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Policy brief: Africa Policy Ecosystem for Women's Entrepreneurship



GRAÇA MACHEL TRUST



WOMEN CREATING WEALTH
ISN'T JUST A PROGRAMME;
IT'S A TRANSFORMATIVE
JOURNEY FOR AFRICAN WOMEN
ENTREPRENEURS. IT HELPS WOMEN
SHIFT FROM RUNNING INCOME-
GENERATING BUSINESSES TO
BUILDING WEALTH, CREATING
JOBS, AND SHAPING LEGACIES OF
PROSPERITY.



Introduction

The policy landscape for women's entrepreneurship in Africa is evolving, with governments increasingly implementing gender-responsive strategies to support women-led businesses (Williams, 2024). These initiatives include improving access to finance, offering training and mentorship programmes and creating networks to support women entrepreneurs. Despite these efforts, significant challenges persist that hinder the growth and success of women-owned businesses across the continent.

For instance, the start-up ecosystem in countries such as Senegal remains predominantly male dominated, limiting opportunities for women (AFI, 2023). In Uganda, women-owned small and medium enterprises (SMEs) generate 30 % lower profits than their male counterparts, while in South Africa, businesses face a higher risk of closure and financial exclusion (Meyer et al., 2024). In addition, many women in Africa are employed in low-wage, insecure jobs, particularly in agriculture, where they earn less than men and face barriers such as limited access to land ownership.

Although most African governments have introduced gender-responsive procurement policies that allocate 30 % of procurement opportunities to women, youth and people with disabilities (PWDs), women-owned businesses (WOBs) continue to face barriers. In Rwanda, only 13 % of procurement contracts are awarded to WOBs, while in Kenya, opportunities largely benefit urban and educated women, leaving women in rural areas who lack the resources and knowledge to navigate complex procurement systems – excluded (Williams, 2024).

Furthermore, women in sub-Saharan Africa are approximately 45 % less likely to be online than men, which limits their participation in e-commerce. This digital divide restricts women SME owners from tapping into the growing opportunities of the online marketplace.

Regional trade has been enhanced by the implementation of the African Continental Free Trade Area (AfCFTA) and various regional trade agreements. However, many WOBs are poorly positioned to tap into these regional and international markets that present substantial growth opportunities.



Key Messages

- The policy landscape for women's entrepreneurship in Africa is evolving, with governments improving access to finance, training and networks.
- Women entrepreneurs face barriers such as limited financial access, complex regulations, societal biases and cultural expectations. Unpaid care work pushes many businesses into the informal economy, which limits their growth.
- The African Union (AU), New Partnership for Africa's Development (NEPAD) and their affiliated organisations have initiated various programmes to support and develop women in business.
- Agenda 2063 and the Gender Equality and Women's Empowerment (GEWE) policy provide frameworks for women's entrepreneurship, but regional policies need stronger enforcement and expanded support to effectively integrate gender equality and entrepreneurship.
- Although gender-responsive procurement policies exist, women in rural areas struggle with poor infrastructure, digital exclusion and limited access to procurement opportunities, all of which hinder their ability to benefit from AfCFTA and regional trade.
- The AU-NEPAD faces challenges in supporting women's entrepreneurship, including lengthy approval processes within AU governance structures, which delay the implementation of initiatives and hinder the ability to respond to evolving needs and opportunities.
- Support mechanisms are crucial, such as affordable financing, capacity building and training, mentorship and simplified regulations.
- Programmes that offer holistic support – combining financial inclusion, childcare, healthcare and mentorship – are crucial to fostering inclusive growth and advancing gender equality in entrepreneurship.

Women entrepreneurs face the challenge of unequal distribution of unpaid care work, making it difficult to balance family responsibilities with running a business. As a result, many WOBs operate in the informal economy, where they encounter compounded challenges such as limited financial inclusion and low profits. Countries such as Tanzania, South Africa, Malawi and Senegal illustrate this problem, with a significant number of women entrepreneurs concentrated in low-profit, informal sectors that lack adequate support (Competition Commission South Africa, 2023; Meyer et al., 2024).

