



# **Support for Growth-oriented Women Entrepreneurs in Uganda**

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## Foreword

In June 2003, the African Development Bank (AfDB) Group held its annual meetings in Addis Ababa, Ethiopia. This was the first occasion on which the Bank organized a special forum on the theme of African Women in Business. At this event, the Bank previewed its new film on African Women Entrepreneurs, and shared preliminary findings from its research on African Women in Business. The film and the research report were formally launched in the Bank's annual meetings in Kampala, Uganda one year later.

The Addis Ababa Forum in 2003 made a strong statement about the Bank's vision on the role of women entrepreneurs in private sector development, poverty reduction, and sustainable growth and development. It also provided the first opportunity for the Bank to share its vision with other key development partners in Africa, such as the International Labour Organization (ILO). The ILO was invited to participate in this Forum, and shared its own experiences based on recent studies on issues relating to the growth of women-owned enterprises in Ethiopia, Tanzania and Zambia. The highly complementary roles of the AfDB and ILO became immediately obvious – the Bank specializing in financial support services; the ILO specializing in creating more and better “decent work” in women-owned enterprises.

As the two organizations share the vision of women entrepreneurs contributing to employment creation, poverty reduction and sustainable development, they endeavoured to identify the most appropriate means of contributing to an enabling environment for women to start and grow their own enterprises. The integrated framework for Growth-Oriented Women Entrepreneurs (GOWE), as adapted from Canada and tested out in Ethiopia, Kenya and Tanzania, was refined for use in Uganda during November-December 2004. This AfDB-ILO integrated framework is currently being finalized so that to reflect the core concerns of both the ILO and AfDB. It will be produced as an AfDB-ILO Assessment Guide in the second half of 2005.

In the short time since June 2003, we are pleased to see the tangible progress made by the AfDB and ILO to enhance their support for growth-oriented women entrepreneurs in Africa. This report is based on the country assessment in Uganda, where the Bank has long-standing involvement, and where the ILO has been active in the field on small enterprise development. This assessment report indicates the next steps for the AfDB and ILO – as well as Government of Uganda and other development partners – in supporting growth-oriented women entrepreneurs.

As a first joint pilot project, the AfDB and ILO plan to launch an “integrated women's entrepreneurship development” support project in Kenya, to commence in late 2005 or early 2006. This pilot programme can be seen as the first major step in a new and important direction.

We would like to express our thanks to the consultants and authors of this report, Ms Lois Stevenson and Ms Annette St-Onge. We also acknowledge the leadership provided by the Bank's Task Manager, Dr. Leila Mokaddem, and the ILO's team on Women's Entrepreneurship Development and Gender Equality (WEDGE), under the leadership of Mr Gerry Finnegan. Finally, special thanks go to our field colleagues in the respective AfDB and ILO offices in Uganda, as well as in Addis Ababa and Dar es Salaam.

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Over 90 Ugandans, representing women entrepreneurs, women entrepreneurs' associations (WEAs), generic business and employer associations, government officials, banks, Micro Finance Institutions (MFIs), donor groups, non-government organizations (NGOs), researchers at Makerere University, staff of the Entrepreneurship Centre, Makerere University Business School, Kampala, and others, volunteered their time in interviews and round table sessions to share insights on the experiences of women entrepreneurs in the country. They also informed the ILO-AfDB research team of any efforts being made to address their needs and concerns. Without their enthusiastic commitment to the project, the assessment of conditions affecting the growth of women's enterprises would not have been possible.

This final report has also benefited from the overall coordination and editing by Mr. Gerry Finnegan, Senior Specialist in Women's Entrepreneurship Development, ILO Geneva, and Ms. Grania Mackie and Mr. Ned Lawton, within the ILO's WEDGE programme; Dr. Leila Mokaddem, Principal Investment Economist, Office for Private Sector Development, AfDB; Ms. Lilia Naas, International Trade Centre, Geneva; Mr. Owen Kibenge, ILO FIT-SEMA project in Uganda; Mr. Peter van Bussel, ILO's BSMD project, Kampala; and Mr. Stephen Jjingo, FUE, Kampala.

The final preparation of this report has benefited from the African Development Fund's Multi-Sector Country Gender Profile for Uganda (January 2005). The information in this report has enabled us to address some of the gaps in our AfDB-ILO country assessment, particularly with respect to agriculture and rural areas.

In addition, we acknowledge permission granted by IFC-GEM to refer to the Gender and Growth Assessment for Uganda (2005).



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## List of abbreviations used

ACCESS	Access for African Businesswomen in International Trade
ACFODE	Action for Development
AfDB	African Development Bank
AFWE	African Federation of Women Entrepreneurs
AGOA	Africa Growth Opportunities Act
AMFIU	Association of Micro Finance Institutions of Uganda
Apex	Apex Private Sector Loan Scheme
AWAN-EA	African Women Agribusiness Network, Eastern Africa
BDS	Business Development Services
BUDS-EDS	Business Uganda Development Scheme-Enterprise Development Support
BUDS-SSE	Business Uganda Development Scheme-Small Scale Enterprises
CABWA	Canadian and African Business Women's Alliance
CADER	Centre for Arbitration and Dispute Resolution
CBI	Center for Promotion of Imports from Developing Countries
CBS	Central Broadcasting Service
CEDAW	Convention for the Elimination of All Forms of Discrimination Against Women
CEEWA	The Council for Economic Empowerment for Women of Africa
COMESA	Common Market for Eastern and Southern Africa
CP	Community Polytechnics
DFCU	Development Finance Company of Uganda (now DCFU Group – Uganda)
DFE	Development Finance Fund
DFID	Department for International Development
DFPF	Distressed Flower Project Fund
EC-MUBS	Entrepreneurship Centre, Makerere University Business School
ERF	Export Refinance Fund
EU	Enterprise Uganda

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EU	European Union
EW	Extension Worker
FDI	Foreign Direct Investment
FEMCOM	Federation of National Associations of Women in Business
FIAS	Foreign Investment Advisory Service
FOCCAS	Foundation for Credit and Community Assistance
GDD	Gender Disaggregated Data
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GEM	Gender-Entrepreneurship-Markets (of IFC/WB Group)
GEP	Girl Entrepreneurship Programme
GGA	Gender and Growth Assessment
GNI	Gross National Income
GoU	Government of Uganda
HASP	Household Agricultural Sector Programme
HHS	Household Survey
HIVOS	Humanistic Institute for Cooperation with Developing Countries
ICT	Information and Communication Technologies
IDRC	International Development Research Centre
IF	Integrated Framework for Assessing the Enabling Environment for the Growth of Women's Enterprises
IFC	International Finance Corporation (of the World Bank Group)
ILO	International Labour Organization
IMSECC	Informal, Micro and Small Enterprises Coordinating Committee
ITC	International Trade Centre
LC	Local Council
LSD	Local Skills Development
MAAIF	Ministry of Agriculture, Animal Industries and Fisheries
MED-NET	Micro Enterprise Development Network

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MES	Ministry of Education and Sports
MFEW	Micro Finance Extension Worker
MFI	Micro Finance Institutions
MFPEd	Ministry of Finance, Planning & Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MIS	Management Information System
MNE	Multi-National Enterprises
MOP	Microfinance Outreach Plan
MSE	Micro and Small Enterprise
MTCS	Medium Term Competitiveness Strategy
MTTI	Ministry of Trade, Tourism and Industry
MUBS	Makerere University Business School
NAADS	National Agriculture Advisory Services
NAARI	Namulonge Agricultural and Animal Production Research Institute
NAWOU	National Association of Women Organizations in Uganda
NGO	Non Government Organization
NGP	Uganda National Gender Policy
PEAP	Poverty Eradication Action Plan
PEDN	Private Education Development Network
PLR	Policy, Legal and Regulatory
PMA	Plan for the Modernisation of Agriculture
PMIS	Performance Management Information System
PRSP	Poverty Reduction Strategy Paper
PSDC	Private Sector Development Corporation
PSFU	Private Sector Foundation Uganda
RIA	Regulatory Impact Assessment
SAP	Structural Adjustment Programme
SCGA	Strategic Country Gender Assessment

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SDD	Sex Disaggregated Data
SEP	Strategic Exports Programme
TEA	Total Entrepreneurial Activity
TFOC	Trade Facilitation Office of Canada
UBIN	Uganda Business Information Network
UBOS	Uganda Bureau of Statistics
UEPB	Uganda Export Promotion Board
UGF	Uganda Gender Forum
UIA	Uganda Investment Authority
UIA-WEN	Uganda Investment Authority Women Entrepreneurs' Network
ULRC	Uganda Law Reform Commission
UMA	Uganda Manufacturers' Association
UMWA	Uganda Media Women's Association
UNACCI	Uganda National Chamber of Commerce and Industry
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNWE	Unifying Network of Workers and Environmentalists
UP3	Uganda Public Private Partnership (formerly MTCS)
UPE	Universal Primary Education
UPPAP/PPA2	Uganda Participatory Poverty Assessment Process/Participatory Poverty Assessment 2
URA	Uganda Revenue Authority
UShs	Uganda Shillings
USSIA	Uganda Small Scale Industries Association
UWEAL	Uganda Women Entrepreneurs' Association Limited
UWEN	Uganda Women Entrepreneurs' Network
UWONET	Uganda Women's Network
WB	World Bank
WE	Woman Entrepreneur

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WEA	Women Entrepreneurs' Association
WED	Women's Enterprise Development
WEDEW	Women's Enterprise Development Extension Worker
WEDGE	Women's Entrepreneurship Development and Gender Equality
WIRES	Women's Information Resource Electronic Service Centre
YEP	Young Entrepreneurs' Programme





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## Introduction

Uganda has a population of 26.4 million,<sup>1</sup> over 52 per cent of which is less than 14 years of age.<sup>2</sup> The fertility rate is one of the highest in the world at 6.9 births per adult woman. The annual population growth rate is 2.94 per cent and the population is expected to grow to 36.8 million by 2015. The literacy rate for the population as a whole is 69.9 per cent, but higher among men (79.5 per cent) than women (60.4 per cent) and much higher in urban than in rural areas. GDP per capita (in purchasing power parity) is US\$1,400.<sup>3</sup> The percentage of Ugandan people living below the poverty line is 38 per cent, a decline from 56 per cent in 1991/92. Poverty is largely a rural phenomenon – in 2000, 85 per cent of the population lived in rural areas, as did 96 per cent of the poor.<sup>4</sup> Uganda has committed itself to achievement of the UN Millennium Development Goals (MDGs) and has set an overall goal to reduce absolute poverty to less than 10 per cent by 2017, a target some experts view as too ambitious (EPRC, 2002).

Agriculture is the most important economic sector, accounting for almost 40 per cent of GDP, 85 per cent of export earnings and 80 per cent of workforce employment.<sup>5</sup> Coffee alone generated about 27 per cent of exports in 2002, but other mainstay products are cotton, tea, tobacco, apparel, hides, vanilla, vegetables and fruits. The services sector's contribution to GDP is 41 per cent, and the contribution of the industry sector is almost 20 per cent. Women in Uganda represent 80 per cent of the agricultural labour force, are responsible for about 80 per cent of food crop production and provide 60 per cent of the labour for cash crop production, but they still do not have control over household decision-making or incomes. The African Development Fund's Multi Sector Country Gender Profile for Uganda provides important perspectives and information on Gender and Agriculture.<sup>6</sup>

The labour force is growing at a rate of 3.4 per cent a year, adding 380,000 new entrants to the working-age bracket (15-64) annually.<sup>7</sup> There is relatively little wage employment in Uganda (less than 14 per cent have paid jobs). The overwhelming proportion of the population works in the informal economy, largely in subsistence agriculture. Ugandans know few options for surviving and supporting a family other than through self-employment as a farmer, merchant or entrepreneur. In 2000, 87 per cent of the economically active population was either self-employed (50.3 per cent) or categorized as unpaid family workers (36.7 per cent).<sup>8</sup> Because wage-employed people in

<sup>1</sup> *CIA World Factbook*, 2004. Based on July 2004 estimates.

<sup>2</sup> MFPED, 2004b, p. 40.

<sup>3</sup> *CIA World Factbook*, 2004. Based on 2003 estimate.

<sup>4</sup> MFPED, 2004b, p. 11.

<sup>5</sup> AfDB, January 2005, p. 14.

<sup>6</sup> *Ibid.*, pp. 16-23.

<sup>7</sup> MFPED, 2004b, p. 103. According to the *CIA World Factbook*, 2004, the 2003 labour force was estimated to be 12.09 million.

<sup>8</sup> National Household Survey 1999/2000, UBOS (referenced in CEEWA, 20002, p. 46).

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Uganda are better off than self-employed people,<sup>9</sup> one of the desired outcomes of government economic reforms over the longer-term is to have more paid employment.<sup>10</sup> In the meantime, there are not enough public and formal sector jobs to absorb new labour force entrants, so the emergence of a larger group of successful entrepreneurs is needed to generate employment and reduce poverty.<sup>11</sup>

Government policy aims to increase productivity in agriculture, shift excess labour from agriculture to non-farm activities, reduce the costs of doing business for entrepreneurs, expand the formal private sector, particularly in manufacturing and services, and improve incomes of MSE operators.<sup>12</sup> To accelerate the process of economic growth, it is stated as desirable to have graduates at all levels equipped for both self-employment and wage employment.

## **Gender and employment<sup>13</sup>**

In Uganda 88.2 per cent of the economically active women are self-employed or unpaid family workers, and thus find themselves categorized within the informal economy. In Uganda the informal economy represents a growing economic sector and a valuable source of employment. In 2002/3 around 35 per cent of households operated informal non-crop enterprises. Over 50 per cent of informal workers in Uganda are market and street vendors. The informal economy is largely comprised of micro and small-scale enterprises (MSEs), which employ about 90 per cent of the total non-farm economically active population.

This sector is faced by a number of constraints: (i) insufficient infrastructure; (ii) legal and regulatory constraints; (iii) marketing problems; (iv) inadequate finance; (v) poor coordination between business entities and policy levels; (vi) poor information flow; (vii) ease of entry and exit; and (viii) unorganized and un-mobilized, with little power for collective bargaining, all of which combine to hinder efficiency, productivity and income-earning potential. As a significant component within the informal economy, the work and economic endeavours of women should be nurtured in order to optimize their economic contributions and enhance economic growth. The Ugandan economy is characterized by a high dependency ratio of 1.03 given the large number of dependent children. The table below gives some key indicators of the labour force participation and the gender intensity of production.

<sup>9</sup> Households where the household head has paid employment in the private or public sector are much less likely to be below the poverty line than households where the head is self-employed in agriculture (based on data from the 2002/03 UBOS Household Survey and reported in MFPED, 2004b).

<sup>10</sup> MFPED, 2004b.

<sup>11</sup> MFPED, 2004b, p. 174.

<sup>12</sup> MFPED, 2000, p. x.

<sup>13</sup> AfDB (2005) op. cit.

**Table 0.1: Labour force participation and the gender intensity of production**

Indicator	Data (early period)				Data (most recent period)			
	Female	Year	Male	Year	Female	Year	Male	Year
<b>Labour force participation</b>								
Adult economic activity rate					79	2000	88	2000
Agricultural labour force % of total female/male labour force	91	1980	84	1980	91	2000	77	2000
Industry labour force % of total female/male labour force	2	1980	6	1980	6	2000	7	2000
Services labour force % of total female/male labour force	8	1980	10	1980	3	2000	12	2000
Daily agricultural wages (shs)					940		1,030	1997
<b>Gender intensity of production</b>								
Agriculture labour force (% female-male)					57	1992	43	1992
Industry labour force (% female-male)					26	1992	74	1992
Services labour force (% female-male)					31	1992	69	1992
Informal sector employment (% female-male)					49	1992	51	1992
Contribution to GDP (%)								

Sources: UNDP-Human Development Report, UNH 1997 UNH 2002/03 – Mid Term Report

The MSE sector in Uganda includes three million farm households and about one million formal and informal enterprises comprised of retailers, processors, repair shops, and etcetera. The MSE sector employs 90 per cent of non-farm economically-active people (MFPED, 2004b). Women entrepreneurs are active in 45 per cent of the MSEs. However, over 90 per cent of their enterprises have fewer than five employees, which are largely clustered in the informal economy. An estimated 1.4 million women either own an enterprise younger than 42 months or are in the process of trying to start an enterprise (Walter et al., 2003). Yet, very few women-owned enterprises are able to grow beyond the micro level, due to a range of impeding socio-economic and cultural factors that render it much more difficult for women relative to men in Uganda. A number of market, government, educational and systemic “failures”, deficiencies in institutional arrangements, and gender discrimination combine to adversely affect women’s access to education, training, management development, credit, professional business development services (BDS), market information, representation, and other economic resources and opportunities.

In order to unleash the potential of women-owned enterprises in Uganda and to enable women entrepreneurs to contribute more substantially to the country’s objectives for economic growth, employment generation and poverty eradication, efforts are needed to create a more enabling environment for women to pursue enterprise growth. This will necessitate the fostering of more favourable attitudes towards women’s entrepreneurial activity as well as addressing the vulnerability of their enterprises – poor working conditions; safety and health concerns; inadequate social protection; economic and social vulnerabilities; and poor human, social, technical and financial capacity.

The International Labour Organization (ILO) and the African Development Bank (AfDB) are committed to improving conditions for the development of women

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entrepreneurs in Africa. In November 2004, the AfDB and the ILO's WEDGE<sup>14</sup> programme commissioned an assessment of the enabling environment for growth-oriented women entrepreneurs<sup>15</sup> in Uganda. This was conducted in association with the Gender-Entrepreneurship-Markets (GEM) Unit of the International Finance Corporation (IFC), which carried out a Gender and Growth Assessment on Uganda.<sup>16</sup>

This report presents findings from the AfDB/ILO assessment analysis of the environment for the growth of women's enterprises in Uganda, and makes recommendations for actions to address gaps and opportunities. Section 1 provides background on the assessment process in Uganda and introduces the AfDB/ILO Integrated Framework Assessment tool. Section 2 presents a situational analysis of the environment for women entrepreneurs in Uganda, including a sectoral and gender profile of the MSE sector; an overview of the socio-cultural and business environment in which women operate; the endemic challenges and barriers impeding their growth; and an analysis of the extent to which women entrepreneurs are included in the Government's economic policy frameworks and strategies. Section 3 describes and presents an assessment of the support environment for women entrepreneurs in each of the ten core areas of the AfDB/ILO Integrated Framework. Section 4 itemizes the recommended actions in each area of the Integrated Framework. Section 5 presents an integrated strategic approach to implementing the recommended actions so that the growth potential of a greater number of women-owned enterprises can be realized.

The information in this report will be used by the ILO and the AfDB, as well as by other development partners (e.g. IFC and World Bank) to consider strategic interventions that will foster the growth of women's enterprises in Uganda. It will also be useful in identifying policy and programme actions by Ugandan Government ministries, specifically, the Ministry of Gender, Labour and Social Development (MGLSD), the Ministry of Finance, Planning and Economic Development (MFPED), the Ministry of Trade, Tourism and Industry (MTTI), Federation of Ugandan Employers (FUE), as well as public sector organizations, such as the Uganda Investment Authority (UIA), Private Sector Foundation Uganda (PSFU), donor organizations and organizations interested in furthering the role of women entrepreneurs in building the Uganda economy.

This report is intended to complement the findings and recommendations of the Gender and Growth Assessment for Uganda report prepared by the IFC/World Bank team (FIAS/IFC GEM GGA, 2005.) Following a presentation of the preliminary findings from the GGA report in February 2005, the GGA's recommendations have been included in the new Uganda MTCS/UP3 and the 10-year Gender Strategy, as well as in the World Bank's country programme. In addition, the Companies Act is being redrafted as part of the Government of Uganda's response to the GGA report.<sup>17</sup>

<sup>14</sup> Women's Entrepreneurship Development and Gender Equality.

<sup>15</sup> The framework for the assessment was the AfDB/ILO Integrated Framework for Assessing the Enabling Environment for the Growth of Women's Enterprises.

<sup>16</sup> The Gender and Growth Assessment (GGA) for Uganda report by the Foreign Investment Advisory Service of the International Finance Corporation (FIAS/IFC) and its unit on Gender-Entrepreneurship-Markets, was produced in May 2005 – hereafter, FIAS/IFC GEM GGA (2005).

<sup>17</sup> Updated information provided in email to ILO by Manager of G-E-M, 9 June 2005.

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## Executive summary

### Introduction and background

The assessment of the enabling environment for women in growth enterprises in Uganda was commissioned by the Office for Private Sector Development of the African Development Bank (AfDB) and the WEDGE programme of the International Labour Organization (ILO). The overall purpose was to assess the constraints and conditions of the business environment for the start-up and growth of women-owned SMEs, to map out the key areas for creating an enabling environment to foster growth enterprises, and to identify gaps where AfDB and ILO interventions and assistance might be appropriate. The fact-finding field mission to Uganda took place in November 2004. During the 10-day field visit, interviews were held with 91 representatives from government, universities, MSE and employer associations, women entrepreneurs' associations (WEAs), donor organizations, microfinance institutions (MFIs), commercial banks, economic policy research institutions, and women entrepreneurs regarding the environment for women entrepreneurs. The framework for the assessment was the *AfDB/ILO Integrated Framework for Assessing the Enabling Environment for the Growth of Women's Enterprises*, developed in 2004<sup>18</sup> following similar assignments in Ethiopia, Kenya and Tanzania. The framework calls for assessing 10 core areas: (1) policy coordination and leadership; (2) regulatory and legal environment; (3) promotion of women entrepreneurs; (4) access to enterprise education and training; (5) access to credit and financial services; (6) access to BDS and information; (7) access to women entrepreneurs' associations and networks; (8) access to premises; (9) access to markets; and (10) research on women entrepreneurs and women-owned MSEs.

### The environment for women-owned growth enterprises in Uganda

Ugandan women are disadvantaged in the labour market. Less than 12 per cent of economically active women are in paid employment; the remainder are either self-employed or contribute unpaid family labour. Women own about 40 per cent of the private enterprises in Uganda, mostly at the micro enterprise, informal level; very few women-owned firms grow beyond 5-10 employees. At the micro enterprise level, they provide about 48 per cent of the employment, but this share decreases for firms with over five employees. In 2003, an estimated 1.4 million Ugandan women were either trying to start an enterprise or owned a young enterprise less than three and half years old. Women's enterprises represent a sizeable and untapped source of future employment and economic growth in Uganda, with potential for making a greater contribution to the country's poverty reduction targets.<sup>19</sup>

Ugandan women face many socio-cultural, legal, familial, and economic barriers impeding the growth of their enterprises. In spite of the fact that the Uganda Constitution provides for the equal rights of women and a National Gender Policy exists, there are still serious differences in the legal status of women and men in Uganda that affect the rights and protections afforded to women by law. This includes land and property rights, which

<sup>18</sup> The Assessment Guide for the Integrated Framework is being finalized by the AfDB and ILO, and is due for completion in the second half of 2005.

<sup>19</sup> See the FIAS/IFC GEM GAA, Table 1.2

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impacts on women's ability to access the monetary and financial resources, as well as freedoms they need to advance their enterprises. Women entrepreneurs often fall into the "missing middle" of financing when trying to pursue growth opportunities in their enterprises, as they are neither served by MFIs nor commercial banks. They are less likely than men to be able to offer land titles as collateral security for bank loans; and often they lack the necessary skills to develop acceptable business financing proposals and to negotiate larger amounts of credit.

Most micro finance institution (MFI) and bank credit officers have not taken any workshops or courses on gender mainstreaming and, therefore, may have biased perceptions about women's potential to be successful, growth-oriented entrepreneurs, thus adversely affecting the risk profile of female clients. A coordinated network of business development service (BDS) providers is lacking and this lack of access of BDS by women, especially in non-urban areas, combined with limited sources of business information targeting women, presents a growth barrier for women. In addition, women have inadequate access to education, training, and skills development opportunities. Having said that, Uganda has some excellent examples of entrepreneurship training organizations and advisory networks – the problem is their limited capacity and reach, particularly for women. Relatively few women are able to access these services on an affordable and ongoing basis.

Women entrepreneur associations (WEAs) exist, but their reach is limited to a few hundred women, mostly in peri-urban and urban areas and they are highly dependent on volunteerism. Notwithstanding, these WEAs play an important role in promoting women's entrepreneurship; providing a mutual support and mentoring environment for members; offering business and market-related information, networking and other value-added services; and representing the needs of women entrepreneurs with policy-makers and private sector service providers, including financiers.

Women are significantly less likely than men to own their own land or to have guaranteed land use as a basis for operating a business. Adequate production facilities are not always accessible to women in regions throughout Uganda and they lack information about and access to up-to-date production technologies. A few Market Promotion Centres exist for women producers, dealers and exporters, but these are the exception rather than the rule.

Women entrepreneurs cite lack of business/export management training and access to markets as a barrier to growth. There are limited efforts to reach women with market-related information, and SME linkage programmes are not specifically targeted to include women's enterprises. Despite the fact that some efforts are made to include women in trade missions to other countries, there is only a small number of women exporters. It is noted that the "Access for African Businesswomen in International Trade" (ACCESS) programme of the International Trade Centre (ITC) and the Trade Facilitation Office of Canada (TFOC) aims to provide women exporters in Uganda with access to training and counselling services to improve their export activities.

Although the Uganda Bureau of Statistics is doing an admirable job of building a Business Register and collecting regular data on self-employed people and MSEs, there is a paucity of rigorous, systematic and comprehensive research on women entrepreneurs and their enterprises and a general lack of gender disaggregated data.

The Government of Uganda makes provision for women in the national development plans, but there is a lack of any strategic focus on the development of women entrepreneurs and their enterprises. There is no government focal point on women's enterprise development and targeted policy initiatives do not exist. Women's

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entrepreneurial activity is largely overlooked and invisible. There is a general lack of awareness of their potential to be economic contributors on a commercial basis, and they are subject to limiting stereotypical images regarding their growth potential. Credible role models exist, but they are not sufficiently promoted in the public domain.

Based on an assessment of the strengths and weaknesses of policies, programmes and initiatives in favour of the growth of women's enterprise, in accordance with the 10 core areas outlined in the AfDB/ILO Integrated Framework, a number of gaps were identified in Uganda. In endeavouring to address these gaps, it would be desirable to ensure that gender issues are mainstreamed into existing service provision in order that these services are available and accessible to both women and men. Where significant gaps remain, the report proposes a number of "women only" actions aimed at redressing prevailing inequalities in the provision of resources, information, support and business services.

Recommended actions to address these gaps are outlined below.

## **Recommended actions**

### **1. Policy leadership and coordination**

- i) Accelerate gender mainstreaming in all government policies and programmes.
- ii) Launch an Affirmative Action programme for the economic empowerment of women with a specific focus on leveling the playing field for women entrepreneurs and women in MSEs.
- iii) Create a private sector Women's Enterprise Development Working Group, within the PSFU (consisting of women entrepreneurs and associations), to advise government policy-makers and public-private coalitions regarding the required policies and initiatives in favour of WED, and lobby government to ensure that the interests of women entrepreneurs are reflected in all economic and industrial policies and strategies.
- iv) Adopt a strategic plan to foster the growth of women's enterprises, and negotiate the cross-government, donor and private sector linkages required to fund and implement the plan.
- v) Create a focal point/responsibility centre on WED within the MSE Policy Unit of the MFPED or the MTTI to develop partnerships that will lead to women entrepreneurs having improved access to the services and resources they need to establish growth-potential enterprises.
- vi) Convene a two-day Policy Forum on WED for government policymakers, donors, support organizations, business associations, WEAs, educators and researchers, MFIs and banks to focus on the barriers faced by women entrepreneurs in growing their firms, and on the resources necessary to improve their competitiveness.
- vii) Ensure the participation of all development officers (e.g. micro finance extension workers, MFI officials, agricultural extension workers and advisory services officers) in gender mainstreaming workshops.

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- viii) Implement gender monitoring of all MSE and development initiatives by the Government of Uganda to track the impact of government and donor-funded policies and projects on women and their enterprises, and use gender budgeting to increase the accountability of Government in funding allocations to redress inequities as they relate to the economic empowerment and participation of women.
  - ix) Create a national network of “resource and business support centres” for women entrepreneurs and MSE owners, staffed by Women’s Enterprise Development Extension Workers (WEDEWs) and co-located in Private Sector Development Corporation (PSDC) offices in key Districts.

## 2. Regulatory and legal environment

- i) Strengthen enforcement of the National Gender Policy, including efforts to raise awareness of Government policy-makers and law-makers on its content; and ensure routine referral to the NGP as one of the key guidelines for implementation of the national planning framework, including the revised PEAP.
- ii) Establish an Equal Opportunities Commission as provided for in the Constitution.
- iii) Reform the Land Act to specify the duty of lenders and purchasers in respect to obtaining spousal consent to dispositions of matrimonial property; explore new modes of registration to protect a spouse’s interest in matrimonial land; reform the Registration by Title Act to enhance the ability of women to access justice; implementation of gender mainstreaming during the second phase of the Commercial Justice programme to effect a reduction of gender bias against women in the use of customary law.
- iv) Implement a project using legal aid and paralegal professionals to provide free advice through legal clinics to women entrepreneurs on matters arising from the operation of their enterprises.
- v) Include women entrepreneurs in the Uganda Revenue Authority programme of tax clinics and open discussions to increase their understanding of taxation policies and collection practices. Offer additional workshops to instruct women on the basic book-keeping required to substantiate their taxable income.
- vi) Reform labour standards in Uganda to reduce the adverse and unequal effects on women of a sex-segregated labour market which biases the provision of paid employment in favour of men.
- vii) Implement actions affecting the incorporation, registration and licensing of business (e.g. simplification, reduced time and cost burden; reform the Companies Bill to permit sole-shareholder companies); and eliminate the obligation of women to report their income on their husband’s tax returns.
- viii) Disseminate more information to women entrepreneurs regarding business registration and trade licensing procedures through partnerships with UWEAL, CEEWA and the FUE.



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### 3. Promotion of women entrepreneurs

- i) Support for UWEAL to expand their annual Business Achievers' Award programme to other regions of Uganda, including the organization of local awards events.
- ii) Partnering of the ILO-WEDGE with UWEAL, UWEN, and other appropriate stakeholders to produce a documentary video on Ugandan women entrepreneurs, with a particular focus on case studies of successful women in business and in export markets.
- iii) Partner with FIT-SEMA on the development of radio programming relevant to women entrepreneurs and their issues, for airing through their network of 22 plus associated radio stations.
- iv) Develop an initiative to create awareness of Uganda's most successful women entrepreneurs (e.g. publication of the "Top 20 Women Entrepreneurs in Uganda").
- v) Declare a Women's Entrepreneurship Week in Uganda to raise awareness of the role of women entrepreneurs in society, celebrate their contributions and mobilize community support (the MFPED, MGLSD, and the PSFU, in cooperation with UWEAL, CEEWA, Enterprise Uganda and other business associations).

### 4. Access to enterprise education and training

- i) Examine options for increasing the secondary school completion rates of female students (the Ministry of Education and Sports); continue commitment to introducing entrepreneurship-related curriculum across the education system, with monitoring of the participation of girls as well as boys; and support expansion of the Young Entrepreneurs' Programme throughout the Uganda school system.
- ii) Find donor funding to support UWEAL in their expansion of the Girl Entrepreneurship Programme (GEP) to five new educational institutions a year.
- iii) Offer a programme of regular seminars and workshops to women entrepreneurs covering such fundamentals as: book-keeping, entrepreneurship skills, time-management, and general business management skills (marketing, human resource management, basic financial management skills, product quality). Implement mobile approaches to training delivery in rural areas.
- iv) Organize and deliver longer-term community-based business initiatives for women in the developmental stage of their enterprises, enhanced by one-on-one sessions with a full-time programme advisor.
- v) Direct donor funding to Enterprise Uganda to support the promotion of BDS market development for WE target groups and for the delivery of more women-focused entrepreneurship training programmes on growth planning and based on the ILO's "Expand Your Own Business" (EYB), and on "GET Ahead for Women in Enterprise" training materials for lower level women entrepreneurs.

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- vi) Organize training on export management for women interested in taking advantage of export opportunities. Such programmes would be led by a support institution for women that would provide them with required knowledge and skills on how to access export markets and link them with other women entrepreneurs who are currently exporting. This recommendation is already being acted upon by ITC, Geneva.
  - vii) Offer regular training programmes on access to financing to women (e.g. information on types and sources of financing; preparation and packaging of loan proposals; preparing to meet with the lender; lending and decision-making criteria, and negotiating strategies).

## 5. Access to credit and financial services

In the area of micro finance:

- i) Deliver engendered micro finance courses as a requirement for all micro finance extension workers.
- ii) Link gender-sensitive BDS to micro finance loans for women, especially for the individual loan clients who are growing their enterprises and would benefit from advice on how to graduate to commercial bank credit.
- iii) Investigate funding to establish a *Women's Desk* in the AMFIU to support the outreach to women of MFIs in rural areas; monitor the progress on gender mainstreaming; coordinate delivery of gender sensitivity training to MFI and BDS providers, and provide information and support to the MF extension workers.
- iv) Develop an MFI loan guarantee scheme for women clients who need larger loan amounts and still do not fit into the range for commercial bank borrowing (e.g. Shs 5 million to Shs 15 million), and who have demonstrated the ability to grow their enterprise, but still lack sufficient collateral to meet the requirements needed to take them to the pre-commercial bank level.

