

**POLICY ECOSYSTEM FOR  
WOMEN'S ENTREPRENEURSHIP**



**Zambia**

**Barriers, Support Mechanisms & Policy Actions**



# Introduction

In 2022, Zambia ranked 5th out of 48 sub-Saharan African countries in the 'Doing Business' rankings, reflecting a positive business environment (AFI, 2023). The country has made notable progress in **women's financial inclusion**, with **female participation increasing from 33.3% in 2015 to 56.8% in 2020**, largely due to digital financial services. Micro, small and medium enterprises (MSMEs) play a key role in the economy and they are supported by policies from the Ministry of SME (small and medium enterprises) Development (see ref list query, ITC 2019?).

Despite the **lower employment rate of women when compared to men (62% vs. 71%)**, a **higher percentage of women are self-employed (88% vs. 69%)**. The **gender gap** in financial inclusion has narrowed, from **9.9% in 2015 to 5.8% in 2020** (AFI, 2023). However, **only 30% of businesses are women-owned** (ITC, 2019). Women entrepreneurs remain disadvantaged in starting and growing their businesses. Despite various initiatives to support women's SMEs and close the credit gap, several barriers hinder progress. These include limited education and financial literacy, child marriages, teenage pregnancy, gender-based violence (GBV), low female representation in decision making, challenges in formalising businesses and restrictive social norms. Improved financial policies and regulations are required to enhance women's financial inclusion, and to ensure access to affordable savings, credit, payment and insurance services that meet their business needs.

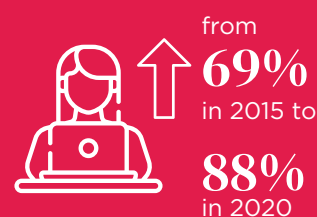
Against this backdrop, the Women Creating Wealth – Intergenerational Edition (WCW-I) project, part of the broader Graca Machel Trust (GMT) initiative, is dedicated to gender-transformative enterprise development across several African countries, including Malawi, Zambia, Tanzania, South Africa, Senegal and Kenya.

This policy brief examines Zambia as a case study to inform evidence-based policies that support women entrepreneurs to foster economic growth, gender equality and social development. It assesses national, regional (Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA)) and African Union (AU) policies, regulations and programmes to identify gaps and recommend improvements. The study analysed barriers women face and evaluated support mechanisms to highlight best practices. This brief presents findings from document analysis, policy mapping and key informant interviews (KIIs) conducted with women entrepreneurs in Zambia.

## WOMEN'S FINANCIAL INCLUSION



## SELF-EMPLOYED WOMEN



## GENDER GAP



## WOMEN CREATING WEALTH INTERGENERATIONAL EDITION (WCW-I)





# Key Messages

- Zambia's positive business environment is reflected in its 5th place ranking in the 2022 'Doing Business' report, with significant progress in women's financial inclusion.
- Women entrepreneurs remain disadvantaged in starting and growing their businesses.
- Zambia has a strong legal framework that supports women's financial inclusion, featuring policies such as the Gender Equity and Equality Act, the National Financial Inclusion Strategy (NFIS) and initiatives such as the Bank of Zambia's Strategic Plan, the Sex-Disaggregated Data (SDD) framework and the Female and Male Operated Small Enterprises (FAMOs) tool.
- However, policy gaps remain, which include limited access to finance, high interest rates and challenges for women-led SMEs in market competition and business registration processes.
- Women entrepreneurs in Zambia face significant barriers, including high interest rates, lack of collateral, regulatory challenges, social stigma and limited access to financial resources and networks.
- Best practice: The Zambia Federation of Associations of Women in Business (ZFAWIB) provides training, advocacy and networking opportunities, helping women entrepreneurs to scale their businesses.
- Best practice: Local cooperatives in agriculture and crafts that are women-led have shown resilience and adaptability, demonstrating the potential of collective entrepreneurship.
- Support mechanisms such as government funding, capacity-building programmes, mentorship, simplified regulations and enhanced networking opportunities are crucial for developing women entrepreneurs and enabling their business growth and success.