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 in Africa. The study evaluates policies, regulations and programmes at the national, regional and AU levels. It assesses their effectiveness, identifies gaps and suggests improvements. The study also examines 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 (KIs) with NEPAD representatives and women entrepreneurs in various sectors across several African countries, including Malawi, Zambia, Tanzania, South Africa, Senegal and Kenya, the study provides actionable recommendations for effective policy strategies.

Women's Entrepreneurship Policy Ecosystem in Africa

THE AU HAS DEVELOPED A RANGE OF POLICIES, FRAMEWORKS AND INITIATIVES TO SUPPORT WOMEN'S ENTREPRENEURSHIP ACROSS THE CONTINENT, RECOGNISING THAT SUPPORTING AND DEVELOPING WOMEN IS ESSENTIAL TO ACHIEVING SUSTAINABLE ECONOMIC DEVELOPMENT AND GENDER EQUALITY. NEPAD IS TASKED WITH IMPLEMENTING STRATEGIES AND INITIATIVES, OF WHICH SOME OF THE KEY AU POLICIES INCLUDE THE FOLLOWING:

Agenda 2063 - The Africa We Want: This is the AU's strategic vision for Africa's socio-economic transformation over 50 years. It emphasises the importance of placing gender equality at the core of Africa's development. This framework supports women's entrepreneurship through two aspirations specifically:

- **Aspiration 5:** Recognising women's role in preserving culture and driving local economies.
- **Aspiration 6:** Supporting women, particularly young women, by improving access to resources such as land, credit and financial services, while promoting their rights to owning property and engaging in entrepreneurship (AU, 2015).

AU GEWE Policy (2018 2028): This policy supports gender equality in all areas, based on lessons from the 2009 gender policy. It is aligned with Aspiration 6 of Agenda 2063 and focuses on four pillars: 1) maximising opportunities through education, economic empowerment and technology; 2) ensuring dignity, security and resilience by addressing sexual and reproductive rights and gender-based violence (GBV); 3) creating effective laws and institutions for gender

equality; and 4) increasing women's leadership and visibility. The policy also addresses gendered barriers such as legal inequalities, restricted access to technology, the digital divide and limited land ownership.

AU Women and Youth Financial and Economic Inclusion 2030 Initiative (WYFEI 2030): The AU recognises the need for financial inclusion and the benefits of intra-Africa trade for women to boost their businesses. In 2022, the AU launched WYFEI 2030 to unlock \$100 billion for 10 million women and youth by 2030. The initiative promotes financial inclusion through entrepreneurship support, employment equality and financial reforms. It also aims to enhance AfCFTA by supporting and promoting access for women and youth in intra-African trade and regional value chains.

Other initiatives include the African Development Bank's (AfDB) Affirmative Finance Action for Women in Africa (AFAWA) and the African Women's Development Fund (AWDF), both aimed at closing the financing gap for women entrepreneurs. Further successful initiatives that support women entrepreneurship include Africa Women Leaders Network (AWLN) which supports leadership

and entrepreneurial development and AfCFTA Women's Protocol which ensures fair trade opportunities for women entrepreneurs.

The AU also supports women's entrepreneurship and reproductive health programmes that promote financial empowerment and inclusive access to healthcare. It collaborates with women entrepreneurs, advocacy groups and key stakeholders through specialised annual forums, ministerial conferences and civil society engagement.

Key AU priorities moving forward include:

- Expanding women's entrepreneurship programmes under NEPAD;
- Developing AI-driven platforms for business training and resource distribution;
- Strengthening leadership training for women in governance and entrepreneurship;
- Collaborating with private-sector entities to shape inclusive corporate policies.