In the area of commercial bank credit:

- i) Make BDS available to women entrepreneurs prior to approaching a lender to ensure the bank's programme and financing are adequate for the growth needs of the enterprise; and during the loan term to help them develop and implement their business growth plan.
- ii) Encourage commercial banks to host regularly scheduled seminars for women entrepreneurs on "dealing with the banker".
- iii) Require commercial banks to collect and report gender-disaggregated data on their loan clients.
- iv) Implement a donor-funded loan guarantee scheme to better enable women to access growth capital, including programme promotion and gender sensitivity training for account managers. To have the following terms and conditions:
  - *Loan amounts of Shs 10 million – Shs 50 million*
  - *Guarantee Coverage for 85 per cent of the loan*
  - *Loan Programme Repayment Terms of up to 5 years*

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- *Interest Rate* of prime + 4 per cent, with a 1 per cent contribution to cover cost of BDS
  - *Financial Requirements Review* would be conducted by a consultant retained once the financial institution has deemed the applicant creditworthy. Donor agency should cover the cost of the assessment up to a maximum fee, to be determined.
  - *BDS* as a mandatory component of the loan
  - *Programme Management/Administration* to be with the Bank of Uganda
  - *Participating Financial Institutions* could include the Stanbic Bank; Barclays Bank; Nile Bank; Centenary Rural Development Bank
  - *Client Collateral* requirement of the participating financial institution is restricted to the “un-guaranteed” portion of the loan only.

## 6. Access to BDS and information

- i) Coordinate and deliver BDS and information to women through the WEDEW concept outlined in Recommendation 1 (vi). The WEDEW would develop a roster of private sector BDS consultants to provide specialized consulting to women clients on an “as required” basis (e.g. BDS linked to financial services).
- ii) Ensure BDS consultants participate in gender mainstreaming training.
- iii) Design a donor-coordinated approach to funding initiatives to develop the market for BDS, and enable them to deliver a range of subsidized services (as necessary) as well as commercially priced services to women entrepreneurs. (The World Bank’s proposed SME Project could allocate a portion of its BDS component specifically for women-owned MSEs.)
- iv) Use the FIT-SEMA radio programme as a regularized vehicle for disseminating business-related and entrepreneurial information to and mobilizing the voices of women MSE operators throughout Uganda.

## 7. Access to WEAs and networks

- i) Provide funding to build the capacity of UWEAL and other WEAs so they can develop their organizational capacity and expand their reach to women in more districts of Uganda (e.g. resourcing to develop more branches; provide training in association governance and management; build membership, and offer services for the benefit of more women).
- ii) Engage WEAs as integral partners in implementation of the WEDEW initiative.
  - iii) Support the efforts of FUE in its role as a mentor for new member associations, as well as in its training programmes to help women acquire the necessary skills on policy-related and advocacy issues.

## 8. Premises and technology

- i) UWEAL, USSIA and UMA should lobby the government for parcels of land (e.g. industrial estates) that can be used to construct market promotion centres and equipped incubators to accommodate the expansion of women’s enterprises in those urban and rural areas where lack of premises is particularly problematic.

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- ii) Approach local governments to construct common production facilities in sectors in which women are dominant (e.g. textiles, agri-food processing) to enhance women's growth prospects at the district level.

## 9. Access to markets

- i) UWEN should continue its efforts to include women entrepreneurs in the trade and investment-related activities of the UIA, and use UIA resources to build a directory of women exporters and an inventory of women-owned firms with export potential.
- ii) Help women entrepreneurs and small-scale producers in exporting sectors to develop their export strategy and to form alliances with each other so they use their collective production capacity to pursue and fill large orders from international buyers.
- iii) Focus donor-assisted projects dealing with SME linkages on ensuring that firms in women-dominant sectors are included in development and capacity-building initiatives so they can participate more fully as beneficiaries.
- iv) WEAs should use alliances with WEAs in other countries to foster and further strengthen trade relationships between their respective members.
- v) WEAs and women's organizations to use existing trade databases and market information sources to disseminate market-related information to members of their networks, and use their organizational websites to showcase members' products and services.

## 10. Research on women entrepreneurs and their enterprises

- i) Mandate UBOS to collect and report on gender-disaggregated data and to collect more detailed information on women's enterprises (compared to all firms) with the aim of quantifying more precisely the economic contributions of women-owned enterprises.
- ii) Produce a report on the State of Women-Owned Enterprises in Uganda based on the above analysis (UBOS, in cooperation with the MSE Policy Unit at the MFPED and/or MTTI and the PSFU).
- iii) Engage the GEM<sup>20</sup>-Uganda Research Team at MUBS to conduct a gender analysis of respondents in the 2004 GEM study on entrepreneurial activity levels in Uganda (the World Bank).
- iv) Contract a consulting/research team to conduct a study on factors affecting women entrepreneurs in growth enterprises in Uganda, similar to those conducted in Ethiopia, Tanzania and Zambia (ILO-WEDGE).
- v) Collect gender-disaggregated data on users of all government and donor-funded private sector business, financial, and advisory services; monitor gender performance and examine gender differences for causes.

<sup>20</sup> Global Entrepreneurship Monitor

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- vi) Organize a research symposium to profile the existing research base on women entrepreneurs, discuss research methodologies, and stimulate interest in research projects that will improve the knowledge base on women entrepreneurs (EC-MUBS and the Department of Gender at Makerere University).



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# **1. Applying the AfDB/ILO integrated framework assessment in Uganda**

## **1.1 Background to the Uganda mission**

The interest of the African Development Bank (AfDB) and the International Labour Organization (ILO) in MSE development in Africa is rooted in the fact that MSEs, including those in the informal economy, account for more than 90 per cent of all enterprises, are the main generator of employment opportunities and a major potential contributor to poverty reduction. Located in both rural and urban areas, MSEs contribute to the promotion of a more equitable distribution of income. They stimulate local development, and play a major role in promoting a culture of entrepreneurship and honing business-related skills within the local populations.

Women, specifically, are cited as important actors in the micro enterprise sector in African countries. They own and operate a significant percentage of the MSEs, albeit, mostly at the informal, micro enterprise level. Even so, their sheer numbers mean they already make a substantial contribution to job creation, family sustainability, and poverty reduction. The minority of women-owned enterprises that have grown to small and medium-sized enterprises (SMEs) also impact positively on employment and trade. Enabling more women to pursue enterprise growth through a more favourable support environment will generate both social and economic benefits to the economy, including improved health of families and communities, improved literacy and education achievements, enhanced empowerment for women, and wider economic development (ILO, 2003a).

However, women entrepreneurs in Africa do not have a “level playing field” with men. Many of the social, cultural, regulatory and attitudinal barriers restricting women entrepreneurs’ access to the support and resources needed to grow their enterprises are well enumerated in AfDB (2004a, 2004b); Richardson, Howarth and Finnegan (2004); and the World Bank (2004a). If these barriers are not addressed, African countries will be unable to benefit from the potentially significant contributions of women and their enterprises to economic growth, and to meet targets set out in the UN Millennium Development Goals (MDGs). The ILO and the AfDB are committed to seeing an improvement in the macro-economic and meso-level or institutional arrangements and conditions for the development of women entrepreneurs and their enterprises.

During 2003, the AfDB and the ILO collaborated in conducting assessments of the “Factors affecting women entrepreneurs’ growth prospects in Ethiopia, Tanzania and Kenya”. This resulted in a set of country papers, as well as an overview paper covering the summarized findings from the three countries (ILO, 2005). The two organizations also commissioned the preparation of a new standardized tool for assessing the enabling environment for growth-oriented women entrepreneurs, based on the field exercises conducted in Ethiopia, Kenya and Tanzania in 2003.

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In July 2004, the ILO, jointly with the AfDB and the IFC of the World Bank Group, coordinated a fact-finding mission to Uganda<sup>21</sup> to examine the prospects for growth-oriented women entrepreneurs and the potential for carrying out an assessment of the enabling environment. The AfDB/ILO component of the country assessment focused on the enabling environment for growth-oriented women entrepreneurs, and the joint fact-finding mission took place in November. The African Development Fund also prepared a Multi Sector Country Gender Profile for Uganda, based largely on findings related to agriculture and rural development in the North East and South regions (AfDB, January 2005). The IFC/World Bank also embarked on a Gender and Growth Assessment for Uganda. The ILO's WEDGE team (also working on behalf of the AfDB) worked alongside the IFC of the World Bank to respectively carry out these two parallel assessments.

The overall purpose of the AfDB/ILO Integrated Framework was to assess the constraints and conditions in the business environment for the start-up and growth of women-owned MSEs; to map out the key areas for creating an enabling environment to foster growth enterprises; and to identify gaps where AfDB, ILO and other development partners' interventions and assistance might be appropriate to complement the efforts of the Government of Uganda.

## **1.2 The AfDB/ILO assesment process**

The assessment exercise built upon existing sources of secondary information, as well as on the findings from the July 2004 joint AfDB-IFC-ILO fact-finding mission. The pre-mission desk research consisted of a review of documents related to the Uganda economy, government policies, MSE support mechanisms and programmes, and the state of women's entrepreneurship. During the field visit, information was obtained from interviews with 91 people, including government officials, universities, MSE associations, employer organizations, WEAs, donor organizations, microfinance institutions (MFIs), commercial banks, economic policy research institutions, and groups of women entrepreneurs in Kampala, Jinja and Masaka (see Table 1.1). In addition to 40 one-to-one meetings, insights were gained from three focus group sessions: one with women entrepreneurs in Kampala at the beginning of the mission (16 women entrepreneurs and 10 stakeholders); one in Jinja with women entrepreneurs and NGOs (15 attendees); and one at the end of the mission with stakeholders who provided feedback on the consultants' preliminary assessment of the situation facing women entrepreneurs in Uganda (25 attendees). The list of interview contacts is attached as Annex 1.

<sup>21</sup> The World Bank was invited by the Government of Uganda Ministry of Finance, Planning and Economic Development (MFPED) to undertake an assessment of the overall gender environment and to examine the relationships between gender and economic growth.



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**Table 1.1: Number of key informants by type of organization or stakeholder group**

Government officials	10	Officials from employer organizations	1
NGOs	2	BDS and training providers	12
Officials from Microfinance Institutions	5	Educators and researchers	4
Commercial bank officers	6	Representatives from donor groups	9
Representatives of women entrepreneurs' associations and women's organizations	6	MSE and business association executives	5
Women entrepreneurs	31		
<b>Total</b>			<b>91</b>

A number of key informants provided copies of relevant reports, policy documents, research studies and evaluation data, the key findings from which were considered in the overall assessment, along with an analysis of interview material.

### 1.3 The AfDB/ILO integrated framework

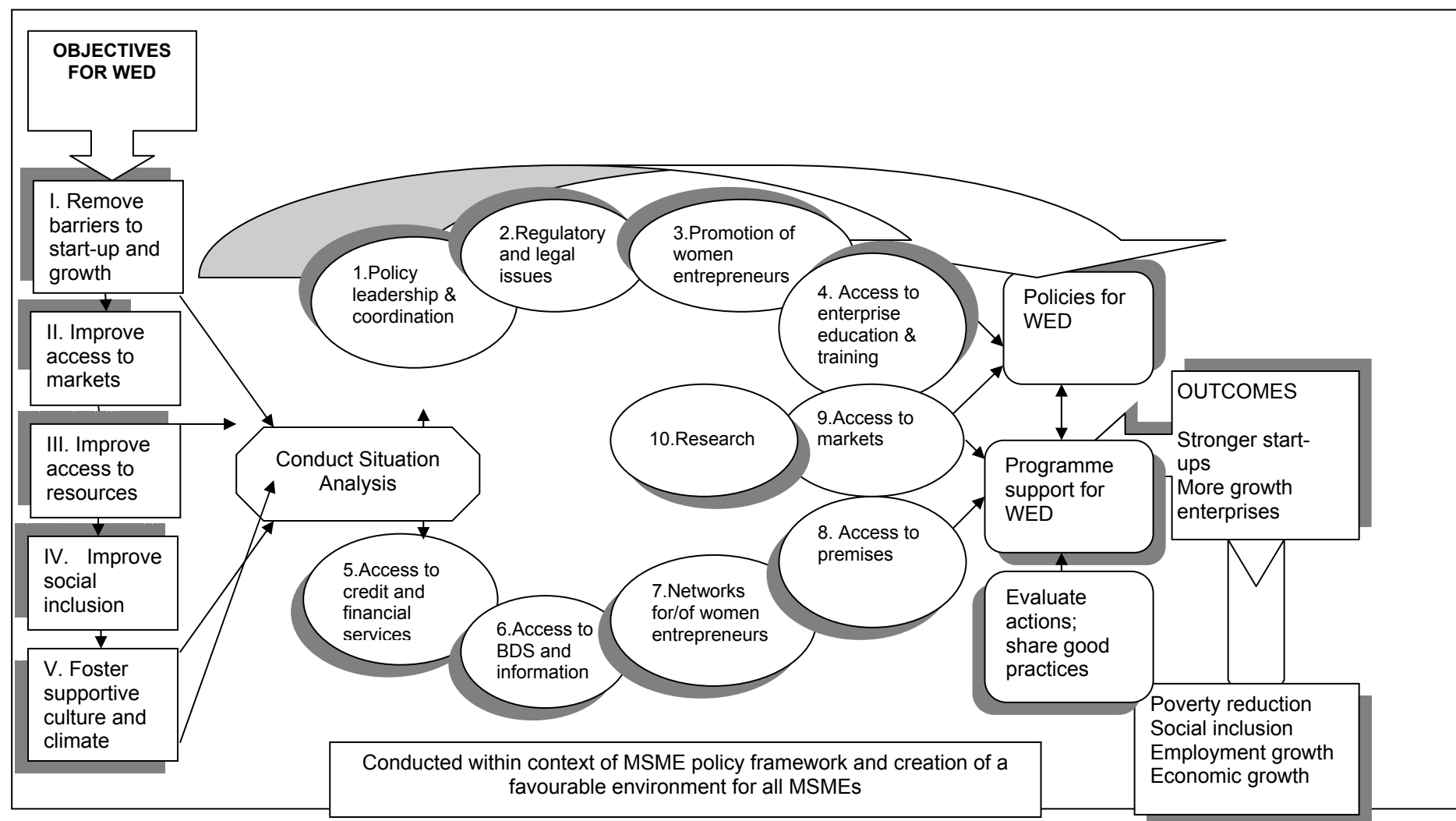
*The AfDB/ILO Integrated Framework Assessment Guide* (in its latest draft form) was used to map out the components of the enabling environment for growth-oriented women entrepreneurs, comment on their respective effectiveness and identify good practices, as well as gaps. The Integrated Framework is illustrated in Figure 1.1.

An assessment of the gaps and opportunities in the ten core areas of the Integrated Framework enables the formulation of an informed set of policies and programme measures to: (I) remove barriers to the start-up and growth of women's enterprises; (II) improve women's access to markets; (III) improve women's access to economic resources; (IV) strengthen social protection and social inclusion; and (V) create a more favourable environment for women entrepreneurs.

Included in the ten specific core areas proven to be vital in facilitating growth-oriented women entrepreneurs are: (1) policy leadership and coordination; (2) regulatory and legal issues; (3) promotion of women entrepreneurs; (4) access to enterprise education and training; (5) access to credit and financial resources; (6) access to BDS and information; (7) access to women entrepreneurs' associations (WEAs) and networks; (8) access to premises; (9) access to markets; and (10) research on women entrepreneurs and women-owned MSEs. The detailed assessment items for each core area are presented in Annex 4.

The elements of the framework are inter-connected; actions are necessary in each area to affect the desired changes in the overall environment for entrepreneurial activity, women-owned MSEs and the growth of women's enterprises, leading to stronger start-ups and more growth enterprises.

Figure 1.1: The AfDB/ILO integrated framework: An enabling environment for the growth of women's enterprises



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## 2. Women entrepreneurs in the Ugandan economy – a situational analysis

The first parts of this section (2.1-2.3) summarize the role of women in the MSE sector. The next part (2.4) discusses the socio-cultural environment affecting the growth of women's enterprises. The final part (2.5) highlights the general challenges that need to be addressed in order to facilitate an increase in the percentage of women with growth enterprises.

### 2.1 The role of women in the MSE sector

#### 2.1.1 MSE definitions

The Government of Uganda uses employment, value of assets and annual turnover to define firms in the MSE sector (see Table 2.1). In addition to these measurable criteria, qualitative characteristics are also used to differentiate between micro and small enterprises (MFPED, 1999). Many micro enterprises (i.e. with less than five employees) tend to operate seasonally, are usually not formally registered (hence, do not have access to formal services), do not pay business taxes, and have weak management due to the low levels of education and poor management capability of their owners. Small enterprises (i.e. with 5-50 employees) tend to be year-round operations, formally registered, taxed, and run by better educated and trained owner/managers.

Table 2.1: Definitions of micro and small and enterprises

	Employment	Value of assets*	Annual turnover
Micro enterprise	< 5 employees	< Shs 2.5 million	< Shs 10 million
Small enterprise	5 < 50 employees	< Shs 50 million	Shs 10 million – Shs 50 million

\*Value of assets excludes land, buildings and working capital.

#### 2.1.2 Gender and sectoral profiles of Uganda's MSEs

Women's share of the economically active population in 1999/2000 was 52.4 per cent, but several gender differences existed in type of activity (Table 2.2). Some four million people (50 per cent of the economically active) were self-employed. Although women comprised almost 40 per cent of the self-employed (1.61 million), in fact, economically active men were more likely to be self-employed than economically active women. Almost 64 per cent of these men were self-employed; but only 38.2 per cent of economically active women. Men were not only more likely to be self-employed, but also to be employed in the government and private sector. Only 856,000 of the eight million or so economically active persons in the labour force in 1999/2000 had paid jobs. Of the 3.2 per cent of people employed in the public sector (257,000), and the 10 per cent employed in the private sector (599,000), over 75 per cent were men. Women make up only 21 per cent of employees among the 250 member firms of the Federation of Uganda Employers (FUE, 2002). (The latest survey of FUE's 257 member firms has been started in 2005.) Even in paid employment, women are more likely than men to be in low-status, poorly-paid jobs. Subsistence agriculture and food crop production is the major form of employment for women and much of this is as an "unpaid family worker" (almost 56 per cent of all working women, and only 15.6 per cent of men). Women made up about 80 per cent of all unpaid workers in 1999/2000. Women's time constraints and low levels of

education and work experience are major inhibitors to their full participation in the formal sector.

**Table 2.2: Household population by main activity and gender (1999/2000)**

	Overall (%)	Male (%)	Female (%)	Female share of economic activity (%)
Population engaged in economic activity*	37.5	36.1	38.7	52.4
Employment distribution of the economically active				
Self-employed**	50.3	63.6	38.2	39.8
Unpaid family worker	36.7	15.6	55.9	79.8
Government employees	3.2	5.1	1.5	24.5
Private sector employees	9.8	15.7	4.4	23.5
Total	100.0	100.0	100.0	
Population not engaged in economic activity	62.5	63.9	61.3	49.8

Source: Uganda National Household Survey 1999/2000. Adapted from data presented in CEEWA-Uganda, 2002, p. 46.

Note: \* The population in the survey was 21.24 million.

\*\* The self-employed category includes employers and own account workers; but employers make up less than one per cent of the self-employed.

About equal numbers of women and men were not engaged in economic activity (e.g. students, too old to work, housewives). However, among this group, women were less likely to be students (46.7 per cent of students) and more likely to be attending to domestic responsibilities (83.7 per cent of category). The AfDB Multi-Sector Country Gender Profile (AfDB, January 2005) reviews several sectors from a gender perspective, and gives particular prominence to agriculture and rural development. In addition, the FIAS/IFC GEM Gender and Growth Assessment report provides further information on women's disadvantaged status.<sup>22</sup>

### 2.1.2.1 The number of MSEs and MSE employment

The precise total number of MSEs in the country is unclear; many are informal, micro enterprises, without premises, that fall below the radar screen of formal counting processes. The 2002 UBOS National Household Survey data reported a total of 1,069,848 MSEs (with a total of 1,333,727 owners). Women owners constituted 40 per cent of the MSE owners and participated in the ownership of 45.4 per cent of all MSEs. This translates into 536,792 women MSE owners and 485,786 women-owned MSEs, meaning that some women own businesses jointly, either with male or female partners. Both female and male-owned MSEs had an average of 1.1 owners. The number of persons employed in these MSEs was 2,270,865. Based on a labour force figure of about 12.09 million,<sup>23</sup> MSE employment accounts for almost 20 per cent, and over half of these workers are actual MSE owners.<sup>24</sup>

The 2001/2002 Business Register (a more restrictive study of business establishments in Uganda) incorporating all business establishments with fixed premises where at least one person was employed, includes only 160,883 business establishments. These

<sup>22</sup> FIAS/IFC GEM GGA (2005) - see for example Tables 1.1 and 1.2.

<sup>23</sup> 2003 estimate; *CIA World Factbook*, 2004, Uganda.

<sup>24</sup> Owners account for 1.333 million of the 2.270 million workers in MSEs.

establishments account for the employment of over 444,000 persons. The Business Register includes both formal and informal businesses, the major distinction being that a formal business is defined as one employing five or more workers, whereas an informal business has less than five employees. Only formal agricultural activities are covered;<sup>25</sup> fixed premises include market stalls and kiosks.

Informal enterprises with fixed premises and fewer than five employees (over 90 per cent of the total) accounted for almost 53 per cent of employment (Table 2.3). Almost half of this employment was in establishments owned by women. The 6.6 per cent of business establishments (about 10,500) with more than five workers accounted for 47.3 per cent of employment. The share of this employment attributed to female-owned establishments declined to about 28 per cent. Obviously, it is important for Uganda to see an increase in the number of establishments moving from less than five (i.e. micro) to more than five employees (small), and not to ignore the significant number owned by women.

**Table 2.3: Informal and formal business establishments in Uganda; selected gender data**

	Total	Male-owned enterprises		Female-owned enterprises	
		Number	%	Number	%
No. of establishments	160,883	*109,718	66.7	*65,221	37.3
Employment	444,118	271,248	61.0	172,870	39.0
Average employment size of firms	2.8 workers	n.a.	n.a.	n.a.	n.a.
Businesses with < 5 workers (micro, informal)	150,138 (93.4%)	n.a.	n.a.	n.a.	n.a.
Businesses with > 5 workers (small, formal)	10,569 (6.6%)	n.a.	n.a.	n.a.	n.a.
Employment in informal businesses	233,825 (52.6%)	120,304 (44.4%)	51.4	113,521 (65.7%)	48.6
Average employment	1.56 workers	n.a.	n.a.	n.a.	n.a.
Employment in formal businesses	210,293 (47.3%)	150,944 (55.6%)	71.8	59,349 (34.3%)	28.2
Average employment size	19.9 workers	n.a.	n.a.	n.a.	n.a.

Source: UBOS (2003). Based on Business Register data collected during 2001-02

\* These do not add up to 160,883 because some enterprises have both male and female owners; therefore it is not possible to calculate the average number of workers by male-female ownership.

### 2.1.2.2 Business structures

The majority of business establishments in Uganda are sole proprietorships (92 per cent), 39 per cent of which are owned by women (Table 2.4). In most of these businesses, the owner is the only worker or one additional person is employed.<sup>26</sup> Businesses with partners, of which women-owned enterprises are a third, make up less than 4 per cent of establishments, but employ an average of 2.4 people. Less than 20 per cent of private limited companies have women owners; only 2.1 per cent of women owners are involved in this form of business ownership. Limited companies employ an average of 25 workers. The bottom line is that women owners are more likely than men to have sole proprietorships, and less likely to have limited liability companies (over 80 per cent of private limited companies are owned by men).

<sup>25</sup> Since subsistence farming was left out of the Business Register, a large number of women-owned micro enterprises would not have been counted.

<sup>26</sup> UBOS (2003), p. 10.

**Table 2.4: Establishments by type of ownership, male and female**

Business structure	Total establishments	Sex of owners			
		Male		Female	
		Number	%	Number	%
Sole proprietorship	148,508 (92.3%)	91,564 (83.4%)	61.6	58,160 (89.1%)	39.4
Partnership	6,075 (3.8%)	9,868 (9.0%)	67.5	4,756 (7.3%)	32.5
Private limited company	4,322 (2.7%)	5,789 (5.3%)	80.7	1,381 (2.1%)	19.3
NGO	595 (.4%)	277 (0.25%)	66.5	139 (2.1%)	33.5
Others**	1,383 (.8%)	2,220 (2.0%)	73.8	785 (1.2%)	26.2
Total	160,833 (100.0%)	109,718	66.7	65,221	37.3

Source: Adapted from UBOS (2003), Table 2.7.1, p. 11

\*\* Others include businesses whose ownership is religious, joint government, statutory corporations, cooperatives, government and parastatal.

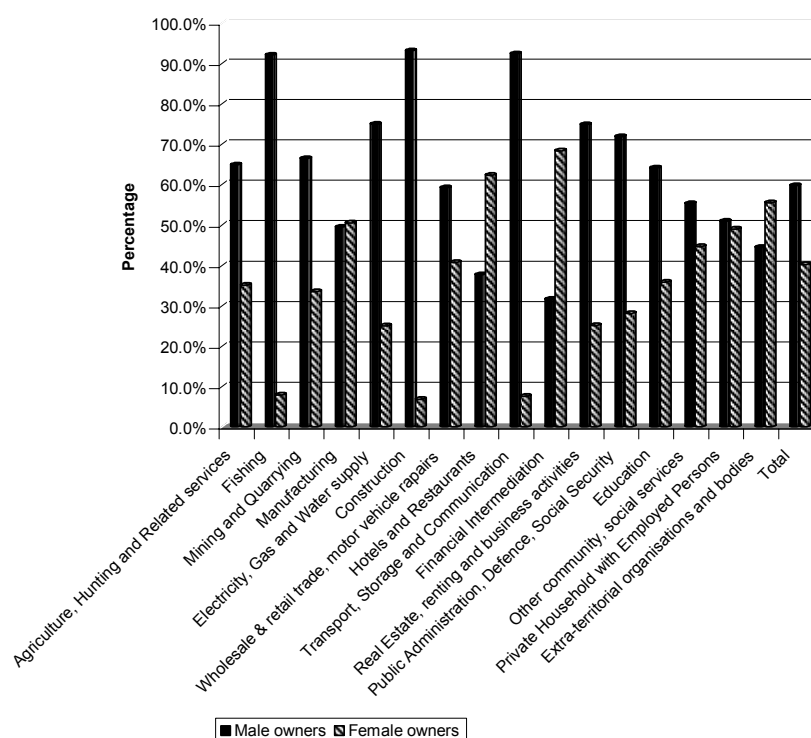
### 2.1.2.3 MSEs by sector and size categories

The majority of MSEs are in trade-related activities – 62.9 per cent are in wholesale and retail trade and motor vehicle repairs, and 19.5 per cent are in light manufacturing and agro-processing.<sup>27</sup> There is considerable gender segregation in the ownership of MSEs by type of economic activity (Chart 2.1). Women owners dominate in Hotels and Restaurants (own 62.4 per cent of the MSEs); Financial Intermediation (own 68.3 per cent); and Extra-territorial organizations and bodies (own 55.6 per cent). Men owners dominate in Construction (own 93.2 per cent); Transport, Storage and Communication (own 92.4 per cent); Fishing (own 92.1 per cent); Electricity, Gas and Water Supply (own 75.0 per cent); Real Estate, renting and business activities (own 74.9 per cent); and Agriculture, Hunting and Related Services (own 64.9 per cent).

Eighty-two per cent of all MSEs are either in Wholesale and Retail Trade, Motor Vehicle Repair or Manufacturing. This is also where 88 per cent of women owners and 78 per cent of male owners are clustered. The divergence between women and men owners in these two sectors occurs in Manufacturing – 24.5 per cent of all women owners have Manufacturing enterprises versus 16.2 per cent of all male owners.

<sup>27</sup> 2002 UBOS Household Survey data, based on an estimated 1,069,848 MSEs. Only 2.1 per cent of all MSEs in the Survey were in the primary sectors (agriculture, hunting, fishing, mining and quarrying) so most smallholder farmers were excluded.

**Chart 2.1: Distribution of MSE owners by type of economic activity and gender**



Source: UBOS 2002 Household Survey Data

Almost 94 per cent of MSEs with fixed premises had less than 5 employees; almost 98 per cent had fewer than 10 employees; and less than 0.2 per cent had more than 100 employees (Table 2.5 and Chart 2.2).

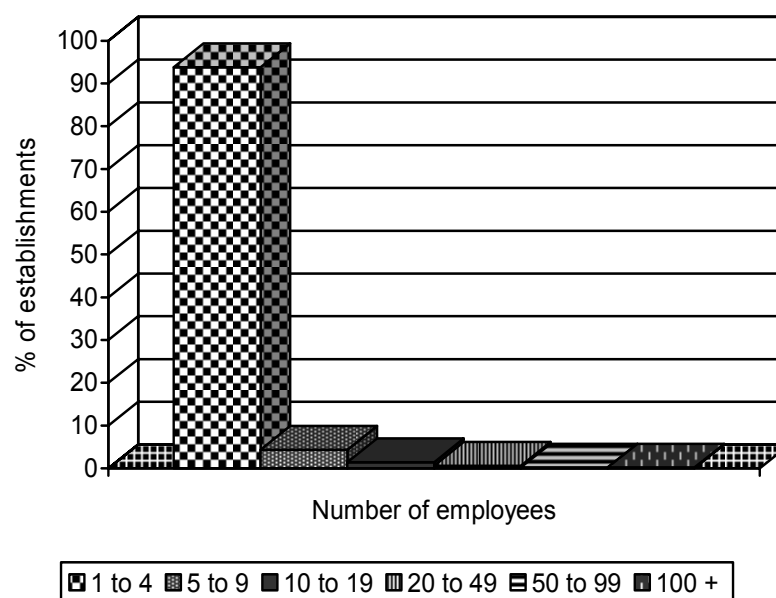
**Table 2.5: Distribution of business establishments by sector and employment size**

Number of enterprises	Number of employees					
	1-4	5-9	10-19	20-49	50-99	100+
160,883	150,138	6,967	2,203	901	244	254
100.0%	93.3%	4.3%	1.4%	0.6%	0.2%	0.2%

Source: UBOS (2003), based on the 2000/01 Business Register.

Only 245 enterprises have more than 100 employees. In fact, in 2001, only 1,400 business establishments had more than 20 employees. Over 50 per cent of the enterprises with over 100 employees were in Manufacturing and Agriculture, Hunting and Fisheries.

**Chart 2.2: Distribution of business establishments by number of employees**



Source: Data from 2000/01 Business Register (UBOS, 2003).

The UBOS (2003) report on the Business Register does not consistently report gender-based business ownership data by sector and size of business establishment, but women entrepreneurs are mainly found owning micro-enterprises with fewer than 5 employees (up to 90 per cent of their enterprises). It is apparent from data for the Hotels, Restaurant and Bars Sector, where women own over 60 per cent of the businesses, that as employment size increases, women own fewer of the businesses (Table 2.6). They own almost 66 per cent of the businesses with fewer than five employees in this sector and only 15 per cent of the businesses with more than 50 employees.

**Table 2.6: Ownership of businesses in the hotels, restaurants and bars sector, by sex and employment size, 2000/01**

Gender of owner	Employment size (employees)									
	1-4		5-9		10-19		20-49		50 or more	
Male	6,562	34.5%	1,058	61.8%	304	71.0%	97	76.0%	40	85.0%
Female	12,501	65.5%	655	38.2%	126	29.0%	31	24.0%	6	15.0%
Total	19,063	100.0%	1,713	100.0%	430	100.0%	128	100.0%	46	100.0%

Source: UBOS (2003), p. 30.

Further evidence of the much smaller size of women's enterprises is demonstrated in the agricultural sector. The farming sector is comprised of large-scale commercial farmers (5 per cent), semi-commercial, smallholder farmers (25 per cent) and small-scale subsistence farmers (70 per cent). Women constitute 70 per cent of the small-scale subsistence farmers.<sup>28</sup> Women's continuing lack of access to market information contributes to their disadvantaged position in the agricultural sector (Seibel and Almeyda, 2002).

<sup>28</sup> Seibel and Almeyda, 2002, p. 2.



#### 2.1.2.4 Geographic distribution of female- and male-owned enterprises

There is also a significant difference in the distribution of female and male owners by region (Table 2.7). Women own over 50 per cent of the MSEs in the Northern Region, but only 35.7 per cent in the Eastern Region.

**Table 2.7: Percentage of MSEs owned by men and women by region**

Gender	Central region	Eastern region	Northern region	Western region
Female-owned	40.3%	35.7%	51.3%	37.8%
Male-owned	59.7%	64.3%	48.7%	62.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: Analysis from 2002 Household Survey data provided by the MFPED, December 2004.

## 2.2 Entrepreneurial activity levels in Uganda

Uganda is a highly entrepreneurial nation, as evidenced in the 2003 Global Entrepreneurship Monitor (GEM) report (Walter et al., 2003). With a Total Entrepreneurial Activity (TEA) Index<sup>29</sup> of 29.2, Uganda was at the top of 40 countries in the 2003 study. This means that 29 out of every 100 adult Ugandans are engaged in some kind of entrepreneurial activity. Almost 17 per cent of Ugandan adults were involved in activity leading to the start-up of a new enterprise, and almost 15 per cent involved in a new firm less than three-and-a-half years old. Therefore the total estimate of the number of Ugandans involved in both types of entrepreneurial activity was about 3.5 million people.

Ugandan men are more active in entrepreneurial activity than women. Women comprise 40 per cent of the people engaged in entrepreneurial activity, estimated to total 1.4 million women (still a sizable number). Men make up the remaining 2.1 million entrepreneurs. Of the 1.4 million women, 43.5 per cent are in the nascent entrepreneurial group – trying to get a new enterprise started – and 56.5 per cent already own an enterprise that is less than 42 months old. This suggests that as many as 612,500 women were trying to get a business started in 2003. The estimated number of male Ugandans trying to start a business was 1.02 million. This is a sizeable pool of emerging entrepreneurs.

