

Pakistan rural business

Background

The first E-motive exchange has brought Empower Youth for Work (EYW) Pakistan team the knowledge and experience of how to set up youth innovation hubs. After two years of running, many progress have been achieved within the hubs, however, some new challenges and bottlenecks also showed up: Pakistani rural youth find it difficult to get access to finance when starting their own business, while it is also not an easy task to find alternative job opportunities. To tackle these challenges, EYW Pakistan team step on their second E-motive exchange journey to Egypt between 24th July and 3rd August, as Egypt is similar to Pakistan in terms of comparable Islamic context and there are quite some best practices around access to finance as well as job placement on E-jobs and waste management.



Egypt: having similar context and best practices



3 learning topics: access to finance, E-jobs for young women and waste management as micro business

Objectives

- To transform fruitful models, knowledge and experiences related to job opportunities (E-jobs, waste management and rural access to finance) from Egypt to EYW in Pakistan.
- To strengthen the collaboration of EYW Pakistan with their external Pakistan experts (implementing partners and bank vice president) and the Egyptian experts to scale the transformed models in Pakistan into future opportunities for rural job creation.

Composition of the group

Seher Afsheen: Team Lead EYW, Oxfam Pakistan

Shahzad Shakeel: Project Officer EYW, Oxfam Pakistan

Syed Kazim: Project Manager, RDF (implementing partner)

Shaheen Zamir: Vice President of the First Women Bank, Pakistan

Hafeezullah: Program Manager, TIE
(implementing partner)

Saiqa Rani: Head of Program, Bargad
(implementing partner)

Carin Boersma: Peer-to-peer learning
specialist, Oxfam Novib

Zhiren Ye: Junior officer of EYW, Oxfam
Novib



Key learning outcomes

- Connecting rural and urban youth to optimize the labor division: urban youth make use of their design and technical knowledge as well as market strategy, while rural youth provide cheap labor and can easily engage in production process.
- To help rural young entrepreneurs get access to finance more easily, low interest rate is recommended, while a guarantee person can replace asset requirement in loan application. Besides, seed money is useful for the start of business.
- It's important to make use of existing resources instead of reinventing the wheel, for example, existing school programs, alumni and private companies.
- Demand-oriented is the core when it comes to E-jobs, the program design and trainings should match the needs of market.
- Changing the use of terminologies is an effective strategy for working on sensitive topics, for instance, using the topics of health and employment to work on gender issues.

Main results after the E-motive exchange

- Contract has been sign with the First Women Bank in Pakistan to start a pilot with EYW rural youth. The pilot enables the rural youth to get loans from the bank with 6% interest rate instead of 30%. Also, a guarantee person can replace the asset requirement in the application condition.
- A pilot on E-jobs will be launched, market analysis will be carried out in order to design customized trainings and identify market needs.
- The waste management model of Up-fuse, transforming plastic bags to fashionable bags, will be duplicated to adapt in Pakistani context.

More detailed information, please refer to the Appendix.

The visited organizations and their best practices

Injaz

Injaz is a non-profit non-governmental organization that delivers experiential learning in financial literacy, work readiness and entrepreneurship, which effectively enriches the ability of young Egyptians in both engagement in their own economic development and contribution to the strength of their communities and economies. Partnering with business and educational institutions, Injaz supplements public school curricula with programs designed to build the capacity and realize the potential of students and young graduates.



Start Up Egypt, initiated by Injaz, is a program tailored to passionate, hard-working, creative university students and graduates between the ages of 21 and 30. It is one of the largest entrepreneurship pipelines in Egypt that take a sustainable, long-term approach to entrepreneurship. Enrolling enthusiastic students and graduates from any field of study and from anywhere in Egypt with minimal business experience and transforming them into successful entrepreneurs with innovative new businesses that contribute to the national economy and generate jobs.