Policy Gaps

- While regional and national gender policies are aligned with the AU's Agenda 2063, the GEWE policy and other AU frameworks, significant challenges remain in the effective implementation of gender-responsive policies. For instance, many countries have adopted gender-responsive procurement policies that allocate at least 30 % of opportunities to women. Some nations, including Rwanda and Ethiopia, have yet to legally prioritise WOBs in procurement processes (Williams, 2024). Egalitarian barriers, such as complex certification processes and poor infrastructure, limit the ability of women entrepreneurs to fully benefit from AfCFTA opportunities. These challenges hinder their access to broader markets and trade potential.
- Current regulatory frameworks lack streamlined business registration processes, which creates barriers to entry for aspiring women entrepreneurs. In addition, the absence of clear and targeted taxation policies for women-led enterprises hampers their growth and formalisation.
- A critical issue is the lack of integration between gender equality frameworks and entrepreneurship. Gender-responsive policies often overlook the unique barriers women face, particularly due to cultural norms that impede the full implementation of gender equality. These cultural challenges frequently result in policies that do not fully address the realities women encounter in the business environment.
- Many initiatives aimed at the growth of women in business fail to consider their holistic needs because of limited participation that has led to ineffective laws. For instance, support for family care and child care is often neglected, making it difficult for women to balance their business responsibilities with caregiving roles. This lack of comprehensive support further exacerbates the challenges women face in growing sustainable businesses.
- Another key gap is financial inclusion and the need for gender-sensitive policies in business and finance. Many programmes designed to support women entrepreneurs fail to consider the technological and digital needs that are essential for leveraging new opportunities, such as e-commerce, digital financial systems and procurement platforms. Without these resources, WOBs struggle to fully capitalise on digital innovation, limiting their potential for growth and sustainability.

Barriers and Challenges Facing Women's Entrepreneurship in Africa

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

LIMITED ACCESS TO FINANCE AND START-UP CAPITAL AS WELL AS FINANCIAL EXCLUSION

Women entrepreneurs across Africa face persistent challenges in accessing finance due to factors such as:

- **High collateral requirements:** Many women lack property or assets to use as collateral, especially in rural or informal settings.
- **Gender biases:** Banks and financial institutions are often more willing to lend to men. Married women may face discrimination when applying for loans (e.g., being asked for marital status or requiring a male co-signer).
- **Limited access to credit and financial services:** Many women entrepreneurs, especially those outside urban areas, do not have access to formal banking services or business loans. As a result, they often resort to informal financial sources that might not provide the necessary capital or security for long-term business expansion.
- **Financial literacy gaps:** Women often have lower levels of financial literacy than their male counterparts, which can limit their ability to manage finances effectively or navigate complex loan application processes.
- **High borrowing costs:** In many African countries, loans come with high interest rates (sometimes 28 % or higher), which makes borrowing unaffordable for women entrepreneurs, particularly in sectors such as agriculture, retail and hospitality.
- **Perceptions of risk:** These perceptions make banks hesitant to lend to WOBs.

LEGAL AND GOVERNMENT REGULATIONS, COMPLEX REGULATORY REQUIREMENTS, HIGH TAXES AND POLICY BARRIERS

The regulatory environment in many African countries creates substantial hurdles for women entrepreneurs. Such hurdles include the following:

- **Complex and inconsistent laws:** Business owners often encounter bureaucratic red tape, unclear or shifting regulations and a lack of transparency, which discourages growth and innovation. For instance, in Kenya, entrepreneurs face different regulations depending on the county, which leads to confusion and compliance challenges.
- **Tax burdens:** High taxes can reduce profitability and reinvestment in businesses. In some countries, small businesses owned by women are disproportionately affected by taxation policies that do not account for the specific needs and challenges faced by women in entrepreneurship.
- **Corruption and rent-seeking behaviour:** Many women face extortion, bribery and undue interference from government officials who delay or complicate the process of registration, licensing or obtaining necessary permits.
- **Inconsistent government policies:** In Tanzania, for example, unpredictable policies in sectors such as agriculture and hospitality disrupt women-led businesses, especially those aiming to expand or access international markets.



LIMITED MARKET ACCESS, DISRUPTIONS, AND SUPPLY CHAIN ISSUES

Women entrepreneurs often struggle with access to larger or more lucrative markets. Women-led businesses, particularly those in agriculture, retail and manufacturing, often struggle to access both local and international markets due to systemic barriers such as:

- **High transport costs:** Lack of infrastructure (such as railways, roads and transport networks) makes the cost of moving goods within countries or across borders prohibitively expensive.
- **Competition from cheaper, mass-produced goods:** In many sectors, especially retail, women face stiff competition from cheaper imports, making it difficult to maintain a steady customer base.
- **Supply chain disruptions:** Women entrepreneurs, especially in agriculture, face supply chain disruptions due to inconsistent delivery schedules, poor-quality inputs (such as seeds or equipment) and logistical challenges in sourcing products.
- **Lack of storage infrastructure:** In countries such as South Africa, inadequate storage facilities for agricultural products result in waste, forcing women to sell at lower prices or lose products altogether.