The TEA Index for adult women in 2003 was 22.9 compared to 35.6<sup>30</sup> for men (Table 2.8) and is highest for women in the 45-54 age group (40.7); almost twice as high as the TEA index for men in the same age group (20.8).<sup>31</sup> However, there is an under-representation of entrepreneurial activity among women in the 35-44 and in the 18-24 age groups (Walter et al., 2003). The TEA index for women in the 18-24 age group is 16.0 compared to 38.6 for young men – meaning that young men are more than twice as likely to be pursuing entrepreneurial activity. Since over 50 per cent of the population is under 15

<sup>29</sup> The TEA Index is comprised of two indicators: 1) the percentage of adults who have engaged in any activity to start a business in the past 12 months, expect to be a full or part time owner, and have not paid salaries or wages for more than three months; and 2) the percentage of adults who are actively involved in a new firm as a full or part time owner and manager, and have not paid salaries or wages for more than 42 months.

<sup>30</sup> 22.9 out of every 100 adult women were either taking actions to start a business or were involved in a new firm that was less than 42 months old.

<sup>31</sup> Walter et al., (2003), p. 17.

years of age (and 6.65 million are female)<sup>32</sup>, this suggests there should be a major focus on young people (and girls) if the goal is to increase the level of female entrepreneurship in Uganda.

**Table 2.8: TEA Index for Uganda – gender and other selected dimensions**

Total TEA Index	Gender		Geographic			
	Male	Female	Urban		Rural	
29.2	35.6	22.9	37.6		27.8	
	Monthly income (Shs)		Region			
	< 60,000	> 166,000	Central	North	East	West
	22.5	58.4	30.9	22.3	43.0	16.9
	Education					
	Completed primary or less education	Completed “O” levels	Some college or university		Completed college or university	
	25.5	35.1	33.1		61.2	

Source: Walter et al., 2003 (GEM Uganda Report).

Ugandans involved in entrepreneurial activity are overrepresented among those with higher educations and higher monthly income. Twenty-five per cent of adults with primary education were engaged in entrepreneurial activity, compared to 61 per cent of those who had completed college or university. Almost 60 per cent of Ugandans with monthly household incomes of over Shs 166,000 are engaged in entrepreneurial activity, compared to only 22.5 per cent with monthly household incomes of less than Shs 60,000. The TEA Index also varies considerably across Uganda’s regions, being higher in Kampala and Eastern Uganda and lower in Western Uganda.

The 2003 GEM-Uganda study suggests that recent entrepreneurs are more motivated by “opportunity” (55 per cent of Ugandan nascent and new entrepreneurs) than “necessity” (44 per cent), but in the past, economic necessity was certainly a factor. Almost 60 per cent of the Ugandan entrepreneurs in Bewayo (1995) were in business because they needed to make a living.<sup>33</sup> Only 7 per cent were motivated by “being their own boss” or independence; however, over 60 per cent indicated that independence was a major way in which owning a business was better than working for someone else. The remainder cited other reasons for being in business: not having other options, wanting to exploit their skills, or because their father had been in business.

Systematic research on the motivations of women entrepreneurs does not appear to exist, but lack of employment alternatives and economic necessity are believed to be primary incentives.

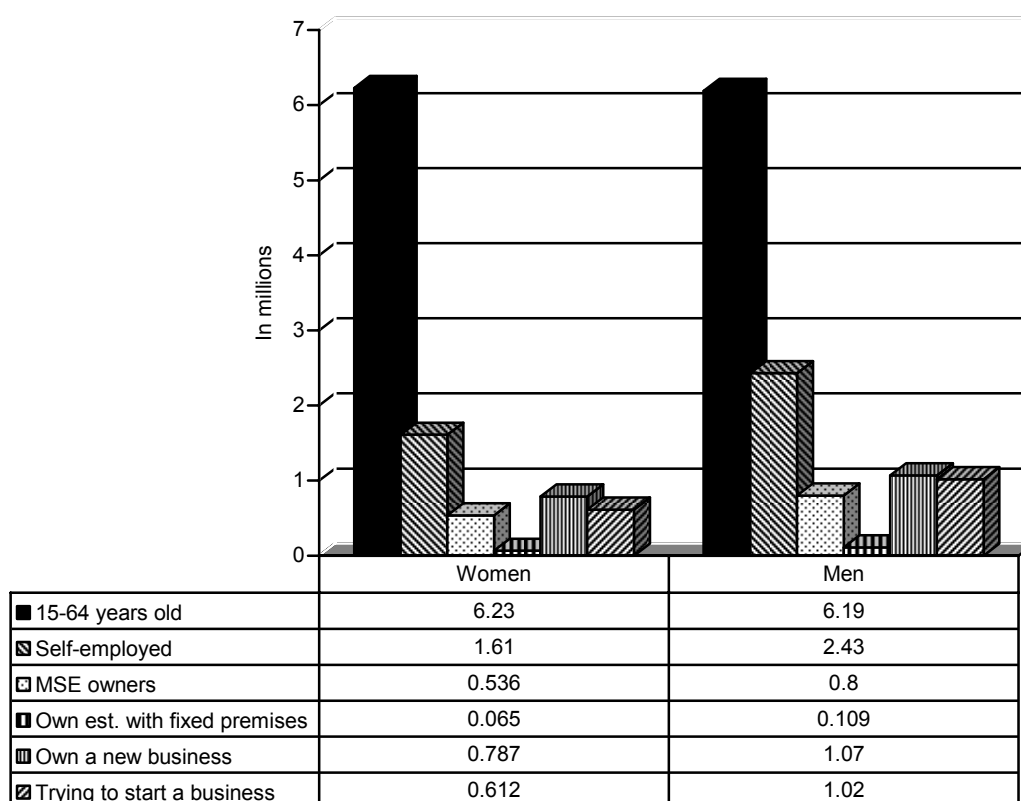
<sup>32</sup> *CIA World Factbook*, 2004 – Uganda. Based on 2003 estimates.

<sup>33</sup> The Bewayo (1995) study was based on a questionnaire distributed to 700 entrepreneurs in and around Kampala in the summer of 1990 and spring of 1991. There were 208 responses to the survey. No gender breakdown was mentioned in the analysis.

## 2.3 Summary data of women's participation in the MSE sector

Chart 2.3 presents a summary illustration of the supply of women entrepreneurs in Uganda, compared to that of men, showing the number of women of labour force age (15-64); the number self-employed (in 1999/2000); the number who owned MSEs (2002); the number who owned business establishments with premises (2000/01); the number who owned a young business in 2003; and the number who were trying to start a new business in 2003.

**Chart 2.3: Number of women and men in various forms of MSE/entrepreneurial activity in Uganda**



Source: Self-employed: 1999/2000HHS; MSE owners: 2002 HHS; Owners with fixed premises: 2000/01 Business Register; Own a new business and trying to start a business: 2003 GEM Uganda

## 2.4 The environment for women entrepreneurs and growth

### 2.4.1 The socio-cultural environment

Women's entrepreneurship emerges from within a context that has economic, socio-cultural, familial, and situational dimensions. Overall, Ugandan women do not have the same opportunity as men to gain paid employment or to benefit from working experience, contacts and the opportunities to accumulate savings from salaried income (only 11.8 per cent are employed in the formal labour market<sup>34</sup>). In spite of all of the developments and

<sup>34</sup> AfDB (2005), op. cit., p. 14.

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organizational activities in favour of women over the past ten years, the gender gap in women's equality has not narrowed very much. Although progress has been made in women's political representation and the number of women involved in enterprise activity has grown, there are significant disparities with respect to poverty levels, education, employment opportunities, and women's access to productive resources.<sup>35</sup> Women remain disempowered by unequal ownership of land and property, the widespread practice of bride price and occurrences of domestic violence. The vulnerability of women, due to these socio-cultural dimensions, was stressed by many key informants.

Women do not have equal access to justice and protection of the laws, nor are they adequately included in decision-making in the justice system. Many laws are very discriminatory to women and the interpretation of laws often discriminates on the basis of gender (FIAS/IFC GEM GGA, 2005). The Constitution of Uganda prohibits all discriminatory laws, but national laws do not currently reflect those provisions. Many women, particularly those with lower literacy levels and living in rural areas, lack awareness of their rights and economic alternatives. In addition, women have unequal access to secondary education. Since implementation of Universal Primary Education (UPE), enrolment in primary school has almost equal numbers of girls and boys, but at the secondary level, there are more boys than girls. According to officials at the Ministry of Education and Sports (MES), girls drop out at a faster rate than boys either because they have to stay at home to help with household chores and care for younger siblings, the sick and the elderly, or because of unwanted pregnancies. This means girls are unable to complete their secondary education and, hence, are disadvantaged when it comes to starting growth-potential enterprises.

Women entrepreneurs have almost total responsibility for family care, including the care of their own children, elderly family members, and often of other family members' children. Ninety-four per cent of the women entrepreneurs studied by Snyder (2000) and Kahara-Kawuki (1998) had dependent children, and one third cared for elderly or invalid persons as well. Some women were providing for as many as 25 dependents. Having to do all of the domestic work, without any of the conveniences technology can bring, means women have more difficulty than men in balancing the demands of an enterprise. Additionally, they operate within a cultural environment that limits the perceived scope of their "potential" to the "low end" of the micro enterprise sector (i.e. cultural gender-based stereotypes).

The Uganda National Gender Policy refers to Uganda as "a patriarchal society where men are the dominant players in decision-making, although women shoulder most reproductive, productive and community management responsibilities, many of which are not remunerated or reflected in national statistics".<sup>36</sup> It adds that women own 7 per cent of land (registered land titles) and that only 30 per cent have access to and control over its proceeds. Married women often are not permitted by their husbands to take decisions about money and the use of it without their consent, even among educated women. As stated by one key informant: "Women have to ask for permission if they want to make an investment. If a husband wants to invest in a business, he wouldn't even necessarily inform his wife." On the other hand, only 17 per cent of the married women entrepreneurs in Kahara-Kawuki (1998) indicated they needed to seek their husband's permission when making and implementing decisions. In 89 per cent of the cases, the woman handled her own finances without anyone else's help – 5 per cent hired someone to take care of this, and in only two cases did the husband handle the finances. Ninety per cent of the married women reported that their husbands encouraged them in their business activities, either offering financial assistance, advice or moral support (Kahara-Kawuki, 1998).

<sup>35</sup> Snyder, 2000, p. 29; African Development Fund, 2005; World Bank, 2004a.

<sup>36</sup> MGLSD, 1997, p. 3.

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There is a socio-cultural perception that women “can’t do big business” unless they are women who can “partner” with a man. Empirical data challenges that perception. Thirty-seven per cent of the women entrepreneurs among the 135 respondents in the Kahara-Kawuki (1998) and Snyder (2000) studies<sup>37</sup> were either widowed (17 per cent), separated or divorced (12.6 per cent) or single (7.4 per cent). The larger enterprises owned by women in Snyder (2000) were often led by women who were single or divorced.<sup>38</sup> In the Kahara-Kawuki (1998) study, a third of the women entrepreneurs had started their business with a partner. In two-thirds of these cases, the partner was a husband and in 17 per cent of the cases it was another family member. It is interesting to note that 20 per cent of the women in Kahara-Kawuki (1998) were actually co-wives in polygamous marriages.

According to key informants, although women who earn money are considered diligent, Ugandan men are particularly threatened by and mistrustful of single, widowed and divorced women who are economically independent. Furthermore, according to one key informant, *“husbands of women entrepreneurs don’t want their wives traveling with men or meeting with men to do business because their friends will talk”*. Some husbands will not “allow” their wives to go too far away from home to do business, so they can’t grow their enterprises, and are caught in the trap of thinking small.<sup>39</sup>

This set of socio-cultural barriers is particularly significant because it also influences the attitudes of men – as well as those of some women – working in MSE policy, financing and business support organizations.

“The household is the key site in which discrimination on the basis of gender is expressed. However, unequal gender relations within the household are reproduced in institutions at the meso-level – in private sector institutions, in local authorities, in central government ministries, etc. Gender biases are expressed in another, more subtle, way at the macro-level. Macro-level policies are presented as if they are ‘gender neutral’. They are not, in fact, neutral since they are implemented in contexts – meso and micro – characterized by gender inequalities. Policies that are not sensitive to gender inequalities and their linkages to poverty risk negative impacts on institutions, on households and on the individuals within households” (MGLSD, 2003, p. 14).

This “order of things” in the household is reinforced in all institutional settings, policies and actions. It affects laws regarding women’s rights to own property, to control economic resources and to participate equally in economic decision-making. It manifests itself in attitudes expressed by some male key informants that socio-cultural barriers *“make the possibility of growth unlikely for most women entrepreneurs”*, arguing that banks and MFIs fear lending large amounts of money to women because their husbands might take it to use for other things and the woman would not be able to pay it back, etc.

These socio-cultural constraints are problematic because they are personal and domestic, and it is difficult to legislate for decision-making relationships within families. If women’s potential to contribute to the development and growth of the Ugandan economy, including through entrepreneurship, is to be maximized, this “order of things” has to be further challenged.

<sup>37</sup> The interviews for Snyder’s research were conducted in 1997, so the time periods for the two studies are similar, although Snyder did not publish her book until 2000.

<sup>38</sup> Although the sample is very small, 50 per cent of the women owners of larger enterprises in the Snyder (2000) study were widowed, single or separated/divorced, while around three-quarters of the women in informal groups and farmers and traders were married.

<sup>39</sup> Forty-one point five per cent of the women in the Kahara-Kawuki (1998) study lived less than 2 km from their workplace.

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## 2.4.2 Characteristics of women with growth enterprises

Enterprises in Uganda are predominantly “micro and small”, but as one key informant put it, “*women’s enterprises are small, small, small*”. There are very few examples of women with growth enterprises. Overall, it appears that many women entrepreneurs in Uganda are motivated more by necessity than opportunity. The primary concern of the majority of micro enterprisers is subsistence – being able to provide for the family and pay school fees for their children. However, not all women entrepreneurs are the same. Some are highly motivated to make a success of their entrepreneurial undertakings, confident in their business dealings and determined to see how far they can go. Having access to resources is a major enabling factor, but so too is education, work experience, and a supportive family.

Several key informants confirmed that the larger women-owned enterprises tend to be owned by women who have built up personal capital and “*behind them, there’s a man – usually a male entrepreneur who started small himself and built up over time*”. There are also cases where the wife and husband are in business together.

“Women who tend to grow have been exposed to the Western world – studied or worked in other countries. They come back with lots of ideas and transfer them in from outside. Exposure is very important and so are networks. They have connections, money, education, exposure and know-how. They can get access to bank loans. These women develop relationships with powerful men, members of the same family or tribe. This helps them a lot.” Quote from researchers at Makerere University.

There is virtually no systematic empirical research on women in growth enterprises, or in what ways they are similar to or different from women who head firms that do not grow – or indeed similar to or different from male-headed enterprises. Existing studies (e.g. Lange, 2003;<sup>40</sup> Snyder, 2000; Kahara-Kawuki, 1998) include very small samples and there is no way of knowing to what extent their findings reflect the overall pattern of women’s entrepreneurship. They do, however, suggest different profiles of women entrepreneurs based on levels of education, experience and economic status, differences reflected in the size

and growth potential of their enterprises. The majority of women entrepreneurs in Kahara-Kawuki (1998) and Snyder (2000) had fewer than five employees. But 15.2 per cent had more than 11 employees and 1.8 per cent had more than 50 employees. Over 50 per cent of the women in the Kahara-Kawuki (1998) study reported an increase in production volume, sales, and employment over the previous year, 69 per cent reported being profitable, and 60 per cent had plans to go into another business venture. Twenty-five per cent of the women in her study had had previous businesses; in the Snyder study, this was true for over a third of the women.

Snyder’s study did not specifically explore differences in growth patterns of the enterprises, but she was able to note some demographic differences in the backgrounds of the women and the size of their enterprises. She organized the women in her analysis into five groups: informal market traders, mutual support groups, farm-based enterprises and traders, independent entrepreneurs (located in fixed premises), and small to large enterprises, and she noted some differences between these five groups of entrepreneurs.

Women in the independent entrepreneur and small to large enterprise categories tended to have larger firms than women in the other three categories, based on the number of employees. Women in these two larger categories were much more likely to have

<sup>40</sup> Lange (2003) does not provide demographic profile data on the women in her study of the informal sector in Kampala. The study focuses on reporting only aspects related to the operation of the enterprise.

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university degrees or professional educations;<sup>41</sup> to have had paid employment experience prior to being an entrepreneur; and to have secured loans from commercial banks to fund business operations (two-thirds had obtained loans from banks). Three-quarters of the women in Kahara-Kawuki (1998) were also employed before starting their businesses, over 60 per cent of them having held leadership positions as a manager, assistant head or other. Sixty per cent of the women in the Snyder (2000) study had previous experience in paid employment, but this proportion was significantly higher for women with more substantial enterprises.

The women who owned enterprises in Snyder's "small to large enterprise" category were likely to have had fathers with high status in their birthplaces; to be educated beyond secondary school (81 per cent) and to have university degrees (44 per cent); to have lived overseas (75 per cent); to have built capital from paid employment; and to have been able to use lines of credit from the banks for business operations. They were also likely to be the sole providers for their households (65 per cent were widowed, divorced, or had a retired husband), which according to Snyder, freed them from fear of their husband's disapproval or lack of support. As sole providers, these women demonstrated a more intense concentration on making the business a success as a commercial enterprise. They were also able to rely on involvement of family members as co-owners, trusted advisors, and reliable workers.

Women in the independent entrepreneur category had fathers with middle-class status (e.g. teachers and administrators rather than peasants); post-secondary educations (82 per cent) or university educations (20 per cent); experiences travelling outside of Uganda (two-thirds); salaried jobs before starting their businesses (87 per cent); and owned land (80 per cent). However, in this group, two-thirds of the women were married and 20 per cent were widows with inheritance. This higher level of human, social and financial capital may have contributed substantially to the success of their enterprises, enabling them to hire more staff and pursue growth.

Women in the informal traders' category had fewer available sources of capital; started with very small amounts of capital (most with less than Shs 20,000); and were motivated more by generating income to meet their family responsibilities than the commercial potential of the enterprise.

Many of the women in all categories, except for women in the mutual support groups, owned land, some of them jointly with their husbands. Women with land can use it as collateral for bank credit, which women in her "small to large enterprise" category assuredly did.

One key informant cautioned about the dangers of "typifying" the growth-oriented women entrepreneur too much. According to her, it is a myth that a woman needs to fill all the criteria normally associated with a growth-oriented woman entrepreneur (e.g. high education, good family, supportive husband, experience traveling abroad, etc.). Women CAN rise up from the grass-roots. Women with growth potential micro enterprises need to be found and helped to get to the next level. There are lots of women doing enterprise – they need to be profiled more to produce the role-modeling effect.

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<sup>41</sup> Forty-eight per cent of the women in the Kahara-Kawuki (1998) study had obtained higher secondary education and above. Most of the 74 women in the Snyder (2000) study had four or more years of secondary education and over a third had university degrees or professional diplomas.

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### 2.4.3 The challenges and barriers to growth

Apart from socio-cultural barriers, women lack information regarding business opportunities; they have limited access to affordable BDS, entrepreneurship, business management and technical training and credit facilities. MFI credit limits are too low to finance growth beyond a certain level, and women's lesser access to collateral means they cannot graduate to loans from commercial banks. Most women finance the bulk of their start-up costs from personal savings. This dependence on savings leaves most of their enterprises undercapitalized. However, it should be noted that women with backgrounds of paid employment experience are likely to have had more savings from which to draw (Snyder, 2000).

The most significant problem for women during the start-up period is access to financing, as indicated by over 55 per cent of the women in Kahara-Kawuki (1998) and Snyder (2000). Other problems for the women in their studies included competition, getting raw materials and accessing transportation, finding a location and getting equipment. This is consistent with information obtained from the 15 women entrepreneurs who attended the Kampala focus group held during the November field visit to Uganda (see Box 2.1).<sup>42</sup>

Further, key informants indicated that women are often sidelined in government policies. While women are frequently cited as the backbone of the economy, doing "literally" most of the work in the agricultural sector, their role as entrepreneurs is seen very much as contributing to the sustainability of their families and children's education fees rather than to economic growth. The invisibility of women as economic actors permits gender disparities to continue to hold back economic growth and human development.<sup>43</sup>

Retrenchment policies implemented to deal with civil service reform, post office downsizing and privatization have often benefited men more than women – they get "bigger packages" so, as one key informant described it, "[men] are able to enter the informal sector and wipe out the women". A large number of women have been driven out of business by trade liberalization policies due to inadequate skills, low capacity utilization, lack of access to capital, and reproductive responsibilities. Several key informants raised doubts about women's equal participation in the benefits accruing from development activities, expressing the view that policies to promote export-growth and to attract investors (e.g. tax holidays) are designed more to benefit the multinationals. Key informants expressed the view that women in the informal economy in rural areas are particularly neglected by policy-makers (due to lower literacy levels, lack of services). They are in need of: higher education, reduced work burden so they have more time to spend on their enterprises; safe places to put their savings for reinvestment in their enterprises so their husbands cannot take these away from them; and improved agricultural training (e.g. how to raise goats, poultry; how to pursue opportunities in bio-fuel, etc.).

<sup>42</sup> Of the 12 women who reported their number of employees, the total was 129; an average of 10.7 per firm – 40 per cent of the businesses were in agriculture or agro-processing; 27 per cent were in Manufacturing and 33 per cent were in Services. They included seed supply companies, poultry farms, crafts production, garment making, grain processing, juice production, gas station, HR management consulting, legal services, computer sales and service, courier service, medical clinic, and textile dying and design. 20 per cent of the women had more than one business.

<sup>43</sup> Snyder, 2000, p. 209.



**Box 2.1: Women entrepreneurs at the PSFU round table in Kampala shared the major challenges of running an enterprise**

**Financing** (10 comments):

- 1) Access to trade financing (not flexible enough in terms of repayment schedules).
- 2) Gaining capital to buy equipment (e.g. motorbikes, cars).
- 3) Bankers assume a woman won't pay back the loan ("so I had to borrow from here and there. I had no collateral" – this women now employs 20 people).
- 4) Problem with microfinance and banks ("as women, we don't own land titles or car log books....If you want a million shillings, no problem, but if you want more...if you want 3 million shillings, you need a log book for a car or land.") .
- 5) High interest rates charged by banks and MFIs. Commercial banks will not lend to SMEs. There's no SME "voice". Feels banks would prefer to lend to women because they are perceived to be more careful, but women don't own collateral so they are blocked.
- 6) Hard to obtain working capital ("I had an order and then couldn't get the financing to fill the sales order for 20 computers. I went to all the banks and they said 'no' – they wanted collateral and wouldn't take the computers which had a value of 3 times the value of my house!").
- 7) Difficult to access to capital without collateral for someone just out of school.
- 8) Problem with financing ("My business hasn't grown up the way it should – with the money I earn, I have to pay my employees [20 of them], and pay school fees").
- 9) Problem with financing.
- 10) Slow growth process ("we didn't have what it took to compete with the giants." "We were scared of loans because we didn't have collateral so we saved and grew more slowly.").

**Training and skills** (7 comments)

- 1) Struggle for survival in the beginning ("women need technical and business management training.")
- 2) Lack of industrial training ("you don't know much when you start.").
- 3) Lack of training in how to do crafts. Ugandan women need training in sewing skills.
- 4) Unskilled and low educated labour force.
- 5) Labour law does not allow women to work after dark (in shifts).
- 6) Women entrepreneurs need stronger negotiation skills in dealing with male industries ("I spend a lot of time being walked over. We need training in this area.")
- 7) The PSFU has a facility for training that contributes 50 per cent towards the cost of training, but women responded that coming up with the other 50 per cent was too much – they can't afford to do this at the beginning of a business.

**Harassment** (2 comments)

- 1) Harassment of women entrepreneurs ("big suppliers think women are a soft target").
- 2) Kickbacks at borders ("it's the custom everywhere – with purchasing agents....It affects women more than men because they want to meet with women entrepreneurs in bars after work or finalize the deal after midnight. Also men are sometimes shy to ask women for a kickback so prefer to do business with other men where they can get a 'commission'.").

**Market access** (1 comment)

- 1) Need help accessing markets.

**Taxation** (1 comment)

- 1) Government taxation – URA takes tax from income, not profit. Difficult to access information about actual tax requirements.

**Accessing equipment** (1 comment)

- 1) Obsolete equipment and machines. Hard to access domestic supply – expensive to import.

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According to a key informant from the MTTI, the kind of woman the government is interested in is an industrial woman who is using technology to develop her business. She is part of the “missing middle” when it comes to financing because she has grown beyond the capacity of the MFIs to access capital, and yet is too small to be of interest to the commercial banks. The challenge is that there does not appear to be many women entrepreneurs fitting this description, thus, new strategies are needed to increase the supply of these women entrepreneurs in the Ugandan economy.

#### **2.4.4 Facilitating the growth of women’s enterprises**

Snyder (2000) asks her readers to imagine the capital growth, creation of employment, and distribution of income that would be possible if more women were able to take advantage of their excellent debt repayment records and expand from small- to large-scale enterprises.<sup>45</sup> Key informants suggested that, in order to realise this, strategies are needed to help women break through cultural stereotypes; improve their access to credit; include women as a target group in MSE policies; improve advocacy efforts to influence government’s development plans more in favour of women entrepreneurs, and force a comprehensive examination of the implications of liberalization and privatization policies on women.

Several key informants argued there should be special initiatives for women entrepreneurs, specifically in the areas of technical skills upgrading, record-keeping, financial services, training on how to negotiate and deal with banks, access to markets, better information about taxation and regulatory requirements (to reduce the fear women have about this), and management training. To help women grow their enterprises, a holistic approach was advocated. “*Training alone is not enough. It has to be BDS and finance.*”<sup>46</sup> Others pointed to the importance of building up networks in support of women entrepreneurs at local authorities, developing concrete projects at the community level, and empowering women entrepreneurs’ associations through capacity-building.

Key informants suggested that ways needed to be examined to enable women to access a greater share of the finance available in the country, given their weak collateral security positions. Some argued for a Women’s Bank, while others thought that a women’s loan guarantee programme or lines of credit for women entrepreneurs would be the better options. In addition to any special financing provisions for women, key informants stressed the importance of sensitizing bankers about the women’s market.

To increase the participation of women entrepreneurs in exporting activity, key informants stressed the importance of sensitizing women about their potential to do this, helping them to develop a clear export strategy and improve their businesses practices, providing them with more information on markets, and taking them out of the country to expose them to different opportunities and ideas in other places.

Ugandans also need to be reminded of women’s role in the history of the country’s development, and their achievements need to be more widely recognized.<sup>47</sup>

<sup>45</sup> Snyder, 2000, p. 280.

<sup>46</sup> Quote from key informant interview with a WEA.

<sup>47</sup> Major themes presented and brought forward from delegates at “Empowering the Rural Woman: Accelerating the Engine for Development”, an event sponsored by CEEWA- at the Hotel Africana in Kampala, November 19, 2004.

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A more complete analysis of the support environment for women entrepreneurs and the development and growth of their enterprises is provided in Section 3. This includes an analysis and discussion of women's access to finance, technical and entrepreneurial skills, land and premises, business networks and associations, business development services, and initiatives focused on helping them develop "enterprise growth" skills. It also emphasizes aspects of the policy, legal and regulatory environment and the judicial system adversely affecting the development of women's enterprises.<sup>48</sup>

## **2.5 The provisions for women entrepreneurs in government policy**

Since 1986 the Government has undertaken many reforms to strengthen private sector development. These have focused on the financial sector, the civil service, tax policy and administration, expenditure control, trade liberalization, privatization of public enterprises, external debt reduction, and public-private sector partnerships. The Ugandan economy grew at annual rates of seven per cent during the 1990s, but growth-led economic reforms over the decade did not produce reductions in welfare inequalities. The rate of GDP growth dropped to 5.8 per cent in 2004 and the Government aims to return its annual growth to the 7 per cent benchmark, a rate considered necessary to enable Uganda to meet its poverty eradication objectives over the longer term. The country's foreign debt has been reduced over the years, but the Government is still dependent on donor aid for 50 per cent of its national budget.

The main policy thrust in the medium-term is to achieve high GDP growth rates through increased private investment leading to employment creation and a reduction in poverty. The Poverty Eradication Action Plan (PEAP)<sup>49</sup> is the overarching national framework for achieving this and guides Government budgetary decisions. The PEAP objectives are supported by three other key policy frameworks: the 2000 Plan for the Modernization of Agriculture (PMA); the 2000 Medium-Term Competitiveness Strategy (MTCS), replaced by the Uganda Public Private Partnership (UP3) in 2005; and the Strategic Exports Programme (SEP). The PMA aims to improve agricultural productivity to boost output and increase incomes of the poor. The MTCS/UP3 aims to improve the business environment for the private sector and increase domestic economic activity. The SEP aims to reduce existing barriers to investment and increase exports in strategic areas. Although women may benefit from activities under the SEP, the programme does not specify gender targets.

### **2.5.1 The PEAP and women's enterprises**

According to the review of PEAP (MGLSD, 2003), the degree to which gender is considered and incorporated as part of Uganda's poverty eradication and economic development policies and strategies is deficient. In its Multi-Sector Country Gender Profile (AfDB, January 2005), a review of the "Gender issues within Pillars of PEAP" is provided.<sup>50</sup> In fact, the report argues that the way in which the private sector is defined excludes small-scale enterprise – and thus excludes most women. Part of this deficiency is being addressed in the 2004 revision of PEAP, which includes gender mainstreaming and women's empowerment as priority issues. The report reads: "*There is compelling evidence to show that, due to systematic social-cultural practices of discrimination against women,*

<sup>48</sup> These issues are more fully elaborated in FIAS/IFC GEM GGA, 2005.

<sup>49</sup> The first PEAP was adopted in 1997. Its second revision was released in November 2004.

<sup>50</sup> See AfDB (2005), Annex 4.

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*there is an intrinsic tendency for most sectoral development programmes not to reach or benefit women. There is, therefore, a need to enhance deliberate efforts to institute policy mechanisms for purposes of influencing the national development process to consciously target and benefit both women and men.*<sup>51</sup>

The report goes on to say that boosted efforts are called for to engage all sectors and local governments in mainstreaming gender concerns in their plans, programmes and policies and to overcome the lack of skills in gender analysis; insufficient gender awareness in communities; bureaucratic resistance to gender mainstreaming by decision makers responsible for gender equity; and weak support, supervision and monitoring. It reinforces the need for a Gender Management System to review and audit government policies, plans and programmes for greater gender equity responsiveness. There is a further risk that the implementation of certain objectives of the revised PEAP may have an inadvertent, but adverse, impact on women (e.g. that increasing the commercialization of smallholder agriculture will lead to more control of income by men than women). The best way to overcome this is to by strengthening women's land rights and education levels. Monitoring of gender impacts will be important as the plan is implemented.

### **2.5.2 The MTCS/UP3 and women's enterprises**

The overall objectives of the Uganda Public Private Partnership (UP3), formerly known as the Medium Term Competitiveness Strategy (MTCS), are to improve the business environment for private sector development and increase competitiveness of enterprises. The MTCS report (MFPED, 2000b) devotes five of 72 pages to a specific discussion of MSE issues. Four priorities are specifically dealt with: i) structure for policy formulation and dialogue (e.g. coordination of different Ministries and private sector organizations; research; support for umbrella organizations; mobilizing donor support to streamline support programmes; improving information flow to MSEs); ii) skills development and training (i.e. improve vocational and technical training capacity; promote training in entrepreneurship; training of trainers in small business management; country-wide community-based training for micro entrepreneurs organized in groups); iii) infrastructure development (e.g. utilities, roads); and iv) business development services (i.e. consulting and other support services that inject know-how into Ugandan firms on a cost-sharing basis; more business start-up support; support for the BUDS-scheme). In addition, the strategy seeks to reform the commercial justice system.

Gender is not mentioned in the MTCS (2000) document, even as a cross-cutting issue; nor is there mention of how proposed policies would impact on women in general, or on women in MSEs. However, during the fact-finding mission in November 2004, there seemed to be a greater recognition both in government and among donors about the role that gender-based inequalities have been playing in holding back growth and competitiveness.

A number of key informants, both in the public and private sector, expressed the view that the government's current industrial strategy does not give a high enough priority to MSEs and advocated for a more MSE sensitive policy that made provisions for women in the sector. An example of exclusion of the majority of MSEs in consideration of competitiveness issues is the planned study of the competitiveness of Ugandan enterprises. The research team is using the employment cut-off of more than 30 employees in the construction of the survey sample. This excludes the vast majority of Uganda MSEs and

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<sup>51</sup> MFPED, 2004b, p. 201. Approved by Parliament in 2000, the MTCS identified six key output areas: 1) infrastructure; 2) financial sector; 3) commercial justice; 4) institutional reforms; 5) trade/globalization; and 6) MSE development.

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almost all of the women-owned MSEs. The equally critical question for examination would be how to create an environment that would enable more MSEs to grow to the “critical size” of 30-plus employees so that more could contribute to economic growth through adoption of competitiveness and productivity measures. This would apply particularly to the cadre of women-owned MSEs.

### **2.5.3 The PMA and women’s enterprises**

The Plan for the Modernization of Agriculture (PMA) elaborates on commitments in the PEAP regarding the importance of commercializing agriculture as a viable export base for the country. The PMA points out that women face barriers to participation in community activities due to lack of permission from their husbands, discrimination, subordinate roles, lack of mobilization, lack of time, and failure to see the benefits from their participation (Ministry of Agriculture, 2000). The analysis of Ssonko (2004) states that the PMA falls short of addressing these problems, and suggests that the reason for this is that the government’s focus is not necessarily on smallholder farmers (70 per cent of whom are women), but on large farmers who have more potential for commercialization of their activity. She goes further to argue that the 1998 Land Act never included the co-ownership clause because it would have resulted in land fragmentation, affecting the purchase and sale of land and, thus, commercialization efforts in the agricultural sector.

