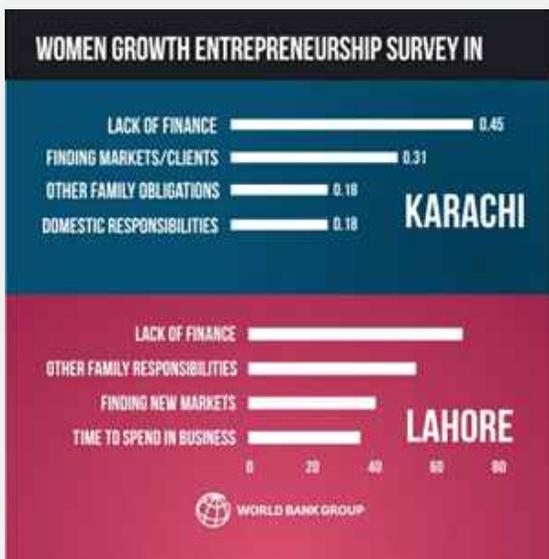
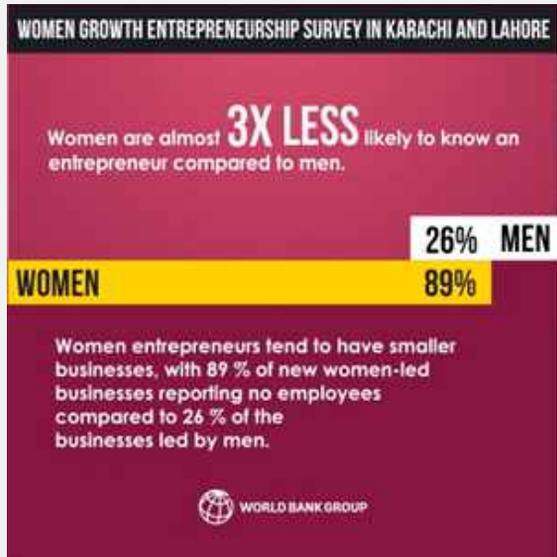
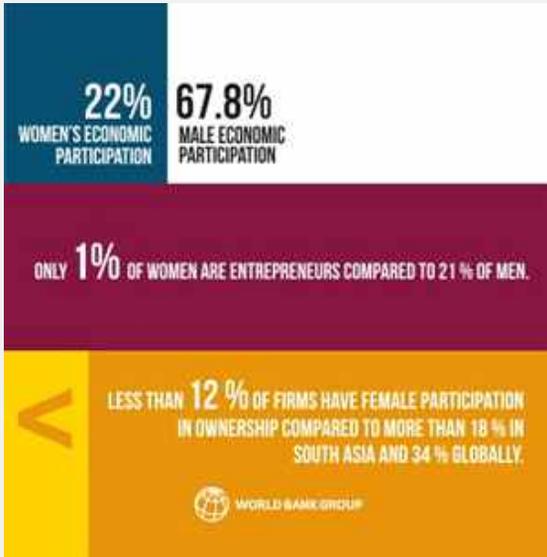
1. The SBP needs to improve the coverage and scope of the SBP credit guarantee scheme.

The SBP credit guarantee scheme currently excludes 24 key districts where women businesses are concentrated. As a result, a major segment of women led business are at a disadvantage in developing and growing their business.

2. The SBP should simplify the requirements to access financial instruments.

They need to simplify the requirement of the Guarantor for women businesses. It is also necessary to make loan application forms more accessible and legible. This can be done in consultation with banks and women chambers to ensure accuracy and effectiveness. The SBP to encourage development of specialized financial products/schemes for totally women owned businesses, such as no markup on loans up to 1 million rupees. SBP to develop and notify regulations for venture capital and angel investors by 30th June 2018.

Annexure A



Source: World Bank Development Report 2017



An Initiative of
The Federation of Pakistan Chambers of Commerce & Industry (FPCCI)
in collaboration with
Center for International Private Enterprise (CIPE)
&
USAID Pakistan Regional Economic Integration Activity (PREIA)