LIMITED EDUCATION, TRAINING AND BUSINESS SKILLS

Women entrepreneurs often lack access to the skills necessary for scaling their businesses:

- **Limited access to business education:** Many women do not have formal education in business management, financial literacy or marketing. This limits their ability to make informed decisions. For example, women in Zambia's construction sector lack the technical skills needed to grow their operations or compete with male counterparts.
- **Technical skill gaps:** In more technical industries like energy or agriculture, the lack of technical training and support prevents women from fully participating in and benefitting from these sectors. Women in Kenya, for example, face challenges in industries that require specialised knowledge, such as solar energy or clean technology.
- **Lack of vocational training:** There is a lack of training programmes tailored specifically to women in entrepreneurship, especially in non-traditional fields such as construction or mining. In Tanzania, women entrepreneurs often do not have access to the necessary vocational training that would enable them to increase productivity and scale their businesses.

LACK OF NETWORKING OPPORTUNITIES AND ROLE MODELS

Networking and mentorship are crucial for business growth, but many women entrepreneurs face barriers to accessing both networks and mentoring. Such barriers include the following:

- **Male-dominated sectors:** In industries such as construction, energy and mining, which are traditionally dominated by men, women often find it difficult to access the networks and mentorship needed for business growth.
- **Limited role models:** Many women lack strong role models in their industries, which further limits their belief in their ability to succeed. For example, South Africa's women in beekeeping and solar energy often operate without the mentorship that would help them access funding, market opportunities or business advice.
- **Cultural barriers:** In some regions, for example Zambia, cultural expectations may discourage women from attending networking events or seeking business mentorship, as women are often expected to prioritise family or community responsibilities.

GENDER BIAS, SOCIETAL BARRIERS AND SOCIAL STIGMA

Gender biases and societal expectations continue to restrict women in these ways:

- **Cultural stigma:** Women entrepreneurs in sectors such as construction, transportation and mining often face societal stigma that devalues their business success or undermines their credibility.
- **Gender-based discrimination:** Women are often excluded from high-value contracts or leadership roles in traditionally male-dominated industries, which limits their opportunities for business growth.

OTHER LESS PREVALENT BARRIERS REPORTED BY WOMEN ENTREPRENEURS:

- Security, theft and fraud;
- Low digital literacy;
- Balancing family and business engagements;
- Cross-border trade challenges;
- GBV and sexual exploitation (sextortion);
- Limited access to land, property rights and other agricultural inputs.





WOMEN CREATING WEALTH
BLENDS PERSONAL MASTERY
WITH BUSINESS SKILLS,
GIVING ENTREPRENEURS THE
CONFIDENCE, KNOWLEDGE, AND
NETWORKS THEY NEED TO SCALE
SUSTAINABLY. THROUGH EXPERT
GUIDANCE, TAILORED SUPPORT,
AND STRONG PARTNERSHIPS,
ENTREPRENEURS UNLOCK
MARKETS, ATTRACT FINANCING,
AND GROW AS LEADERS SHAPING
AFRICA'S ECONOMIC FUTURE.

Support Mechanisms that Facilitate Women's Entrepreneurship Development in Africa

Access to affordable financing: Initiatives such as low-interest loans, grants and tailored financial products aim to address barriers to capital. Programmes such as the Uwezo Fund, Women's Enterprise Fund (WEF) and Uwezo Fund and Tanzania's Women's Development Fund (WDF) offer women entrepreneurs access to capital with fewer collateral requirements. In addition, digital literacy training and awareness of financial services help women in rural areas to engage with formal financial systems. This access to financial systems encourages and supports the development of women-led businesses and, in so doing, advances financial independence for women.

