



Supporting Women-Owned Businesses through Business Environment Reforms

Legal, administrative and policy reforms
to enhance access to finance and operating environments for women entrepreneurs

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...before we start

➤ Please mute your microphones.



➤ This session is recorded.



➤ Do you have a questions? Please write it into the chatbox 😊!



What is the Investment Climate Reform Facility?



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Investment Climate Reform (ICR) Facility

Objective Support the countries and regional institutions in Africa, the Caribbean and the Pacific in their public-private dialogue process to create a more conducive and sustainable investment climate.

1) Technical Assistance

- Are you a public and private stakeholders in an African, Caribbean or Pacific country? Do you conduct a business environment reform initiative?
- The ICR Facility offers **technical assistance** of up to 90 expert days for your business environment reform initiative.
- Interested? Check your eligibility and send a request via www.icr-facility.eu

2) DFIs

Strengthening national and sub-regional DFIs countries with tailor-build capacity building

3) Sharing and compiling knowledge

Dissemination and Mainstreaming of best practices and lessons learnt (www.icr-facility.eu)

ICR Knowledge Hub

ICR Blog

Online Events

More information

Website: www.icr-facility.eu

Linkedin: Investment Climate Reform Facility

Youtube: ICR Facility



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ICR Series on Women’s Economic Empowerment

ICReport	Online Event
<p>1) Women’s Economic Empowerment and Business Environment Reform</p> 	<p>8th July 2021, 4-5:30 pm (CET)</p> 
<p>2) Women’s Economic Empowerment and Employment</p>	<p>September 2021</p>
<p>3) Women’s Economic Empowerment and Public-Private Dialogue</p>	<p>October 2021</p>

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AGENDA	
Introduction ICR Facility	Susanne Reichenbach
I) Welcome Address	Christiane Leong Ho Yng, Programme Officer, Infrastructure Development and Economic Services, Organisation of African Caribbean and Pacific States (OACPS)
II) Key takeaways from ‘Reforming the Business Environment to support Women-Owned Businesses’	Dr. Susana Martinez-Restrepo Senior International Expert (Gender and Development)
III) Comments and Reactions	<p>Joanna Kahiluoto Policy Officer Women Economic Empowerment, DG INTPA, European Commission</p> <p>Kosi Yankey-Ayeh CEO, Ghana Enterprise Agency</p>
IV) Q&A Session with Panellists	<p>Aminou Akadiri CEO, Federation of West African Chambers of Commerce and Industries</p> <p>Dr. Linda Davis Business Leader & CEO Giraffe Bioenergy</p>
V) Support by the ICR Facility	

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I) Welcome Address

Christiane Leong Ho Yng

Programme Officer, Infrastructure Development and Economic Services, Organisation of African Caribbean and Pacific States

“The OACPS recognizes the crucial role of women and girls in the sustainable, inclusive development of our countries and the transformation of our economies. We are committed to the elimination of discriminatory laws and policies, which entrench existing inequalities and widen the gap in the socio-economic and political development of women and girls in Members of the OACPS”.

H.E. George Rebelo Pinto CHIKOTI, Secretary General of the OACPS





II) Key takeaways from the ICReport

‘Reforming the Business Environment to support Women-Owned Businesses’