The CEEWA (2004) report identified several barriers to women’s access to agricultural extension services, a major element of the PMA: i) inadequate representation of poor farmers, especially young men and women, and inequality between farmers groups and a farmer; ii) lack of skills and bargaining power to negotiate better market prices by poorer women; iii) women’s lack of access to and participation in training, agricultural marketing and business entrepreneurship; iv) limited access to extension services among low income and poor farm households, especially women, due to higher illiteracy rates; and v) women’s greater time constraints due to the overburden of work in productive and community management activities.<sup>52</sup> CEEWA produced a set of gender guidelines (CEEWA, 2004b) to assist in building capacity for mainstreaming gender in development processes, with a specific focus on the National Agricultural Advisory Services (NAADS) implementation process. Delivery of training on use of this set of guidelines is intended to improve women’s access to and benefit from agricultural advisory services.

### **2.5.4 (Draft) MSE policy and women’s enterprises**

An MSE policy was drafted by the government in 1999, but admittedly, the policy framework for micro and small enterprise capacity development has not advanced very far.<sup>53</sup> Although never approved, certain recommendations contained in the report have subsequently been implemented, for example, development of a regulatory framework for MFIs to regularize their operations and expand their reach on a country-wide basis. Renewed efforts are underway to revise and update the draft policy document with the hope of having it approved by the Government in 2005.

The 1999 draft policy on MSEs makes only a limited reference to the development needs of women entrepreneurs. Although women are stated as perhaps comprising the majority of the entrepreneurs in the MSE sector,<sup>54</sup> in the 39-page draft document, the needs of women entrepreneurs are covered in one page under the heading “Gender”. The

<sup>52</sup> CEEWA, 2004, p. 6.

<sup>53</sup> Government of Uganda, 2003, p. 10.

<sup>54</sup> MFPED, 1999, p. 24.

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document points out that women have more problems than men in accessing production opportunities and financial services, since “*they, more often than men, do not have collateral, like title deeds, needed to acquire a loan*”. It acknowledges that women need education and training to enhance their abilities to embark on non-traditional entrepreneurial activities, to learn about appropriate technologies, and to penetrate service institutions for MSE development. The report points out that because women tend to have lower educations than men, they may be quite unaware of their legal rights in respect to running a business; that women are overburdened with household chores and the care of children, which limits the time they can spend on their enterprises; and that social attitudes and practices limit the effective participation of women in the MSE sector. In terms of recommendations for specific interventions, the draft policy indicates:

- 1) a need to sensitize the public in general on gender issues and the legal rights of women entering business;
- 2) that the MGLSD should increase its efforts to focus programmes on women entrepreneurs;
- 3) that government should continue to support MFIs to increase their services and reach out to women clients and create incentives for MFIs and other private organizations to promote women’s entrepreneurship;
- 4) a need for the Micro and Small Enterprise Policy Unit to collect data on women entrepreneurs and the specific problems constraining the expansion of their enterprises and to disseminate the results to focus women’s entrepreneurial activities;
- 5) a need to enhance efforts to increase and facilitate support for agencies supporting women entrepreneurs and encourage them to design support programmes in a way that reflects the interests of women entrepreneurs.

The MFPED draft MSE policy does not include any specific strategies to deal with these policy/programme gaps. A key informant indicated that the MTTI is working on its own a policy statement on MSEs as part of the Government’s Industrial Policy Framework, 2004-09. This includes drafting statements on small-scale industries and their access to technology, financing, equipment – “*generic issues that affect all MSEs, but affect women doubly*.”<sup>55</sup> The Policy draft went to Cabinet for first review and, according to the key informant, was sent back by some Cabinet Ministers who asked for a stronger inclusion of “women”. This was added and the document has gone back to Cabinet.

### **2.5.5 Gender policy and women entrepreneurs**

Uganda’s National Gender Policy (NGP) (MGLSD, 1997) forms a policy framework and mandate for every stakeholder to address gender imbalances within their respective sector. The NGP prescribes the basic principles for mainstreaming gender in all sectors and sets targets areas for action at national, sectoral, district and community levels. The aim of the policy is to guide and direct, at all levels, the planning, resource allocation and implementation of development programmes with a gender perspective.<sup>56</sup> The MGLSD has the mandate to plan, coordinate and monitor the delivery of a gender mainstreaming

<sup>55</sup> The MTTI key informant did not feel the MSE policy has been given a high enough priority in the Industrial Policy Framework; they are apparently going to replicate the MSE policy approach that UNIDO led in Tanzania and Ethiopia.

<sup>56</sup> MGLSD, 1997, p. 3.

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programme across government. Gender focal points have been established in each line ministry at the national level to promote coordination. To concretize the NGP, a five-year National Action Plan was prepared in 1999; this identified projects and resource allocations for monitoring of activities, development of indicators and coordinating interventions with other stakeholders.

The AfDB (2004) report<sup>57</sup> points out that the Gender Policy was not well distributed, not given a high priority in national budgets, inadequately resourced from a staffing perspective, deficient in terms of specific guidelines for mainstreaming gender, devoid of benchmarks for monitoring progression of outcomes, and subject to weak institutional structures. A recent study revealed that, while most government staff knew there is a Gender policy, they were unaware of its contents.<sup>58</sup> Other government Ministries have struggled to fit themselves into the policy framework.<sup>59</sup> Only 5 per cent of the national budget is allocated to the MGLSD and, of that, only 4 per cent to the Gender Division for gender activities. Gender mainstreaming activities have not been widely implemented across the national government or at the local/district government level and have not been effective in mainstreaming gender concerns.<sup>60</sup>

Several articles in the NGP speak to the economic empowerment and equality of women. It provides an entry point for taking gender-specific affirmative action on behalf of a disadvantaged gender in cases where inherent and structural inequalities exist and are unlikely to respond to general actions.<sup>61</sup> A number of clauses of the NGP provide for Affirmative Action Initiatives. Clause 6.2 (iii) states that resources will be allocated for gender responsive programmes in fields where the relative positions of men and women are unequal. Clause 6.4 (iv) provides for special initiatives on behalf of disadvantaged groups, including on the basis of gender, if structural inequalities exist. Clause 7.2 (viii) states that special laws and development programmes can be enacted to enhance equal participation of women and men.

<sup>57</sup> AfDB, 2004, p. 37.

<sup>58</sup> Reported in Ssonko, 2004, p. 9.

<sup>59</sup> Ssonko, 2004, p. 9.

<sup>60</sup> AfDB, 2004, p. 35.

<sup>61</sup> MGLSD, 1997, p. 9.

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### **3. Assessment of the integrated framework components**

The Integrated Framework presented in Figure 1.1 and a list of assessment items for each component of the Framework (Annex 4) guided the process of assessing the enabling environment for women in growth enterprises in Uganda. These items were compiled based on the good practice policy and programme measures of governments in 10 developed countries (Stevenson and Lundström, 2002) and three African countries (ILO, 2004).<sup>62</sup> There are 117 items in the assessment list, ranging from 4 to 21 items per component. In the Uganda assessment, there was no evidence of actions on a quarter of the 117 items; evidence of a limited extent of actions on almost a half; evidence of a medium extent of action on almost a fifth of the items; and evidence of a great extent of action on almost 10 per cent of the items.

The next section summarizes the supporting key findings from the assessment process for each of the 10 core framework components, identifying both good practices and gaps. Recommended actions to address the identified gaps are presented in Section 4.

#### **3.1 Policy leadership and coordination**

This section assesses strengths and weaknesses pertaining to:

- the inclusion of women as an integral part of the government's national development plan, and of women entrepreneurs as a target group in MSE and economic development policies;
- the presence of a national focal point and a strategic framework for the development and growth of women's enterprises;
- the involvement of women entrepreneurs and WEAs in the process of developing economic policy;
- the presence of advocacy efforts on behalf of the needs of women entrepreneurs;
- the prevalence of gender mainstreaming policies and training workshops across government; and
- the use of performance indicators to monitor progress in the development of women entrepreneurs and their enterprises.

<sup>62</sup> The countries included in the Stevenson-Lundstrom study were: Australia, Canada, Finland, Ireland, the Netherlands, Spain, Sweden, Taiwan, the United Kingdom and the United States. The AfDB-ILO assessment reports covered Ethiopia, Kenya and Tanzania.



A specific policy on the development of WED does not exist in Uganda. There is no focal point for women's enterprise development within the government and no institutionalized forum for a discussion of the needs and concerns of women as entrepreneurs within existing public-private sector committees and forums, including the PSFU. A number of key informants stated there should be a women-focused government department with a mandate for women's enterprise development.

*"There's no deliberate effort to support women entrepreneurs. Gender is a stated priority in horizontal areas, such as HIV/AIDS, but the focus on women, per se, is not there. We don't have a policy that says women [entrepreneurs] need to be supported, so data collection is not important. If there's a policy on women entrepreneurs, then this would trickle down to finance and then to women-focused training and then to institutions that specifically support women. We need institutional supports for the development of women entrepreneurs. A policy mandate would drive that!"* Quote from NGO key informant, November, 2004.

Several key informants stated that an effective policy platform is needed to address gaps and barriers if women are to be enabled to participate fully in the economic growth of the country through the development and growth of sustainable enterprises. The supporting rationale is that women are the foundation of the society; if they are economically independent, they can help build the economy. Although the development of women is noted as an integral part of the government's national development plan, a concrete strategy for development of women's enterprises is missing.

Key informants indicated that women entrepreneurs are included in the government's consultation process on MSE and other policies, but often "don't speak out". Women's advocates groups, such as CEEWA, are vocal, but focused on the broad gender needs of women (e.g. domestic violence, land rights) and do not speak specifically to the strategic policy and programme needs of women entrepreneurs. UWEAL has had some success in advocating for specific issues on behalf of women entrepreneurs, but in order to be more effective, its work needs to be underpinned by systematic and large-scale research on the needs of women entrepreneurs and it needs to expand its membership to represent not hundreds of women entrepreneurs, but thousands. In other words, WEAs need a stronger advocacy voice.

*"There are no examples of a Ugandan policy or strategy in which a gender perspective is mainstreamed throughout all major relevant sections.... the result is a lack of mainstreaming – with gender issues appearing in one or only a few sections of a policy or strategy, and entirely absent elsewhere".* MGLSD, 2003, p. 20.

Government policy documents and reports stress the importance of gender mainstreaming, but the MGLSD desk review on gender and poverty is critical of the extent to which gender is incorporated in Uganda's poverty reduction and economic development strategies.<sup>63</sup> According to its analysis, some policies attempt a brief gender analysis but then do not make linkages between that analysis and other aspects of the policy.

Contributing to the general failure to adopt a mainstreaming approach are: inadequacy of gender/poverty analysis in Ugandan policy documents; a lack of experience and skills to make a gender analysis and to follow through with application of the findings in all relevant sections of the policy or strategy; and inattention to developing specific strategies and actions to address the root causes of discrimination against women, even when serious constraints are recognized. Some sectoral policies *target* women but fail to set goals or objectives that focus on making unequal gender relations more equal.<sup>64</sup> The policies,

<sup>63</sup> MGLSD, 2003, pp. 10-21.

<sup>64</sup> MGLSD, 2003, p. 19.

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strategies and investment plans through which PEAP was originally implemented contained no references to Uganda's NGP, and therefore, are deficient in terms of setting out the roles and responsibilities of different stakeholders for ensuring that gender equality is linked to poverty eradication.<sup>65</sup> However, as indicated below, the revised PEAP (2004/5-2007/8) gives considerable priority to gender issues and to the NGP.

The new PEAP was launched on 10 May 2005. The PEAP2 (MFPED, 2004b) recognizes that lack of control over productive resources by women remains one of the root causes of poverty and states the importance of protesting against all structures that subordinate women. It further states that among the actions to achieve economic growth are those to enhance gender equality. The Policy Framework for PEAP2 includes specific priority actions to (i) finalize amendments to the 1998 Land Act providing clearer and more equitable land rights to women and other marginalized groups; (ii) enact the Domestic Relations and Sexual Offences Bills within a National Strategy for Gender and Juvenile Justice; and (iii) implement the revised National Gender Policy and prepare a Gender Mainstreaming Strategy for Local Government.<sup>66</sup> The implementation has started, and it became the basis for much of the current year's Budget Speech. Issues relating to Gender and Social Development were allocated US\$ 18.27bn for the year 2005-2006, as compared to US\$ 3.84bn for 2004-2005.<sup>67</sup>

Key informants stated that more progress has to be made in the implementation of the NGP, that is, all departments of government need to ensure that women are supported in line with the policy; quotas need to be set for the percentage of social development funds that goes to women and to women-led activity; and affirmative action should be employed with respect to girls and young women in the education system to build their confidence regarding the pursuit of entrepreneurial activity, at the same time warning them that they will have to "walk against a stronger tide" because of stereotypical notions about women's role in society.

There are almost no gender-sensitive indicators being used in evaluation studies to monitor the outcomes or impacts of policies, programmes or services. Most donors now stipulate that 40 per cent of the beneficiaries of donor-funded projects must be women, but as another key informant indicated: *"the guidelines are not really enforced. Often men could be up to 90 per cent of the beneficiaries. Evaluation reports don't seem to capture this information, or if they do, nothing seems to be done about it."* CEEWA urged that a system of accountability for the spending of funds be established at the local level to ensure rural women are getting their share as true beneficiaries.<sup>68</sup>

<sup>65</sup> MGLSD, 2003, p. 16.

<sup>66</sup> Poverty Eradication Action Plan 2004/5-2007/8, MFPED, Kampala, 2004 (p.29 and p.34); PEAP Final Version of Policy Matrix.pdf [www.finance.co.ug/peap-revision](http://www.finance.co.ug/peap-revision)

<sup>67</sup> Source: Entrepreneurship Centre, Makerere University Business School, June 2005

<sup>68</sup> Recommendations arising from the CEEWA event on rural women at the Hotel Africana, November 19, 2004.

*"Women's problems tend to be dealt with by 'projects', driven by donor timelines, rigid criteria, and objectives. They are not holistic, and not continuous. The project ends and that's it. We have to put some meat behind the gender policy – build on the entrepreneurship hooks in the gender policy to make links between gender, entrepreneurship and MSE development. Run it horizontally through policies in all ministries – Education, Agriculture, MTCS, Finance, etc. Even the Uganda Investment Authority plan will touch MSEs and women.... Actualize the laws already specified in the National Gender Policy – this is the top priority!"* Quote from key informant in gender research, November, 2004.

Several key informants indicated that donors have put gender on the discussion table, which pushes it down to the project level, but stressed that what is really needed is an allocation of specified budgets for women's reach and participation. They advocated for a centre of responsibility for the implementation of gender as a horizontal issue, but with a combined budget.

Several key informants suggested that an affirmative action campaign is necessary to redress gender imbalances related to entrepreneurial activity. Advocacy leadership on this is coming from CEEWA, which, in November 2004, launched a two-year Shs 650 million campaign to undertake activities advancing the economic situation of women. The proposition is that an Affirmative Action Programme in relation to the

economic empowerment of women would complement progress made on the political empowerment of women over the past seven years. Given the situation of women in the MSE sector, a compelling case exists for such an affirmative action intervention to address systemic and structural biases and to "level the playing field".

Overall, key informants on the gender issue indicated that it has not been – or still is not – easy to mainstream gender and noted the critical importance of "gender champions" at the highest levels of government ministries, independent of whether the champion is a man or a woman.

### 3.2 The regulatory and legal environment

Three areas were assessed relating to this core element of the Integrated Framework:

a) Gender equality:

- the extent to which gender policies are in place, policies exist to ensure women can exercise equal rights in society, and gender policies are implemented;
- laws enforce the rights of women in society, including equal access to education.

b) Regulatory and legal systems:

- the extent to which women have equal rights to property and credit;
- the gender impact of existing and new regulations and laws are assessed;
- social security for women entrepreneurs exists; and
- women are subject to adverse effects of taxation policies and collection procedures.

c) Business registration and formalization procedures:

- the ease by which women can register and formalize their enterprises, including accessing information about these procedures.

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### 3.2.1 Gender equality

As discussed in Section 2.4, gender policy is in place and intended to ensure that women's equal rights in society are afforded (e.g. NGP), but key informants expressed the view that "gender" is not accorded the high priority it deserves.

*"There is lots of gender rhetoric, but it has not been seriously implemented. I think the government has to do something to enforce gender policies. No sanctions have been built into the policy for non-compliance."* Quote from key informant, November, 2004.

There are still serious differences in the legal status of women and men affecting the rights and protections afforded by law (FIAS/IFC GEM GGA, 2005; AfDB, 2004a; World Bank, 2004a). The reform of laws to match the constitutional provisions for gender equality has been very slow. The two laws that have been revised in line with gender equality are the Local Government Act (1996) and the Land Act (1998). Other bills to align laws with the Constitution are caught up in parliament and have not been passed – the Equal Opportunities Bill, the Sexual Offences Bill (dealing with domestic violence), and the Domestic Relations Bill (dealing with women's property rights).

Customary laws are still in force with regard to land ownership and transfer, and women lag behind in education, employment, and political participation. The revised NGP2, as highlighted in the newly-revised PEAP and due to be adopted in 2005 for implementation over the 2005-2015 period, was drafted to address some of these gaps.<sup>69</sup> The need exists for an intensive, gender mainstreaming/sensitization of district and local planners, especially in light of the fact that much economic development responsibility is being devolved to the local government level.

The passing of the Domestic Relations Bill is a key to women's equality and should be recognized as a priority action for gender and legal reform and protection. (See FIAS/IFC GEM GGA, 2005, for a more complete discussion.) Organizations such as CEEWA and the FUE are advocating for the establishment of the Equal Opportunities Commission to address the rights of women and to ensure these rights are respected and enforced.<sup>70</sup>

### 3.2.2 Regulatory and legal systems

The 2004 PEAP revision report states that there is clear evidence that women's weaker land rights is a deterrent to productivity.<sup>71</sup> The limitations for women in land ownership are a particular deterrent to entrepreneurship. The 1998 Land Act requires spousal consent for the transfer of land. Local councils administer land sales and are reported as often assuming consent if "women do not complain".<sup>72</sup> Men increasingly perceive "their" ownership of land as individuals and not as custodians on the basis of being household heads. This results in the loss of access to land by women and individual appropriation of its commercial value by men. The impact of this is that married women are not able to use land as collateral for loans for their own business purposes.

<sup>69</sup> AfDB, 2004, p. 38.

<sup>70</sup> Recommendations arising from the CEEWA event on rural women, held at the Hotel Africana, November 19, 2004.

<sup>71</sup> MFPED, 2004b, p. 51.

<sup>72</sup> AfDB, 2004, p. 16.

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The Government's Regulation Project is in the process of reviewing all laws that potentially impact on business with a view to minimizing their associated costs and strengthening the regulatory best-practice assessment capacity of the Uganda Law Reform Commission. Certain key informants suggested that this regulatory impact assessment process has been the cause of delays in the passing of certain bills in Parliament, for example, the Equal Opportunities Bill, legislation which would have a positive impact on women's role in the economy. Furthermore, there is no evidence that the gender impact of existing and new regulations and legislation will be assessed.

Tax administration is another area which impacts negatively on women entrepreneurs – the way taxes on business income are assessed, as well as the fact that many women do not have good accounting records, and the potential for harassment of various forms (e.g. bribery and sexual harassment). To some extent, it would be of value to educate women more about the importance of record-keeping and increase their opportunities to learn more about it. They also need to be better informed about tax policies and the basis on which taxation is calculated – in order to make tax policies more transparent. Married women are required under tax law to report their income on their husband's tax returns. This is discriminatory against women and is cited as a deterrent for women entrepreneurs.

There is little evidence of policies to promote or provide social protection that is particularly supportive of women, for example, provision of day care services or health insurance, which could facilitate them in running their businesses.

Women face particular barriers when trying to access the judicial system: lack of physical access due to limited transportation; the training and orientation of court staff; culture, religion and patriarchy; technical procedures; time poverty; and poor representation of women throughout the justice system. These barriers and the implications for women entrepreneurs are explored in more detail in FIAS/IFC GEM GGA, 2005.

### **3.2.3 Business registration and formalization procedures**

The October 2000 Regulatory Cost Survey (MFPED, 2000a) found that taxation, customs and business start-ups were the three regulatory areas that posed the greatest costs on Ugandan enterprises. Much remains to be done before the business environment provide a positive incentive to enable informal companies to become part of the formal economy (GoU, 2003). According the World Bank (2004b) *Doing Business* report, entrepreneurs can expect to go through 17 steps to launch a business, taking an average of 36 days, at a cost of 131.3 per cent of Gross National Income (GNI). This compares to a regional (African) average of 11 procedures, 63 days and 225.2 per cent of GNI.

The vast majority of women-owned MSEs are informal and not registered. Key informants indicated that many women with micro enterprises are intimidated by the formal registration process, fearing taxation among other aspects. Much of this fear is likely to be perpetuated by a lack of information about registration processes. The FIAS/IFC GEM Gender and Growth Assessment (2005) reports that delays and costs of registration and licensing processes impose disproportionate burdens on female-headed enterprises. Not only do women perceive the regulatory burden to be greater than men (Kirkpatrick and Lawson, 2004), but, because of women's time poverty, they are less inclined to register when procedures are complex and time consuming. The FIAS/IFC GEM GGA (2005) cites evidence that women entrepreneurs respond well to a simplification in the system and come into compliance if this becomes feasible for them. Facilitating the formalization process for women is likely to reduce their vulnerabilities and provide them with greater protection against harassment.

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The Government of Uganda has established a Deregulation Unit in the MSE Policy Unit of MFPED, which has done a lot of work to build capacity of relevant stakeholders on business-friendly regulation and best practice assessment techniques. A new approach to business licensing has been piloted in Entebbe Municipality to improve efficiency and transparency; the goal is to implement the streamlined licensing system at all levels of Government. In some districts, key informants indicated that business licensing procedures were already very simple. The Government is also drafting changes to the Companies Act to simplify forms and to permit sole-shareholder companies. This will have a positive effect on women entrepreneurs because it will eliminate the need for them to be obliged to have a co-shareholder (frequently her husband, who is given a formal stake in her company).

Together with the simplification process, efforts should be made to reach women MSE owners with information on registration procedures.

### 3.3 Promotion of women's entrepreneurship

The eight items used to assess the promotion of women's entrepreneurship in Uganda measure the extent to which:

- women are portrayed as equal participants in economic activity, subject to negative and limiting cultural stereotypes, and viewed as equally likely as men to have growth enterprises;
- women consider entrepreneurship as a viable option and are valued for their contributions to the MSE sector;
- credible role models exist and are promoted and recognized, especially women with growth enterprises; and
- the media is engaged in promoting women entrepreneurs and their related activities.

There are several indicators of the need for enhanced activity to promote and profile women's entrepreneurship. The public perception of women's MSEs is more in line with subsistence activity than commercial enterprise, and women entrepreneurs are not valued for their contributions to the MSE sector. Women are not generally seen as being equally likely to have growth businesses as men.

*"There's no conscious effort to reinforce the importance of women entrepreneurs in society". Quote from Ugandan woman entrepreneur, November 2004.*

These perceptions have to be challenged. Women frequently have insufficient confidence, information and knowledge, reinforced by patriarchal attitudes with respect to their societal roles and their potential. This may prevent them from considering entrepreneurial activity, especially younger women who are less likely than young men to see entrepreneurship as a possibility. There are a number of examples of credible women entrepreneur role models in Uganda – women in growth enterprises – but they are not very visible throughout society. There are very few efforts to raise public awareness about the needs, interests and priorities of women entrepreneurs, although CEEWA includes issues affecting women entrepreneurs, such as land rights, gendered financing, and access to technology and ICT, in their public advocacy platform.

The promotion of women's entrepreneurship is very important in Uganda to counteract cultural stereotypes of women as not "having what it takes" to grow successful businesses. A more strategic effort is needed to make them more visible so they can inspire

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and motivate others, as well as to challenge the stereotypical ideas around women's potential to have growth enterprises. With increased exposure to entrepreneurship as an option and to more role models of women who have become successful in business, attitudes and behaviours in favour of women's entrepreneurial activity can be positively influenced. It is equally important to influence men's awareness about the role and potential of women's entrepreneurial activity in society. Mass media forms of promotion are needed to permeate society with positive messages about the role of women entrepreneurs, thus fostering a favourable environment for growth.

One way to publicly reward and recognize women entrepreneurs and build role models is through awards programmes. Another way to create more visibility of women entrepreneurs and the issues facing them is to make effective use of different forms of media, such as profiling the achievements and successes of women entrepreneurs on a regular basis in newspapers, magazines, radio and television. This can help to create role models and heighten awareness of the status of women as entrepreneurs and their contributions to economic and social welfare. A third option is to build momentum in support of women entrepreneurs at the district level through conferences and events focused on women as entrepreneurs. Some good practice examples of such promotional activity exist in Uganda. However, more needs to be done.

### **3.3.1 Awards programmes**

The Uganda Women Entrepreneurs' Association (UWEAL) and the Uganda Investment Authority (UIA) organize and sponsor annual awards programmes featuring women. UWEAL's annual Business Achievers' Award celebrates the achievements of women entrepreneurs in several categories, including start-up and growth. The UIA has included a category of Woman Entrepreneur of the Year as part of its annual Investment Awards since 2002. These award programmes are well attended and covered by the media, but the impact is felt primarily in Kampala. UWEAL branches should be encouraged to organize local or regional programmes to recognise their own members. As UWEAL expands through more branches, the Business Achievers' awards programme could produce more impact nationwide.

More could be done to share the profiles of award winners through video documentaries, similar to those produced by the ILO in Ethiopia, Tanzania and Zambia.<sup>73</sup> Each documentary profiles the stories of 5-6 women entrepreneurs, and has been widely distributed for use in training and promotional settings. Launching the videos provided further opportunities to heighten awareness of the importance of women entrepreneurs in these economies.

### **3.3.2 Using radio**

In Uganda, radio is the most affordable medium to the ordinary person compared to other medium of communications, especially in rural areas.<sup>74</sup> It cuts across illiteracy barriers, is portable and reaches people wherever they are. Uganda is already an innovative user of radio as a mechanism for disseminating information to MSEs and the public at

<sup>73</sup> *Ethiopian Women Entrepreneurs: Striding with Confidence and Poise; Tanzanian Women Entrepreneurs: A Woman's Golden Hands; Confronting the Challenges: Women's Entrepreneurship in Zambia*. Produced by the ILO's WEDGE programme.

<sup>74</sup> In 2001, there were an estimated 5 million radios in Uganda, but only 500,000 television sets (CIA World Factbook, 2004 - Uganda).

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large, and this medium could be further employed to feature stories on women entrepreneurs and their enterprise activity.

Awareness of the fact that women were not portrayed positively in society and in the media led a group of women to start the Uganda Media Women's Association (UMWA) in 1983. Among the objectives of the association were to: counter the negative portrayal of women in the media; make women aware of their rights; foster the development and raise the status of women; and address concerns of women in all fields.<sup>75</sup> In 2001, the UMWA started MamaFM, Uganda's first and only community radio station run by women for women, as a forum for debating gender issues and disseminating information to women on their rights and other economic empowerment issues. One of its weekly programmes focused on small-scale businesses, promoting both local small-scale businesspeople, and giving tips on financial management, entrepreneurship and business hygiene (*Kamu Kamu*, translated *One by One*). Other programmes focused on topics such as women in politics, gender relations, and modernized agriculture.<sup>76</sup> UMWA also published a monthly paper, *The Other Voice*, distributed to policymakers and the general public.

Another innovative use of radio to promote MSE issues in Uganda is featured in Box 3.1. The ILO's FIT-SEMA radio programme concept was piloted in Uganda in 1999, and implemented through FIT Uganda. By 2004, 22 radio stations were broadcasting the half-hour magazine format programme on small business in local languages throughout the country. Over 7 million people listen to these programmes on a regular basis.<sup>77</sup> The programmes are effectively promoting development, informing MSEs about policies and regulations, and disseminating MSE and micro-credit information, thus enabling MSEs to become more aware and better informed. Developing some programming specifically around women entrepreneurs and on issues relevant to women in MSEs, including growth strategies, could be a cost-effective way of increasing the amount of this promotion activity.

<sup>75</sup> See <http://interconnection.org/umwa/mission.html>

<sup>76</sup> In early January 2004, the government seized the MamaFM transmitter for non-payment of its operating permit.

<sup>77</sup> Information obtained from an interview with the ILO key informant in Kampala, November 2004.



### **Box 3.1: Promoting MSEs and entrepreneurship in Uganda through the use of radio**

The ILO's FIT Programme is tapping into the emergent commercial radio industry in Africa to support the set up of unique radio programmes that provide advocacy, stimulate debate and deliver critical business information to informal, micro and small enterprises in Africa. The first pilot programme was developed with the Central Broadcasting Service (CBS) of Uganda, a commercial radio company, and was launched in November 1999. The programme, "Nekolera Gyange" ("I run my own business", in the local language, Luganda), taps into the enormous audience potential of over one million MSEs and has achieved both popularity with listeners and commercial success. In a country where there are very few computers, telephone lines and televisions per 1,000 people, radio is the only truly mass media, and liberalization of the airwaves has seen the rapid growth of commercial radio stations.

"Nekolera Gyange" found instant success with advertisers by selling the programme as a unique opportunity to target the MSEs, which are significant consumers of raw materials, tools and components, and the major wholesalers, retailers and transporters of the vast majority of domestic and industrial products. The programme for the MSE audience consists of a lively mix of small business news, live debates, interviews, and exposés on issues such as corruption, illegal practices, grassroots politics and unfavourable government policies.

The success of "Nekolera Gyange" resulted in similar programmes being established on other radio stations that broadcast to rural Uganda. A network of four Ugandan radio stations was formed to collaborate on the development of additional programmes for the MSE audience, as well as on content and marketing.

The ILO FIT Programme is collaborating with an African media training company and has developed training courses and manuals for radio stations to develop and launch these MSE programmes. The ILO's work with commercial radio stations illustrates the potential of tapping into the commercial service sector to stimulate small enterprise development in a sustainable, locally driven and truly participative way.

Source: Edited version of article sourced from:

[www.ilo.org/public/english/employment/empframe/practice/entrep/africa.htm](http://www.ilo.org/public/english/employment/empframe/practice/entrep/africa.htm)

### **3.3.3 Conferences and events**

In addition to awards programmes and radio to promote women's entrepreneurship and provide information of value to women in the MSE sector, more could be done to heighten awareness of women entrepreneurs through the print media and by organizing events and activities for women entrepreneurs in their communities. The objective is to make information about women and their enterprises pervasive throughout society. CEEWA organizes conferences for women on economic empowerment, and UWEAL and the UIA hold conferences around their awards programmes. However, it does not appear that much is done to reach audiences outside of Kampala.

Efforts should be increased to raise the profile of women in MSEs in all districts and to deliver conferences and events which bring women entrepreneurs and their support providers together. There should be additional efforts to promote entrepreneurship among women students at post-secondary institutions and expose them to successful role models (discussed further in Section 3.4.1.1).

## **3.4 Access to enterprise education and training**

The assessment process for enterprise education and training captured information to measure the extent to which:

- entrepreneurship education is accessible in the education and training systems and attracting women students;
- women have adequate access to entrepreneurship and small business training opportunities (on a wide range of topics) on a local basis;

- efforts are made to include women entrepreneurs in entrepreneurship training programmes, and to offer programmes to them focused on achieving growth, including business/export management training;
- entrepreneurship is included as part of technical skills development programmes for women; and
- the demand for women trainers, advisors and mentors within the women's market is being met.

### **3.4.1 Enterprise education**

Education is an important factor in promoting entrepreneurship. The 2003 GEM study reveals a much higher incidence of entrepreneurial activity among more highly-educated Ugandans, and this has implications for the future growth of female entrepreneurship in the country. Further, there is a link between the education levels of women entrepreneurs and growth enterprises. The fact that women have lower education and literacy levels than men contributes to them being less competitive in the MSE sector. One main objective to improve the economic situation of women and, thus, the country, is to ensure that women have equal opportunities to education and literacy. Because so many poor and rural women have few opportunities for paid work in the formal labour market, it is important that they have the opportunity to gain enterprise skills. This should enable them to contribute more to the government's goal of poverty reduction through productivity improvements in their smallholder agriculture and diversification into non-farm enterprise activities.

Since Universal Primary Education (UPE) came into effect, the enrolment of girls in primary schools has increased from 46 per cent in 1996 (Namuli-Tamale, 2002) to over 50 per cent in 2003. However, the higher the grade level, the lower the percentage of female students. The survival rates to P-4 are about the same for boys and girls (61 per cent and 62 per cent respectively), but girls are less likely than boys to survive to P-7 (67 per cent of boys, but only 59 per cent of girls).<sup>78</sup> By P-7 the share of female students has dropped to 44 per cent. The situation worsens at the secondary level. There are 20-35 per cent more boys than girls in S1-S4, and over 60 per cent more boys in S5-S6.<sup>79</sup>

Only 38 per cent of the 75,000 tertiary students are women (62 per cent are men),<sup>80</sup> although percentages vary considerably from one institution to another.<sup>81</sup> Since universities have been targeting increased representation of female students and awarding an additional 1.5 points to admission criteria, female enrolment in universities has increased. The goal of the Ugandan government is to increase the number of tertiary students to 126,000 by 2015, half of which should be female.

<sup>78</sup> EPRC, 2002, p. 16.

<sup>79</sup> MFPED, 2004b, p. 180.

<sup>80</sup> Mukasa et al., 2004, as referenced in African Development Fund, 2005, p. 55.

