

Women Entrepreneurship ecosystem in Pakistan is at a nascent stage and requires focused support from regulators, international development partners, and market players. Individual ambition and courage has shown promising results and demonstrates the viability of this underserved segment.



Developed by the Monitoring, Evaluation and Learning team at Karandaaz Pakistan

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## Information Note on Women Entrepreneurship with a Case Study on Murad Textiles Pvt Ltd.

M-TEX is one of the Winners of Karandaaz's Women Entrepreneurship Challenge 2018



## Female Economic Participation in Pakistan

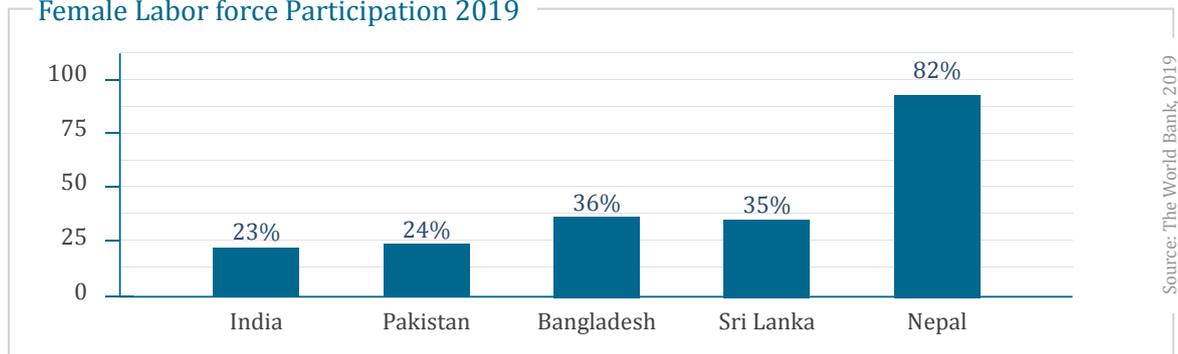
Pakistan is one of the fastest growing populations in South Asia<sup>1</sup>.

It is the six most populous country in the world. The growth rate of females is higher than males constituting 48.8 percent of the total population<sup>2</sup>. However, gender inequality has kept the country's human capital from reaching its potential. Stark disparity is demonstrated in female literacy, female labour force participation, and female financial inclusion among other socioeconomic indicators on women.

Pakistan ranks third worst in the Global Gender Gap Index (2020).

It is ahead of Iraq and Yemen only, with significantly limited economic opportunities for women<sup>3</sup>. Despite improvement over time, only half of the female population is literate, compared with 72.5 percent of male, with the share of females enrolled in the education system lower than the share of males across primary, secondary and tertiary education<sup>4</sup>.

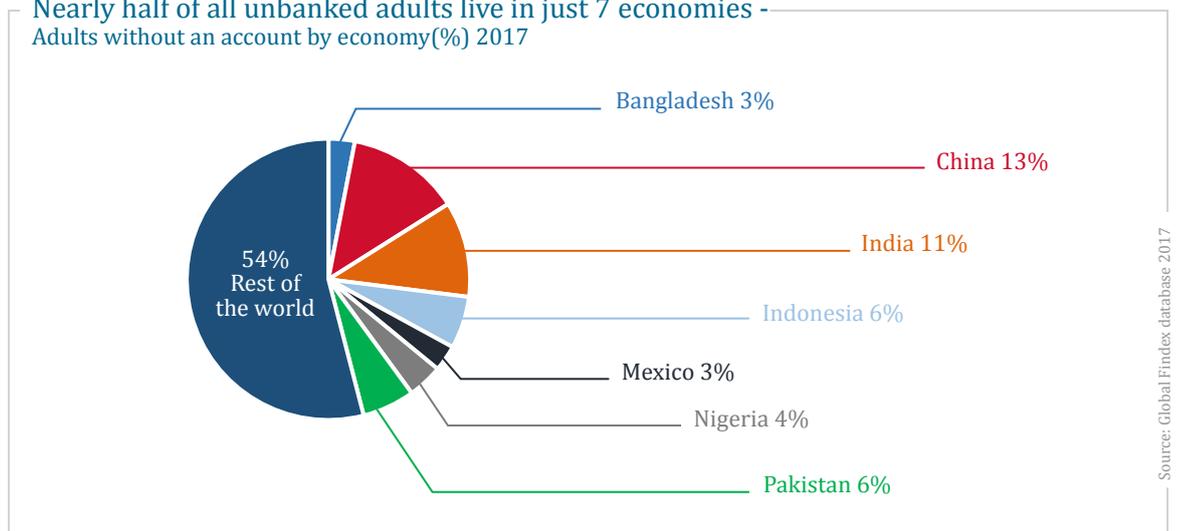
Female Labor force Participation 2019



Women constitute majority of the unbanked population in Pakistan.