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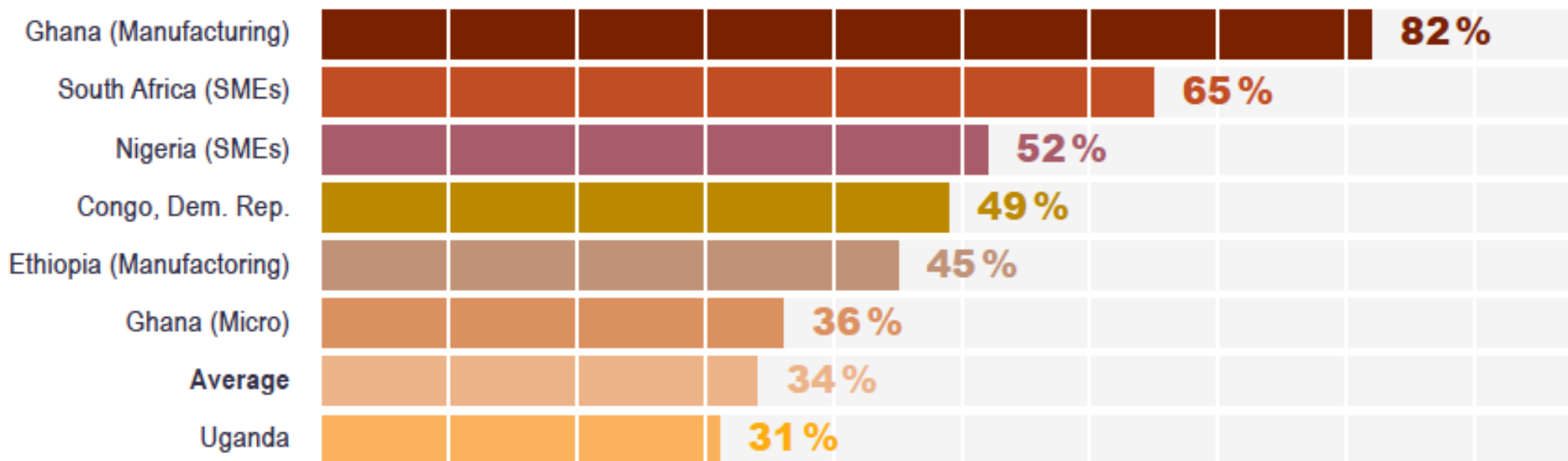


Business Environment Reforms to Support Women-Owned Businesses in ACP Countries

Susana Martinez-Restrepo, PhD.

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FIGURE 1: Gender gaps in business profits
(Selected top seven countries with existing data)



Source: The World Bank Group, 2019, based on IE database. Note: In parentheses, when it refers to a specific type of business.

*SMEs: Small and Medium Enterprises



HOW TO EXPLAIN THESE GAPS?

- Legal discrimination (implicit or explicit)
- Regulations.
- Social and cultural norms.
- Structural constraints such as a lack of financial inclusion and education, lack of networks.
- Lack of access to collaterals.
- Women tend to open their businesses in traditionally female-dominated sectors, which produce lower revenues.



WHAT ARE THE ECONOMIC BENEFITS?

- Taking action now to advance gender equality could add \$13 trillion to global GDP by 2030. Sub-Saharan Africa, for example, would increase its GDP by 330 billion.
- Women-owned/led businesses also tend to employ more women, and therefore scaling these businesses can enhance women's economic participation.
- It promotes family wellbeing and reduces the intergenerational transmission of poverty, as women are more likely than men to invest their income in food and children's education.
- Women's economic empowerment has been shown to reduce the prevalence of Gender-Based Violence (GBV) in developing countries.



1. LEGAL BARRIERS TO ACCESS AND CONTROL ASSETS

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- Access to land and productive assets, as well as equal rights to inherit, own, and manage property are essential to promoting the growth of, and access to credit for, women-owned/ led businesses.
- Some laws and regulations in ACP countries (as well as in other countries in South Asia, Southeast Asia, and Latin America) negatively affect women’s economic autonomy since they impede women’s equal ownership rights.

TABLE 1:
ACP COUNTRIES WITH REGULATIONS AFFECTING WOMEN’S ECONOMIC AUTONOMY

	Countries where men and women do not have equal legal ownership rights to immovable property	Countries where the law does not grant spouses equal administrative authority over assets during marriage	Countries where sons and daughters do not have equal rights to inherit assets from their parents
Botswana			x
Brunei Darussalam			x
Burundi			x
Cameroon	x	x	
Chad	x	x	
Comoros			x
Congo, Dem. Rep.	x	x	
Congo, Rep.	x	x	
Equatorial Guinea	x	x	
Eswatini			x
Gabon	x	x	
Gambia, The			x
Guinea-Bissau	x	x	

MEASURING THE GENDER ASSET GAP

Measure the gender asset gap and understand to what extent this gap is caused by laws that affect women's ability to inherit, own and control assets.

- UNSTATS published a series of guidelines for statistical offices and policymakers to produce statistics on asset ownership from a gender perspective.
- These guidelines can be used to conduct asset ownership surveys at the individual level and (a cheaper and more feasible option) to include additional modules or sections to existing household surveys.