<sup>81</sup> According to enrolment figures obtained from the Ministry of Education and Sports website ([www.education.go.ug](http://www.education.go.ug)), 41.5 per cent of the students at Makerere University are women; 55 per cent at Nkumba University; 38.5 per cent at Bugema University; and 33 per cent at Mbarara University.

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In 2003/04, 28,700 students were enrolled in the public institutions pillar of the Business, Technical, and Vocational Education Training (BTJET) system.<sup>82</sup>

#### 3.4.1.1 Entrepreneurship curriculum in the education system

According to key informants, the education system has traditionally produced “job-seekers” and programmes in the formal education system have not responded effectively to labour market conditions (i.e. few paid jobs; growth of importance of self-employment and entrepreneurial activity). Recently the Ministry of Education and Sports has started to introduce entrepreneurship courses in the curriculum. Entrepreneurship-related curriculum, the Integrated Production Skills course, is now part of Primary Education. Courses on entrepreneurship are also part of the examinable subjects at Secondary level S4-6. A Teacher’s Guide for the secondary curriculum has been developed and piloted and, in 2004, over 10,000 secondary students in 10 school districts took these courses. This is seeding Uganda’s entrepreneurial culture.

The Private Education Development Network (PEDN), a non-profit organization officially launched in November 2004, has advanced the concept of entrepreneurship education in the school system. The objective of the PEDN is to promote entrepreneurship education skills among teachers and students in Ugandan secondary schools. Its materials have been used to train head teachers in 15-20 schools in entrepreneurship curriculum, and it has introduced a Young Entrepreneurs Programme (YEP) and started YEP Clubs in 10 Ugandan secondary schools. The aim of the one-year YEP programme is to orient young people to enterprising qualities and behaviours, to promote a culture of entrepreneurship, and to enable them to gain the skills, confidence and competencies they need to start and manage viable enterprises. It includes a series of hands-on activities guided by experienced facilitators to help students acquire the skills they need to become successful entrepreneurs. With profits from these students’ enterprises, they are even able to pay their own school fees.

In response to the growing demand for tertiary vocational education and training created from the Universal Primary Education, the government has embarked on a strategy to increase the number of Community Polytechnics (CPs). Sixteen CPs were operational by the end of 2003. The UNDP is working with the Ministry of Education and Sports to introduce entrepreneurship training as a complement to technical training at the CP level, to meet particular training needs for entrepreneurial and business management skills among those running or setting up enterprises in rural areas.<sup>83</sup> However, these programmes are in the pilot stages and not yet widespread. Both boys and girls participate in these programmes, although detailed sex-disaggregated data are not available.

There is limited data on the enrollment of young women in university level entrepreneurship and small business courses. Professors at Makerere University indicated that enrollment in Small Business Management courses tends to be male-dominated. If the interest in entrepreneurship among young women is lower than that of young men, affirmative action efforts may be necessary to: 1) raise awareness among young women of entrepreneurship as a career/employment option; 2) introduce young women to the mind-set and skills of entrepreneurship (including increasing the level of confidence they have in their ability to be an entrepreneur); and 3) expose young women to credible women entrepreneurs as role models.

<sup>82</sup> There are 144 public institutions (e.g. Colleges, Technical Institutes, and Community Polytechnics), 600 private training service providers, and numerous firm-based training providers in the BTJET system.

<sup>83</sup> MFPED, 2002c, p. 24

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In fact, these are the objectives of UWEAL's Girl Entrepreneurship Programme (GEP), launched at Makerere University in November 2004. Female university students registering in the GEP receive training to help them develop the confidence and knowledge to identify business opportunities and start enterprises as a way of achieving economic independence and empowerment. They participate in a series of seminars and have the benefit of mentoring by UWEAL members who have agreed to volunteer their time to share their experience and advice. UWEAL's plan is to roll the programme out to other educational institutions across the country, as they are able to secure project funding from donors. The GEP is operational and UWEAL worked with five secondary schools and one university during its first year of operation. Ultimately, UWEAL would like to provide mentoring to women students at five educational institutions a year.

Programmes for young people, such as YEP and GEP are very important in building a culture of entrepreneurship that will produce the incoming generation of educated entrepreneurs with experience, know-how and an opportunistic orientation.

### **3.4.2 Technical and entrepreneurship-related training**

According to a 2003 training assessment study, over 60 per cent of Ugandan MSEs have never participated in any formal training and most service providers are not offering entrepreneurship training in their courses, e.g. leadership skills, time management, diversification as a basis for managing business risk, bidding and tendering, and conflict resolution.<sup>84</sup> Many women entrepreneurs gain their knowledge about business from other people in the same industry or from working in a similar business in the past (Kahara-Kawuki, 1998).

#### **3.4.2.1 Access to entrepreneurship and business management training**

Women entrepreneurs at all stages of development have limited access to comprehensive training initiatives and just-in-time learning opportunities. Key informants, including women entrepreneurs participating in focus groups, reinforced the need for training in bookkeeping, entrepreneurship skills, and business management skills. As they enter the growth phase, they expressed a need for training in financial management, marketing and access to markets, financial services, diversification and new markets, business and project plan preparation, preparation for approaches to a financial institution, and negotiation skills.

Many donor-funded initiatives have criteria that 40 per cent of beneficiaries must be women, but this quota is not always met and outreach to rural areas is extremely limited. From information gathered during field visit interviews, it is estimated that the main training providers deliver entrepreneurship/business management training to approximately 600 women entrepreneurs a year, mostly in Kampala. That includes MUBS, the Uganda Gatsby Trust, GTZ, and Enterprise Uganda.

Many private sector trainers as well as other organizations also offer courses and workshops on business management related topics, including the Uganda Cooperative

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<sup>84</sup> National Council of Uganda Business Organizations / Support Enterprises Development Uganda, 2003. This assessment of the demand for and supply of business management and skills training surveyed a sample of 913 Ugandan MSEs (of which 64 per cent were women),

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Alliance and the Federation of Uganda Employers (FUE).<sup>85</sup> The National Association of Women's Organizations in Uganda (NAWOU) offers training in business registration, networking, quality control and marketing locally and internationally. The Barclays Bank in Kampala is working with UWEAL to provide orientation/information sessions to women entrepreneurs on dealing with the banks (part of the bank's strategy to reach the women's market). The Uganda Investment Authority (UIA) offers seminars and training workshops to women entrepreneurs, using "experts" as speakers, and dealing with topics that will lead to more professional business management practices. The CEEWA website provides a limited listing of organizations that offer training in business skills and CEEWA, itself, has published a Booklet on Business Skills. However, there is no systematic way for women entrepreneurs to find out about training opportunities and schedules. Training providers have limited capacity to deliver in rural regions and the training needs of most women are not met.

Enterprise Uganda, a major provider of entrepreneurship training in Uganda, offers a series of 10-day Entrepreneurship Development (ED) Training Workshops<sup>86</sup> to about 100 persons a year,<sup>87</sup> but the cost of the workshop is US\$115.00 and women find it expensive, even with a 50 per cent matching grant. Most of the training participants are already in business; a few are aspiring to start a business and have a business idea. Most of the training workshops include both women and men. Women-only training has been offered from time to time (see Box 3.2), but there are mixed views about women-only groups. Countries where women-only entrepreneurship training workshops are routinely offered find that women participate more fully than when in mixed groups, but it depends on the stage of development of the business and the level of confidence and experience the women bring to the training programme. Excluding the women who participated in this special UNDP-funded training programme, Enterprise Uganda reports that from 2001-2004, 56 per cent of the 503 participants in their regular training offerings were women.<sup>88</sup>

<sup>85</sup> In 2004, the FUE offered ILO training programmes, including Generate Your Business Idea, Start Your Business and Improve Your Business, as a service to employer members who were undergoing retrenchment exercises.

<sup>86</sup> The focus of these workshops is on developing the behavioural traits of entrepreneurs.

<sup>87</sup> Normally offers 4 workshop sessions per year with 20-30 participants in each session.

<sup>88</sup> Data obtained from the Enterprise Uganda website at: [www.enterprise.co.ug/workshops1.htm](http://www.enterprise.co.ug/workshops1.htm)

### Box 3.2: Enterprise Uganda delivers gender sensitive training

Early in 2003, Enterprise Uganda graduated 58 women entrepreneurs from a special programme of training in entrepreneurship and financial and marketing management. Some of the tangible improvements expected in the women's businesses included increased sales volume; extension of the business into new areas in regional and international markets; improvements in the quality, as well as, the branding of products and services; job creation; generation or saving of foreign currency; payment of taxes, and increased profitability.

An outreach campaign launched in the fall of 2002 resulted in registration of 695 women. Financial management is the most sought after course, followed by self-confidence and style, entrepreneurship, and marketing management. A total of 40 women competed for the 30 available places for the 1st women entrepreneurs' workshop. Participants' feedback about the skills they had acquired from the courses was positive. Besides meeting the demand for training, project coordinators reported that most of the women-owned companies were small with limited capacity to meet the challenges of business linkages. In order to build the capacity of most of them, technical assistance would not be sufficient. Many would require capital in order to purchase the necessary equipment to boost their production.

The key outcome of the pilot was the development of gender sensitive training materials. Training manuals for Customer Care, Costing and Pricing, Self-Presentation and Style, Report Writing Skills, Effective Delegation and Effective Public Speaking were completed by the training consultants.

This project was funded by UNDP Uganda, UNCTAD, and the German Government as a deliberate effort to mainstream women in business so they could participate in business linkages with larger companies by overcoming financing and technology obstacles.

Source: Edited from information obtained at: [www.empretec.net/DITE/EMPRETEC/ECUganda](http://www.empretec.net/DITE/EMPRETEC/ECUganda)

#### 3.4.2.2 Entrepreneurship training in technical training initiatives

There are a number of examples of technical training projects in sectors where women are dominant; some of these include an entrepreneurship training element.

A project of note is the Textile Development Agency's (TEXDA)<sup>89</sup> project to train women MSEs in the textile industry. One hundred advisers were trained over a one-year period – people who had had textile enterprises – who could train other MSEs in the districts and pass on technologies and methods to others. To date, the initiative has reached a total of 500 women. In the next phase, TEXDA intends to move the training into two other districts. The project will also allow them to help women see the export potential of their products and to consider the quality and type of products demanded by international markets. Participants will identify specialty “niche” markets that they can serve. This programme includes entrepreneurship and basic business management skills to complement technical training. In addition, participants are introduced to MFIs and WEAs as a network of available resources to provide business support. Because the programme is expensive (up to Shs 400,000) and requires up to four months in the training facility, many women MSE operators have difficulty being able to participate. Other initiatives, such as the Training and Common Facility Centres (TCFC) have been implemented to improve skills in shoe-making and leather goods, and to enhance MSE technical and entrepreneurial skills.

The Uganda Gatsby Trust offers training courses to address managerial and technical skill deficiencies of small-scale enterprises (e.g. entrepreneurship development, business planning, productivity, quality improvement, costing, credit management, record keeping, skills upgrading in metal fabrication, foundry and blacksmithing, textiles, food processing, etc.) Training is offered to groups of approximately 50 participants over a five-day period. Women make up as many as 40 per cent of Gatsby Trust clients.

<sup>89</sup> Initially funded by UNIDO.

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The lack of training capacity which currently exists in rural areas will be alleviated somewhat by the expansion of Community Polytechnics to Uganda's Districts. GTZ is supporting pilot polytechnic schools in three (3) Districts. They have added a "local skills development" (LSD) component to address the needs of all of those at the rural community level who are interested in learning. People form learning groups, assisted by a facilitator/adviser, to determine what skills they would like to learn. A market survey is then done to assess demand for the outputs from the skills training (e.g. furniture-making). A trainer from the community is selected by learners to help them in acquiring the production skills (or enhanced skills). The programme criteria are based on affordability to learners, flexible training delivery in terms of time of day, etc. Entrepreneurship skills are introduced in the project at the point when learners need to know how to get production to the market – pricing, packaging, financing issues, etc. If financing is needed for the resulting enterprise project, GTZ links the learning group with MFIs to secure the necessary start-up capital. There were more women than men among the 350 learners who participated in the 3 pilots started in June 2004.

#### 3.4.2.3 Training for women in growth enterprises

There is limited evidence of programmes tailored to the needs of women in growth firms. Enterprise Uganda delivers the ILO's "*Expand Your Own Business*" programme, but information on the number of women taking part in this programme was not available. There is no evidence of formal women-focused export management training initiatives, although the ACCESS programme of the International Trade Centre and the Trade Facilitation Office of Canada aims to enhance export management skills and mentoring activities for women in Uganda and selected other African countries.

### 3.4.3 Summary and conclusions

There is a limited focus on entrepreneurship in the education system, but efforts have recently been made to integrate entrepreneurship curriculum throughout the education system. Broadening these offerings to more schools, training more head teachers, and implementation of the YEP in more schools should be accelerated.

Women are still not equally represented among upper secondary and tertiary education, and there is some evidence that they are not participating in entrepreneurship and small business management courses at the same level as men. Further affirmative action initiatives, such as UWEAL's Girl Entrepreneurship Programme may be called for. This programme should be expanded to more universities and colleges.

A few entrepreneurship training programmes are targeted specifically to women, but the reach of these programmes is very small (a few hundred women at best), they are not institutionalized as regular offerings, and generally not offered outside Kampala. Training and facilitation programmes focused on women in growth enterprises are rare, but recognized by women as being important. Even when training is available, many women entrepreneurs will feel they cannot afford to pay the training fees. More institutionalized, regularized, accessible and affordable training options catering to the growth needs of women entrepreneurs should be developed and supported.

There appears to be a shortage of trainers specialized in the women's market. FIT Uganda had a target of 30 per cent women in their train-the-trainer initiative, but of the 500 trainers trained only 10 per cent were women. Only two of the 27 trainers in FIT Uganda's roster are women. Of Enterprise Uganda's seven contract trainers, only two are women. However, the demand for women as trainers by women entrepreneurs was less pronounced in Uganda than it was in Ethiopia and Tanzania (ILO, 2004).

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Women entrepreneurs would benefit from the integration of entrepreneurship and business management skills in all sectoral and technical training initiatives. This is not always the case. Training focused on product quality and meeting quality production standards, opportunity identification, development of market and export potential, professional business management practices, trade fair participation, and leadership/negotiation skills are all components of training needs that are largely unfilled in the women entrepreneurs' segment of the MSE sector. Ongoing initiatives to fill this gap would assist in helping more women grow to the next level. Recommended actions for doing this are outlined in Section 4.4 below.

### **3.5 Access to credit and financial services**

The 21 items included within the credit and financial services core element assessed:

- women's awareness of alternative sources of financing, of the mechanisms of borrowing, and of strategies that will increase their chances of success in securing bank loans; their skills in preparing credit-worthy business plans and negotiating financing; and their access to information about the available sources and types of financing;
- the degree to which MFIs are serving women's MSEs on an equal footing with men (numbers of clients, loan amounts, terms and conditions, on an individual versus mutual guarantee basis);
- the degree to which the banking system is serving the needs of SMEs, and taking on women as individual clients on the same basis as male clients (e.g. numbers, loan conditions, range of financial services);
- the extent to which MFIs and commercial banks target the women's market with information, promotional strategies, and link BDS to credit services;
- the extent to which banks and MFIs are offering gender sensitivity training to their credit officers.

The financial system in Uganda is comprised of a number of foreign and indigenous commercial banks, development banks, micro finance institutions (MFIs), village savings and credit institutions, numerous rotating savings and credit organizations (ROSCAs), and moneylenders. In spite of the growing number of financial institutions, Uganda's private sector enterprises claim to be hindered by the lack of access to investment capital.<sup>90</sup> Women, in particular, encounter many obstacles in accessing financing. At the beginning stages of a new enterprise, women will often turn to each other, forming in small groups of 4 to 20, accumulating savings and then lending to group members on a very short-term basis (ROSCA concept). Loan amounts are very small – in the Shs 20,000 to Shs 100,000 range, but this provides a stepping stone to larger loan amounts from NGO credit groups and MFIs. Mukasa et al. (2004) estimate that only 9 per cent of credit goes to women. The need for capital to start and expand businesses is acute for women whose dependence on male relatives leaves many without land of their own, or other property to use as collateral for credit in the formal banking system. Business plans and record-keeping are considered

<sup>90</sup> Government of Uganda, 2003, p. 21.



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essential to a woman's success in attracting external finance; as well, Snyder concluded that the woman's social status also influences her access to capital.<sup>91</sup>

An overview of MFIs and commercial banks in Uganda is provided in the next two parts of this section, followed by an assessment of women's access to both forms of financing to support the growth of their enterprises.

### **3.5.1 Micro financing and MF institutions**

There were approximately 1,400 MFIs in Uganda, including NGOs, savings and credit organizations and the microfinance units established by some banks (e.g. Stanbic, Centenary Rural Development Bank). According to a 2003 survey, these MFIs had over 1 million members, a total savings volume of Shs 107 billion, and a loan portfolio of Shs 97 billion.<sup>92</sup> There were 900,000 active savers and 340,000 active borrowers. The average loan size in all categories of groups and institutions is Shs 283,266 (US\$161) and the average savings volume is Shs 160,713 (US\$92) per person.<sup>93</sup> Most MFIs in Uganda are very small, with limited capacity, and relatively few clients.

Women accounted for 55 per cent of MFI members, 65 per cent of active savers, and 70 per cent of active borrowers (Nannyonjo and Nsubuga, 2004). Precise data on the volume of micro finance loans (i.e. actual proportion of loan funds) going to women entrepreneurs is not readily available. An estimated 51 per cent of MFI management staff and credit officers are women.<sup>94</sup> According to the Government of Uganda, the number of MFI beneficiaries is still very low. The documented 196,561 clients (2003) means that only 0.9 per cent of the country's population is accessing micro finance loans.<sup>95</sup> The majority of micro loans go to non-agricultural MSEs in urban and peri-urban areas, leaving the rural population and agricultural sector underserved.

Micro finance lending is done both through lending groups and to individual MSEs. The "80/20 rule" seems to apply: eighty per cent of lending is done with clients in lending groups and 20 per cent with individual clients, but individual clients receive 80 per cent of the loan funds. It is noted that women are much more likely than men to be accessing micro finance on a mutual guarantee group basis and so belong to the segment receiving smaller amounts of micro finance funds. A small, unconfirmed percentage of women are included in the "individual" loan client group.

Interest rates charged by micro finance institutions are relatively high, ranging between 22–48 per cent per annum (2–4 per cent per month). This is partly explained by high operational costs experienced by MFIs and the influence of high interest rates on Treasury Bills, which discourages the formal banking sector from lending capital funds to the micro finance sector (MFPED, 2004).

According to research conducted by students at the Makerere University Business School (MUBS), the MFI repayment rate is 92 per cent; while the bank repayment rate is

<sup>91</sup> Snyder, 2000, p. 218.

<sup>92</sup> Nannyonjo and Nsubuga, 2004, p. 13.

<sup>93</sup> Kasekende and Opondo, 2003.

<sup>94</sup> Nannyonjo and Nsubuga, 2004, p. 15.

<sup>95</sup> Government of Uganda, 2003, p. 35.

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76-79 per cent.<sup>96</sup> Some MFIs offer limited business development services (BDS), mostly to do with simple record-keeping related to the use of the loan rather than management and business development.

### 3.5.1.1 The Micro Finance Deposit-Taking Institutions Act and Outreach Plan

The Government of Uganda introduced the Micro Finance Deposit-Taking Institutions Act (2003) to regulate micro finance services, professionalize the microfinance industry and extend reach to rural areas (MFPED, 2004a). Under the Act, eligible institutions are allowed to mobilize and intermediate savings from the public. The minimum capitalization of a licensed MFI is Shs 500 million. Lending is permitted to both individuals and groups. The maximum loan to an individual can amount to no greater than one per cent of the total capitalization of the fund (maximum Shs 5 million loan from a Shs 500 million loan fund), and no more than five per cent of the capitalization if the loan is to a lending group.

The Government is also implementing a Microfinance Outreach Plan (MOP). The MOP target is to achieve an average growth rate of 25 per cent on the MFI client base by 2006, with 60 per cent of the credit extended in rural areas. This translates into 1.3 million clients and 9 million beneficiaries. A Micro Finance Competency Centre (MFCC) has been established as part of the MOP to build capacity of the micro finance institutions by providing training and upgrading services to members of the industry.

### 3.5.1.2 The Association of Micro Finance Institutions of Uganda (AMFIU)

The AMFIU was legally registered in June 1999. Its 114 members, serving 260,000 clients, include institutions of different sizes and legal structures such as NGOs, cooperatives, and village banks, as well as international NGOs, government agencies, projects and donors. The AMFIU is currently in the process of implementing a reporting and performance management information system (PMIS) so all MFIs in the system can collect data on clients, loan portfolio, average loan sizes, sectors, and produce gender statistics, which will be reported and tracked over time. All participating MFIs will track women's access to micro finance (for loans of over Shs 3 million) and be "gender monitored".

Indicators for gender tracking will include:

- Outreach to female clients
- Savings by female clients
- Number and percentage of female borrowers
- The drop rate of women borrowers/clients (from one period to the next)
- Subsequent loan rate
- Average loan size
- Default rate.

<sup>96</sup> Information obtained from interview with MUBS professor, November, 2004.

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At the time of the field visit, the AMFIU official did not know what percentage of micro finance loan clients are women with loans of over Shs 3 million, although it did not appear to be too many. As one key informant stated: *“If women are able to borrow more than Shs 3 million, it’s by default because they inherited land from their husbands”*.

### **3.5.2 Commercial banks and access to credit and financial services**

Generally, as is the case in other African countries, commercial banks in Uganda do not target the SME sector because the transaction costs for smaller loans are too high. Prime borrowers are largely foreign firms that have the support of foreign-owned banks. Several other factors account for the low level of lending to SMEs in Uganda (Kasekende and Opondo, 2003). Until recently, banks have preferred to concentrate their activities in the urban areas and most do not have branches throughout the country, although there are exceptions (e.g. the Stanbic Bank with 68 branches covering all regions and districts). Banks are reluctant to do start-up financing, and do so under very rare circumstances. The risk adverse tendency of the banks is based on the experience of poor loan repayments (particularly agricultural loans) over many years. Equally significant is the inability of the justice system to enforce commercial contracts. Key informants stated that courts take a relatively long time to dispose of cases involving breaches of contract.

Some key informants indicated that the most SME-friendly bank in Uganda is Barclays Bank. It actively targets the SME sector and has established a Local Business Club membership that provides in-depth business advice to its 600 members and helps loan clients stay abreast of new trends and business practices. The membership fee is Shs 30,000 per month. About 40 per cent of Club members are women, the majority in business as partners with their husbands. Only about 10 per cent of the women members are active in the Club, mostly those operating as sole proprietors. Barclays is also the only bank which has, as part of its strategic plan, a goal to attract more women entrepreneurs as clients. At the time of the field visit, the Barclays key informant estimated that 5 to 10 per cent of its 1,500 to 2,000 SME loan clients were women. They are working with UWEAL to provide seminars on “Dealing with the Banker” to UWEAL members as a way of attracting new clients.

### **3.5.3 Women’s access to credit and financial services**

#### **3.5.3.1 Women’s access to micro finance**

Although it is estimated that women represent 70 per cent of MFI borrowers, data is generally lacking on women’s participation by region and by district, as well as on details of average authorized loan amounts compared to male clients. However, it could not be said that women entrepreneurs have access to micro finance on an equal footing with men.

Seibel and Almedya (2002) suggest that micro finance institutions differ in the way they target women and men. Most formal institutions do not have a particular target policy, unless donors stipulate a focus on women. Some of the MFIs, notably the Uganda Finance Trust (previously the Uganda Women’s Finance Trust), MED-NET, and PRIDE place a priority on women as recipients of their loans. For example, women make up about 80 per cent of the Uganda Finance Trust’s 24,000 or so clients. Seibel and Almeyda also suggest women and men are affected differently by other dimensions of micro finance lending. They are more likely than men to participate in group lending approaches and less likely to participate as individual loan clients, which is more likely to lead to growth (e.g. higher loan amounts). A credit bias and the lack of deposit facilities affects women more than men, because women are more likely to choose savings over credit to finance investments, consumption and other emergencies. Seibel and Almeyda report that over 90 per cent of the

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population does not have access to micro finance, reinforcing the need for the Micro Finance Outreach Plan.

Key informants reported that women face a number of constraints in accessing micro finance. They are dominant in group lending circles where loan amounts are restricted by the level of group savings and (often) weekly payment schedules. The requirement for a husband's signature creates a problem for some women, as husbands often want to use the money for other purposes. Women wanting to source individual loans are encumbered by a lack of collateral, if security is required. Inadequate security results in smaller loan amounts. There has been a low level of MFI financing in the agricultural sector where over 70 per cent of Uganda's women are mainly engaged.<sup>97</sup> Lending ceilings are too low for women who are trying to grow their enterprises.

### 3.5.3.2 Women's access to commercial bank credit

Although commercial banks are starting to move into the SME market, only a select group of women can access commercial bank credit (evidence suggests that only 5 to 20 per cent of all bank clients are women). Women who do approach banks generally need loans greater than Shs 10–15 million, beyond what is normally available from MFIs. For the most part, these are women who have been exposed to the Western world through either studying or working in the other countries, and have lots of "bankable" ideas that they brought home to Uganda. They have the capacity to develop a business plan and the negotiation skills required to approach a financial institution. This group represents the "missing middle" without ready access to credit.

However, most Ugandan women do not bring this level of knowledge and confidence into their enterprises and are seriously disadvantaged by the lending criteria in place. Banks evaluate loan applications on the company's management ability, the earning potential of the business, and the level of collateral security. Their lending requirements assume clients have the resources to hire experts to prepare project documentation, are highly educated, own titled land in Kampala or other urban centre, have been able to establish a long-term relationship with the bank, and have enough resources to contribute the required level of equity.<sup>98</sup> Women are often not experienced in preparing this type of documentation and cannot afford to pay consultants for its preparation. Assets deemed acceptable as collateral pose significant problems for women seeking credit. Acceptable collateral must be easy to liquidate, and the realized value must cover the outstanding loan and recovery costs. Since most securities are difficult to liquidate and the realized amount is often smaller than the outstanding loan, banks require collateral as high as 150 to 200 per cent of the loan. The criteria for determining what constitutes a fixed asset has effectively eliminated the majority of women clients. Few women in Uganda own fixed assets, let alone assets/properties in the urban areas where banks are traditionally located.

Although many women have extensive experience in running their own businesses, many lack the academic qualifications recognized by the banks. Failure to maintain accurate financial records is cited by key informants as one of the major factors impeding women's access to credit. Since women mostly engage in informal economic activities with basic records, the business performance cannot be tracked nor can they easily prove management abilities. Most banks insist that a loan applicant be a customer for at least six months to qualify for credit. More often than not, women do not have long-term relationships with banks due to the small nature of their businesses, an inability to meet the minimum client requirements, and the distances/costs involved in frequent bank

<sup>97</sup> CEEWA, 2004a.

<sup>98</sup> Kiiza et al., Bank of Uganda (n.d.), p. 51.

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transactions.<sup>99</sup> Banks require that loan applicants provide as much as 50 per cent of the project financing costs. Good proposals that do not meet this requirement are rejected outright. Depending on the cost of the project, the equity contribution may be highly unrealistic for women entrepreneurs in the SME sector.

Women entrepreneurs in Snyder (2000) also expressed the view that bank managers tend to favour men, and ask women to pay extra money. Snyder indicated that an additional barrier for many women is their inability to present their projects with the proper feasibility studies and to defend their proposals vigorously enough.<sup>100</sup>

The AfDB 2005 report on Multi-Sector Country Gender Profile for Uganda<sup>101</sup> stated that:

“The agricultural sector is the largest recipient of micro finance lending, with larger loans benefiting mainly smallholder men farmers, while the majority of women who have difficulties in accessing formal credit due to their inability to meet eligibility criteria get smaller loans. 55% of the one million membership of Micro Finance Institutions (MFI) are women signifying that even though numerically more women get loans, they are of very small amounts in comparison to loans received by men. Lack of adequate access to credit is often seen as a major problem for poor women in Uganda, especially in rural areas considering women’s lack of control over productive assets and hence in providing collaterals. Though the MFIs have increased women’s access to credit, in a number of cases they have not followed up to find out to what extent these women have control over the resources received. There are many stories of men taking away the money these women get from either the group or the micro-finance institutions. This presents a challenge that needs to be addressed. This scenario can further burden women as those responsible for repayment, as they are considered the beneficiaries.

It is not only its unavailability, but most women do not have enough information about where, how and when to access credit facilities. Women’s lack of collateral such as land required by banking institutions is an outstanding constraint. Experience shows that where women rear small animals such as pigs, goats and chicken their husbands may take away women’s livestock by force or kill the animals if women resist. The Plan of Modernization of Agriculture (PMA) highlights four critical issues that affect the poor and women’s access to financial resources, namely that; the procedures and process to access credit and financial services are bureaucratic and intimidate and discourage the poor, especially illiterate women. Furthermore, women are not effectively engaged in commercialized agriculture and as a result, they are not considered credit worthy by credit institutions. Women are used to informal credit systems e.g. the rotating and group lending schemes. As a result they lack visibility and hence fail to get access to productive resources, services and training. The high transaction costs in the provision of rural financial services to the poor especially women, also discourage rural MFIs to operate in the rural areas.

The 1992 and 1999 household surveys reveal considerable gender inequality in access to credit, though the differential in access to credit appears to have narrowed over the last decade. In 1992, 18.7% of men as compared to 7% women had successfully applied for credit, whereas in 1999, about 10% of men and less than 6% of women had successfully applied for credit. Women received smaller amounts – in 1992 they received an average loan of US\$19, compared to \$23.50 for men; in 1999, they received \$41 compared to \$48 for men. In addition, they had much less access to formal credit sources (commercial banks, government agency). Conversely, they benefited more from cooperatives (26% of all loans) and loans from their community (17%).

<sup>99</sup> Kiiza et al.

<sup>100</sup> Snyder, 2000, p. 279.

<sup>101</sup> African Development Fund (2005).

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In contrast to men, women needed credit mostly for businesses suggesting that the low access to credit could be an important cause of low non-farm employment in Uganda and might hold women back in more productive endeavours. Most MFI are located in urban areas and beyond the reach of many rural women. So far, information and data on access to credit and variations between rural and urban areas and between men and women beneficiaries has been descriptive and further work is needed to establish to what extent limits on access to credit prevent women from investing in farm and non-farm productive ventures and activities. Micro Finance Institutions have to survive in a competitive market and as a result, the industry has changed to become more profit motivated, while putting minimum attention on assessing the short and long term impact of credit on the clients, especially women. Current MFI lending terms cannot for example effectively support farmers. Farmers accessing credit are required to start-up or declare businesses with quickly earned incomes in order to access loans. The long-term effect of this strategy in Uganda may have negative consequences on poverty and agriculture, and force subsistence farmers to divert attention from agriculture to petty and unproductive trade.

Some women have been empowered through the promotion of agriculture as a business through women's groups that enables them to access credit and strengthen their marketing and bargaining power in comparison with that of men. However, there are still major gender based barriers in accessing financial resources, in part because women lack collateral such as land required by banking institutions. The financial sector in Uganda generally lacks innovative financial products sensitive to inequalities in the financial market, for example products sensitive to limitations of agricultural enterprises, the duration and seasonality of farmer crops, products that address agricultural production technology and labour saving technologies.”

### **3.5.4 Summary and conclusions**

Access to micro credit is crucial for improving production methods, and mechanisms should be designed to make credit more accessible to women in a manner where they can determine interest rates and repayment structures, such as the self-help group model. This type of gender sensitive support can include developing gender sensitive extension services, as well as specific decentralized support for input supply, processing and marketing. The Government of Uganda should consider incentives for lending institutions, especially micro-finance institutions that offer products that are sensitive to gender inequalities in the financial market, in order to increase the outreach of credit to those who most need it. Credit institutions should invest in farmer preparation to access and use credit profitably. Extension and advisory services should include services for accessing agricultural credit, and client preparation and linking to financial institutions.<sup>102</sup>

Although women make up the majority of MFI borrowers, their participation in credit is mainly through savings and mutual guarantee lending groups, and the average size of their loans is reportedly smaller. This small average loan size is hardly adequate for engagement in large-scale income-generating activities.

Women's lack of understanding of the role of finance in business growth and their lack of training on how to structure a financing plan leads to a clear call for BDS as a non-financial service component of lending, as this is generally lacking. These factors can have a substantial impact on the rate of growth of women's enterprises.

The major micro finance institutions report that their loan ceiling is in the range of Shs 10 to 15 million. Commercial banks report that they are not interested in loans under Shs 50 million. Growth-oriented women entrepreneurs need access to fixed-asset financing, working capital for growth, and receivables financing, but are limited in their dealings with banks because they are less likely to hold land titles and other collateral. This creates a gap for women who need financing in the Shs 10 to 50 million range – the

<sup>102</sup> AfDB (2005) op. cit.

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“missing middle”. There is a lack of availability of counseling advice that would help high growth-potential women entrepreneurs move into the Shs 10–50 million credit range by preparing them to approach financial institutions.

What seems to be called for is a loan guarantee mechanism for women that will compensate for their lack of collateral and provide an incentive for banks to “open their doors” to women borrowers. Key informants advised that Enterprise Uganda and the Bank of Uganda are taking the lead role in the development of a loan guarantee scheme that would include a special provision for women. With a proposed fund ceiling of US\$50 million, loan amounts would range from US\$50,000 to US\$300,000 and be limited to one-time access for clients, after which time, it is assumed the client should be able to secure credit on their own. Loan pricing is proposed at prime plus two per cent, with one per cent of the loan amount allocated to cover mandatory BDS services. The Central Bank would oversee the Loan Guarantee Scheme demonstration project and accredit banks to deliver, choosing banks that are “sympathetic to SMEs”. The partial guarantee of 75 per cent would be raised to 100 per cent for women entrepreneurs to compensate for the fact that they are less likely to have land titles or other collateral security. Due diligence would be done by BDS providers, and loans would not be made until due diligence was done and confidence established that the SME could repay the loan. The bank would grant the loan facility, and the initial BDS function would be performed by Enterprise Uganda including post-loan coaching and monitoring. Banks would be required to insure their loans, train their bank officers, and recommend BDS to all clients, but key informants advised that progress on this proposal is moving forward slowly.