# Women's Entrepreneurship Policy Ecosystem in Zambia

Zambia has a robust regulatory framework that supports women's financial inclusion. The 1996 Constitution guarantees gender equality and is complemented by policies such as the National Gender Policy (2000, 2014), Gender Equity and Equality Act (2015), Anti-Gender-Based Violence Act (2010, amended 2011) and NFIS. Institutional efforts include gender-responsive strategies, focal points and commitments under the Maya Declaration and Denarau Action Plan. In addition, financial service providers are developing products tailored to women. These initiatives demonstrate Zambia's commitment to addressing gender disparities and ensuring equal opportunities for all.

The National MSME Development Policy 2023 in Zambia recognises that MSMEs are key drivers of poverty reduction, wealth creation and job generation. MSMEs account for 97 % of all businesses. They contribute 70 % to GDP (gross domestic product) growth and 88 % to employment creation. The overarching goal of the policy is to achieve the sustainable growth of MSMEs to contribute to socio-economic transformation (Republic of Zambia, 2023). However, the policy recognises women only as a cross-cutting issue, acknowledging that they bear the dual burden of being mothers, wives and business owners. Despite this recognition, very few women venture into business due to fear of failure, which keeps business ownership predominantly male dominated. While the policy upholds the principle of inclusiveness by involving all stakeholders in MSME development, regardless of gender, it lacks clear mechanisms to specifically support women-owned MSMEs. As a result, it does not provide the necessary frameworks to enable women to achieve sustainable business growth or break into male-dominated sectors.

The Gender Equity and Equality Act (2015) promotes gender equality in Zambia by ensuring equal access for both men and women to credit, capital, property and technology. It guarantees women the legal capacity to conclude contracts, acquire and manage property, and choose their residence. The Eighth National Development Plan (2022-2026) focuses on socio-economic transformation by prioritising gender equality, improving women's access to finance and increasing their participation in non-agricultural wage employment. The Bank of Zambia promotes financial stability and inclusion, with a focus on gender-inclusive finance. Its 2020-2023 strategic plan emphasises gender mainstreaming, diversity accountability and legal reforms to advance gender equality for sustainable economic development (BoZ, 2020).

Zambia has made significant strides in gender-inclusive finance through initiatives such as the SDD framework and the FAMOs tool, which help tailor financial services for women. Key efforts include capacity building for banks, regulators and women entrepreneurs, as well as partnerships with financial institutions and non-governmental organisations (NGOs). The rise of agent banking and digital financial services has expanded access to credit for rural entrepreneurs. In addition, the Women's Entrepreneurship Access Center (WEAC) addresses gender-specific barriers by providing mentorship, corporate partnerships and visibility for women in sectors such as education, health, technology and agriculture (AFI, 2023).



# Policy Gaps

DESPITE PROGRESS, SEVERAL POLICY GAPS HINDER WOMEN'S ENTREPRENEURSHIP IN ZAMBIA:

- **Limited access to finance for women entrepreneurs:** This is a significant barrier, with ineffective policies exacerbating the issue. In 2019, SME lending rates were 33%, with MFIs charging even higher rates. Of the women in this study, 36% cited high interest rates as a barrier and 23% had loan applications rejected due to lack of collateral. Women rely on village banking with fewer regulations.
- **Auditing protocols and low financial literacy:** A lack of standardised auditing protocols and low financial literacy among women-led businesses limit their access to financial services and credit, which hinders growth and development. Standardised auditing protocols and enhanced financial literacy are needed. Women-led businesses should be provided with accessible auditing services.
- **Insufficient registration and marketing support:** There is insufficient support for women-led SMEs regarding improving market competition and business registration (World Bank, 2021). Current policies do not adequately address the unique challenges women face in meeting business registration requirements, including higher costs and time burdens than their male counterparts.
- **Complex business registration processes:** Women face challenges navigating bureaucratic processes, which are often time-consuming and costly, hindering entry to formal markets.
- **Land ownership issues:** Women's limited access to land ownership affects their ability to use land as collateral for loans.
- **Taxation policies:** High tax rates and complex compliance requirements disproportionately affect small women-led businesses.
- **Digital exclusion:** Rural women face challenges due to lack of internet access and digital devices.