Take away from Injaz

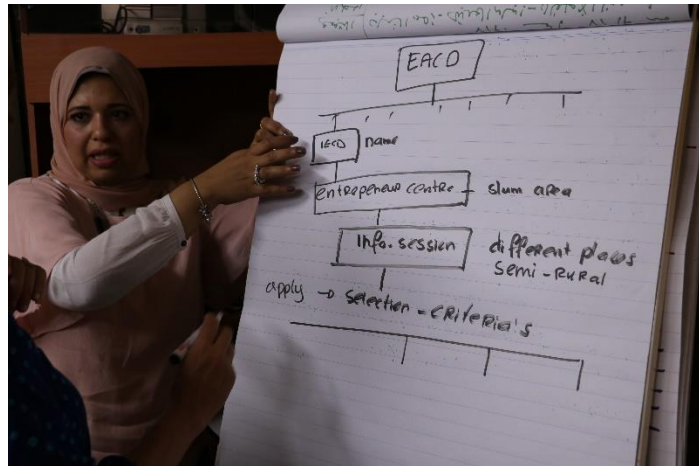
- Alumni graduated from Injaz program play a big role in supporting young start-ups. Inspired by this, Pakistan team plans to set up an entrepreneurship club where alumni can provide mentorship for young start-ups.
- Seed money was used in Injaz as a guarantee fund for supporting young entrepreneurs getting access to finance. Pakistan team will modify this model and use it as an insurance for young start-ups when applying for loans.
- Creating supporting eco-system is important for young entrepreneurs. A volunteer model, where EYW Pakistan team will invite entrepreneurs from successful companies to give workshops, presentation, courses to young start-ups.
- It is also inspiring that Injaz builds in one-day-training in existing school programs to avoid taking too much time from young entrepreneurs or reinventing the wheel.
- Another highlight is that Injaz provides focused technical support and training to ensure the best outcome.



EACD

Egyptian Association for Comprehensive Development (EACD) is a non-governmental organization providing close follow-up and non-financial supports for micro-finance borrowers. This includes:

- Very thorough pre-loan assessment to ensure sustainability and income-generation of the loan requested
- Close follow-up, every 3 months with every borrower to ensure progress by filling KPIs on their business development.
- Very basic training for business management (for both literate and illiterate people), including their families and other potential stakeholders
- Repayment of the loan starts the second month, monthly payment are done the first 10 days of every month after which, a daily fine (minimal fee) is added to their repayment.
- Each borrower has a guarantor to facilitate the borrowing process and secure repayment



Take away from EACD

- Entrepreneurship club is a great space to foster more young start-ups. It cannot only be used as a powerful tool to build up the linkage relevant stakeholders but also serves as a space where mentorship services can be provided to young entrepreneurs.
- By charging small amount of fee from young start-ups who want to become the members of entrepreneurship club, the participation and motivation of the start-ups can be guaranteed. The fee could be refund if the members are not satisfied with the training and services.
- It is also inspiring that EACD divides young start-ups into skilled and high-educated group and unskilled less-educated group. EACD charges the skills group fee for membership while providing unskilled group scholarship program to help the unskilled group become more professional. The scholarship program can be funded by CSR.
- Seed fund is a great approach to build up the stability and credibility of the young start-ups.
- Inspired by EACD, EYW Pakistan is planning to build up a credit line in EYW, this can be done through setting up help desk give information, linkage and services for young start-ups.
- Alumni will be invited to events organized by EYW to share experiences and learning.



ABA

Established 1989, Alexandrian Business Association (ABA) is a leading Egyptian non-governmental, non-for-profit organization that plays a pivotal role in development, supports its members and the business community. It aims at economic development and improving the business climate through research, advocacy and raising the efficiency of human resources.



ABA offers a comprehensive service of financial and non-financial support to MSMEs. It includes:

- Financial services offers by external entities (through partnerships) such as insurance (death/disability), mobile banking and credit inquiry
- Grant activity: targeting youth and very vulnerable populations to start their own business (and become future borrowers)
- Credit programs: both group lending and individual lending

Take away from ABA

- It is possible for young entrepreneurs to start their business with micro finance or low interest loan. In selecting criteria, it is suggested to replace the asset with guarantee person.
- The loan officers play an important role in building up connection between young entrepreneurs and the bank. They assess the reliability and credibility of young entrepreneurs by mapping their business plan, family financial status and etc. Through this approach they select the reliable ones.
- Pakistan team is very much touched by the terminology use of “neediest people”.
- It is also noticed that start-ups have very little time for trainings when they start their business. Thus its important to re-orient the strategy and to give young start-ups only key coaching and support, while leaving them enough time and space to practice, learn from practice or family.
- It is also noticed that the loan officers cannot come from the hubs but must be from the bank. But it is important to build up the connection, trust between the hub and the bank.