Only 6% of women in the country have access to formal financial services<sup>5</sup>. Though State Bank of Pakistan (SBP), along with commercial banks and telecom companies has been trying to enhance financial inclusion through branchless banking and digital payments ecosystem, the population of formally served individuals through bank or other non-financial institutions is only 21 percent<sup>6</sup>.

Nearly half of all unbanked adults live in just 7 economies -  
Adults without an account by economy (%) 2017



<sup>1</sup>After Afghanistan (2.4%) - Pakistan annual population growth rate 2.1% - <https://data.worldbank.org/indicator/SP.POP.GROW?locations=PK-AF-BD-BT-IN-NP-LK>

<sup>2</sup>ibid

<sup>3</sup>WEF Global Gender Gap Report 2020, [http://www3.weforum.org/docs/WEF\\_GGGR\\_2020.pdf](http://www3.weforum.org/docs/WEF_GGGR_2020.pdf)

<sup>4</sup>Labour Force Survey 2017-18

[http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs2017\\_18/Annual%20Report%20of%20LFS%202017-18.pdf](http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs2017_18/Annual%20Report%20of%20LFS%202017-18.pdf)

<sup>5</sup>Global Findex Database 2017 : Measuring Financial Inclusion and the Fintech Revolution- <https://openknowledge.worldbank.org/handle/10986/29510>

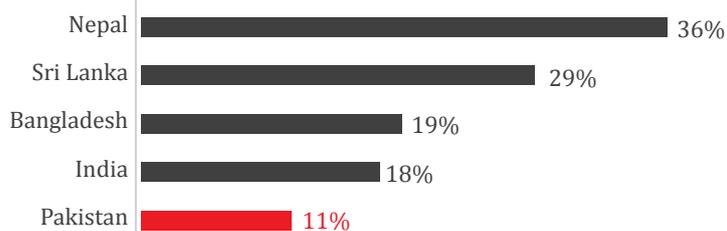
<sup>6</sup>Global Findex Database 2017 : Measuring Financial Inclusion and the Fintech Revolution- <https://openknowledge.worldbank.org/handle/10986/29510>

Women's contribution to GDP in terms of paid work in Pakistan is the lowest in Asia Pacific at 11 percent<sup>7</sup>. The already weak female labour force participation is deteriorating further – declining from 22.0 percent in 2014-15 to 20.1 percent in 2017-18<sup>8</sup>. Closing the gender gap in the workforce could add a staggering \$28 trillion to the global GDP. **In Pakistan's case, gain to GDP would be \$251 billion, if women's participation is fully equal to that of men<sup>9</sup>.**

There is a wide gender gap in the entrepreneurial space as well.

Only 1 percent of women are engaged in entrepreneurial activities as opposed to 21 percent of men<sup>10</sup>. Pakistan ranks last in the 77 countries on the Female Entrepreneurship Index (FEI) 2015 with the lowest score in labour force parity<sup>11</sup>. Majority of women entrepreneurs are operating in the informal micro, small and medium enterprise (MSMEs) space, accounting for only 8 percent of owners of MSMEs<sup>12</sup> and the concentration of women led businesses is confined to traditional sectors such as Agriculture, Textile, Beauty Parlors and Spas and Baker and Other Confectionary Products<sup>13</sup>.

### Women's contribution to GDP in South Asia



Source: MCKINSEY GLOBAL INSTITUTE: THE POWER OF PARITY: ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC 2018

An encouraging trend in the entrepreneurship ecosystem in Pakistan is the rise of women-led startups.

With the increasing variety of women led businesses seen operating online, many women-led startups are creating opportunities by using digital technologies. These startups are mostly focused on areas such as ecommerce and retail – particularly of clothing, fashion, accessories, food and catering, salon services, event management, health and education services<sup>14</sup>. At the same time, there is increased investment in women led businesses, particularly for businesses in areas including e-commerce, health and health-tech, and education and ed-tech<sup>15</sup>.

