



GRAÇA MACHEL TRUST



POLICY ECOSYSTEM FOR WOMEN'S ENTREPRENEURSHIP IN THE **EAST AFRICAN COMMUNITY (EAC)**

NETWORK OF
AFRICAN BUSINESS WOMEN

WOMEN IN BUSINESS
NETWORK

NETWORK OF
AFRICAN WOMEN IN AGRIBUSINESS

WOMEN IN AGRIBUSINESS
NETWORK

NEW FACES NEW VOICES

WOMEN IN FINANCE
NETWORK

WOMEN IN MEDIA
NETWORK

Introduction

The gender gap in the East African Community (EAC) persists, with women-owned SMEs disproportionately at risk of exit and financial exclusion (ILO, 2016). In Tanzania, around 19.4 % of women entrepreneurs face financial exclusion, with a 7 % gender gap in formal labour force participation (UN women, 2024; Mori, 2014). In Kenya, there is a notable gender gap in formal business ownership, with only 31.4 % of businesses owned by women (Cherie Blair Foundation for women, 2023). The informality of women-owned SMEs exacerbates these challenges, limiting access to finance, weakening rights and reducing visibility, with women more likely than men to work from home and in lower-paying sectors. Operating in informal and traditionally female-concentrated sectors limits the earnings of women entrepreneurs. Challenges such as corruption, lack of capital, limited technical skills and low digital literacy, all of which hinder their access to these public procurement opportunities (Kazi et al., 2023).



Uganda stands out with a strong culture of female entrepreneurship and has achieved gender parity, driven by a high number of women engaging in entrepreneurial activities and the labour force (WEF, 2021). However, women-owned SMEs in Uganda generate 30 % lower profit than their male counterparts (Copley et al., 2021). Regional trade is expected to grow, with many female entrepreneurs already participating. Women in Rwanda (65 %) and Tanzania (60 %) are leading in regional trade involvement, while Kenya (45 %) and Uganda (43 %) lag behind. This indicates that women in Kenya and Uganda face challenges in accessing regional and international markets that offer greater opportunities and benefits. Kenya and Tanzania have policies that allocate 30 % of government procurement opportunities to women-owned SMEs. However, only a small percentage of women successfully apply due to challenges such as corruption, lack of capital, limited technical skills and low digital literacy, all of which hinder their access to these public procurement opportunities (Kazi et al., 2023).