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REFORMING LAWS RESTRICTING WOMEN'S ACCESS TO ASSETS

- Before 2000, family law in Ethiopia affected women's ability to own and control property and have paid jobs outside their homes, as well as their legal capacity to enter into agreements on their own behalf.
- Ethiopia reformed its family law to strengthen women's ability to control assets and promote their economic empowerment.
- As a result, women's participation in non-home-based paid work (either as entrepreneurs or employees) was increased 24 per cent.






2. LEGAL AND ADMINISTRATIVE BARRIERS TO REGISTERING AND OPERATING A BUSINESS AND OPEN A BANK ACCOUNT

REMOVING LEGAL BARRIERS TO REGISTER AND MANAGE A BUSINESS

In these four ACP countries, women need their husbands to register a company, open a bank account, sign a contract, or initiate legal proceedings.

This not only affects women's economic autonomy, but also their ability to start, run and grow a business.

TABLE 2:

LEGAL CONSTRAINTS FOR WOMEN IN ACP COUNTRIES		
		
	Countries where women cannot sign a contract in the same way as men	Countries where women cannot register a business in the same way as men
Equatorial Guinea	×	×
Eswatini	×	×
Guinea-Bissau		×
Kenya		×
Suriname		×

Source: Author's own elaboration based on World Bank, 2021, Women, Business and the Law, 2021.

Note: The ACP countries not included in this table or spaces in blank have no laws which act as a barrier to register or access assets, as per the above criteria.



SIMPLIFYING ADMINISTRATIVE PROCEDURES RELATED TO BUSINESS REGISTRATION

The Malawian Government conducted an intervention to simplify the business registration process.

- Businesses were assisted in obtaining a business registration certificate at no cost and provided with information on the potential benefits of registration.
- Businesses were assisted in obtaining both a business registration certificate and taxpayer identification number.
- Individuals were given an information session on the difference between formal and informal financial institutions, the role of banks, the benefits of having bank accounts, etc.

ADDITIONAL POLICY EFFORTS

Changes in the legal framework alone are not sufficient, however, and additional policy efforts are required. An effective intervention to support the registration and formalization of women-owned/led businesses should include:

- Simplifying legal procedures.
- Promoting access to information.
- Supporting financial education.
- Promoting legal literacy.
- Addressing women's time poverty.
- Considering and addressing customary laws.