Capacity building and training: Skills development is critical to women's entrepreneurial success. Training programmes cover essential areas such as financial literacy, marketing and business management. By equipping women with technical and leadership skills, women are better able to navigate challenges, grow their businesses and enhance their leadership capabilities. There is a need to equip women with digital and e-commerce tools to expand market reach. The AU can leverage AI-driven platforms to scale up business training and streamline resource distribution, enabling broader access for women entrepreneurs across the continent.

Mentorship and coaching: Women entrepreneurs benefit greatly from mentorship in which experienced business leaders offer strategic advice and emotional support. Programmes by Graça Machel Trust (GMT) and Africa Management Institute (AMI) provide coaching to help women scale their businesses, solve operational challenges and develop sustainable growth strategies.

Regulatory reforms and simplification: Streamlining the regulatory environment is essential for women entrepreneurs who often face bureaucratic hurdles when formalising their businesses. This highlights the need for gender-sensitive policies in business and finance. These include simplified business registration processes to ease entrepreneurial entry and the introduction of clear taxation policies for women-led enterprises. Initiatives such as the e-Citizen platform in Kenya and simplified registration systems help reduce the complexity of navigating legal and tax frameworks, which allows women to focus on growing their ventures.

Market access, networking and cooperatives: Building networks and forming cooperatives help women to pool resources, increase bargaining power and access larger markets. This fosters women entrepreneur associations for collaborations and business opportunities. Women-led organisations such as SACCOS (Savings and Credit Cooperative Societies) in Tanzania and women's business networks offer valuable support, foster collaboration, share knowledge and improve access to financing and business opportunities. These networks also help women scale by connecting them to mentors, investors and markets, both locally and internationally. Public private partnerships are established that provide business development resources.

Promoting cultural and social change: To create a more enabling environment for women entrepreneurs, targeted efforts should focus on shifting cultural and social norms. This includes promoting awareness campaigns that challenge gender stereotypes, supporting women's leadership in business and governance and strengthening GBV protections to ensure safe work environments.



Best Practices and Successes

LISTED BELOW ARE FOUR BEST PRACTICES THAT SUPPORT WOMEN'S ENTREPRENEURSHIP IN AFRICA:

Strengthening gender-responsive policies and inclusive support mechanisms: Many African governments have introduced gender-responsive procurement policies that allocate 30 % of opportunities to women, youth and PWDs, along with financial inclusion programmes. However, these policies must be strengthened to ensure equitable access for all women entrepreneurs, including young women. In countries such as Rwanda and Kenya, where WOBs continue to face barriers, particularly in rural areas, additional measures are needed. A best practice would not only guarantee a fair share of procurement contracts for WOBs but also provide tailored support for marginalised groups, including women in rural areas, women with lower levels of education and young women. Such practices include simplifying procurement processes, offering targeted training on navigating these systems and providing essential support such as financial inclusion programmes, digital literacy training and mentorship. By addressing the unique challenges faced by these women, enhanced policies could support women of all ages and backgrounds to compete on equal terms, fostering inclusive economic growth and creating more opportunities for women across the continent.

Comprehensive support packages for women entrepreneurs:

The new initiatives such as Uganda's Generating Livelihoods and Opportunities for Women (GLOW) Project and Rwanda's Women in Business programme provide holistic support that combines financial assistance, resilience-building training, childcare and healthcare. Programmes such as WDF and WEF should also include business development services and mentorship to address the broader

needs of women entrepreneurs. This integrated approach helps women, especially those with caregiving responsibilities, to balance family and business, fostering sustainable success, continued development and long-term growth.

Capacity building, mentorship, and collaborative partnerships: Programmes such as those offered by GMT and AMI provide tailored training, business development resources and mentorship. These programmes develop the capacity of women entrepreneurs, particularly young women, through providing the skills and knowledge needed to scale their businesses and overcome market challenges. These initiatives provide invaluable support that helps women to navigate complex business landscapes and that ensures long-term success. In addition, encouraging the formation of cooperatives or groups enhances women's collective bargaining power, improves access to financing and offers protection against exploitation. By fostering collaborations with organisations, government bodies and even businesses such as tour companies, women gain access to critical resources, business opportunities and financial backing. This access creates a more supportive and sustainable entrepreneurial ecosystem for women across diverse sectors.