A loan guarantee programme of this design targeted to women would fill the gap which currently exists for women in growth enterprises who need more than Shs 10 to 15 million and are unable to meet the commercial banks collateral security requirements. The outline of such a loan guarantee scheme is presented in Section 4.5.

Finding a way to cost-effectively link BDS to micro finance services would help women entrepreneurs acquire the knowledge and skills they need to grow and to upgrade to commercial bank financing.

There was no evidence that banks were offering gender sensitivity training to their officers so they could more effectively target the women’s market. With implementation of the MOP, it is anticipated that micro finance extension workers will receive gender training so women’s credit needs can be better met.

It is very important that MFIs and banks start collecting and analyzing gender disaggregated data on their loan clients so gaps in financing to women can be redressed (e.g. fewer women loan clients; lower average loans; higher drop out rates).

### **3.6 Access to BDS and information**

The seven assessment items comprising this component of the Integrated Framework measure the extent to which:

- there is a well-developed business support infrastructure for MSEs, including for MFI clients;
- a system exists to specifically meet the business support needs of women, including at the growth stage;
- organized vehicles exist for disseminating business-related information to women;

- information is available on the take-up of business support services and information by women; and
- women advisers and trainers are available in the BDS network.

### 3.6.1 Access to BDS

Uganda lacks a well-developed business support infrastructure for MSEs. With the majority of the population living in rural areas, access to information on government and private sector services is reported to be difficult and often non-existent. There is no evidence of a full-scale BDS service linked to micro finance, or of any BDS initiatives catering to the management development needs of women entrepreneurs. MFIs that do provide BDS reported that services are limited, focusing primarily on ensuring loan recovery, and inadequate for an enterprise's overall growth. Key informants stated that many women MFI clients are not getting the BDS they need. The MFIs also lack capacity to provide comprehensive BDS (Kiiza et al.). There is no evidence of a dedicated system of business support for women entrepreneurs at the start-up and growth stages. As gender-disaggregated data is not routinely and systematically collected, information on the take-up of generic BDS by women is not available. There are some good practice BDS models in place in which a small number of women were reported as beneficiaries (discussed below).

Eleven District Private Sector Promotion Centres, recently renamed Private Sector Development Corporations (PSDCs), located throughout the four regions of Uganda, have a mandate to provide entrepreneurship and BDS, including skills training and technical support to local micro-finance and savings institutions. Information on the actual level of BDS outputs and the strength of consulting interventions is not available. PSDCs do not have a specific policy to support women entrepreneurs and data collection on women does not appear to be a priority at the district level.

The primary deliverers of BDS interviewed during the field visit were the FIT Uganda, Uganda Gatsby Trust Business Development Services, Enterprise Uganda, the Entrepreneurship Centre at Makerere University Business School (MUBS), and the PSFU BUDS-Scheme.

- *FIT Uganda*: FIT Uganda engages a roster of private sector consultants, to deliver BDS and training services to MSEs throughout the country and offers a periodic 5-day training workshop for consultants and trainers to enhance the level of their competence and knowledge. Only 10 per cent of trained trainers have been women.
- *The Uganda Gatsby Trust Business Development Services*: The Trust offers extension and mentorship services to MSEs with the aims of: a) diagnosing their problems and formulating solutions; b) preparing business plans; and c) coordinating marketing efforts for members through local showrooms and participation in national and regional trade fairs.
- *Enterprise Uganda (EU)*: EU offers follow-up BDS (coaching and mentoring) to clients who have taken their Entrepreneurship Development (ED) training. Business counselors work with these clients for one-year providing a Business Health Check service and a Business Growth Needs Assessment programme. EU is also the delivery partner for the fourth stage of the four-year, US\$1 million UNDP project, launched in 2001 to provide 300 SMEs with training and a comprehensive range of advisory services. They are focusing on start-up companies with strong business plans and women entrepreneurs are expected to account for 40 per cent of participants. EU is also the partner organization for introducing the ILO's Expand Your Business (EYB) programme in Uganda.



- *Makerere University Business School (MUBS) Entrepreneurship Centre*: Offers business information services to local (Kampala) enterprises and entrepreneurs (e.g. feasibility studies, strategic planning, project planning, management and evaluation). In addition, the Centre offers free business clinics where entrepreneurs are assisted by facilitators to diagnose and solve operational problems. The Centre assists about 150 MSEs a year with the identification of growth areas in their businesses. About 60 per cent of their clients are women.
- *Business Uganda Development Scheme-Enterprise Development Support (BUDS-EDS)*: The BUDS scheme cost-shares projects with MSEs who need training and BDS (i.e. 50/50 basis). Eligible enterprises must be legally registered and already operational. Over 350 enterprises in 37 districts and 3,000 beneficiaries have benefited from the Scheme; 45 per cent of them women.

A World Bank MSE Project is under development. The project will include a special provision to reach a certain percentage of women MSEs through an Access to BDS component (50 per cent matching grant). Approval for the World Bank of \$70million was signed by the Government of Uganda in February 2005.<sup>103</sup>

The bottom line is that BDS services exist, but few women are reached. Capacity of BDS providers and ability of women to pay costs are key factors.

The MSE/MFI department of the MFPED is currently compiling an inventory of MSE consultants in the country, and until the directory is completed, it is not possible to determine the number of women consultants. Another concern of the MSE Policy Unit is the quality of standards in business advising and consultancy services. Gender mainstreaming of the BDS providers would also be a priority.

### **3.6.2 Access to business information**

The existence of comprehensive, readily available and immediately accessible information sources for MSEs is somewhat limited. In late 2003, UNIDO supported the pilot development of the Uganda Business Information Network (UBIN), to provide information and ICT services to MSEs through a network of One-Stop Shops or Business Information Centers in key locations across the country. The fact that the network is being operated on a commercial basis may impact on the success of the network in reaching the MSE market, given that MSEs are constrained in paying for information.

Only one business information initiative was identified as having a focus on women – the CEEWA-U Women's Information Resource Electronic Service (WIRES) Centre. The Kampala-based Centre, connecting two rural sites (Nabweru and Buwama), has points of contact with participating women entrepreneurs and women's organizations. It is a one-stop centre where information on markets, prices, advisory services and trade support institutions can be accessed through available databases, internet surfing, electronic discussions and exchanges ([www.ceewauwires.org](http://www.ceewauwires.org)). There is information on how to start a business, do a business plan, forecast sales, do basic marketing, register a business, and obtain a trade licence. There is a guide to policies and regulations, including information on the different types of taxes, and lists of women-friendly MFIs, BDS providers and training organizations. The initiative was started by CEEWA-U in 1999 to provide relevant business information to women in Uganda with the end goal of empowering the small-scale entrepreneurs.

<sup>103</sup> World Bank News Release No.: 2005/353/AFR.

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Organizations, such as UWEN and UWEAL, in collaboration with the International Trade Centre (ITC) and other international organizations, also provide access to trade information and act as points of reference for women entrepreneurs. However, again, reach is an issue; services are either limited to urban and peri-urban areas or the programme is dependent on access to technology, which many women in MSEs do not have.

### **3.7 Women Entrepreneurs' Associations (WEAs) and networks**

The strengths and weaknesses of the women entrepreneurs' associations and networks were assessed in terms of:

- women's access to the networking activity of mainstream business and industry associations, and the degree to which they represent their needs and concerns;
- the existence, reach and service offerings of WEAs;
- the capacity of WEAs to represent the needs of members at the policy level and to deliver meaningful and value-added services; and
- efforts to help build the capacity of WEAs.

#### **3.7.1 Women's access to mainstream business networks**

Ugandan women entrepreneurs benefit from access to networking opportunities through several organizations. Key business associations such as the Uganda Manufacturers' Association (UMA), the Uganda Small Scale Industries Association (USSIA),<sup>104</sup> and the Uganda National Chamber of Commerce and Industry (UNACCI) include women in their membership and all have established a "Women's Desk". The desks provide special network activities and services for women members. For example, the USSIA Women's Desk organizes regular discussion forums, runs a small credit group, and supports trade promotion activity for women MSEs, especially in the crafts sector. They have taken women-owned MSEs on USSIA trade missions to Arab countries, Frankfurt, and the US. USSIA does projects to train women in production and technical skills and has set up a Craft Promotions Centre for women to sell their products and reach markets (see discussion in section 3.8). However, most of these networking opportunities exist in Kampala and are not as readily available to women in other parts of the country.

#### **3.7.2 Organizations for women and WEAs**

There are two major women entrepreneur associations in Uganda: the Uganda Women Entrepreneurs' Association (UWEAL) and the Uganda Women Entrepreneurs' Network (UWEN).

<sup>104</sup> USSIA formed in 1979 because MSEs needed raw materials, foreign exchange, marketing infrastructure, etc. But after liberalization and modernization of the banking system, the needs of MSEs have changed. According to the Executive-Director of USSIA, about 30 per cent of its members are women.

### 3.7.2.1 UWEAL

Established in 1987, UWEAL's mission is “promote women business owners to create wealth”. It provides networking and professional development opportunities to almost 800 women entrepreneurs through seven district branches. The branch pays an initial fee of Shs 100,000 to be part of UWEAL network, and is free to set its own individual membership fees. Some UWEAL branches are built around a business activity such as exporting, and other branches are multi-sector and diverse. Although UWEAL provides advice to new branches and participates in launch and promotional activities, it does not have the capacity to deliver governance training to branches – an identified need in some cases. Over the next four years, UWEAL plans to open eight new branches in more parts of the country, which will place pressure on its existing capacity.

UWEAL has a savings/credit society, a Women's Investment Club (to address the financing gap for amounts over Shs 10 million), a newsletter, a Book Club (to focus on motivation and entrepreneurship-related issues), and it sponsors the annual Business Achievers' Awards for women – all activities geared to fulfilling their organizational objectives (Box 3.3). One of UWEAL's objectives is to promote entrepreneurship as a career option to young educated women, and to encourage them to develop the confidence and ability to start a business, regardless of their field of study. This led to the November, 2004 launch of the *Girl Entrepreneur Programme* at Makerere University, an initiative that UWEAL plans to expand to other Ugandan universities in the near future (see Section 3.4.1.1).

UWEAL has played a major role in promoting women entrepreneurs and the role of women in Uganda's economy, and strengthens the delivery of its mandate through its networks with other women's associations, such as CEEWA, the PSFU, the Federation of Women Lawyers, Women in Engineering and Technology, the UIA-WEN, and the Women's Desk at UMA, USSIA, and UNACCI, and other like-minded organizations.

#### **Box 3.3 The Uganda Women Entrepreneurs' Association Limited**

UWEAL is a non-partisan, not-for-profit, non-governmental, membership organization whose purpose is to represent women entrepreneurs in Uganda. The Association has grown to a countrywide network of almost 800 within seven district branches and has plans to open eight new branches in the next two years.

The objectives of UWEAL are to:

- (1) Provide a forum for women who manage or own commercial enterprises;
- (2) Carry out research; establish a data bank for use in the promotion and dissemination of information on association programmes;
- (3) Encourage and facilitate training of women in modern business administration and technologies, including advocacy for the establishment of entrepreneurship and commercial skills studies in schools and colleges;
- (4) Work with existing financial institutions and participate in their special programmes for women customers;
- (5) Build up organizational capacity up to a level that can help set up a commercial financial institution suitable for women's entrepreneurship, creation of a saving culture, and a position of self-reliance;
- (6) Encourage women to develop a spirit of entrepreneurship and continuous improvement of their businesses to compete at the international level; and
- (7) Facilitate and intensify group exchange with the business community both inside and outside Uganda.

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The biggest challenges reported by the organization are its limited capacity, limited resources and the level of dependence on volunteerism. They have recently prepared a donor funding proposal to enable them to move to the next step in meeting the priority needs facing the development of women entrepreneurs, specifically:

- Recognizing that education and training are essential for economic empowerment, particularly for women, but inadequate, by themselves, to ensure the growth of women businesses;
- Publicizing the central role of women in the national economy and of "success stories" of women entrepreneurs; through use of a wide range of media strategies, to assist in changing public attitudes towards women's involvement in economic decision-making and encouraging women to become entrepreneurs;
- Mentoring of women entrepreneurs, young girls and less advantaged women to encourage them to take up business as a first career option;
- Strengthening the women entrepreneurs' resource centre to enable women to network, have access to both print and electronic information, and to access other business services;
- Increasing membership mobilization and retention through sensitization and outreach activities;
- Promoting quality products and product development in key economic sectors through innovation, skills training and monitoring.

### 3.7.2.2 UWEN

The UIA Women Entrepreneurs Network (UIA-WEN) was launched in 2001 with the aim exposing women entrepreneurs to greater business opportunities and to programmes aimed at enhancing competitiveness of their operations. The membership is comprised of UIA employees, corporate executives, government and parastatal organizations, women entrepreneurs and women with potential for doing business. There is no membership fee and meetings are held on an ad hoc basis; some training workshops are organized using "experts" as speakers. The organization currently has 200 members, of which 120 are women entrepreneurs in small, medium and larger enterprises. Membership benefits include being informed about market opportunities and networked in private sector events and meetings. UWEN has submitted a funding proposal to UNIDO for expanding its activities.

### 3.7.2.3 Smaller local women's organizations

Other WEAs exist in a local level, but are structured around a common sector or interest. For example, the Owino Women's Group, whose membership is comprised of women traders in the Owino Market, one of the largest in Uganda, aims to improve the working conditions of women vendors. Others may be formed as producer cooperatives or savings/investment groups.

### 3.7.2.4 The CEEWA

Women entrepreneurs also benefit from the work of the Council for Economic Empowerment for Women of Africa (CEEWA-Uganda), founded in 1994 to promote the economic empowerment of women by advancing women's concerns in the economic development process through advocacy, training research and documentation. The goal of CEEWA-U is to increase the level of women's access to and control over economic

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resources namely: credit, land, agricultural extension and information. Its membership is made up of women professionals with academic and working experience in economics, agriculture, banking, gender, and business management. Its five main product lines are:

- Women and Economic Decision-making: aimed at increasing women's participation in economic decision-making;
- Women and Agriculture: aimed at increasing access to gender responsive agricultural advisory services;
- Women and Finance: aimed at engendering credit service delivery;
- Women and Entrepreneurship Development: aimed at increasing rural women's access to and application of ICTs for entrepreneurship development;
- Information Communication Technologies (ICTs) Project: aimed at promoting community economic empowerment for women in rural areas through an Internet-based Information Resource Centre (CEEWA WIRES).

CEEWA-U has undertaken several impact assessment studies which have been used as the basis for its advocacy activities. Some of these studies have fed into policy formulation processes (PMA, NAADS, ICT Draft Policy), or led to pilot activities to address the particular constraints found to be impacting on women's economic empowerment.

#### 3.7.2.5 UWONET and NAWOU

In addition, there are other networking organizations dedicated to improving the ability of women entrepreneurs, women's NGOs, and community groups to share information and develop a common vision for the empowerment of Uganda women. Paramount among these are the Uganda Women's Network (UWONET) whose major focus is the transformation of unequal gender relations in society,<sup>105</sup> and the National Association of Women Organizations in Uganda (NAWOU), which works with and supports rural-based subsistence agriculture by women and carries out activities to improve the status and living conditions of women (e.g. preventing domestic violence; lobbying for fair family relations law in Uganda, training women as household and community leaders, offering credit support to women's groups, and setting up a marketing network for producers).

### 3.7.3 Summary and conclusions

In general, women MSE owners – especially those in Kampala – appear to have access to mainstream business and industry associations. Women entrepreneurs' associations exist and are an important vehicle for networking women entrepreneurs, disseminating information, and presenting their advocacy positions to government. However, they are weakly resourced, which limits their capacity to expand in terms of up-country branches and membership. Most women entrepreneurs in Uganda do not have the opportunity to belong to and benefit from their services. Besides membership in formal WEAs, an unspecified number of women entrepreneurs belong to their own informal savings and producer groups. Through these groups, they gain considerable mutual support and access to pooled resources.

<sup>105</sup> The UWONET web site ([www.wougnnet.org](http://www.wougnnet.org)) includes a long list of other women's organizations in Uganda, many focused on development initiatives from a community base.

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Existing women's organizations are themselves well networked and work collaboratively towards the common vision of improving the status and living conditions of all women in the country. However, all of these organizations and networks suffer from a lack of resources and capacity and rely heavily on volunteerism. A specific support needed to help more women entrepreneurs achieve growth in their businesses, is to expand the capacity of these WEAs. Recommended actions are presented in Section 6.

### **3.8 Access to premises**

Two of the items aimed at assessing women entrepreneurs' access to premises were meant to measure the extent to which women entrepreneurs were found among tenants in incubators, industrial or export zones and business villages. However, during the field visit, key informants indicated that these types of facilities are presently rare in Uganda. The Government is planning industrial and export zones, but they are not yet operational. In terms of business incubators, there was little evidence of this as a common facility service in Uganda.

A notable exception was the Uganda Gatsby Trust (UGT) incubator project. The UGT observed that only a few of its members had their own premises, and other members often reported problems with landlords or had difficulty finding space for their manufacturing enterprises because some areas do not "embrace manufacturing enterprises". So the Mbarara Gatsby Club bought 12.5 acres of land to build an industrial park. The Trust will make the initial purchase and help members finance the acquisition of manufacturing units. Seventy-two (72), 60 square metre units are being constructed at a cost of US\$1.3 million. Units will be sold by Gatsby Uganda Ltd, an offspring of the UGT, to club members at a cost of US\$15,000 per unit. Fifty (50) members have paid deposits on the units; approximately 20 (40 per cent) are women members. Units will be strategically grouped together according to the sector of activity. The Trust will provide BDS services to the unit owners.

The remaining two assessment items measure the extent to which women entrepreneurs have access to adequate and affordable premises to run their enterprises, and to adequate production premises and up-to-date technologies for production purposes.

Availability of affordable rental space and land ownership issues are the major concerns in accessing premises. Access to premises is an issue for women entrepreneurs in three ways. First, there is the land issue. The majority of women in the informal micro enterprise sector are in the agricultural sector – smallholder farmers. As such, their ability to continue to earn a living is contingent on having control over land tenancy. Only six per cent of the applications for registered titles in 2000 were for women.<sup>106</sup> Under existing laws, married women, upon divorce or death of a husband, could well lose her rights to jointly-owned land. According to FIAS/IFC GEM GGA, 2005, women have limited access to land to enable them to locate business premises in areas of customary land. As craft producers or traders, women may find it difficult to find suitable rental premises (i.e. market stalls). In urban areas, rents may be too high, and in rural areas, stall space may be limited. If the woman is manufacturing products and wants to expand, she may have difficulty finding (and/or affording) adequate production facilities, as well as in acquiring up-to-date technology to improve product quality and productivity levels.

Research on women's access to premises is limited. It appears that many women entrepreneurs do not have fixed premises; otherwise more of their enterprises would have

<sup>106</sup> Referenced in FIAS/IFC GEM GGA, 2005.

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been counted in the 2000/01 Business Register. There is also limited evidence that many more women than men operate their enterprises from their home base.<sup>107</sup>

During the field visit, key informants indicated that small-scale women producers need locations from which to market their products. USSIA provided a good example of a successful initiative to deal with this problem, the Africa Crafts Promotion Centre, which is located in Kampala. The Centre originated from a crafts training project carried out by USSIA. Women were trained in crafts production, but then needed both premises and access to markets, so USSIA bought a plot of land, developed the Centre, starting with 15 market stalls. The Centre has grown to 45 stalls and includes exporters, dealers, and producers among its tenants. The majority of the tenants are dealers and exporters who buy from about 300 micro/small-scale (home-based) women producers around Uganda and then either supply a network of retail outlets or take products to trade fairs and exhibitions in other countries (e.g. US, Europe, Africa). The objective of the Market Promotion project is to build the capacity of women USSIA members through training and improved accessibility to markets; to promote the development of quality products for better market process; and to create linkages between the women and other agencies for the purpose of enterprise development and market development for their products. The demand from women for additional space still exists, but USSIA key informants stated there was insufficient capacity in the organization to expand the concept.

Some women entrepreneurs consulted during the field visit mentioned problems in accessing appropriate technologies to improve their productivity and to increase the quality of their production standards. However, the extent of this problem is not clear, nor is the degree to which it is a greater problem for women than men. More research is needed on the whole issue of women's access to premises and technology to determine the degree to which it is a barrier to the growth of women's enterprises. (The issue of access to technology could be given greater prominence in subsequent applications of this joint AfDB-ILO Integrated Framework assessment.)

### **3.9 Access to markets**

The review of women entrepreneurs' access to markets assessed gaps in relation to the following:

- efforts to provide information on market and business opportunities to women;
- their access to procurement opportunities;
- efforts to promote linkages between women-owned MSEs and large enterprises;
- efforts to support the export activity of women, to participate in government sponsored trade fairs and missions, and to benefit from trade liberalization efforts, such as COMESA and AGOA.

Access to markets – be they local, national, and international – is one of the major constraints to growth felt by many women in MSEs, regardless of sector and size. However, this is a multi-faceted problem that is impacted by access to good premises for the local marketing of crafts, textiles and other products; lack of information on where

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<sup>107</sup> Seibel and Almeyda, 2002, indicated that women comprise 77 per cent of household enterprises in Uganda. However, it is not clear whether their data was only for rural enterprises, or for both urban and rural.

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market opportunities exist; lack of access to training and appropriate technology that can improve the quality of products for export markets; lack of opportunities to participate in international trade fairs and missions; lack of access to export financing to enable the fulfillment of large orders, and lack of access to procurement opportunities.<sup>108</sup>

### **3.9.1 Women and export activity**

Although a large number of women's enterprises tend to be micro and very local-market based, some women are involved in export activity. However, data on this group of women is almost non-existent. Key informants from the UIA were not able to provide information regarding the number of "qualified"<sup>109</sup> women investors in Uganda. Since its normal membership criteria would preclude most women-owned enterprises, the UIA has the opportunity to include more women in the Authority's investment promotion and trade mission activities using UWEN membership as the vehicle.<sup>110</sup> Through affiliation with the American-African Business Women's Alliance (AABWA), the Canadian and African Business Women's Alliance (CAABWA), the African Federation of Women Entrepreneurs (AFWE), the Federation of National Associations of Women in Business (FEMCOM), the African Women Agribusiness Network (AWAN.EA), and others, the Executive Director of the UIA is able to maintain trade links with women entrepreneurs in other countries.

In addition to the UWEN initiative, UWEAL, the UNACCI and the Export Promotion Council are making efforts to promote women's participation in trade and investment, including training and networking activities and support for participation in national, regional and international trade fairs. COMESA has prepared a Gender Policy (adopted in May 2002) and Action Plan that outlines how the Government of Uganda's commitment to promoting gender equality and women's advancement can be better realized through the promotion of the COMESA focus areas of trade, investment, infrastructure, and science and technology development. A Women in Business Trade and Commerce group has been established within COMESA – FEMCOM – but it is weakly resourced.

The NAWOU has a Marketing Network which attempts to identify export market opportunities for Ugandan women crafts producers. NAWOU members participate in international trade fairs, and training is offered to women producers on meeting the quality standards of foreign buyers. It also coordinates the production of several groups of craft producers to meet volume orders, acting as both marketing agent and quality controller. This enables small-scale women producers to access export markets that they otherwise would not be able to.

Until recently, no strategic initiative has been developed to proactively target women entrepreneurs in a comprehensive way with an export development approach. However, it is hoped that the launch of the ACCESS programme by ITC and TFOC, will provide a much-needed stimulus in Uganda, and will foster synergies with other international development partners, such as the AfDB, IFC and ILO currently working in Uganda to support women's export activities.

<sup>108</sup> These problems are summarized in Kitakule and Carden (2004), and reinforced by key informants during the November 2004 Uganda field visit.

<sup>109</sup> To be a qualified investor in Uganda, a national company has to have a minimum of US\$50,000 in investment capital; for international investors, the minimum is US\$100,000.

<sup>110</sup> Among recent UIA activities in which women entrepreneurs participated were an AfDB private sector meeting, an IFC round table, a COMESA Business Summit, and a trade mission to Germany in which 6-7 of the 12 delegates were women.



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### **3.9.2 Women-owned MSEs and supply chain linkages**

Helping to create market opportunities for MSEs by linking them into the supply chains of large enterprises is becoming a popular strategy to promote growth and productivity improvements in the MSE firms. This approach is being employed in UNIDO, UNDP, and other donor-funded projects in Uganda. The key informant from UNIDO described one of their initiatives where they are identifying markets for Uganda products in Europe (e.g. organic foods, honey, dairy, meat, fruits and vegetables, flowers), training farmers and producers on how to improve their production/yields, meet hygiene and safety requirements, etc., and then organizing a marketing/distribution channel. Projects like this create more demand and often result in higher prices “at the farm gate” – and since most farmers are women, directly they benefit women.

For product marketing, the UNIDO project encourages the formation of a marketing enterprise. It identifies an entrepreneur who is willing to invest in a building and equipment, build it, form a private company, and then market the farmers’ products. UNIDO cost-shares 50 per cent of the development costs of the marketing enterprise. Since few women MSEs have the “equity capital investment” to be this type of “entrepreneur”, men are more likely to fulfill these up-market roles where there is more opportunity for wealth creation. The UNIDO informant agreed that this equity requirement has been a barrier to women’s involvement. However, UNIDO did give an example of a case where a woman entrepreneur in Masaka was performing the middle-person function – buying from about 200 farmers and selling to a large export company. There are four marketing centres operational at this point, one of which is owned by a woman.

### **3.9.3 Women-owned enterprises and access to government procurement**

There was no evidence of efforts to target women-owned MSEs as procurers of government contracts for products and services, although the key informant from the Private Sector Development Corporation in Masaka indicated that she was trying to encourage more women to pursue opportunities for government contracts in the construction sector. The United States government is a best-practice example of efforts to direct more procurement business to women-owned enterprises. Up to five per cent of government procurement business is available to enterprises that are at least 51 per cent owned by women.

### **3.9.4 Summary and conclusions**

Information on market opportunities exists in Uganda, but is more readily accessible in Kampala than in urban areas. There are some efforts to disseminate market information to women entrepreneurs (e.g. UIA, UWEN, NAWOU, CEEWA), but the total outreach is relatively limited.

There are some women exporters in Uganda, but there is no directory which lists them or attempts to systematically quantify the value of their export activity. Through women-focused committees of COMESA and alliances with women entrepreneurs in other parts of Africa, Canada and the US, Ugandan women are being exposed to trade-related activity, such as trade missions and fairs. However, one could not say that women entrepreneurs have an equal opportunity to participate in government-sponsored trade missions. Many women may have potential to become exporters, but require development support – training in market identification, international standards for product quality, and export financing. As well, they may need more modern technologies and upgraded

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production facilities to prepare for large volume orders or to establish linkages with similar producers with whom they can form strategic alliances.

Apart from exploring export markets, women MSE owners, even at the micro-level, need to be exposed to ideas for new products and new markets that will help them diversify into higher potential, higher value-added business opportunities. Systematic efforts are required to expose more women entrepreneurs to information on business and market opportunities and to help them develop the human, production, and financial capacity to pursue them. The ACCESS programme will build the basis for creating training, advisory and counseling services, mentoring, in an integrated approach. It will also offer a easy access to trade information and enable women to promote their products and services using internet technologies.

Efforts need to be made to ensure that women's enterprises are not overlooked when supply chain and MSE linkage initiatives are implemented, so that women entrepreneurs will also benefit as direct beneficiaries of such programmes. This can be achieved by focusing on sectors where women are dominant, as well as by clearly identifying the respective roles carried out by women and men within the value chains and providing targeted support for women.

### **3.10 The state of research on women and their enterprises**

The assessment framework for research was designed to measure the extent to which data and research exists on:

- women-owned enterprises and on the women who own these enterprises;
- the motivations, start-up and growth experiences of women entrepreneurs;
- the environmental and operating conditions under which women-owned firms are required to function;
- the barriers to growth of women's enterprises;
- the gender-based impact of MSE policies and programmes on women;
- the comparative differences between female and male entrepreneurs and their enterprises on all previously mentioned dimensions; and
- the extent of capacity and interest within the research community to conduct policy-oriented research on the topic of women as entrepreneurs.

The Government of Uganda is advanced among African countries in efforts to establish a formal Business Register. Although UBOS has produced analysis of Business Register data (2000/2001) on a sex-disaggregated basis, a comprehensive gender-disaggregation of the data has not been done. Data on the number of women-owned enterprises and the distribution of their firms by size is scanty, and little qualitative research exists on gender differences in the experiences of women and men as entrepreneurs. One key informant stated that *"it's a 'no-go' area to want to do policy research on women in MSEs"*. Another indicated that it is even difficult to have questions added to impact and other surveys that would help identify gender issues. There is no repository of donor or other studies and research on MSEs or women in MSEs; although some studies exist, they are often difficult to access.

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There is virtually no research on the demographics of women MSE owners and their enterprises; on the start-up, formalization, growth and exit rates of women-owned MSEs; on the growth experiences of women entrepreneurs; and on women's barriers to growth and strategies for overcoming them. Kahara-Kawuki (1998) and Snyder (2000) are examples of two qualitative research studies that have examined aspects of women's entrepreneurial experiences, but both had small sample sizes. The GEM Uganda study on the level of entrepreneurial activity has potential for interesting discoveries regarding the differences between male and female entrepreneurial behaviour and characteristics, but a comprehensive gender analysis of the data has not been undertaken by the GEM research team at MUBS. The World Bank is interested in partnering with them to produce this gender disaggregated data (GDD) analysis on the 2004 data.

"If data is gender blind, and does not provide gendered information on variables such as labour inputs, resource allocation and the degree of benefits in terms of tangible profits, it will be difficult for issues of social equity and the specific needs of male and female producers to be adequately addressed". (CEEWA, n.d.).

A limited amount of research on women in the MSE sector has been produced by masters and doctoral level students at Makerere University. One professor/researcher has plans to complete a study of the comparative differences of female and male entrepreneurs, and Margaret Snyder is in the process of updating her 2000 book.

More research is needed to determine the specific barriers to the growth of women's enterprises, to quantify the nature of their problems, and to identify strategic actions to ensure women have greater access to the resources and assistance they need.

UWEAL indicated during key informant interviews that this lack of rigorous and systematic research on women's enterprises and their development was impeding their planned advocacy efforts with government. Without hard data, it is hard to argue the policy rationale for why women entrepreneurs require special policy measures beyond those needed by all MSEs. It is also necessary to more precisely quantify the economic impact and contribution of women-owned entrepreneurs in terms of employment, new employment generation, sales and value-added, and poverty reduction, particularly in the context of the Poverty Reduction Strategy Papers (e.g. PEAP in Uganda) and the Millennium Development Goals. This data would serve as a baseline for monitoring progress over time in terms of growth and impact.

Generally, efforts to research the take-up and impact of government and donor-assisted support programmes and services by women-owned MSEs are not systematic. Some sex-disaggregation of data is done, but gender-disaggregated analysis is lacking in most studies. Therefore, information on the impact of these programmes on women and their enterprises is very incomplete. An examination of the status of Gender Disaggregated Data (GDD) in 22 institutions concluded that, with the exception of UBOS, all institutions recognise gender as a cross-cutting issue, but that only five had an explicit policy/mandate for GDD.<sup>111</sup> Most of the institutions had neither the mechanisms (gender sensitive data collection and analysis tools) nor a budgetary commitment to GDD. This study also found that districts have no explicit policy or mandate for collecting GDD and lacked systematic mechanisms and technical capacity

for GDD. In the agricultural sector, among others, CEEWA argues for the importance of collecting GDD in order to better understand the issues and concerns of female and male farmers and to reflect the true picture of the lives of women and men.

<sup>111</sup> CEEWA, n.d.

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According to the CEEWA report, “*gender and GDD are in most cases not considered real development issues*”.<sup>112</sup> They recommended that the MGLSD be lobbied to raise awareness and emphasis of GDD as an important issue in development planning, and that the MFPED be lobbied to emphasize the generation and use of GDD in planning processes.<sup>113</sup> The report argued further that there are no operational and systematic training strategies to mainstream gender in the collection and analysis of data in agricultural extension. As a result of these deficiencies, the service delivery process does not address the specific needs and realities of women producers, many of whom operate in the informal economy. It recommended that systematic training approaches be developed, budgeted for and implemented. What GDD exists is not adequately disseminated and shared with others.

The AMFIU Performance Monitoring System of MFI will, in the future, include gender- monitoring indicators that will provide greater insight regarding women’s access to microfinance in the country. Similar gender monitoring of programme activity should be implemented in other segments of the MSE support environment.

<sup>112</sup> Ibid., p. 18.

<sup>113</sup> Ibid., p. 18.

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## 4. Recommended actions to foster the growth of women's enterprises

Based on assessment of the strengths and weaknesses of policies, programmes and initiatives in favour of the growth of women's enterprise, as per the AfDB/ILO Integrated Framework (IF) assessment, a number of gaps were identified in Uganda. What follows is a series of recommended actions to address the gaps for the 10 core components of the IF as introduced in Section 3.

### 4.1 Policy leadership and coordination

One of the lessons learned from good practice countries with national policies and programmes to support the development of women entrepreneurs is the importance of having a champion for WED at the top level of a department or ministry. The role of this champion is to provide policy leadership, drive public sector action and support initiatives in favour of women entrepreneurs, and produce accountability. Another lesson relates to the critical role played by a focal point, or responsibility centre, within government (and key government councils) to advocate the needs of women entrepreneurs and to enforce the principle of assessing the impact of **all** economic and industrial policies on women's enterprises (e.g. the effects of liberalization and privatization policies).