## Challenges & Barriers

Research and evidence show that women entrepreneurship catalyses job creation, poverty reduction, and economic growth<sup>16</sup>.

Although the number and size is still small relative to businesses owned by men, growing activity in the women entrepreneurship space is encouraging and necessary for inclusive economic growth. Yet, for women entrepreneurs to make their contribution, they first need to overcome the obstacles they face in the social, cultural, and financial realm.

Consultations with women entrepreneurs and other stakeholders in Pakistan; and review of practices in Bangladesh, Indonesia Malaysia, Vietnam show that the social and cultural constructs create challenges in four main categories:

<sup>7</sup>MCKINSEY GLOBALINSTITUTE - THE POWER OF PARITY: ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC 2018

<sup>8</sup>Refined activity rate is the currently active population expressed as a percentage of the population 10 years and above. This rate enables international comparison by factoring in the effect of age composition. (Labour Force Survey 2017-18)

[http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs2017\\_18/Annual%20Report%20of%20LFS%202017-18.pdf](http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs2017_18/Annual%20Report%20of%20LFS%202017-18.pdf)

<sup>9</sup><https://www.cfr.org/interactive/womens-participation-in-global-economy/>

<sup>10</sup>Invest2innovate Pakistan Startup Ecosystem Report 2019 <http://invest2innovate.com/peer2019/>

<sup>11</sup>The Female Entrepreneurship Index (FEI) 2015 (GEDI) <https://thegedi.org/female-entrepreneurship-index-2015-report/>

<sup>12</sup>Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific, Case Studies from the Asian Development Bank and the Asia Foundation

<https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>

<sup>13</sup>As defined by the SBP <http://www.sbp.org.pk/departments/ihfd-ifc.htm>

<sup>14</sup>SheConnects - Tech enabled Women Entrepreneurship in Pakistan <http://library.fes.de/pdf-files/bueros/pakistan/14978.pdf>

<sup>15</sup>Invest2innovate Pakistan Startup Ecosystem Report 2019 <http://invest2innovate.com/peer2019/>

<sup>16</sup>The Female Entrepreneurship Index (FEI) 2015 (GEDI) <https://thegedi.org/female-entrepreneurship-index-2015-report/>

## (1) Access to Finance

Access to finance is a key hurdle for entrepreneurs to start and scale up a business - multiple layers of gender-based barriers restrict women's access to formal credit more than men<sup>17</sup>.

They raise much less investment than their male counterparts- a statistic mirrored globally<sup>18</sup>. The credit gap has emerged due to low financial inclusion of women, lack of collateral, lack of credit history, small size and informal nature of business and concentration in small scale activities with low returns such as tailoring, handicrafts etc. that makes them less attractive for bank lending. Women borrowers in Pakistan comprise only 13 percent of all borrowers, whereas they take only 3 percent of the meagre 5 percent total gross loan portfolio for SMEs<sup>19</sup>.

Innovative financial products have been introduced in East Asian economies to enhance women's access to finance.

These include credit guarantee schemes in Indonesia, a portfolio guarantee scheme in Thailand, a refinancing scheme in Malaysia and a centralized credit bureau in Vietnam<sup>20</sup>. Similarly, introduction of leasing as an alternative to purchasing property addressed the difficulty that women faced in accessing finance because of lack of collateral in Kyrgyz Republic<sup>21</sup>. The SBP also launched a 'Refinance and Credit Guarantee Scheme for Women Entrepreneurs' in 2019. The uptake of this credit guarantee scheme has, however, been low. This is primarily due to: a) lack of engagement or communication between women entrepreneurs and banks, and b) no performance incentive for banks to enhance lending footprint in women led businesses.

## (2) Lack of Knowledge, Skills and Motivation

Economies driven by innovation demonstrate that over 50 percent of the entrepreneurs are involved in ICT and in financial or professional services<sup>22</sup>. However, women entrepreneurs in Pakistan are concentrated in traditional women-centric sectors like Agriculture, Textile, Beauty Parlors and Spas and, Baker and Other Confectionary Products<sup>23</sup>. This is probably because of sharp disparity in education attainment - a primary driver of access to opportunities in life. Women's access to higher education is limited in Pakistan; only a quarter or less of all girls enrolled in primary school make it through high school<sup>24</sup>.

Higher education in non-traditional fields like science, technology, engineering and mathematics (STEM) is rarely viewed as a sound investment for women.