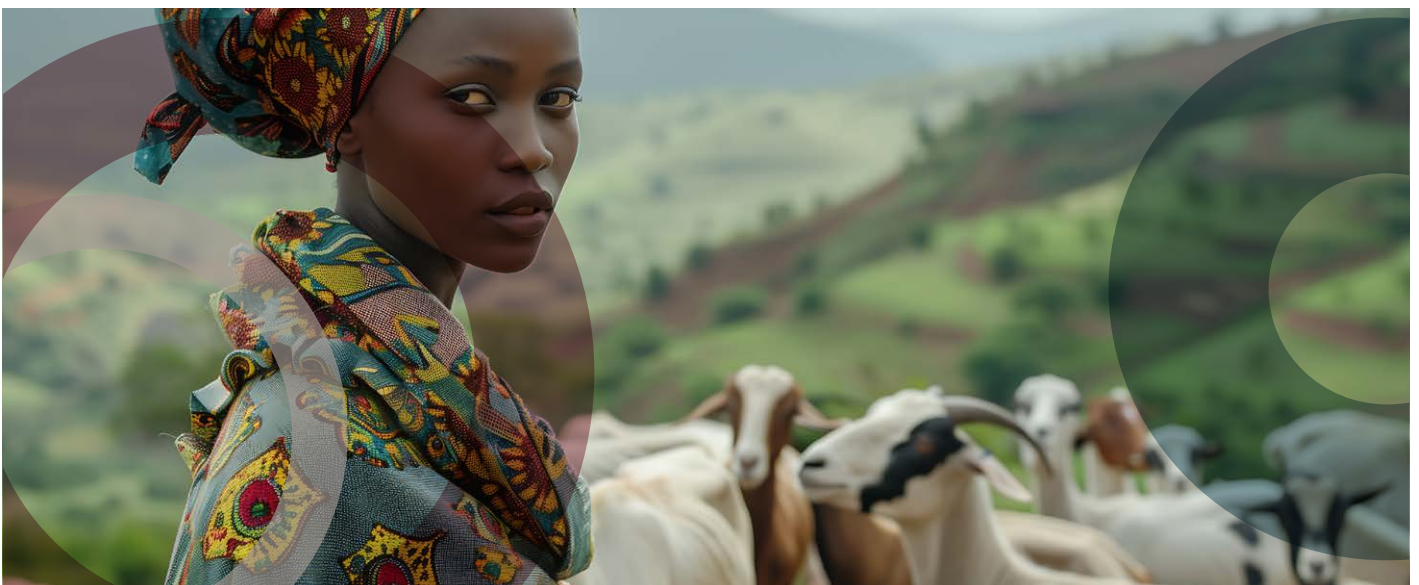


Key Messages

- The gender gap in the EAC limits women-owned SMEs' success, with financial exclusion, low market access and systemic barriers. Women in Rwanda and Tanzania lead in regional trade, but challenges remain for women in Kenya and Uganda.
- Despite EAC initiatives supporting women entrepreneurs, challenges persist. Uganda's progress in gender parity highlights potential strategies for regional growth and policy improvement.
- Inclusive policies are essential. Effective policies must integrate gender-sensitive strategies that focus on financial inclusion, education and support for women entrepreneurs, especially in informal sectors, to enable sustainable business growth.
- Comprehensive support for women entrepreneurs is needed. Women's entrepreneurship needs a holistic support package that combines access to finance, capacity-building programmes, mentorship and additional services, such as childcare and healthcare, to address both personal and professional challenges.
- Capacity building and mentorship drives success. Tailored training, mentorship and networking programmes – such as those from Graca Machel Trust (GMT) and Africa Management Institute (AMI) – are vital to providing women entrepreneurs with the skills and confidence to scale their businesses and navigate market challenges.
- Collaboration is key to impact. Strategic partnerships between governments, non-governmental organisations (NGOs) and private sector organisations can amplify the resources and opportunities available to women entrepreneurs, creating more sustainable pathways for economic empowerment.

The EAC has implemented several initiatives aimed at fostering a supportive environment for women's entrepreneurship, yet challenges remain. This policy brief aims to inform evidence-based policies and strategies that create an enabling environment for women entrepreneurs, and that drive economic growth, gender equality and social development across the East African region.

The study evaluated policies, regulations and programmes at the national, regional (EAC, Common Market for Eastern and Southern Africa (COMESA), Intergovernmental Authority on Development (IGAD)) and African Union (AU) levels to assess their effectiveness, identify gaps and suggest improvements. It also examined the barriers women entrepreneurs face, alongside existing support mechanisms and best practices. Using a mixed-methods approach comprising document analysis, policy mapping and key informant interviews (KIIs) with EAC representatives and women entrepreneurs in Kenya and Tanzania, the study findings highlight the key challenges to women's entrepreneurship and provide actionable recommendations for effective policy strategies.



Women's Entrepreneurship Policy Ecosystem in EAC

THE EAC HAS DEVELOPED SEVERAL INITIATIVES AIMED AT FOSTERING AN ENVIRONMENT CONDUCIVE TO WOMEN'S ENTREPRENEURSHIP, ALTHOUGH CHALLENGES REMAIN.

EAC Vision 2050: This vision highlights the importance of gender equality and women's empowerment in achieving socio-economic growth. Despite women representing 52 % of Africa's population, they earn only 10 % of the continent's income. EAC Vision 2050 calls for comprehensive mechanisms to enhance women's education, health and economic empowerment (EAC, 2016). While it recognises women's pivotal role, it lacks specific mechanisms to support their participation in trade and entrepreneurship. Further emphasis is needed on women in informal sectors to bridge the gap in economic participation.

EAC Gender Policy: This policy seeks to promote gender equality and support women's development across all sectors. It acknowledges ongoing gender disparities in resource distribution, decision making, political representation, access to education, quality healthcare and formal employment opportunities. The policy identifies financial exclusion as the primary barrier for women entrepreneurs, alongside harmful cultural practices, insufficient gender considerations in budget allocations, and sexual and gender-based violence (GBV) (EAC, 2018). While recognising women's entrepreneurial potential, the policy calls for stronger implementation strategies and more focused initiatives to address these challenges effectively.