In light of evidence that women in Uganda face a range of socio-cultural, legal, familial, and economic impediments to the growth of their enterprises; that women-owned MSEs represent a sizeable and untapped source of future employment and economic growth in Uganda, and have potential for making an even greater contribution to the country's poverty reduction targets; that women have inadequate access to education, training, skills development, BDS, information and financial resources; and that there is a lack of strategic focus on the development of women entrepreneurs and their enterprises in the Ugandan government, it is recommended that:

- i. Efforts to mainstream gender in all government policies and programmes, be accelerated, specifically the MTCS/UP3, the MFPED (e.g. MOP), the MTTI (e.g. formulation of competitiveness and MSE policies and initiatives), and the PMA (e.g. Agricultural Extension Services). Gender mainstreaming materials have been developed by CEEWA (CEEWA, 2002), the Makerere University Department of Gender Studies, and MGLSD. In addition, the ILO has implemented the FAMOS<sup>114</sup> Check as a tool for the gender mainstreaming of key government MSE policies and initiatives in Tanzania. With support of the ILO and its Partnership Programme with Development Cooperation Ireland, this approach could be transferred to Uganda and gender mainstreaming workshops systematically implemented. The FAMOS self-check tool focuses on an organization's services for female and male operated small enterprises and thus helps all organizations working with "FAMOS" to identify and redress gaps in service provision to both women and men.

<sup>114</sup> FAMOS = **F**emale **A**nd **M**ale **O**perated **S**mall enterprises. The FAMOS Check tool is an instrument to enable an organization which provides services to small enterprises, to carry out a self-check of its own organization, policies and services to determine its capacity for meeting the needs of both female and male operated small enterprises, and to find ideas on how to improve them. The FAMOS Check tool consists of a questions manual (what issues should be checked) and a methods manual (how can these issues be checked). See Mackie, 2004.

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- ii. The Government of Uganda, under provisions outlined in the National Gender Policy, launch an Affirmative Action programme for the economic empowerment of women with a specific focus on leveling the playing field for women entrepreneurs and women in MSEs, and on promoting equal access to economic resources and support mechanisms.
  - iii. A strategy to foster the growth of women's enterprises be adopted by the Government of Uganda. This is to include development of an integrated approach based on the gaps identified in this report and negotiation of the cross government, donor and private sector linkages required to fund and implement the strategy. The PSFU should be tasked with forming a private sector Women's Enterprise Development Working Group (or Council) consisting of women entrepreneurs and associations representing their interests. This Council could have similar characteristics to the National Business Women's Council (NWBC) in the United States, and advise government policymakers and public-private coalitions with respect to policies and initiatives in favour of WED. The Council would also act as a government lobby to ensure that the interests of women entrepreneurs are reflected in all economic and industrial policies and strategies.
  - iv. A focal point/responsibility centre on WED be created within the MSE Policy Unit of the MFPED or the MTTI to liaise with officials in other key government departments, in particular in the MGLSD (which has overall responsibility for the mainstreaming of gender issues into all government units) as well as in Ministry of Agriculture; donor agencies; and private sector organizations to develop partnerships leading to women entrepreneurs' improved access to the services and resources needed to establish growth-potential enterprises.
  - v. A two-day Policy Forum on WED be convened for government policymakers, donors, support organizations, business associations, WEAs, educators and researchers, MFIs and banks to focus on the barriers faced by women entrepreneurs in growing their firms and accessing the resources necessary to improve their competitiveness. The results of the AfDB-ILO IF assessment could be used as vehicle for highlighting existing good practices and determining how to move forward on implementing key recommendations to address gaps (e.g. partnerships, funding arrangements, targets, commitments). The PSFU could take the lead in organizing such a Forum.
  - vi. Efforts be undertaken to create a national network of "resource and business support centres" for women entrepreneurs and MSE owners. The network would be staffed by Women's Enterprise Development Extension Workers (WEDEWs) and possibly co-located in Private Sector Development Corporation (PSDC) offices in key Districts. These WEDEWs would act as proactive resource persons for women entrepreneurs in districts; organize business information sessions for women; broker microfinance services to women in cooperation with micro finance extension officers; identify women's enterprises with growth potential and deliver "facilitation" services to them;<sup>115</sup> arrange for growth training workshops for groups of "ready" women entrepreneurs (e.g. along lines similar to Enterprise Uganda's 2-week Entrepreneurship Development Workshop; ILO's EYB programme; 6-10 month long "growth" programmes); build membership for UWEAL so more women can benefit from its activities and services; and actively work to heighten awareness of women's role as entrepreneurs in the community and in society. It is proposed that 15 women be trained as WEDEWs, and that pilot initiatives be implemented in 10-12 Districts

<sup>115</sup> The facilitation concept to promote the growth of women's enterprises was piloted in Bahir Dar, Ethiopia, in 2003 with funding support from the ILO-WEDGE programme.

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from 2005. District activity could be coordinated in cooperation and partnership with UWEAL. Where PSDC district offices do not exist or where outreach is minimal, UWEAL's upcountry branches could host the network of WEDEWs.

- vii. All development officers (e.g. micro finance extension workers, MFI officials, agricultural extension workers and advisory services officers) be required to participate in gender sensitizing, orientation workshops to raise their level of awareness and understanding of the application of gender principles in the design, delivery, and monitoring of government policies, programmes and development initiatives for MSEs.
- viii. Gender monitoring of all MSE and development initiatives be implemented by the Government of Uganda to track the impact of government and donor-funded policies and projects on women and their enterprises and gender budgeting be used to increase the accountability of government in funding allocations to redress inequalities as they relate to the economic empowerment and participation of women.

## **4.2 Regulatory and legal environment**

Given that there are still serious differences in the legal status of women and men in Uganda that affect the rights and protections afforded to women by law, including, but not limited to, land, property and equality rights, and that these differences impact on women's ability to access the monetary and financial resources and freedoms they need to advance their enterprises, it is recommended that:

- i. The process for enforcing the implementation of the National Gender Policy be strengthened, including efforts to raise awareness of government policy and lawmakers on its contents; and that the National Gender Policy be routinely referred to by government departments and other stakeholders as one of the key guidelines for implementing the national planning framework, and that it be used to broaden the contents and analysis in the revised PEAP.
- ii. The Government of Uganda proceeds with the establishment of an Equal Opportunities Commission as provided for in the Constitution. Even countries such as the US and Canada were only able to realise significant gains from the entrepreneurial and business ownership activity of women after instituting Affirmative Action or Credit Discrimination Acts that recognized the unequal basis under which women accessed economic resources in their own right.
- iii. Actions recommended in the FIAS/IFC GEM Gender and Growth Assessment (2005)<sup>116</sup> in relationship to the Land Act be implemented, specifically, that regulations under the Land Act be developed to specify the duty of lenders and purchasers in respect to obtaining spousal consent to dispositions of matrimonial property; priority be given in the proposals for reform of the Registration by Title Act to explore new modes of registration appropriate to protect a spouse's interest in matrimonial land; that efforts be taken to enhance the ability of women to access justice through the Administrator General's Department, the LC Courts and Land Tribunals; and that gender mainstreaming be implemented during the second phase of the Commercial Justice programme to affect a reduction of gender bias against women in the use of customary law.

<sup>116</sup> See the full text in the FIAS/IFC GEM GGA, Matrix of Recommendations, pp. xii-xviii.

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- iv. A project using legal aid and paralegal professionals be implemented to provide free advice through Legal Clinics to women entrepreneurs on matters arising from the operation of their enterprises.
  - v. Women entrepreneurs be specifically included in the Uganda Revenue Authority programme for tax clinics and open discussions. This will help to reduce the fear and lack of understanding that many informal MSE operators have about taxation policies and collection practices, resulting in a positive impact on the rate at which women formalize their informal enterprises. Additional workshops could be offered to instruct women on the basic book-keeping required to substantiate their taxable income.
  - vi. Actions be taken to update labour standards in Uganda so as to reduce the adverse and unequal effects on women of a sex-segregated labour market which biases paid employment in favour of men, and which precludes women from working in some profitable business sectors.
  - vii. Actions recommended in FIAS/IFC GEM GGA (2005) affecting the incorporation, registration and licensing of business be implemented (e.g. simplify registration and licensing procedures to reduce the time and cost burden for all MSEs, and additionally for women; reform the Companies Bill to permit sole-shareholder companies); and that the obligation of women to report their income on their husband's tax returns be abolished.
  - viii. Efforts be made to proactively disseminate more information to women entrepreneurs regarding business registration and trade licensing procedures through partnerships with UWEAL, CEEWA and the FUE.

### **4.3 Promotion of women entrepreneurs**

In light of evidence that women entrepreneurs in Uganda are subject to negative and limiting stereotypical images; that there is a general lack of awareness of their potential to be economic contributors on a commercial basis; that women's entrepreneurial activity is largely overlooked and invisible; and that the successes of women entrepreneurs can have a very positive role-modeling effect on other women, including young, educated women, it is recommended that:

- i. UWEAL be supported in the extension of their annual Business Achievers' Awards programme to other regions, initially where it has UWEAL branches, including organizing local awards events with the appropriate media coverage.
- ii. The ILO's WEDGE team partners with UWEAL, UWEN, and other stakeholders to produce a documentary video on Ugandan women entrepreneurs,<sup>117</sup> profiling previous winners of the UWEAL Business Achievers' Award and the UIA Woman Entrepreneur of the Year Award. Apart from its broader distribution, the video should be used in secondary schools and universities as a multi-media resource in entrepreneurship courses that are being offered throughout the educational system, as well as in workshop sessions for women entrepreneurs.
- iii. The efforts be explored with the ILO's FIT-SEMA project to partner on the development of radio programming relevant to women entrepreneurs and their issues

<sup>117</sup> Similar to those produced in Ethiopia, Tanzania and Zambia (see earlier footnote).



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for airing through the network of 22 radio stations in Uganda. The series could focus on the business development needs and support mechanisms of women in MSEs.

- iv. An initiative be developed to create awareness of Uganda's most successful women entrepreneurs. Production and publication of a "Top 20 Women Entrepreneurs in Uganda" report profiling their successes, challenges and growth strategies would not only contribute to a sense of pride and inspiration among women, but serve as case study material in entrepreneurship training workshops and small business management courses at the university level, and be useful in promoting Ugandan entrepreneurs at international trade missions and expositions. Profiles would represent women in a variety of sectors, including agriculture and farming.
- v. The MFPED, MGLSD, and the PSFU, in cooperation with UWEAL, CEEWA, Enterprise Uganda and mainstream business associations, such as FUE, USSIA, the MSE Forum and the AMFIU, declare a Women's Entrepreneurship Week in Uganda. The week would include conferences, workshops, trade fairs, and other activities in all districts geared to raising awareness of the role of women entrepreneurs (e.g. farmers, traders, producers, exporters) in society, celebrating their contributions and mobilizing community enterprise support. The week, executed with the cooperation of PSDC and District Councils, could be combined with radio programming featuring issues of interest to women.

#### **4.4 Access to enterprise education and training**

There is a positive relationship between a number of factors that contribute to women's empowerment and women's entrepreneurship development. These include: women's higher education levels, economic empowerment, increased employment options, and favourable entrepreneurial outcomes; the importance of exposure to entrepreneurship education in positively influencing the career aspirations of young women to become entrepreneurs; the expressed and unmet needs of Uganda women entrepreneurs for flexibly delivered entrepreneurship and business-related training tailored to their different stages of development and growth; and the reach of existing training offerings among women entrepreneurs in various parts of the country. Therefore, it is recommended that:

- i. The Ministry of Education and Sports urgently examines options for increasing the secondary school completion rates of female students; continues its commitment to introduce entrepreneurship-related curriculum across the education system, monitoring the participation of girls as well as boys; and supports the expansion of the Young Entrepreneurs' Programme throughout the Uganda school system. The Ministry could also encourage schools to promote entrepreneurship in the curriculum by providing annual awards to the most entrepreneurial schools, teachers, classes and students, and institutionalize an entrepreneurship competition among schools. The Private Education Development Network (PEDN) in association with UWEAL could be commissioned to undertake this work.
- ii. Donor funding be identified to support UWEAL in its expansion of the Girl Entrepreneurship Programme (GEP), according to its plan for including five new educational institutions a year. The ILO-WEDGE may be able to be a key sponsor for certain aspects of the programme plan, for example, development of the mentoring manual.
- iii. Regular seminar and workshop offerings be made available to women entrepreneurs covering such fundamentals as: book-keeping, entrepreneurship skills, time-management, and general business management skills (marketing, human resource management, basic financial management skills). A holistic approach should be used incorporating issues related to health management, as poor health of the entrepreneur

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or her children can seriously and negatively impact a women's ability to concentrate on her business. To ensure women in rural areas are not left out, mobile approaches to training delivery are recommended, e.g. training road shows. As well, a series of training workshops on improving product quality (and meeting standards) should be organized and delivered for women interested in marketing internationally.

- iv. For women in the developmental stage of their enterprises, particularly for women in rural areas, to organize and deliver longer-term community-based business initiatives, consisting of 10 workshops delivered over a 5 to 10 month period, and enhanced by one-on-one sessions with a full-time programme advisor. Training content would be decided by women based on their needs. Between sessions, the advisor would visit each enterprise to provide implementation guidance and advice to the entrepreneur. The programme should be coordinated and managed by the WEDEWs, and customized to the needs of the women in the area. In addition to skills/knowledge enhancement workshops, participants should be exposed to information on support services and special programmes for women entrepreneurs. The FUE should be engaged to offer at least one session in this workshop series to deal with issues of employee management and development.
- v. Donor funding be directed to Enterprise Uganda for the delivery of women-focused entrepreneurship training programmes with an emphasis on growth planning, and based on the ILO's "Expand Your Own Business", and "GET Ahead for Women in Enterprise"<sup>118</sup> training materials.
- vi. Efforts be made to organize training in export management for women interested in taking advantage of export opportunities. This would require an intensive programme approach, helping women explore potential markets, become aware of exporting requirements, and prepare an exporting plan for their business. In addition to export management, the participants should be exposed to support institutions for companies doing business in overseas markets. The programme should be led by a trade support institution focused on women issues, and participants should be linked with mentors, women entrepreneurs who have firms currently exporting. As an orientation session for women in the services sector, the ITC one-day "Gender in Trade" workshop could be delivered in Uganda, in association with its ACCESS programme.
- vii. Training programmes focused on women's access to financing be offered to women on a regular basis. This would include information on types and sources of financing, preparation and packaging of loan proposals, preparing to meet with the lender, lending and decision-making criteria, and negotiating strategies. Practical manuals such as "How to approach banks", developed by the ITC, could be adapted to the specific needs of women entrepreneurs to facilitate their access to existing financing schemes.

## **4.5 Access to credit and financial services**

Women entrepreneurs in Uganda often fall into the "missing middle" of financing (neither served by MFIs nor commercial banks) when trying to pursue growth opportunities in their enterprises; they are less likely than men to be able to offer land titles as collateral security for bank loans; and often lack the necessary skills to develop acceptable business financing proposals and to negotiate larger amounts of credit. Further, most MFI and bank credit officers have not taken any courses on gender mainstreaming

<sup>118</sup> Susanne Bauer, Gerry Finnegan and Neliën Haspels (2004). *GET Ahead for Women in Enterprise Training Package and Resource Kit*. Geneva: ILO.

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and, therefore, may have biased perceptions about women's potential to be successful, growth-oriented entrepreneurs, thus affecting the risk profile of female clients. For these reasons, it is recommended that:

In the area of micro finance,

- i. Engendered micro finance courses be a requirement for all micro finance extension workers (possibly delivered through the Micro Finance Competency Centre).
- ii. Viable options be explored for linking gender-sensitive BDS to micro finance loans for women, especially for the individual loan clients who are growing their enterprises and would benefit greatly from advice on how to graduate to commercial bank credit.
- iii. The AMFIU, in partnership with UWEAL and CEEWA, investigate funding through the MOP, to establish a Women's Desk to support the reach needs to women in rural MFIs. The person in the position could draw on resources of all three organizations and monitor progress on gender mainstreaming, coordinate delivery of gender sensitivity training to MFI and BDS providers, and provide information and support to the MF extension workers.
- iv. A MFI loan guarantee scheme be developed for women clients who need larger loan amounts and still do not fit into the range for commercial bank borrowing (e.g. Shs 5 to 15 million) and who have demonstrated the ability to grow their enterprise, but still lack collateral to meet the requirements needed to take them to the pre-commercial bank level. UFT could implement such a programme, with client referrals made to UFT from rural MFIs.

In the area of commercial bank credit,

- v. Access to BDS be made available to women entrepreneurs prior to approaching a lender to ensure the bank's programme and financing are adequate for the growth needs of the enterprise. During the loan term it can help them develop and implement their business growth plan. To realise this recommendation, banks could form partnerships with WEAs and Enterprise Uganda to develop innovative options for linking BDS with credit for growth-potential women entrepreneurs.
- vi. Commercial banks be encouraged to host seminars for women entrepreneurs on "dealing with the banker", based on the innovative model being implemented by Barclays Bank in partnership with UWEAL.
- vii. Commercial banks be required to collect and report gender disaggregated data on their loan clients.
- viii. A loan guarantee scheme be developed to compensate for women's lack of collateral security, enabling them to access working capital for growth, receivables financing, and term loans for fixed asset acquisition. Promotion of the programme and gender sensitivity training for account managers would be part of the scheme's implementation plan. Proposed details for the loan guarantee programme for women with growth enterprises are in Box 4.1.

#### **Box 4.1: Proposal for loan guarantee scheme for WEs in growth enterprises**

- *Guarantor:* International Donor (potentially AfDB and/or IFC)
- *Range:* Shs 10 million – Shs 50 million. The loan beneficiary can apply for successive loans up to a maximum of Shs 50 million, the total commitment to be authorized.
- *Guarantee Coverage:* 85 per cent of the loan
- *Loan Programme Repayment Terms:* up to 5 years; postponements in substantiated cases.
- *Interest Rate Charged on Loans:* Prime + 4 (1 per cent contribution to cover cost of BDS)
- *Financial Requirements Review:* A consultant will be retained, once the financial institution has approved the client, to insure that the loan amount meets the company's project needs. A donor agency covers the assessment cost up to a set maximum fee.
- *BDS:* Mandatory component (cost of BDS, less the one per cent collected from the participating financial institution, is added to the loan). A maximum allowable fee structure for BDS providers and client costs will be predetermined. Proposed total costs of BDS will be based on a percentage of the authorized loan.
- *Programme Management/Administration:* The Bank of Uganda.
- *Participating Financial Institutions:* Stanbic Bank; Barclays Bank; Nile Bank; Centenary Rural Development Bank.
- *Client Collateral Condition:* The collateral requirement of the participating financial institution will be restricted to the "un-guaranteed" portion of the loan only.
- *Implementation Plan:* A donor will cover all costs associated with the implementation plan:
  - Conduct negotiations with the Bank of Uganda/ contract signing
  - Make approaches to participating financial institutions; sign agreements
  - Establish a roster of BDS consultants
  - Develop and deliver gender mainstreaming workshops to BDS consultants
  - Develop and deliver a Loan Guarantee Scheme orientation session for senior management team and branch managers of participating financial institutions
  - Develop and distribute of promotional materials (donor, Bank of Uganda, participating Financial Institutions)
  - Deliver train-the-trainer gender-sensitivity and product orientation training
  - Monitoring and evaluation.

## **4.6 Access to BDS and information**

Due to the lack of a coordinated network of BDS providers; the lack of access of BDS by women, especially in non-urban areas; the limited sources of business information targeting women; and because the development and growth of women's enterprises is impeded by this lack of access, it is recommended that:

- i. The provision of BDS and information to women be coordinated and delivered through the WEDEW concept outlined in Recommendation 4.1(vi). The WEDEW would develop a roster of private sector BDS consultants (perhaps partnering with through the Enterprise Uganda network), including details on educational background, professional experience, and area of consulting focus. Consultants would have to participate in continuing education programmes for small business consultants (e.g. FIT Uganda programmes), designed to provide specialized training in high demand areas, such as BDS linked to finance and serving women entrepreneurs. This roster would be called upon to provide specialized consulting to women clients on an "as required" basis.

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- ii. BDS consultants be required to participate in gender mainstreaming training in order to better serve the women's market and to gain a better understanding of the constraints faced by women entrepreneurs. FIT Uganda's train-the-trainer programme could be targeted specifically for consultants working in the women's market, and also targeted to women consultants.
  - iii. A donor-coordinated approach to funding initiatives be designed to develop the BDS sector and if necessary deliver subsidized services to women entrepreneurs.<sup>119</sup> The World Bank's proposed SME Project could allocate a portion of its BDS component specifically for women-owned MSEs.
  - iv. Use of the ILO's FIT-SEMA (Small Enterprise Media in Africa) supported income-generation and small business radio programmes as a regularized vehicle for disseminating business-related and entrepreneurial information to women MSE operators throughout Uganda.

## **4.7 Access to WEAs and networks**

Given the important role of WEAs in promoting women's entrepreneurship; providing a mutual support and mentoring environment for members; offering business and market-related information, networking, and other value-added services; and representing the needs of women entrepreneurs with policy-makers and private sector service providers, including financiers; and given that very few of Uganda's women entrepreneurs have the opportunity to join formal WEAs, and that existing WEAs have limited capacity to expand, it is recommended that:

- i. Funding be provided to build the capacity of UWEAL and other WEAs so they can expand their reach to women in more districts of Uganda. Funding support will provide the resources and capacity to develop more branches, provide training in association governance and management (perhaps using the ILO WEA capacity-building training approaches or World Bank SME Project funding), build membership, offer services for the benefit of more women, and coordinate activities through the WEDEWs.
- ii. WEAs be engaged as partners in implementation of the WEDEW initiative.
- iii. Support the efforts of FUE in its role as a mentor for new member associations, as well as in its training programmes to help women acquire the necessary skills on policy-related and advocacy issues.

## **4.8 Access to premises**

Because women are significantly less likely than men to own their own land or to have guaranteed land use as a basis for operating a business; adequate production facilities are not always accessible in regions throughout Uganda; women lack access to up-to-date production technologies; and few Market Promotion Centres exist for women producers, dealers and exporters, it is recommended that:

<sup>119</sup> In general the AfDB-ILO approach favours market-led solutions to providing BDS for growth-oriented women entrepreneurs. However, subsidies would be used to develop the market for BDS among women entrepreneurs, particularly among those women who perceive BDS as a "cost" to the business and who do not fully appreciate the commercial benefits.

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- i. UWEAL, USSIA and UMA lobby the government for parcels of land (e.g. industrial estates) that can be used to construct Market Promotion Centres and equipped incubators to accommodate the expansion of women's enterprises in urban and rural areas where lack of premises is particularly problematic.
  - ii. Local governments be approached to construct common production facilities in sectors in which women are dominant (e.g. textiles, agri-food processing) to enhance women's growth prospects in Districts.
  - iii. Local government should be lobbied to provide parcels of land to develop market centres that give priority to promoting women's products within the districts.

#### **4.9 Access to markets**

Given the importance of markets to the realization of growth, and recognizing women's limited opportunity to have access to market information, SME linkage programmes, procurement opportunities, and possibilities for participating in regional and international trade missions, it is recommended that:

- i. UWEN continues its efforts to include women entrepreneurs in the trade and investment-related activities of the UIA, and that it uses the resources of the UIA to build a directory of women exporters and an inventory of women-owned firms with export potential.
- ii. Donor-assisted projects focusing on SME linkages devote dedicated effort to ensuring that firms in women dominant sectors are included in any development and capacity-building initiatives (e.g. productivity and standards/quality training, marketing and distribution channels) so they can participate more equally as beneficiaries.
- iii. WEAs use alliances with WEAs in other countries to foster and further strengthen trade relationships between their respective members.
- iv. WEAs and women's organizations be used to disseminate market-related information to members of their networks, and that their organizational websites be employed to showcase members' products and services.
- v. Help women entrepreneurs and small-scale producers in exporting sectors to develop their export strategies and to form alliances with each other so they use their collective production capacity to pursue and fill large orders from international buyers.

#### **4.10 Research on women entrepreneurs and their enterprises**

Given the paucity of rigorous, systematic and comprehensive research on women entrepreneurs and their enterprises, and the lack of gender disaggregated data in Uganda; combined with the importance of good research and data on women entrepreneurs as the basis of informed gender-sensitive policy-making and advocacy efforts, it is recommended that:

- i. UBOS be mandated to collect and report on gender-disaggregated data. In addition, they should collect more detailed information on the women's enterprises (compared to all firms) related to size class of enterprises, firm age, and demographic profile data on the women owners with the aim of quantifying more precisely the economic contributions of women-owned enterprises.

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- ii. UBOS, in cooperation with the MSE Policy Unit at the MFPED and/or MTTI and the PSFU, produce a report on the State of Women-Owned Enterprises in Uganda based on the above analysis.
  - iii. The World Bank engage the GEM-Uganda Research Team at MUBS to conduct a gender analysis of respondents in the 2004 GEM study on entrepreneurial activity in Uganda, comparing results with 2003 GEM findings.
  - iv. That the ILO-WEDGE engage a consultant/research team to conduct a study on women entrepreneurs in growth enterprises in Uganda, similar to those conducted in Ethiopia, Tanzania and Zambia. The research would include a significant sample of women entrepreneurs and explore their backgrounds, motivations, entrepreneurial evolution, major start-up and growth barriers, strategies for overcoming barriers, the ongoing challenges they face in the growth of their enterprises, the growth pattern of their business(es), the resources and supports they used as they grew their enterprises, and their views on what is needed to accelerate the growth rate of more women's enterprises in Uganda. Researchers with the knowledge of gender, entrepreneurship and methodologies are resident within Makerere University.
  - v. Gender-disaggregated data be collected on users of all government and donor-funded private sector business, financial and advisory services, and that gender performance be monitored. Gender differences in the take-up of support and financial services and in the impact of these services on enterprise performance should be examined for cause.
  - vi. MUBS and the Department of Gender at Makerere University be supported in organizing and hosting a Research Symposium to profile the existing research base on women entrepreneurs, discuss research methodologies, and stimulate interest in research projects that will improve the knowledge base on women entrepreneurs and the development of their enterprises in Uganda.

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## **5. An integrated approach to support women in growth enterprises**

Women face a number of challenges and barriers as they attempt to start and grow their own enterprises. Systematic research on the precise nature of these barriers for Ugandan women is somewhat limited. However, sufficient evidence exists to indicate they have difficulty accessing financing due to collateral constraints; they have unequal access to land and property titles through matrimonial and inheritance laws; they are stifled by laws requiring them to have permission from their husbands to borrow money; they are subject to patriarchal controls within their families, thus limiting their mobility and economic independence; they lack information regarding business opportunities; they have limited access to affordable BDS and entrepreneurship, business management, and technical training; and they operate within a cultural environment that reflects limiting stereotypes regarding their potential to have growth enterprises. Lack of education limits the scope of women's enterprise activity and is one of the largest causes of poverty for Ugandan households. Women with higher educations have more capacity to develop growth enterprises and lead the route out of poverty.

The growth of women's enterprises can positively impact on job creation and economic growth. Policies and programme measures in support of women's enterprises can also lead to poverty reduction, better quality working environments and the economic empowerment of women. The recommended actions in Section 4 conform to the AfDB/ILO Integrated Framework for creating an enabling environment for the growth of women's enterprises. Rather than viewing these actions as a menu or list from which project selections can be made, they should be seen as an interconnected set of actions to be implemented in an integrated fashion. A project focus, as key informants stressed during the field visit, can be fraught with limitations, e.g. it might reach few women, lack continuity, and often provide no follow-up once the project ends. What is needed is a holistic, long-term commitment to eliminating the barriers faced by women, and the creation of an environment conducive to the growth of their enterprises. This can only be achieved through adopting a strategic policy framework and work plan, supported by the launch of a targeted set of programmes and initiatives in each of the areas of the IF.

According to the Integrated Framework, a conducive policy environment will have five key strategic objectives: i) remove barriers to start-up and growth; ii) improve access to markets; iii) improve access to resources; iv) strengthen social protection and inclusion; and v) foster a supportive culture and climate.

Policies and programmes in favour of women's growth enterprises will assume actions in each of the core areas of the IF to achieve each of these strategic objectives. The recommended actions in Section 4 can be presented in five clusters of strategic action: i) policy and service delivery structure; ii) capacity-building; iii) affirmative action for women entrepreneurs; iv) targeted financial initiatives; and v) targeted non-financial initiatives (Figure 5.1).

Of utmost importance is the creation of a policy and delivery structure dedicated to improving the environment and level of support for the growth of women's enterprises. The Women's Enterprise Development Working Group or Council, to be comprised of women entrepreneurs and the associations which represent them, should be well positioned to direct initial sets of components. The Secretariat for the Council could reside in the PSFU (see 4.1.iii above). These groups could then advocate for the implementation of the Affirmative Action Programme for women entrepreneurs and the supportive actions within it. The Government's National Gender Policy provides the framework for adoption of an



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Affirmative Action Programme for women entrepreneurs, who are currently stifled in their efforts to start and grow enterprises.

An Office for WED (OWED), a government focal point, would be housed in the MFPED or the MTTI. However, it would coordinate an inter-ministerial group to promote the strategy in all relevant parts of the national government system. The WED Extension workers (WEDEWs) are also critical to successful implementation of the strategy. WEDEWs would be situated at the district level, possibly co-located in PSDC offices. They could be closely aligned with a key organization such as UWEAL, helping to build WEA branches and membership through the delivery of value-added services to women. They would identify women entrepreneurs with growth-potential enterprises, broker MFI, BDS, and training services, and coordinate awards programmes and events targeted towards women entrepreneurs in the districts.

It is important to focus on capacity building in the areas of: research and knowledge, WEAs, community support for women entrepreneurs, and gender mainstreaming. Furthermore, it is essential to implement initiatives designed to motivate and better prepare the next generation of growth-oriented women entrepreneurs – women who are currently in the education system.

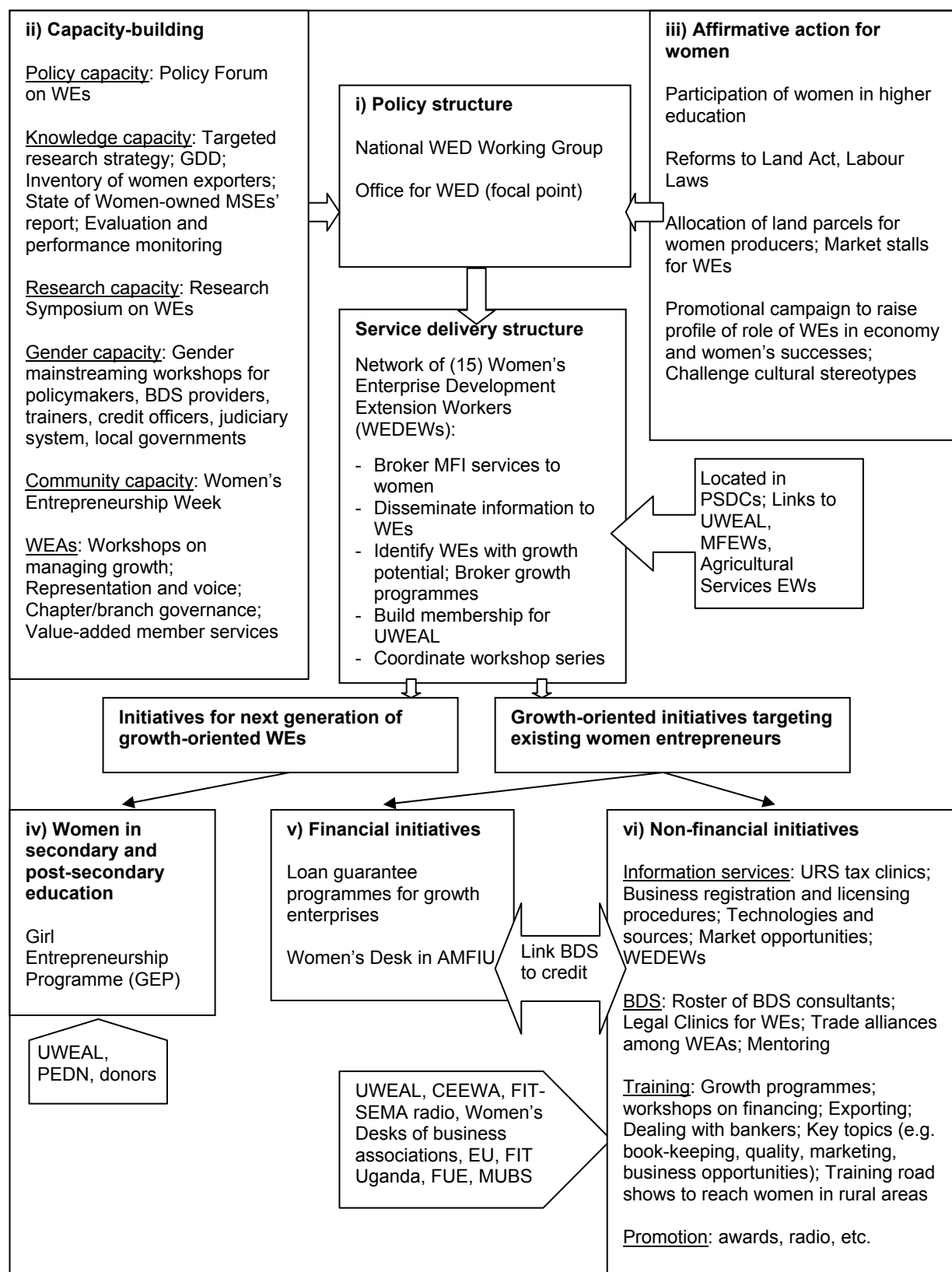
This strategy should target two groups of women entrepreneurs for growth:

- 1) Young, university/college educated women; and
- 2) Existing women entrepreneurs with small enterprises or high potential micro enterprises who are ready for the “next stage” of growth.