# Women's Entrepreneurship Challenges and Barriers In Zambia

THE FINDINGS FROM THE POLICY ECOSYSTEM STUDY IDENTIFY THE FOLLOWING CHALLENGES AND BARRIERS THAT LIMIT WOMEN'S ABILITY TO START AND GROW THEIR BUSINESSES:

## REGULATORY, OPERATIONAL AND POLICY BARRIERS

Women-led businesses face a range of regulatory and policy obstacles that hinder their growth. In industries such as food production, complex regulatory requirements, such as health certifications, town council levies and food handler's certificates, combined with heavy taxation, reduce profit margins and push many businesses to operate informally to avoid excessive taxes. In sectors such as mining, women also encounter limited access to key resources, such as Mineral Trading Premises. In addition, government policies, including those on tendering, fail to support women entrepreneurs adequately, with requirements for audited financial records and collateral - often unavailable to women due to male family members owning the property - further limiting access to business opportunities and loans.

## HIGH INTEREST RATES AND COLLATERAL REQUIREMENTS

These factors limit women's ability to borrow. Women entrepreneurs often struggle with limited access to finance due to high interest rates (up to 28 % annually and higher), which makes loans unaffordable. A lack of collateral and audited financial records further restrict their ability to access credit. This is compounded by gender biases in the financial sector, where women are seen as less creditworthy than their male counterparts, despite their growing presence in business. Hence, many women entrepreneurs continue to rely on village banking with few requirements.

## SECURITY AND SAFETY ISSUES

Women entrepreneurs in high-risk industries, such as mining, face unique security challenges. Reports of women going missing while conducting business in unsafe environments highlight the risks they face. In addition, women are often excluded from key negotiations or business discussions in male-dominated sectors, and they are required to have male family members or intermediaries to broker deals on their behalf. This creates barriers to their full participation and limits their growth potential in these industries.

## LACK OF SUPPORTIVE NETWORKS

Women entrepreneurs often have limited access to mentorship, networks and business development support, unlike their male counterparts. This lack of resources and connections makes it more difficult for women to navigate the challenges of entrepreneurship and to scale their businesses.

## SOCIAL STIGMA AND CULTURAL BARRIERS

Women entrepreneurs face significant social stigma and cultural constraints that hinder their business success. In certain industries, such as funeral services, women are viewed as being 'out of place', which leads to societal bias and discrimination. This cultural stigma extends to their families, where children may face bullying. In addition, gender stereotypes, such as women being perceived as emotionally or physically weaker, undermine their credibility and decision-making power. Cultural expectations also pressure women to prioritise family responsibilities over business, and in some cases, they must consult their husbands for business decisions, which limits their autonomy and independence.



# Support Mechanisms that Facilitate Women's Entrepreneurship Development in Zambia

THE STUDY IDENTIFIED SUPPORT MECHANISMS THAT, IF IMPLEMENTED EFFECTIVELY, CAN SIGNIFICANTLY REDUCE THE BARRIERS WOMEN FACE IN ENTREPRENEURSHIP, PROMOTE THEIR ECONOMIC ADVANCEMENT AND FOSTER A MORE INCLUSIVE AND DYNAMIC ENTREPRENEURIAL ECOSYSTEM IN ZAMBIA.

## GOVERNMENT FUNDING AND FINANCIAL SUPPORT

Access to targeted financial resources is crucial for supporting women entrepreneurs. Government initiatives and constituency development funds specifically allocated to women provide essential capital for women-led businesses. In addition, international organisations such as the United Nations Development Programme (UNDP) support women in industries, for instance, mineral value addition, which enables them to compete in challenging markets. Financial assistance, including seed capital, grants and micro-loans, helps women entrepreneurs to start, sustain and expand their businesses, thus boosting their economic participation and independence.