Treaty for the Establishment of the EAC: Chapter 22 of the treaty focuses on enhancing the role of women in socio-economic development and business within the EAC. The treaty mandates member states to promote women's participation in socio-economic development. It supports women's business and entrepreneurship through initiatives such as the East African Women in Business Platform (EAWiBP), which fosters networking and business growth among women entrepreneurs.

COMESA supports women entrepreneurship through various regional policies. The COMESA Treaty emphasises women's role in development and mandates member states to create inclusive policies for women in business. The COMESA Gender Policy addresses gender inequality and promotes women's participation in trade and entrepreneurship by improving access to resources, education and finance. It advocates gender-responsive legal frameworks, capacity-building programmes and the inclusion of women in decision making (COMESA, 2024). The Small-Scale Cross Border Trade (SSCBT) Initiative addresses gender-related challenges and gaps in cross-border trade, and the 50 Million African Women Speak (50MAWS) Platform Project provides women entrepreneurs with access to information on both financial and non-financial services and opportunities.

IGAD Gender Strategy: Although not exclusive to the EAC, IGAD has also prioritised women's economic empowerment. Its strategies focus on education, skill development and access to finance. Programmes such as the Gender Equality Women's Empowerment (GEWE) initiative provide essential training in entrepreneurship and financial literacy, targeting women and girls in the region.

EAC's Common Market Protocol: This protocol encourages free movement of goods and services within these countries. However, implementation issues create significant barriers for women entrepreneurs. Traders must comply with certification procedures, such as obtaining a certificate of origin for tax exemptions, yet awareness and enforcement of these regulations remain inconsistent. Security concerns at various border crossings, including conflicts between the Democratic Republic of the Congo and Rwanda (Gome border) and Uganda and Rwanda (Chanika border), disrupt business operations. This has led to smuggling, trafficking and corruption, which further complicates trade for women entrepreneurs who may lack legal protection or access to dispute resolution mechanisms.

Each EAC country has aligned regional policies with national-specific plans and initiatives to advance gender equity. To address financial inclusion, Kenya offers the Women Fund and Uwezo Fund, while Tanzania provides the Women's Development Fund (WDF) and the Tanzania Women's Entrepreneurship Development Fund (TWEDF). In Uganda, the Generating Growth Opportunities and



Productivity for Women Enterprises GROW project, supported by the World Bank, aims to create an enabling environment for women's enterprises by combining finance with business development services and essential infrastructure.

Other initiatives include the 50MAWS digital platform, which connects women entrepreneurs across EAC, COMESA and ECOWAS (Economic Community of West African States), offering trade information, networking and digital tools for business growth. The EAWiBP provides regional networking, policy advocacy and capacity building for women entrepreneurs. It promotes cross-border trade awareness, gender-responsive policies at the Council of Ministers level and stronger collaboration among women-led businesses in the EAC.

However, initiatives such as EAWiBP often face challenges, including limited funding, low member engagement and weak oversight mechanisms. Most of initiatives focus on a single aspect of women's entrepreneurship, but effective programmes should offer a package of support that includes loan products, secure saving products, life skills and business training, psychological-based entrepreneurial trainings and exposing women to more profitable male-dominated sectors by expanding their social networks.