To implement this strategic and integrated approach, donor round tables should be convened for the purposes of presenting and reviewing the action plan, and they should be invited to participate in funding specific components. The recommendation for a loan guarantee programme to offset the perceived risk in lending to under-collateralized women entrepreneurs for expansion and growth activity is a particular priority, likely to require substantial donor investment. However, all parts of the Integrated Framework are in need of funding from both Government and the developmental donor partners.

Prior to implementation, targets should be set for the different programme elements. Performance indicators should be developed, and progress towards them monitored through evaluation and impact studies.

**Figure 5.1: An integrated strategy for enabling growth of women's enterprises in Uganda**



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## **Annexes**

Annex 1: List of field contacts

Annex 2: Key economic indicators

Annex 3: Matrix map of organizational arrangements in favour of the growth of women's enterprises

Annex 4: Assessment map of the enabling environment for women entrepreneurs in Uganda

Annex 5: Culture and gender disparities within poverty determinants



## Annex 1: List of field visit contacts

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<b>Other events and activities</b>	
<ul style="list-style-type: none"> <li>• Donors Private Sector Development Meeting, November 17, 2004</li> <li>• Private Sector Foundation Uganda (PSFU) Round table on Women Entrepreneurs, Fang Fang Restaurant, November 17, 2004</li> <li>• Meeting of the Medium-Term Competitiveness Strategy, MFPED Board Room, November 18, 2004</li> <li>• Dialogue on: "Empowering the Rural Woman"; Accelerating the Engine for Development", Hotel Africana, November 19, 2:00 pm.</li> <li>• Jinja Focus Group on Women Entrepreneurs, Jinja, November 20, 2004</li> <li>• UWEAL Launch of the Girls Entrepreneurship Programme, Makerere University, November 20, 2004, 10:00am</li> <li>• UWEAL Business Achievers Dinner – Saturday, November 27, 7:00pm.</li> <li>• Focus Group with members of the Africa Craft Village, November 30, 2004</li> <li>• Focus Group validation and feedback session, UWEAL Board Room, November 30, 2004</li> </ul>	

## Annex 2: Key economic indicators

<b>General economic indicators</b>	
Population	26,404,543
Population growth rate	2.94% (2004 est)
GDP in Purchase Power Parity (PPP), US\$	US\$36.1 billion
<sup>120</sup> GDP growth rate	5.8%
GDP per capita (PPP, US\$) (2003 est; World Factbook, 2004)	US\$1,400
Inflation rate	4.4% (2003)
Government revenue (US\$) (World Factbook, 2004; FY98/99 est.)	US\$1.123 billion (50% from donors)
MSE contribution to GDP (MFPED, 1999)	20%
Exports (f.o.b.); Imports (f.o.b.) (2003 est)	US\$495 million US\$1.179 billion
Age structure of the population	
0-14 years	50.6%
15-64 years	47.1%
65 years and over	2.4%
Size of labour force (2003 est)	12.09 million
Labour force to population	45.7%
Unemployment rate	n.a.
Literacy rate (overall)	69.9%
Male	79.5%
Female	60.4% (2003 est.)
<sup>121</sup> Agricultural output to GDP	39.2%
Industry output to GDP	19.6%
Services output to GDP	41.2%
Population below poverty line (2001 est)	35%
Household income or consumption (income disparity measure – percentage of wealth and income held by top 10% and lowest 10% of the population)	21% by highest 10%; 4% by lowest 10% (2000)
<sup>122</sup> Employment in agriculture	69%
Employment in Industry & construction	8%
Employment in government and services	23%
<b>MSE Indicators</b>	
Total number of private sector enterprises	1,071,000 (est.)
Total number of MSEs (2002 NHH)	1,069,848
Number of micro-enterprises (under 5 employees)	94%
Number of small enterprises (5-50 employees) (2001/02 Business Register)	10,071

<sup>120</sup> Government documents.

<sup>121</sup> Data obtained from MFPED, 2004b, Chart 3.3; based on 2002/03 figures.

<sup>122</sup> MFPED, 2004b; data for 2002/03.

<b>General economic indicators</b>	
Number of medium-sized enterprises (more than 50 employees) (2001/02 Business Register)	498
MSE share of private sector enterprises	99.6%
MSEs per 1,000 population	
Percentage distribution of MSEs:	
Rural	85%
Urban	15%
Total employment in MSEs (number)	2,270,865 (2002)
MSE employment as percentage of:	
Total employment	20%
Total private sector employment	n.a.
Average employment in MSEs (2002 Household Survey)	2.12 workers
Average employment in micro enterprises (2001/02 Business Register)	1.56 workers
Average employment in small enterprises (2001/02 Business Register)	n.a.
Number of women-owned MSEs (2002 Household Survey)	485,786 (45.4%)
Percentage of women operators of micro-enterprises	40%
Percentage of women operators of small enterprises	n.a.
Percentage of women operators of medium and large enterprises	n.a.
Share of micro enterprise employment in women-owned firms (2001/02 Business Register)	48.6%
Share of formal business establishment employment in women-owned establishments (2001/02 Business Register)	28.2%



### Annex 3: Matrix map of organizational arrangements in favour of the growth of women's enterprises

Policy/programme domain	Organizations	Start-up	Growth
Policy leadership and coordination	Government: The MFPED has an MSE Unit of 8, but the focus is predominantly on Microfinance (Microfinance Outreach Plan); other units are Deregulation Unit and MSE Coordination Support. No one in these government units has responsibility for women's enterprise development. MTTI has only one person on MSE issues. Donors working with MTTI to build policy capacity (UNIDO). MTTI/UNIDO preparing a paper on MSEs and competitiveness issues. The MGLSD is lead department on implementation of the National Gender Policy.		
	Private sector: PSFU has leadership on private sector development for economic growth. No specific actions to focus on women's enterprise development, but have committed to ensuring recommendations from the ILO/AfDB/World Bank project on women entrepreneurs are followed through.		
	Private sector: The newly launched MSE Forum plans to work with government to advance the MSE policy agenda.		
Advocacy for women entrepreneurs	CEEWA (1995) announced a Shs 650 million fund raising initiative to cover critical activities to advance the economic situation of women (November 2004). UWEAL advocates on behalf on women entrepreneurs for beneficial policies.		
Gender mainstreaming	The Gender Unit of the MGLSD promotes gender mainstreaming; delivers workshops; has gender focal points in other ministries. CEEWA has produced documents on gender mainstreaming; delivers gender-mainstreaming workshops. The Department of Gender Studies at Makerere University has produced gender mainstreaming materials and courses.		
Regulations/legislation/ property rights	Government's Deregulation Project (MFPED) is in the process of reviewing all laws that impact business, with a view to minimize their associated costs and strengthen the regulatory best-practice assessment capacity. Legislative processes with respect to Domestic Relations Bill, Sexual Offences Bill, Equal Opportunities Bill, and revisions to the Land Act – all will have positive impact on the rights of women and their economic empowerment. CEEWA lobbying for changes to the Land Act to give women property titles.	x	x
Gender equity initiatives	Gender Division in the MGLSD; National Gender Policy (1997); National Action Plan (1999); National Women's Council (2004); CEEWA activities.		

Policy/programme domain	Organizations	Start-up	Growth
Business licensing and registration processes	The Deregulation Unit in the MSE Policy Unit of MFPED has been doing a lot of work to build capacity of relevant stakeholders on business-friendly regulation and to streamline licensing system at all levels of Government. Entebbe Municipality has piloted a new approach to improve efficiency and transparency of licensing and business registration.	x	x
<b>Promotion of women entrepreneurs</b>	Uganda Investment Authority gives a Woman Entrepreneur of the Year award as part of annual Investment awards programme (since 2002).		x
	UWEAL has an annual Business Achievers award programme for UWEAL members (gives several awards, including one for start-up).	x	x
	FIT-SEMA radio programme (1999) – 22 radio stations promote MSEs and information; 7 million listeners. Could be used to include topics on women's enterprise development and feature women entrepreneurs as role models.	x	x
	UMWA have (had) radio programmes for women; featured a small business programme; programmes dealing with women's economic and political empowerment issues.	x	
	Some NGOs produce newsletter that profile women clients from time to time.		
	Bank of Uganda has adopted a 2005 calendar theme of 'Women in Development' – will feature women entrepreneurs during the year.		
	CEEWA, UWEAL and UWEN hold conferences and events on women's entrepreneurship, but mostly in Kampala.		
<b>Entrepreneurship education and training</b>			
Entrepreneurship education	Ministry of Education and Sports has adopted National Curriculum in entrepreneurship at primary level education (Integrated Production Skills). At secondary level, there are examinable courses in entrepreneurship at S4-S6 levels. 10,000 students took courses in 10 school districts in 2004. Entrepreneurship curriculum is being developed for vocational school level (UNIDO, Ministry of Education and Sports). The National Curriculum Committee with the PEDN offers training in entrepreneurship curriculum to Head Teachers.		
	The PEDN initiated a Young Entrepreneurs Programme (YEP) and runs YEP Clubs in 10 schools as an after school programme to expose students to entrepreneurial behaviours, experience and projects.	x	
	Universities offer undergraduate course in Small Business Management or Entrepreneurship; some offer courses at MBA level. More men than women than take these courses.		
	UWEAL Girls Entrepreneurship Programme launched at Makerere University in November 2004 to encourage women university students to entrepreneurship as a career option. Includes a series of seminars on entrepreneurship topics and mentoring relationships with UWEAL members. 15 mentors have volunteered to work with female students. UWEAL is applying to UNDP for funding to expand the programme to other areas of Uganda.	x	

Policy/programme domain	Organizations	Start-up	Growth
Entrepreneurship/business management training	USSIA project offers training to women producers in textiles (TEXDA). 330 women went through training and trained others in their communities – total reach is about 500. 35 per cent opened new enterprises; 15 per cent of existing enterprises registered their businesses.	x	x
	Enterprise Uganda offers an (ILO) Expand Your Business training programme delivered over a 6-month period. Only a few women have taken this training. Also offers a 10-day Entrepreneurship Development Workshop that many women have taken.	x	x
	The Uganda Gatsby Trust offers training for managers and artisans of small-scale enterprises to address managerial and technical skill deficiencies.		x
	The Barclays Bank Business Club offers seminars to members pertaining to cash flow, marketing, and growth, and is starting to offer orientation sessions for women entrepreneurs on dealing with banks (in partnership with UWEAL). 40 per cent of Club members are women; but only 10 per cent are active.		x
	The MUBS Entrepreneurship Centre develops and offers training, including two week training programs on such topics as project planning and management, pricing, taxation, record-keeping. Also offers training in customer care, book-keeping. Some courses are offered in local languages.	x	x
	The FUE offers the SYOB training programmes for member firms undergoing retrenchment exercises. Offered 3 of these in 2004; no data on the number of women in these programmes. Also offers training in human resources and quality issues, important to the growth potential of firms; difficult to attract women who own MSEs due to cost, time, and awareness issues.	x	x
	NAWOU offers training in business registration, networking, quality control and marketing. UIA offers seminars and training workshops. The CEEWA website offers information on training organizations and courses.	x	x
	The Training and Common Facility offers training in shoe making and leather goods and enhances MSE technical and entrepreneurship skills.	x	x

Policy/programme domain	Organizations	Start-up	Growth
<b>Credit and financial services</b>			
MFIs (over 1,400)	Uganda Women's Finance Trust (1984); 24,000 loan clients – about 80 per cent are women. Recently changed name to Uganda Finance Trust – will still commit to maintaining 70 per cent client base from among women. Does some individual loans up to Shs 10M –Shs 15M for growing clients.	x	x
	Med-Net delivers several products (community banking, solidarity loans, and individual loans) through an eight-branch network. Approximately 12,500 clients; most are women.	x	
	FINCA provides micro finance services within Uganda's low-income communities, particularly among women; 98 per cent of clients are women.	x	
	PRIDE creates a sustainable financial services network to increase incomes and employment and stimulate business growth. Majority of clients are women.	x	x
	Uganda Gatsby Trust (1994) – 20 branches; 44 per cent of 1,400 members are women.	x	x
	UWEAL has a Women's Investment Club for members for women in need of more than Shs 10M.		x
	The AMFIU (1999) is implementing a Performance Monitoring System for MFI member institutions that will include gender monitoring and performance indicators.		
Banks	Barclays Bank has identified women as a target group and is working with UWEAL to reach that client base.		x
	Nile Bank provides overdraft privileges, loans for equipment acquisition but only for land and buildings on a rare basis.		x
	Centenary Rural Development Bank offers a micro loan programme and savings.	x	
	Stanbic Bank – 68 branches throughout Uganda. Not many individual clients are women.		x
	The Bank of Uganda and Enterprise Uganda have developed a proposal for a Small Enterprise Loan Guarantee Scheme. Special provisions for women entrepreneurs.		x

Policy/programme domain	Organizations	Start-up	Growth
BDS and information	UNIDO has funded the private sector launch of pilot Business Information Centres in key sites across Uganda.		
	UWEAL has plans to open a Business Resource Centre for women entrepreneurs.	x	x
	CEEWA Business Resource Centre for women entrepreneurs ( <a href="http://ceewauwires.org">ceewauwires.org</a> ).		
	FIT-Uganda (1997) engages a roster of private sector consultants to deliver BDS and training services to MSEs throughout the country.	x	x
	Enterprise Uganda is the major provider of BDS. Offers follow-up BDS to training initiatives as well as specialized programmes such as Business Health Checks and Business Growth Needs Assessment.		x
	The Entrepreneurship Centre at MUBS offers a one-week Start-Up training programme; free one-on-one Business Clinics. 150 clients a year; 60 per cent are women.	x	
	The Entrepreneurship Centre at MUBS offers a Management Extension programme where students work on MSE issues – feasibility studies, etc.		x
	The Uganda Gatsby Trust offers extension and mentorship services to interested enterprises. Services include diagnosing problems and formulating solutions and preparing business plans.		x
	11 PSDCs have a mandate to provide BDS to district MSEs (not specifically to women).	x	x
	The BUDS-EDS provides cost-sharing to MSEs for the purchase of BDS and training (45 per cent of beneficiaries are women).		
	The new World Bank SME Project has an Access to BDS component and the criteria to reach 40 per cent women clients.		x
WEAs and networks	UWEAL (1987) – has 750-800 members; seven upcountry branches.		x
	UWEN (2000) formed by UIA to bring women entrepreneurs into the trade/investment arena. 200 members, some of them own businesses. Holds seminar meetings to transfer good management practices and experience exchange.		x
	USSIA, UMA, and the Uganda Chamber of Commerce and Industry all have a Women's Desk for women-owned member firms. USSIA Women's Desk organizes discussion groups, a small credit group, and trade promotion activity.		x
	UWONET promotes equality in gender relations.		
	NAWOU supports women in rural based subsistence agriculture.		
	CEEWA provides networking for women in MSEs as part of their activity.	x	
Provision of premises	USSIA operates a 45-stall market promotion centre for women in the crafts sector (Kampala).	x	x
	Uganda Gatsby Trust has an incubator project in Mbarara – women have bought 40 per cent of the spaces in the 76-unit incubator.		

Policy/programme domain	Organizations	Start-up	Growth
Access to markets	USSIA Craft Promotion Centre helps develop markets for women producers. Builds capacity of women's enterprises by improving access to markets; creates linkages; promotes development of quality products for better market access. USSIA includes women members on trade missions and in exhibitions.		x
	COMESA promotes the involvement of women entrepreneurs in trade activities.		x
	AGOA has a Gender Division that is trying to work with the MTTI to bring WEA groups together with WEAs in other African countries.		x
	FIT Uganda includes women in its Business-to Business Exhibitions.		x
	UIA, through UWEN, includes women entrepreneurs in investment and trade-related activities. It maintains trade links with women entrepreneurs in other countries through networks like FEMCOM.		x
	Export Promotion Council promotes women's participation in trade/investment activities.		x
	NAWOU supports a marketing network and identifies export market opportunities for Ugandan women craft producers.		
	The ITC is a point of reference for women entrepreneurs on trade information. The ACCESS programme will facilitate in providing more information.		
Research re women in MSEs	The Economic Research Centre conducting a study of the competitiveness of Ugandan enterprises. Including only enterprises with more than 30 employees will exclude most women-owned enterprises.		x
	UBOS produces sex-disaggregated analysis of Business Register, Household Survey and Census data.		
Research on women entrepreneurs	Margaret Snyder book on 74 Ugandan women entrepreneurs published in 2000 (interviews collected in 1997). Working on an update to the book for 2005 publishing.		x
	Makerere University (e.g. Gender Studies Programme) researchers produce studies on women, some of which focuses on women in MSEs, micro-enterprise and entrepreneurship issues. Nite Tanzam is doing a comparative study of men and women entrepreneurs in Uganda.		
	CEEWA produces some research on issues affecting women, for example, access to micro-credit.	x	
	The GEM (2003) report reports some data on the Entrepreneurial Index for men versus women. At the request of the World Bank, researchers at MUBS will do a complete gender analysis of the 2004 data.	x	
Performance indicators	AMFIU includes gender indicators in their Performance Monitoring System for MFIs.		

## Annex 4: Assessment map of the enabling environment for women entrepreneurs in Uganda

### Annex 4.1: Integrated framework summary sheet of 10 core elements of Uganda's enabling environment for the growth of women's enterprises.

IF area	No. of items	Not evident	To a limited extent	To a medium extent	To a great extent
		No. of items	No. of items	No. of items	No. of items
1. Policy leadership, coordination	13	4	2	2	5
2. Regulatory, legal environment	13	4	6	2	1
3. Promotion	8	0	5	3	0
4. Enterprise education and training	11	2	7	2	0
5. Credit and financial services	21	4	14	3	0
6. BDS and information	7	3	3	1	0
7. WEAs and networks	19	0	12	3	4
8. Premises	4	1	2	1	0
9. Markets	8	2	4	2	0
10. Research on WEs	13	5	6	2	0
Totals	117	25	61	21	10
Percentage totals for items	100.0	21.4	52.1	18.0	8.5

**Annex 4.2: AfDB/ILO integrated framework core elements – Assessment of extent to which items exist in Uganda**

1. Policy leadership, development and coordination	Not evident	To a limited extent	To a medium extent	To a great extent
1) Women's development is noted as an integral part of the government's national development plan/programme.				x
2) Women entrepreneurs have been identified as a specific target group in the government's MSE policies.		x		
3) Specific measures are identified in MSE policy documents to foster women's enterprise development.	x			
4) There is a process for reviewing and MSE and other policy frameworks to evaluate and monitor the impact of these policies on women entrepreneurs and their enterprises (e.g. trade, labour market, employment, education policies, etc.). Indicators of performance exist.		x		
5) There is a focal point within government for women's enterprise development.	x			
6) There is a strategic framework for the development of the women's enterprise sector, including provision for both start-up and growth of their enterprises.	x			
7) Regular meetings of partner organizations (e.g. government, NGOs, donors, BDS providers, and lenders) are convened to share good practices, review progress, and identify areas for coordinated action.				x
8) The views of women entrepreneurs are sought regarding the development of MSE policies in the country.				x
9) Women entrepreneurs' associations are represented on government MSE Advisory and other bodies.				x
10) Performance measures are in place to monitor progress in development of the women's enterprise sector.	x			
11) Gender mainstreaming is a priority of the government.				x
12) Efforts are in place to provide gender-mainstreaming workshops to sensitize officials in government, NGO, BDS, and business association networks.			x	
13) There is a mechanism for advocating the interests and concerns of women entrepreneurs and their enterprises among relevant government departments and other levels of government.			x	
<b>Total rating</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>5</b>



Integrated framework core elements				
2. Regulatory and legal environment	Not evident	To a limited extent	To a medium extent	To a great extent
A: Gender Equality				
1) There is a national gender policy that secures the rights of women in society and the economy.				x
2) There is a process for enforcing the implementation of gender policies.		x		
3) Young girls and women have equal access to education.			x	
4) The laws of the country recognize the rights of women.			x	
5) There are policies in place to remove legal, political, and economic barriers so that women can exercise their equal rights in society and in business.		x		
B: Regulatory and Legal Systems				
6) Women have equal rights to property under the law (e.g. status of matrimonial, inheritance and property ownership laws). Policies are in place to ensure women's legal rights in these areas.		x		
7) Social security exists for women entrepreneurs (e.g. provision of child care services and health insurance).	x			
8) The government has policies in place to ensure women have access to the economic resources necessary to start/grow enterprises on an equal footing with men (i.e. Equal Access to Credit laws).	x			
9) Women entrepreneurs are not adversely affected by taxation policies, including how taxes collected (e.g. bribery, harassment).	x			
10) There is a process for reviewing/assessing the gender impact of existing and new regulations and legislation on women's enterprises (e.g. gender audits).	x			
11) The judiciary system is gender-friendly and sensitive in applying and enforcing contract law.		x		
C: Business Registration and Formalization Procedures				
12) There is a streamlined process for women to easily and affordably register their businesses and obtain business licenses at the local level.		x		
13) Information is readily available to women regarding the process and benefits of formalizing their enterprises.		x		
<b>Rating</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>

Integrated framework core elements				
3. Promotion of women as entrepreneurs	Not evident	To a limited extent	To a medium extent	To a great extent
1) Women are generally viewed by society as equally likely to have growth businesses as men. They are not subject to negative cultural stereotypes and images regarding their role as economic agents. Women are portrayed as equal participants in economic activity in school textbooks.		x		
2) There is broad-based public awareness of and support for the role of women entrepreneurs in the economy. Efforts are made to raise public awareness about their needs, interests, and priorities.			x	
3) Entrepreneurship is considered a feasible, viable and attractive option among women.		x		
4) Women entrepreneurs are valued for their contributions to the MSE sector.		x		
5) There is a high level of awareness of women entrepreneurs in growth enterprises.		x		
6) There is a supply of women entrepreneurs who can act as credible role models; these are promoted.			x	
7) There are initiatives in place to recognize and celebrate the achievements of women entrepreneurs.			x	
8) The media is used to stimulate interest in and to promote the activities of women entrepreneurs.		x		
<b>Rating</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>
4. Enterprise education and training services	Not evident	To a limited extent	To a medium extent	To a great extent
1) Entrepreneurship is offered in the curriculum of college and university programmes. Women students are participating in these courses.			x	
2) Women are equally represented among students of vocational skills training programmes.		x		
3) There is a needs assessment of the entrepreneurial training and business development needs of women entrepreneurs at each stage of growth and development – start-up, survival and growth.	x			
4) Women have adequate access to entrepreneurial management and small business training opportunities on a local basis (e.g. business opportunity identification, export development, quality and productivity improvement, trade fair participation, financial management, marketing, etc.).		x		
5) Women are able to benefit from participation in export training programmes.		x		
6) Entrepreneurship is a key component of technical training initiatives targeted at sectors in which women are dominant.			x	

Integrated framework core elements				
7) There are entrepreneurial training programmes targeted specifically and solely to women.		x		
8) There are training or facilitation programmes focused on women in growth enterprises.		x		
9) Efforts are made to recruit women for entrepreneurial training programmes.		x		
10) Training approaches are tailored to meet the needs of women in terms of content, scheduling, duration and location.	x			
11) There is an adequate supply of women trainers, advisers, mentors to serve the women's market.		x		
<b>Rating</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>0</b>
<b>5. Access to credit and financial services</b>	<b>Not evident</b>	<b>To a limited extent</b>	<b>To a medium extent</b>	<b>To a great extent</b>
1) Women entrepreneurs access micro credit and lending services on an equal footing with men, in rural and urban areas.		x		
2) The banking system is serving the needs of MSEs.			x	
3) Banks have individual women entrepreneurs as clients.		x		
4) Banks and other financial institutions promote their products and services to women entrepreneurs as a designated target group.		x		
5) Women entrepreneurs are charged the same interest rates on micro finance and bank loans as men.	x			
6) Women have equal access to sources of financing for the start-up of new enterprises.			x	
7) There are special financing programmes for women entrepreneurs to help them overcome their collateral constraints.		x		
8) Women are able to access business financing as "individual" entrepreneurs (not only on a mutual-guarantee lending basis).			x	
9) Multiple sources and types of financing are available to meet the needs of women's enterprises at each of the stages of growth and development.		x		
10) Women are able to access financing beyond the micro-finance lending limit.		x		
11) Financing is equally available in rural and urban areas.		x		
12) Women are aware of the mechanisms of borrowing for working capital, exporting, etc.		x		
13) Women are aware of the alternate sources of financing, e.g. partnering.		x		
14) Women are aware of specific strategies that will increase their chances of success in securing bank financing (e.g. are knowledgeable about lending criteria and ways of presenting a request for a loan).		x		

<b>Integrated framework core elements</b>				
15) Women have access to information about the available sources and types financing and the criteria used to make lending decisions.		x		
16) Efforts are made to improve women's skills in negotiating for financing.	x			
17) Women have access to the range of financial services, such savings and letters of credit services.		x		
18) Financial institutions offer sensitivity training to their account managers so they can respond to the growth opportunities presented by women's emerging entrepreneurial activities.	x			
19) Women do not feel that bank's officers have a higher risk perception of their businesses because they are women.	x			
20) Women entrepreneurs generally have the necessary skills to prepare a business plan.		x		
21) Financial and credit services are linked to BDS.		x		
<b>Rating</b>	<b>4</b>	<b>14</b>	<b>3</b>	<b>0</b>
<b>6. BDS and Information Services</b>	<b>Not evident</b>	<b>To a limited extent</b>	<b>To a medium extent</b>	<b>To a great extent</b>
1) There is a well-developed business support infrastructure for MSEs (e.g. existence of MSE support offices, BDS providers, and information on MSE support and business development services).		x		
2) Information is available on the take-up of government business support and information services by women entrepreneurs.	x			
3) There is a dedicated system of business support for women entrepreneurs (e.g. women's desk in government MSE agencies; women's enterprise or business resource centers).			x	
4) There are organized vehicles in place for ensuring that women have access to information about support services and market opportunities.		x		
5) Women advisers and trainers are available in the BDS network.		x		
6) Business support services are linked to the provision of micro finance for women.	x			
7) BDS is available to support the needs of women with growth enterprises.	x			
<b>Rating</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>0</b>

## Integrated framework core elements

7. Women Entrepreneurs' Associations (WEAs) and access to business networks	Not evident	To a limited extent	To a medium extent	To a great extent
1) Women have access to the networking activities of mainstream business and industry associations.				x
2) Data exists on the representation of women entrepreneurs in generic business and industry associations.			x	
3) These organizations adequately represent the needs and concerns of women entrepreneurs.		x		
4) Women entrepreneurs' associations (WEAs) exist.			x	
5) These WEAs exist in many parts of the country.		x		
6) Sizeable percentages of women entrepreneurs have the opportunity to belong to WEAs.		x		
7) WEAs organize regular meetings for members so they can network, learn from each other, and develop cooperative activities.				x
8) WEAs are actively involved in creating heightened awareness of women-owned enterprises in their communities and promoting the successes and contributions of members.			x	
9) WEAs have the capacity to represent the needs of women entrepreneurs to local, regional and national policymakers on issues related to lack of premises, access to financing and business support, and a favourable regulatory and legislative environment.		x		
10) WEAs have adequate capacity to deliver business support, information, and entrepreneurial skills programmes to their members.		x		
11) WEAs have adequate capacity to promote their services broadly within the community of women entrepreneurs.		x		
12) Initiatives are in place to help build capacity in WEAs through training on association development, governance, planning, project management, marketing, and advocacy.		x		
13) There are opportunities for WEAs to exchange experiences and learn from each other.		x		
14) Government views WEAs as partners in the objective of strengthening the environment for women entrepreneurs, encouraging more women to start enterprises and improving their performance and growth outcomes.		x		
15) WEAs are financially supported by governments, large corporations or donors to further their mutual aims and objectives (i.e. project-related support).		x		

<b>Integrated framework core elements</b>				
16) WEAs play a role in lobbying local regional and national governments in favour of policies, programmes and services to improve the operating environment for women entrepreneurs.		x		
17) WEAs lobby other women's associations (women lawyers' association, etc.) or women's affairs offices to their support in debating and drafting laws that affect the rights and interests of women in business.				x
18) Members of WEAs participate in public/private sector discussion forums.				x
19) WEAs are successful in influencing government's policies on their behalf.		x		
<b>Rating</b>	<b>0</b>	<b>12</b>	<b>3</b>	<b>4</b>
<b>8. Access to premises and technology</b>	<b>Not evident</b>	<b>To a limited extent</b>	<b>To a medium extent</b>	<b>To a great extent</b>
1) Women entrepreneurs have access to adequate and affordable premises to run their enterprises.			x	
2) Women producers have access to adequate production premises and up-to-date technologies.		x		
3) Women entrepreneurs' firms are located among tenants of business incubators.		x		
4) Women entrepreneurs are located as tenants in industrial or export zones and business villages.	n.a.			
<b>Rating</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>
<b>9. Access to markets</b>	<b>Not evident</b>	<b>To a limited extent</b>	<b>To a medium extent</b>	<b>To a great extent</b>
1) Information on market opportunities is disseminated to women MSEs; mechanisms exist to do this.		x		
2) Efforts are made to help MSEs identify new markets or expand existing markets.			x	
3) Women MSEs have access to government procurement opportunities.	x			
4) Efforts are made to promote linkages between women-owned enterprises and large firms.		x		
5) There are women exporters. Efforts are in place to support the export activity of women.			x	
6) Women are introduced to the idea of developing strategic alliances for contract bidding purposes.	x			
7) Women entrepreneurs have a proportionally equal opportunity to participate in government-sponsored domestic and international trade fairs and missions.		x		
8) Women entrepreneurs are organized to benefit from trade liberalization policies, such as COMESA.		x		
<b>Rating</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>0</b>

**Integrated framework core elements**

<b>10. State of the research on women in the MSE sector</b>	<b>Not evident</b>	<b>To a limited extent</b>	<b>To a medium extent</b>	<b>To a great extent</b>
1) There is national/regional gender disaggregated data on the population of MSEs.			x	
2) There is profile information on women-owned enterprises, including the percentage and distribution of enterprises by employment size, location, sector, and age.		x		
3) There is a demographic profile of women entrepreneurs (e.g. age, education, work experience).	x			
4) National information exists on the similarities/differences between women and men entrepreneurs.	x			
5) National information exists on the similarities/differences between female and male-owned MSEs.		x		
6) Reports on the similarities and differences between male and female entrepreneurs and their enterprises have been produced and made widely available within the country.	x			
7) There are qualitative studies of the start-up experiences and behaviours of women entrepreneurs (start-up motivations, start-up processes, major barriers) and the limitations faced by their enterprises in the early development phases.		x		
8) Knowledge exists of how women's and men's start-up experiences, challenges and access to resources and support differ.		x		
9) There is national data on the growth of women-owned enterprises compared to male-owned.	x			
10) Studies exist on the growth experiences of women entrepreneurs (their orientation towards growth; their motivations, strategies and use of resources; and constraints).	x			
11) Studies examine the specific environmental/operating conditions of women's firms.			x	
12) Links exist between university researchers and the government's MSE policy unit; researchers have the interest/capacity to conduct policy-oriented research on the topic of women as entrepreneurs.		x		
13) There are systematic mechanisms for researching the impact of MSE policies/programmes on the development of women entrepreneurs, including take-up of business support and credit services.		x		
<b>Rating</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>0</b>
<b>Total assessment of the enabling environment for GOWEs in Uganda (117 measures)</b>	<b>25 (21.4%)</b>	<b>61 (52.1%)</b>	<b>21 (18.0%)</b>	<b>10 (8.5%)</b>





## Annex 5: Culture and gender disparities within poverty determinants

Key poverty determinants	Gender disparities		Influence of culture
	Women	Men	
Ownership of registered land	7%	93%	Women are economically dependent on men. Land inheritance is mainly patrilineal.
Formal labour force participation	11.8%		Women are domesticated and have limited opportunities, nor is emphasis placed on preparing them for the public space. Training is often skewed toward culturally appropriate fields regardless of their income-earning potential.
Wages of <40,000 Ush/month	51%	44%	Less value placed on women's work (globally).
Literacy rates for population aged 10 yrs. and above	63%	77%	Still reflects the low value placed on women's role outside the home. Grooming of women for marriage is a factor in limiting schooling and therefore literacy. Gender allocation of roles also affects girls' progression in formal education, the main channel for literacy.
Shares of total enrolment at tertiary level	38%	62%	As above. Poverty interacts with negative attitudes about girls' education. For many, investment in girls' education is investing to benefit a different family or clan (the man's). Early marriages are also a factor.
Maternal mortality ratio (per 100,000 live births)	506		No control over sexuality and resources, limited access to information, harmful practices and taboos against women and children, early marriage.
Distribution of credit	9%		Implications of women's economic independence for men and for gender relations.
People living with HIV/AIDS	51%	49%	Women have no control over their sexuality and their bodies.
Likelihood of adults being sick within households	31.8%	24.3%	Workload, exposure to hazardous conditions.
Members of Parliament and limited participation in governance and development structures	24.4%	75.6%	Leadership is a preserve of men; also negative socialization for the role, limited skills, and low value of women.
Men and women chairpersons of district land boards	3.6%	96.4%	Limited participation in governance structures; land as male preserve; public life as a preserve of men.
Applications for processing land certificate titles	6%	94%	Lack of exposure to land issues; limited opportunity to inherit; land grabbing from widows; limited knowledge of land rights and information on procedures; high costs.

Source: Mukasa et al., 2004, as referenced in African Development Fund 2005.