## TRAINING, CAPACITY BUILDING AND ADVOCACY

Training and capacity-building programmes are vital to strengthening women entrepreneurs' business skills. Organisations such as the Zambia Federation of Women in Business, Women Creating Wealth (WCW) and GMT offer training in financial management, marketing, leadership and risk management. They advocate for women-led enterprises. These initiatives enhance women's confidence and business acumen, enabling them to manage and grow their enterprises. In addition, training in technical areas such as food safety certification ensures that women meet industry standards, improve product quality and access broader markets, ultimately driving business success and sustainability.

## INCUBATION AND MENTORSHIP PROGRAMMES

Business incubation and mentorship programmes play a critical role in supporting the growth of women entrepreneurs. Government and NGO-led initiatives provide coaching on business strategies, best practices and risk management, helping women entrepreneurs to build effective business plans. Mentorship not only offers valuable business insights but also personal support, especially in male-dominated industries. These programmes enhance women's decision-making skills, expand their networks and connect them to potential investors and business opportunities. This lays the groundwork for sustainable success and greater business visibility.

## REGULATORY SIMPLIFICATION AND SUPPORT MECHANISMS

Simplifying business regulations is essential for reducing barriers to entry for women entrepreneurs. By creating a one-stop shop for regulatory compliance, women can navigate the complexities of business formalisation more efficiently. Introducing tiered tax systems and spreading levy payments across the year would reduce the financial burden on small businesses. These regulatory adjustments allow women to focus on growing their enterprises rather than getting bogged down by bureaucratic challenges. Ultimately, women are helped to access resources and benefits and to scale their businesses more effectively.

## NETWORKING, COOPERATIVES, AND MARKET ACCESS

Networking and cooperative structures are pivotal in expanding market access and fostering mutual support among women entrepreneurs. Organisations such as the Christian Environmental Women's Network provide platforms for women to connect, share experiences and access valuable resources. Forming cooperatives allows women to pool resources, reduce operational costs and gain access to larger markets. These networks also create opportunities for women to receive business advice, learn from one another's experiences and increase their customer base. Furthermore, facilitating connections to larger domestic and international markets helps women entrepreneurs to expand their reach and grow their businesses.



# Best Practices

THE STUDY IDENTIFIED THE FOLLOWING BEST PRACTICES THAT SUPPORT WOMEN ENTREPRENEURS:

- **Constituency Development Fund (CDF) grants for women-led businesses:** The CDF has played a key role in directly financing women-led enterprises, offering much-needed capital to entrepreneurs who may otherwise struggle to access traditional funding. This initiative demonstrates how government-backed financial support can support women to start and scale their businesses.
- **Public Private partnerships for financial literacy and training:** A memorandum of understanding with the Central Bank and collaboration between banks and women's federations have led to effective financial literacy training for women entrepreneurs. This initiative strengthens women's capacity to manage finances, navigate banking systems and access formal credit – crucial steps towards sustainable business growth.
- **Representation in national decision-making platforms:** Women entrepreneurs and sector representatives have gained seats on presidential steering committees and public private engagement platforms. This inclusion ensures that women's voices are considered in policy development and creates opportunities for advocacy at the highest levels to promote more gender-responsive policies.

# The Way Forward

- Advancing women's entrepreneurship in Zambia requires a focused effort to remove key barriers and create a more inclusive business environment. Expanding access to finance through micro-loans, grants and financial literacy programmes is essential, especially for women in underserved areas. Simplifying business registration and formalisation processes could help more women transition from informal to formal enterprises.
- At the same time, investing in skills development through accessible training programmes that are delivered in local languages and improving digital access could strengthen women's capacity to grow their businesses. Finally, increasing women's representation in policy-making spaces, while fostering collaboration through networks and mentorship programmes, could ensure their voices shape the future of entrepreneurship in Zambia.



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