Policy Gaps

- **Limited impact of economic empowerment funds:** Economic empowerment programmes, such as the WDF in Tanzania and the Uwezo Fund in Kenya, have not ensured long-term sustainability for women-led businesses. Issues such as loan delays, insufficient funding, mismanagement and lack of gender-differentiated data highlight the need for better monitoring, accountability and effective resource allocation, particularly for young women and marginalised groups. Reforms such as the proposed merger of the Women Enterprise Fund (WEF) and Uwezo Fund with the Youth Enterprise Development Fund (YEDF) bring confusion and delays in application processes, which further hampers access for women entrepreneurs.
- **Ineffective implementation and access to economic empowerment funds:** Bureaucratic delays, lack of transparency and inefficiencies in fund distribution hinder the effective utilisation of resources meant for women entrepreneurs. In Kenya, the president's directive requiring digital applications for WEF loans excludes many women entrepreneurs, particularly those in rural areas with limited digital literacy. This exacerbates financial challenges and gender disparities. Similarly, in Tanzania, women in remote areas struggle to access the WDF due to complicated application procedures and a lack of awareness about the fund's requirements. In Uganda, while the GLOW project aims to support women, its reach is limited due to bureaucratic challenges and the complex coordination between financial and business development services.
- **Insufficient integration of gender, social inclusion and youth in economic strategies:** National economic strategies and sectoral policies often overlook the integration of gender, social inclusion and specific support for young women entrepreneurs. In Kenya, the YEDF has stricter collateral requirements due to increased defaults, which limits young women's access to affordable loans. This gap limits opportunities for young women to engage fully in the economy, especially those from disadvantaged backgrounds, thus reducing the impact of economic reforms. In Tanzania, the WDF faces similar challenges in reaching underserved rural women due to ineffective outreach strategies. Uganda's GLOW project, although a step forward, still faces challenges in scaling up and ensuring that all women, particularly the youth, benefit equally from the combination of finance, business development services and infrastructure.
- **Lack of cohesive policies between national and county/regional levels:** National and county-level programmes are poorly coordinated, with no integrated policies to effectively support women's entrepreneurship, youth inclusion and social inclusion across different levels of government. In Kenya, this lack of coordination between the national and county governments results in inconsistent implementation of women-friendly policies, especially in rural counties where women entrepreneurs face unique challenges. In Tanzania, regional disparities exist in access to business opportunities due to varying local government support for women entrepreneurs. Similarly, Uganda's national and regional policies need better coordination to ensure that all women, particularly those in rural areas, benefit equally from economic empowerment programmes.

Policy Gaps

- **Lack of gender-disaggregated data and gender mainstreaming:** The absence of gender-disaggregated data limits evidence-based policymaking, hindering the ability to track and support women's entrepreneurship effectively. In both Kenya and Tanzania, there is a lack of comprehensive gender data to assess the success of women's entrepreneurship programmes, which leads to policies that do not adequately address the unique challenges women face. In Uganda, while the GLOW project collects some data, more gender-specific data is needed to fine-tune and expand the programme's reach. In addition, fiscal policies and budgetary decisions that prioritise gender mainstreaming and social inclusion are insufficient in all three countries, which further limits targeted support for young and marginalised women entrepreneurs.
- **Fragmented support for women entrepreneurs:** Most initiatives, such as the WDF in Tanzania and Uwezo Fund in Kenya, focus on a limited aspect of women's entrepreneurship, such as access to finance. However, effective programmes should offer a holistic package of support. For example, in Kenya, the WEF could be improved by integrating secure saving

options, life skills training, psychological support and business exposure programmes. Similarly, Tanzania's WDF should expand beyond financial aid to include business development services and mentorship programmes. Uganda's GLOW project provides a best practice comprehensive programme that targets psychological-based entrepreneurial training to help women build resilience and provides finance. The Women in Business programme in Rwanda aims to enhance the representation of women in the formal economy. Through initiatives that provide training and financial support, the programme has successfully increased the percentage of registered women-owned businesses (WOBs) from 27 % in 2017 to 37 % in 2021, fostering greater inclusion and economic empowerment for women entrepreneurs. Comprehensive support systems are critical to fostering sustainable business growth and bridging gender gaps in entrepreneurship, especially for young women who need more targeted assistance to enter male-dominated sectors.



Barriers and Challenges Facing Women's Entrepreneurship in the EAC

BASED ON A COMPREHENSIVE LITERATURE REVIEW AND KIIS, THE FOLLOWING BARRIERS HAVE BEEN IDENTIFIED AS SIGNIFICANT CHALLENGES FACED BY WOMEN ENTREPRENEURS IN THE EAC REGION:

Limited access to finance and start-up capital: Women entrepreneurs across East Africa, including Kenya, Tanzania and Uganda, struggle with financial exclusion. In Tanzania, around 19.4 % of women entrepreneurs face financial exclusion, while in Kenya, a gender gap persists in formal business ownership. Women are more likely to work in informal sectors with limited access to formal financial services, which makes it challenging to obtain capital for expansion. In addition, women entrepreneurs tend to face gender biases and high collateral requirements when accessing loans, which further limits their financial opportunities. There are weak financial support structures across the EAC to support women's entrepreneurship.