Only 11 percent of women receive technical or vocational education and majority of them have schooling of primary or less; and majority of trainings are received in embroidery and knitting or in tailoring and sewing<sup>25</sup>.

Misconceptions and information gaps about business formalization are major constraints to growth of women led businesses.

Business incorporation and tax registration processes are key fears of women entrepreneurs which stem from absence of interaction between women and the state apparatus - generally handled by male family members. Most of women led businesses are established out of necessity and they struggle in work life balance.

Social norms and customary practices prioritize family interests and unpaid care over individual advancement. This has an adverse impact on female labor force participation and women's entrepreneurship, especially after marriage<sup>26</sup>.

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<sup>17</sup>Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific, Case Studies from the Asian Development Bank and the Asia Foundation

<https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>

<sup>18</sup>Invest2innovate Pakistan Startup Ecosystem Report 2019 <http://invest2innovate.com/peer2019/>

<sup>19</sup>WOMEN'S ECONOMIC PARTICIPATION AND EMPOWERMENT IN PAKISTAN STATUS REPORT 2016

<https://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2016/05/pk-wee-status-report-lo-wres.pdf?la=en&vs=5731>

<sup>20</sup>Fostering Women's Entrepreneurship in ASEAN - UNITED NATIONS ESCAP

[https://www.unescap.org/sites/default/files/ESCAP-FWE-ASEAN-full\\_0.pdf](https://www.unescap.org/sites/default/files/ESCAP-FWE-ASEAN-full_0.pdf)

<sup>21</sup>Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific, Case Studies from the Asian Development Bank and the Asia Foundation

<https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>

<sup>22</sup>ibid

<sup>23</sup>As defined by the SBP <http://www.sbp.org.pk/departments/ihfd-ifc.htm>

<sup>24</sup>WOMEN'S ECONOMIC PARTICIPATION AND EMPOWERMENT IN PAKISTAN STATUS REPORT 2016

<https://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2016/05/pk-wee-status-report-lo-wres.pdf?la=en&vs=5731>

<sup>25</sup>ibid

<sup>26</sup>Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific, Case Studies from the Asian Development Bank and the Asia Foundation

<https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>



### (3) Limited Access to Markets, Training and Networking

Successful businesses require market information, business knowledge, mobility and networks.

Sociocultural norms constrain women's mobility and interactions with men outside their families, which severely limits their ability to engage with buyers, suppliers, and other entrepreneurs<sup>27</sup>. Establishing credibility in a male dominated space is a journey that involves time, financial losses, and grit for businesswomen in Pakistan.

There is a need for tailored programs that provide both training and easy market linkages to women entrepreneurs<sup>28</sup>.

There has been expansion in vocational skills training programmes and the entrepreneurship ecosystem (incubators, accelerators, and support by international development agencies and the government). However, these programmes, even cumulatively, have limited reach. There is a need to expand efforts for wider reach.

## Women Entrepreneurship: Measuring Progress

Despite the roadblocks, women entrepreneurship is receiving more attention today from the wider eco-system.

Though, the collective impact is difficult to measure due to lack of reliable data. Women entrepreneurship is a key focus area for international development agencies, which stems from the larger objective of women empowerment and decreasing gender disparity. Public sector too is eyeing programs to facilitate female entrepreneurs. Commercial banks have not been keen on the sector so far, but SBP is taking interest to fulfil its wider objective of financial inclusion. National Financial Inclusion Strategy (NFIS) envisions 25 percent of adult females to have a formal bank account by end of 2020<sup>29</sup> – unlikely to be achieved if serious concerted measures are not taken. Other active players in the women entrepreneurship ecosystem include microfinance organisations, incubators, accelerators, and local VCs. Recent key initiatives taken by the public sector and international development agencies are presented in Box 1 and 2.



<sup>27</sup>ibid

<sup>28</sup>Catalyzing-Womens-Growth-Entrepreneurship-in-Pakistan-Cities-Data-from-Karachi-and-Lahore  
<http://gallup.com.pk/wp-content/uploads/2017/11/Catalyzing-Womens-Growth-Entrepreneurship-in-Pakistan-Cities-Data-from-Karachi-and-Lahore-1.pdf>

<sup>29</sup>National Financial Inclusion Strategy Pakistan

<http://www.sbp.org.pk/ACMFD/National-Financial-Inclusion-Strategy-Pakistan.pdf>

## Box 1: Public Sector Initiatives

### Ehsaas & Kamyab Jawan Programme

Federal Government 's Ehsaas programme under National Poverty Graduation Initiative aims to provide interest free loans of to PKR 70,000 to income generating micro-enterprises with a 50 percent quota for women. Kamyab Jawan Programme has set a 25 percent quota for women entrepreneurs aged between 21 and 45 years.