3. REFORMS FOR IMPROVING ACCESS TO FINANCE FOR WOMEN-OWNED/LED BUSINESSES

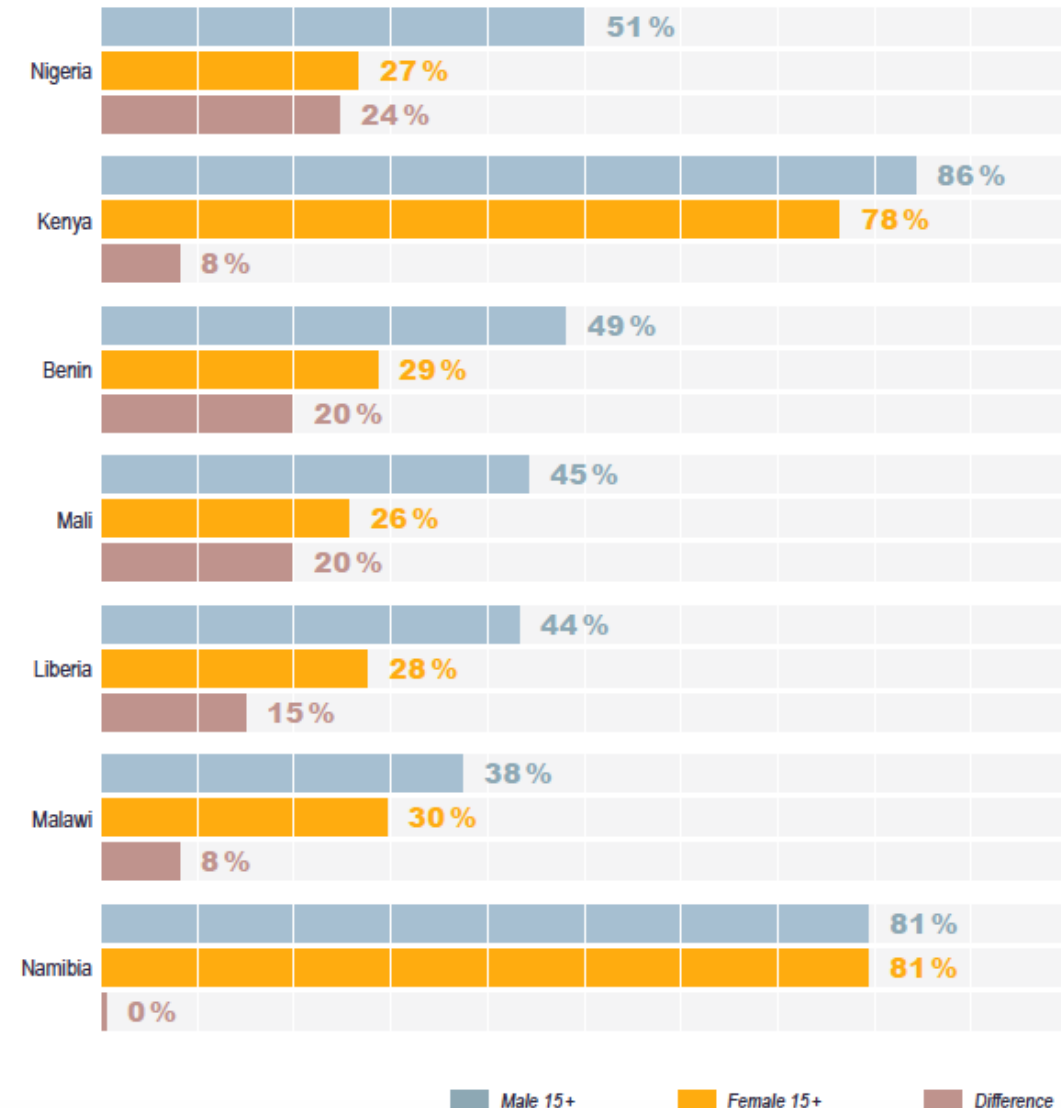
Women in developing countries are 20 per cent less likely than men to have a bank account and 17 per cent less likely to have borrowed money from a formal financial institution.

A multitude of complex factors plays a role:

- Lack of access to land and productive assets, which limits the collaterals needed.
- low credit scores due to lower financial inclusion
- lower financial experience
- lack of formal credit history.

Only sixteen have laws that prohibit gender-based discrimination in access credit.

FIGURE 2: Percentage of individuals with a mobile financial institution account in select ACP countries