Unclear legal and government regulations: In Kenya, Tanzania and Uganda, unclear or shifting government policies create instability for women entrepreneurs. These regulatory challenges – ranging from inconsistent licensing to taxation – affect business sustainability and growth. In addition, policies intended to support women's entrepreneurship, such as procurement quotas in Kenya and Tanzania, face obstacles due to limited implementation, corruption and a lack of adequate infrastructure to support WOBs in the formal market.

Market access, information disruptions and supply chain issues: Women entrepreneurs in Kenya face significant market access barriers, including competition from cheaper alternatives and disruptions in supply chains. In addition, many women operate in informal sectors or low-paying industries, which limits their ability to access regional and international markets. Regional trade is growing, but women entrepreneurs in Uganda and Kenya are lagging behind countries such as Rwanda and Tanzania in accessing these opportunities. Women entrepreneurs struggle to access information on market trends, taxation policies and investment opportunities, which limits their competitiveness.

Limited education, training, skill development and networking opportunities: Across East Africa, many women entrepreneurs face limited access to education and training programmes, particularly in male-dominated industries such as construction or clean energy. In Kenya and Tanzania, women often miss out on networking opportunities and industry events due to gender biases. This lack of exposure and skill development limits their ability to expand and successfully compete in markets. In addition, low financial literacy and technical skills further hinder their growth potential.

Security, theft and digital literacy: Women entrepreneurs in Kenya, Tanzania and Uganda face significant security risks, including theft, fraud and cybercrimes, due to low digital literacy and exposure to online threats. In addition, women operating informal businesses, especially in rural areas, are more vulnerable to theft and violence. Low digital literacy exacerbates these challenges, particularly as more businesses transition to digital platforms that can be more secure but that also expose women to greater risks if not properly managed.

Taxation and regulatory burdens: Women entrepreneurs in Kenya, Tanzania and Uganda experience challenges with taxation and regulatory compliance. In Kenya and Tanzania, high taxes and inconsistent regulations affect profitability, while in Uganda, gendered barriers limit women's participation in public procurement opportunities. Although policies such as government procurement quotas aim to support women entrepreneurs, corruption, lack of capital, limited technical skills and low digital literacy further hinder their access to public procurement contracts.



Barriers and Challenges Facing Women's Entrepreneurship in the EAC

Sociocultural barriers, GBV and sexual exploitation (sextortion): In Tanzania and Uganda, sociocultural barriers, including GBV and sexual exploitation (sextortion), disproportionately affect women entrepreneurs. In Tanzania, women in informal and street markets face physical and emotional abuse, which limits their ability to grow their businesses. In Uganda, although women participate more in entrepreneurial activities, they still experience barriers such as harassment and exploitation, which undermines their economic empowerment. GBV is also prevalent at border crossings.

Trade barriers and bureaucratic hurdles: Women entrepreneurs often face multiple layers of challenge, including unclear trade regulations, high customs duties and lengthy, complex registration processes. These challenges are further compounded by GBV and harassment at border points and trade facilities, which creates unsafe environments and discourages women's participation in cross-border trade.

Key regional trends and opportunities: Despite these barriers, the EAC region holds significant potential for women entrepreneurs. While women entrepreneurs in Uganda lead in labour force participation and entrepreneurship, their businesses generate 30 % less profit than their male-owned counterparts. Kenya and Tanzania, with their gender gaps in business ownership and participation, can learn from Uganda's successful entrepreneurial culture. However, women in these countries struggle to access regional trade opportunities, with Rwanda and Tanzania leading in this space. Addressing these barriers through improved access to finance, education, digital literacy and gender-sensitive policies could unlock the entrepreneurial potential of women across East Africa and enable them to contribute more effectively to regional growth and economic development.



Support Mechanisms that Facilitate Women's Entrepreneurship Development in Kenya

EFFECTIVE SUPPORT MECHANISMS THAT FACILITATE WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN THE EAC INCLUDE THE FOLLOWING:

1. Strengthen financial inclusion and access to capital

- Establish a regional women's entrepreneurship fund under the EAC to provide collateral-free loans and low-interest financing.
- Expand successful national models such as Uwezo Fund (Kenya), WDF (Tanzania) and SACCOS (savings and credit cooperative societies) across the region.
- Partner with commercial banks and the East African Development Bank (EADB) to improve loan accessibility and financial literacy for women entrepreneurs.
- Support regional initiatives such as Affirmative Finance Action for Women in Africa (AFAWA) to scale impact.