Wearebits/Tunga (E-jobs)

The strategy of Tunga is to apply the human-centered mindset to the software development process and its actors. We work with a community of highly talented youths from several African countries, who are committed to go the extra mile for you. Tunga's clients come from all over the world, but our developers exclusively come from Africa. At this moment mostly from Uganda, Nigeria and Egypt.



In its efforts to create remote jobs online for youth, WeAreBits partnered with Tunga to pilot a program that supports 15 girls in Kampala / Uganda to get online remote jobs via Tunga's services. The program is 3 months long and is fully funded by Tunga. The girls selected had to have some programming background in order to reduce the duration and cost of the programme. The innovation of this programme are:

- A unique demand driven approach to provide youth with online jobs
- By design the program is replicable in any country and suitable for woman in rural areas provided there is good internet infrastructure

Take away from Wearebits/Tunga

- Drive and motivation are more important than experiences for young people when applying for jobs, soft skills trainings can play a role here.
- The trainings provided by Wearebits are focused instead of long programs.
- It is also important to keep the royalty of alumni: By creating face-to-face system for alumni, not only can alumni provide support to new students, but also they can seek support from the school.
- Another learning is to make the expectation of youngsters realistic and inform them what is happening in the market.
- Demand aware (skills related), demand align (for certain industries to fill in gaps) and demand driven (specific for one industry) are the keys in developing programs.
- Market assessment is the core and it determines the strategy.
- Blended learning system is proved to be an efficient way of learning: students can learn knowledge by watching pre-recorded instruction movies whenever wherever, and practice and exams happen at school.
- Monitoring and Evaluation is important to closely monitor the system so to know what is not working well in the mechanism and shows more transparency to donors.



- Middle man (Tunga platform) plays an important role in building up linkage between youth and international employers.

CDS

Center for Development Services (CDS) combines more than 25 years of solid consultancy work in a diversity of sectors throughout the Middle East, North and Central Africa and South Asia Regions. As an entity with more than 60 professionals working on a wide array of diverse projects, CDS is able to provide services from research and program design through to implementation support, evaluations, and short-term trainings.

CDS has a robust quality control system and accomplished management to ensure that this diversity is managed in an optimal fashion. The expertise of CDS includes:

- Health (Health Management; Healthcare Service Delivery; Preventive Medicine; Reproductive Health and Sexuality; HIV/AIDS)
- Agriculture and Natural Resources (Natural resources management; Agribusiness; Agro-Ecology; Eco-Health)
- Water and Environment (Water Resources Management; Urban Water Supply and Sanitation; Rural WASH; Water Diplomacy and Facilitation of dialogue)



Take away from CDS

- It is inspiring to learn that CDS is doing NGO work in the way a share-holder company does.
- CDS helps to set up their own brand production line without middle-men.
- It is learnt that CDS encourages traditional hand-made products to ensure that the income and products are owned by women and community.
- By changing the terminology, for example, using health as entry point instead of gender, women, CDS managed to implement their activities.
- CDS also builds up their employment navigation platform not only to link employees with private sectors but also to select the qualified companies.
- It is an insight that many intuitions are not providing the right skills and thus there are gaps remaining in the market.
- Set up a joint-event in Europe to link with international resources in solving problems.
- Sustainable model: selling services (short term, long term, local and international)
- To qualify the services, they work with researches and experts.
- Low educated people might have more income in informal sector.

Up-fuse and Mobikya (Waste management)

Up-fuse is a lifestyle brand and social enterprise that creates fashion accessories using plastic waste. It is a brand that is made to celebrate originality, celebrate those who are strong, determined, want to create change, and won't settle for less in this world.