### WBDCs/WBICs

Small and Medium Enterprises Development Authority (SMEDA) runs a Women Entrepreneurship Development Cell, which carries out trainings, seminars and workshops in liaison with women chambers across the country. It also runs projects financed through PSDP window such as the Women Business Development Centers (WBDCs) and Women Business Incubation Centers (WBICs) to handhold women businesses in manufacturing, trading or services sectors. After the success of WBDCs/WBICs in Karachi, Lahore, Quetta, Peshawar, and Mingora, SMEDA is now planning a WBIC in D I Khan.

### GEM Board and Regulatory sandbox on equity crowdfunding

The SECP has approved the Growth Enterprise Market (GEM) Listing Regulations for SMEs, startups and green field companies to raise capital through capital markets. Eligibility criteria for listing on GEM Board: any public limited company with audited accounts for two years and paid up capital of at least Rs25 million. The minimum fee for listing on GEM board is Rs50,000 versus Rs200,000 for PSX main board.

SECP has also introduced regulatory sandbox facilitation for the corporate sector and entrepreneurs to spur innovation. It is primarily applicable for new products, services or business models which have not been addressed under existing laws and regulations.

## Box 2: International Development Agencies' Initiatives

**Girls Learn Women Earn (GLWE) (2019)** is a call to action platform to prioritise girls' education and women's economic empowerment in Pakistan. Through the GLWE 100-day action initiative, the World Bank aims to create more awareness, advocacy and action to help girls excel in education and women to thrive in the workplace.

**United Nations Development Programme (UNDP) and Kashf Foundation partnership (2019)** aims to train and mentor 8,000 young men and women in Sindh and KPK in entrepreneurship.

**SheLovesTech (2019)**, a global platform for international tech companies, investors, entrepreneurs, startups and consumers to promote technology for women and by women. It recently held a competition in Pakistan and provided winning business grants, and an opportunity to compete in a global challenge. SheLovesTech has till date disseminated 350+ hours of training and more than a 100 hours of mentorship.

**#SheMeansBusiness Programme (2019)** launched by Facebook launched in partnership with Lahore Women's Chamber of Commerce is to provide women entrepreneurs with tools, resources, training and guidance to run a successful online business.

**WEinSPIRE (2019)** A USAID woman empowerment programme implemented in South Punjab (DG Khan and Bahawalpur), investsin rural economy and has trained 2,000 women in animal husbandry best practices, and provided loans through micro-finance institutions to over 35,000 women livestock farmers to start or expand their businesses

**We-Fi (2019)** is a joint global initiative of the World Bank and IFC. It supports women entrepreneurs in developing countries by building their capacity, scaling up access to financial products and services, and providing links with domestic and global markets. Pakistan is among 29 countries with active We-Fi supported projects.

**USAID SMEA Challenge Fund** offers grants of up to \$200,000 to motivated entrepreneurs and innovators with particular focus on women.

## Karandaaz backed by the UK Department for International Development (DFID) and Bill and Melinda Gates Foundation supports progress in women economic participation.

In light of the various challenges faced by women entrepreneurs in Pakistan, Karandaaz has conducted three rounds of Women Entrepreneurship Challenge since 2017- a flagship initiative of the organisation, funded by DFID. It provides growth capital to women led businesses to demonstrate their commercial viability for investment and making their portfolio bankable. The efforts are expected to improve access to finance for women and motivate banks and other financial institutions to develop financial products customised to the needs of women led businesses.

### Karandaaz Investments for Women-led Businesses



**18**  
Investments



PKR  
**340M**  
Invested



~PKR  
**700M+**  
Cumulative Revenue  
Generated by Portfolio  
Companies

After three successful rounds, Karandaaz has institutionalized the Women Entrepreneurship Challenge, and evolved it into 'Women Ventures'.

Moving away from the challenge round mode, Women Ventures will accept business support applications on rolling basis and is also entering into institutional partnerships for higher impact. It also provides Karandaaz the space to follow a market segmentation approach and offer financial services customized to the needs of women led businesses.