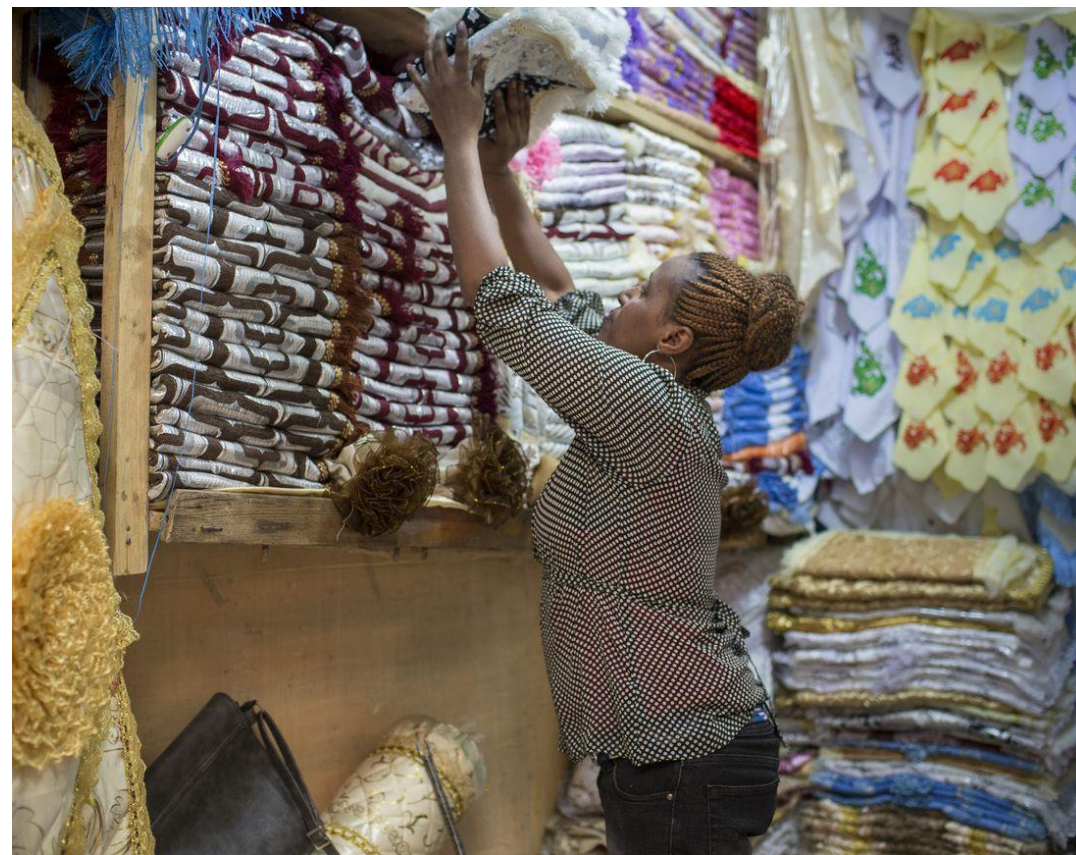


IMPLEMENTING ASSESSMENT TOOLS TO MEASURE GENDER GAPS IN ACCESS TO FINANCE

- It is key to understand the constraints women entrepreneurs face in general, as well as the specific barriers they face in access bank accounts, credits, payments, leasing opportunities, and insurance.
- In Uganda, for example, the WED has been used to identify and address the needs of women entrepreneurs, particularly when it comes to access to credits and finance.

REMOVING LEGAL AND ADMINISTRATIVE BARRIERS TO ACCESS BANK ACCOUNTS AND FORMAL LOANS

- In 2016, the Democratic Republic of Congo reformed its Family Code to deal with gender-based inequality.
- After this reform, married women were legally allowed to open bank accounts, start formal businesses, sign contracts, register a company, and perform other economic activities without interference or permission needed from their husbands.





CHANGING THE WAY CREDITS SCORES ARE CALCULATED AND EXPANDING WOMEN'S LINES OF CREDITS

- While women have a less extensive borrowing history and lower financial inclusion than men, they have better repayment behaviour. The problem is that the repayment behaviour is not included in traditional credit scores in the Dominican Republic, which penalizes women.
- The Dominican Republic introduced a Machine Learning credit-scoring model that only incorporates data from women, predicting creditworthiness and generating new credit scores.
- Using this algorithm improved the credit scores for 93 per cent of women



4. CONCLUSIONS AND POLICY RECOMMENDATIONS

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1. Measure the gender gaps in assets and access to credit: This entails understanding the challenges women face in accessing credit from financial institutions, measuring the gender asset gap, and developing the know-how to address it.

3. Promote administrative reforms to register and manage a business: Difficult business procedures are a barrier to business formalisation and growth for both men and women. But it is essential to consider that even when procedures seem “neutral”, they might have unintended consequences on women-owned/led businesses.

2. Promote legal reforms: Equal opportunity starts with equal treatment under the law. Legal frameworks need to reform inheriting regimes and family codes so that women can fully access property, and open and operate a business.

4. Promote women’s access to credit: In addition to conducting administrative reforms and developing credit lines for women, there are other innovative ways to promote women’s access to finance to grow their business. Business environment reforms should promote new ways to support women’s access to credit, including innovative ways to calculate credit scores.

III) Comments and Reactions

Joanna Kahiluoto

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CEO Ghana Enterprise Agency

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Dr. Linda Davis

*Business Leader &
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IV) Q&A Session

Do you have a question to our panellists?

Please write your question into the chat box!



- **Are you a public or private stakeholder in an ACP country?**
- **Do you want to improve your business environment for supporting women's economic empowerment?**

The ICR Facility can support you with technical assistance of up to 90 expert days.

Check the eligibility criteria on our website and send us a request via the online request form.

www.icr-facility.eu



Thank you for your feedback!



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