Up-fuse has developed techniques to upcycle plastic bags, transforming them into sustainable fashionable bags and accessories. Reducing waste also means reusing existing waste. One bag we produce can hinder almost 30 plastic bags from being thrown away. Our innovations include:



-Developed techniques to upcycle plastic bags into fashion bags and accessories

-Reusing existing waste, upcycling plastic bags

-One fashion bag = 30 plastic bags being thrown away

-Working with local NGOs and underserved youth to create the bags

-Trendy and fashionable designs to appeal to higher socio-economic classes



Mobikya is a design based waste management firm that works on designing and fabricating mass producible solutions for complicated solid wastes such as : Tires , industrial scraps ..etc and convert them to products that enhances the human experience.

Mobikiya addresses the air pollution caused by burning scrap tires. The studio utilizes discarded materials, such as old tires and plastic boxes, instead of disposing them in a way

that results in dire environmental effects, to produce creative and clean furniture items and decorative pieces

Take away from waste management

- Collecting waste by rewarding collectors with discount and products. Through this way, it becomes less labor-intensive and creates environmental friendly awareness among the community.
- Product design, technical support come from academia and experts, while the production can be carried out in the community, which connect the urban and rural.

- Based on market research, uniqueness is the key. One marketing trick is that the stickers on the bags can convey and spread the information.
- Gate keepers in the market: send out samples of the products to map out who can give you access to market.
- Giving space for creativity and inspiration lab to ensure that the products are in line with fashion.
- Using media, internet for exposure and marketing.

Appendix: action plans

| Topic: access to finance | | |
|---|--|---|
| Activities | Timeline | Responsible unit(s) |
| Capacity building of hub coordinators by small and medium enterprises development authority | Last week of August, 2019 | TiE |
| Standard operating procedure (CoP) for help desk | 20 th of August, 2019 | TiE, EYW Pakistan |
| Capacity building of HC by First Women Bank (FWB) | 2 nd week of September, 2019 | TiE, EYW Pakistan |
| Letter of collaboration | Last week of August, 2019 | TiE, EYW Pakistan |
| Mapping of insurance companies | 25 th of August, 2019 | TiE |
| CoP for seed funding for business insurance | 1 st week of September, 2019 | EYW Pakistan |
| 1 st awareness session with communities by FWB | 3 rd week of September, 2019 | FWB, TiE |
| Awareness material for help desk | 2 nd week of September, 2019 | EYW Pakistan, TiE, FWB, implementing partners |
| 1st batch of loan and insurance (minimum 20-25 individuals) | 1 st -2 nd week of October, 2019 | TiE |

| Topic: E-jobs | | |
|--|---|----------------------------|
| Activities | Timeline | Responsible unit(s) |
| Offline market assessment | 25 th of August, 2019 | Bargad, RDF |
| Launch pilot in Jamshoro and Layyah | International Youth Day | EYW Pakistan, Bargad, RDF |
| Pretesting | 15 th of September, 2019 | IT company, EYW Pakistan |
| Customize trainings and fine-tune course details | 20 th of August, 2019 | EYW Pakistan |
| Selection of local facilitator | 30 th of August, 2019 | Bargad, RDF |
| Enrollment of youth | 16 th of September, 2019 | Bargad, RDF |
| Brochure | 20 th of August, 2019 | EYW Pakistan |
| Setting up Lab | 1 st week of September, 2019 | Bargad, RDF |
| Launch course | 5 th of October, 2019 | Bargad, RDF, EYW Pakistan |

| Topic: waste management | |
|--------------------------------|--|
| Action 1 | 1. Campaign to influence the community |

| | |
|-----------------|---|
| | <ul style="list-style-type: none"> - Encourage community to collect waste as raw materials - Develop toolkit: the machines production will be covered by entrepreneurship budget; the design of products will be supported by local design and Up-fuse; man power will be provided by local youth - Marketing target at local students through media <p>2. scale up: link with policy makers to make waste management part of the policy, getting loan from the bank and make use of media</p> |
| Action 2 | Create a lab with a pool of students, launch the start-up competition around waste management |
| Action 3 | CDS sustainable model will be used for hub and linked with Up-fuse. Connecting rural and urban youth: techniques and product design will be done on urban level, while waste collection and production will be done on rural level |