The following section looks at the case of Murad Textiles (Pvt) Limited



Murad Textiles (Pvt) Limited was selected for investment by Karandaaz through the Women Entrepreneurship Challenge in 2018. The case study delves into the experience and ambition of the owner of Murad Textiles (Pvt) Limited, Ms. Samina Masood, in setting up and expanding a business in a highly competitive textile industry.

## **M-TEX: A Story of Self-Determination and Hard Work**

Samina Masood is the CEO of Murad Textiles (Pvt) Limited (M-TEX), an emerging name in the B2B textile design and production business in the textile manufacturing market.

She started her business in 2014 with a vision to provide quality service in the textile multi-head embroidery sector, and diversify the product portfolio along the value chain. Samina Masood believes that women are equally capable of running businesses as men if they break through the impeding cultural barriers. She wants to encourage women's financial independence by creating job opportunities for them.



Samina's empathy for economic empowerment of women comes from her personal struggle of more than two decades to achieve financial independence.

Her motivation to continue moving forward and take risks comes from her success in taking control of her financial as well as emotional wellbeing. She worked as a librarian for 18 years at a leading private school system in Lahore, where she started making clothes for her friends and colleagues on demand. She was always admired for her sense of style and dressing, and what started out as a part time vocation turned into her first entrepreneurial venture. Wanting to do more for herself and her family, Samina took the risk of starting her own clothing brand.

Her first challenge was to increase her output from 10-20 outfits that she made for her friends and colleagues to 200-250 outfits. With more time and resources on hand she left her permanent job, and entered into a collaboration with a local embroidery setup. She successfully sold all items placed at a leading retailer.

However, the business running into trouble as operations and orders starting growing. Samina faced issues regarding order accuracy, quality and specifications, and unfortunately had to bear loss from a reputed textile firm that challenged her to set up her own embroidery business. Taking the challenge head on, Samina decided to set up her own textile production and design unit.

A business challenge transformed Samina's business into an impressive growing operation, and a known entity in the industry.

In 2015, Samina started her own textile unit with 2 multi head embroidery machines in a rented facility. At that time the prospect of business growth and job creation seemed intimidating. With little know-how of the business, Samina wasn't sure what the future held. But five years later today, her fears have faded; she has learnt the working of the entire value chain from material sourcing, to operating the embroidery machines, to chasing clients.

## **M-Tex has also created opportunities of gainful employment for women who want to work at the factory or from their homes.**

It currently employs 25 women in the design and clipping departments. Samina has also been engaging women who are not full-time employees, but work from their homes for clipping threads from the finished product. This has enabled these women to have a sense of financial agency and independence to support their respective households.

Samina's journey as an entrepreneur has not been smooth sailing and involved many challenges.

Having no previous knowledge of operating embroidery machines and managing employees, she had to adapt and learn in very little time. She had to juggle her time between work and family. As a woman in a male dominated field, Samina faced harassment and discrimination at all stages of her business journey. It took her a long time to gain the trust and respect of her male employees, who struggled to accept her in a position of authority and command. Also, non-availability of skilled-workers, dealing with untrained staff, and retaining workers were also hurdles that she faced on a daily basis. However, she overcame the challenges through perseverance and self-determination.

Like SMEs in Pakistan, especially those led by women entrepreneurs, finance was a key impediment for Samina while scaling up her business.

Her initial capital injection came from her savings and borrowing from family, with which she purchased 8 machines and bought another 4 on installments from the vendor. However, as the orders increased, Samina realised that she needed to expand capacity and streamline operations. This meant a bigger work facility was needed that had the capacity to house the two existing units of M-Tex.





## Growth amid Challenges

M-Tex plans to setup a new production facility by 2022 with a capacity to run at least 48 embroidery machines.

Major investment includes construction of the new factory building, and adding more machines that can meet the demand of the local embroidery market. To address her financing needs, Samina came across the Karandaaz Women Entrepreneurship Challenge in a newspaper. She applied and was selected out of a large pool of applicants for business support services and funding capital of Rs 35 million. Most of the funds will be used for constructing the new building on Samina's freehold land of 6.5 Kanal. This investment is expected to bring about significant increase in production and profits.