Product resale model: In Senegal, women receive products on credit for resale, and they pay after sales. This model, supported by organisations such as Enda Tamweel and WIC Capital, removes the financial barrier of upfront capital and enhances women's autonomy and business opportunities.

The Way Forward

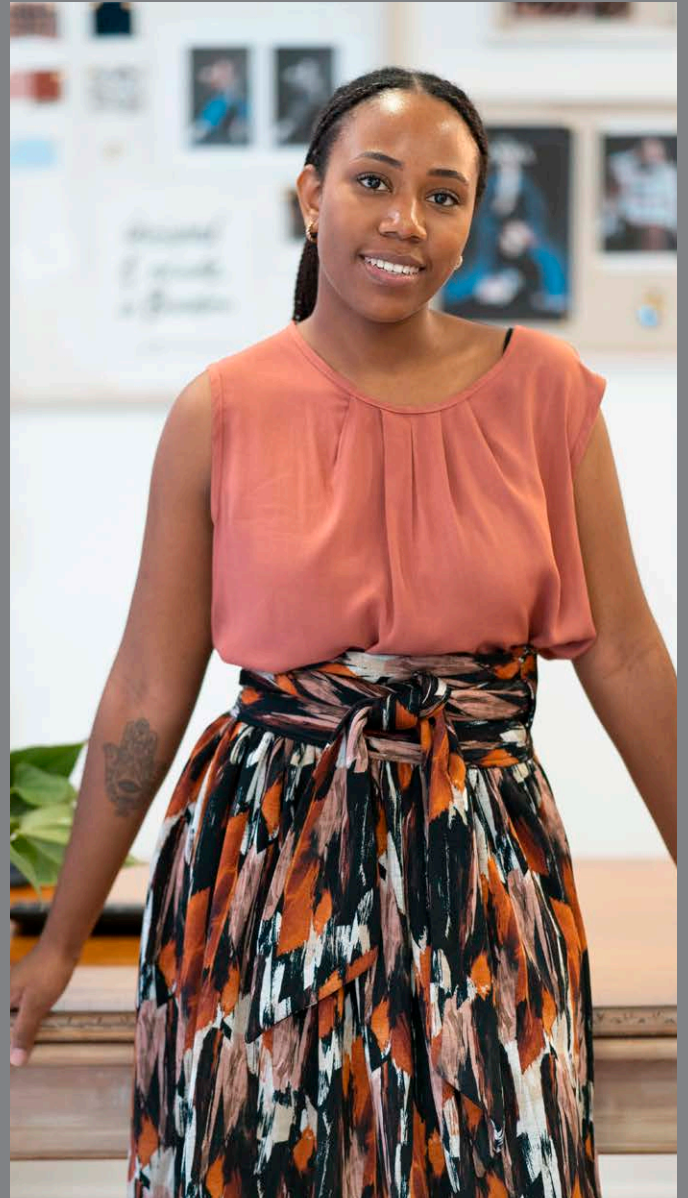
To fully advance women entrepreneurs in Africa, stronger enforcement of gender-responsive policies is critical. Governments must ensure equitable access to procurement opportunities by simplifying processes and offering targeted support, particularly for women in rural areas and those with lower levels of education.

Financial inclusion must be prioritised by reducing collateral requirements, offering affordable loans and providing digital literacy programmes to help women engage with modern financial systems. Simplifying regulatory frameworks enables women to access opportunities more easily and reduces bureaucratic barriers.

Support initiatives should offer comprehensive packages, addressing not just financial needs, but also childcare, healthcare and skills development. Programmes such as Uganda's GLOW and Rwanda's Women in Business should be scaled across the continent to provide holistic support for women with caregiving responsibilities, enabling them to balance business and family.

The AU can leverage AI-driven platforms to scale up business and leadership training and streamline resource distribution. This could enable broader access for women entrepreneurs across the continent.

Collaboration among governments, financial institutions and the private sector is crucial to providing women entrepreneurs with the tools, networks and opportunities for sustainable, inclusive growth across Africa.



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