2. Build capacity through training and mentorship

- Scale up programmes by GMT, AMI and Tanzania Women Tapo to deliver training in business, marketing and financial management.
- Leverage networks such as EAWiBP and the EAC Women's Entrepreneurship Network for cross-border mentorship.
- Promote civil society involvement in coaching and peer-to-peer learning initiatives.
- Leverage artificial intelligence (AI)-driven capacity-building platforms.

3. Enhance Cross-Border trade awareness and facilitation

- Conduct regular awareness campaigns on trade protocols, customs procedures and market access.
- Simplify and digitise business registration and licensing for women across the EAC, building on platforms such as Kenya's e-Citizen.
- Harmonise taxation and trade policies to ease cross-border trade restrictions.
- Expand access to export opportunities via platforms such as KenTrade, TanTrade and the EAC Trade Information Desks.

4. Improve governance, oversight, and policy implementation

- Mandate EADB to report to East African Legislative Assembly EALA on funding disbursement and outcomes related to women's entrepreneurship.
- Establish trade dispute resolution centres focused on women traders.
- Strengthen anti-corruption mechanisms and promote transparency in trade and business support programmes.

5. Expand and empower women's business networks

- Scale up EAWiBP to include digital trade, market research and regional business scaling strategies.
- Encourage public-private partnerships to support WOBs with tools, exposure and funding.
- Support women's cooperatives and group formations to increase bargaining power and access to services.
- Address sociocultural barriers including GBV and sextortion through integrated advocacy.

Best Practices/Successes

- **Providing a comprehensive support package:** A successful policy framework and initiatives for women entrepreneurs should combine financial assistance, business development services and essential infrastructure. Beyond business support, initiatives should include childcare, healthcare and partnerships with organisations such as Tanzania Women Tapo and GMT. This holistic approach helps women, including young entrepreneurs, to balance caregiving with business responsibilities to foster well-being and success. For example, the GLOW Project in Uganda and the Women in Business programme in Rwanda integrate finance, capacity-building services and infrastructure to support women's sustainable business growth.
- **Capacity building and mentorship programmes:** Programmes such as the GMT and AMI provide tailored training, business development resources and mentorship to women, including young entrepreneurs. These initiatives empower women with the necessary skills to scale their businesses, navigate market challenges and achieve long-term success.



The Way Forward

To unlock the full potential of women entrepreneurs in the EAC, member states must move beyond policy commitments to coordinated, results-driven implementation. Key to this is establishing a regional framework that integrates financial support, trade facilitation, capacity development and inclusive governance.

First, harmonising financial inclusion strategies is vital. The EAC should formalise a regional women's entrepreneurship fund, backed by both public and private stakeholders, with flexible, collateral-free financing and targeted support for women-led enterprises. Strengthening regional financial literacy programmes ensures women can fully leverage these opportunities.

Second, governments should institutionalise cross-border trade facilitation by simplifying customs processes, streamlining digital business registration and ensuring consistent policy alignment across borders. It is also crucial to building the capacity of trade information desks and ensuring they are accessible to women entrepreneurs.

Third, accountability must be embedded in programme execution. EADB should be required to provide regular performance reports to EALA, while robust monitoring systems should be established to track disbursements and the impact of programmes as well as to address challenges such as corruption and exclusion.

Fourth, the EAC must invest in women's business networks by expanding platforms such as EAWiBP to support innovation, digital trade and market expansion. Stronger collaboration with civil society and the private sector could foster mentorship ecosystems and strengthen support at the grassroots level.

Lastly, a deliberate effort must be made to address sociocultural barriers that include GBV, sextortion and restrictive norms as these barriers hinder women's economic participation. Legal protections, awareness campaigns and gender-sensitive trade environments should be prioritised.

With political will, strategic investment and collective action, the EAC can transform the entrepreneurial landscape for women to drive inclusive growth and regional integration from the ground up.


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