Apart from the financial support, Karandaaz also provided technical support to M-Tex in business restructuring, compliance requirements, organisational training, and mentorship. In the three years of Karandaaz's financial and non-financial support, M-Tex intends to complete the formal organisation of the business. This will separate HR, Accounts/Finance, Admin, Production, Clipping, Quality Control functions of the business. Progress has already been made in these areas. Samina now has a finance department, and has hired a tax consultant to advise on the regulatory matters.

Karandaaz also helped Samina in strengthening her soft skills for stronger projection of M-Tex and its growth needs.

Trainings provided by Karandaaz on business development, particularly on developing a business plan and pitching to prospective clients and investors were particularly useful for her. Samina gained confidence to speak in front of an audience, and pitch her business to bigger clients.



**27%**  
growth in  
revenues  
in year 1 of  
Karandaaz  
support

M-Tex's association with Karandaaz puts it in an advantageous position for seeking future funding from other sources.

By the end of successful completion of Karandaaz's funding programme, M-Tex should be strengthened in terms of its formal organisational structure, compliance, negotiation skills, and approaching investors. This would make M-Tex a strong candidate for finance from other formal sources, including banks.

The future holds a higher ambition for Samina and her business, involving both technological advancement and social agenda.

After the completion of the new factory, Samina has plans to invest in digital embroidery machines to grow her business. More women will be employed and trained to operate the embroidery machines. A school, dispensary, and day care will be set up at the new factory to enable more women to join M-Tex.



## Conclusion and Recommendations

Despite the obvious benefits of women entrepreneurship, the obstacles persist, and they largely have to do with gender disparity in the country. Drawing on Samina Mosood's experience as well as the general state of entrepreneurship environment for women, a few recommendations to reduce these barriers are:

1. Improving access to finance through financial products tailored specifically for women entrepreneurs who are beyond microfinance segment but cannot access commercial banks. For example, facilitating credit bureaus to gather and analyse gender-disaggregated data for generating credit profile of female borrowers. This will help the lenders design targeted products and facilities.
2. Introducing movable collateral such as equipment, inventory intellectual property rights; and mainstream women-owned assets like gold and jewelry.
3. Increasing digitalisation to overcome mobility constraints. As women lack both formal and informal credit access, digitalization of transactions can help create credit history. Digitalisation efforts like internet penetration, mobile money transfers, mobile money payments and mobile banking can offer businesses access to high-growth markets through online platforms. It will also facilitate flexible work patterns and create space for family time.
4. Providing customised trainings with a robust follow-up mechanism and a long-term mentorship strategy rather than single-issue workshops and trainings. For example, interlacing loans and grants programs with not only technical but also non-technical trainings such as communication, network strengthening, negotiating skills – something Karandaaz is already doing.
5. Though already happening, albeit, on a very small scale, the market for equity investment in the MSME sector has huge potential. Supporting women led businesses in formalising can improve chances of raising funding. The approval of GEM Board listing regulations by the SECP last year will pave way for additional sources of raising finance for startups and SMEs. Also, Regulatory Sandbox Guidelines 2019 issued by SECP particularly for equity and crowdfunding once approved will be another source of raising equity startups where crowdfunding is gaining prominence as a source of finance especially among women entrepreneurs globally.





## About Karandaaz

**KARANDAAZ PAKISTAN**, a not-for-profit company established in August 2014, promotes access to finance for small and medium businesses through a commercially directed investment platform and financial inclusion for individuals by employing technology enabled digital solutions. The company has financial and institutional support from leading international development institutions, principally the United Kingdom's Department for International Development (DFID) and the Bill & Melinda Gates Foundation.

### Karandaaz Capital

Provides wholesale structured credit and equity-linked direct capital investments to micro, small and mid-size enterprises (MSMEs) that demonstrate compelling prospects for sustainable business growth and employment generation in Pakistan.



### Knowledge Management and Communications

Supports the company's core financial inclusion goal by developing and disseminating evidence based insights and solutions.



### Karandaaz Digital

Focuses on expanding the poor's access to digital financial services in Pakistan by working across the ecosystem with all stakeholders.



### Karandaaz Innovation

Manages the Innovation Challenge Fund and Women Entrepreneurship Challenge, providing risk capital and grants to partners with the aim to generate innovative solutions in areas of financial inclusion and entrepreneurship.

Karandaaz Pakistan receives funding from the United Kingdom's Department for International Development (DFID) and the Bill & Melinda Gates Foundation (BMGF).

BILL & MELINDA  
GATES foundation

