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# WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN TANZANIA:

Insights and recommendations



# **WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN TANZANIA:**

**Insights and recommendations**

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*Institute of Management and Entrepreneurship Development*



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## LIST OF ABBREVIATIONS

ABC	African Bank Corporation
AFD	Agence Française de Développement
AGRA	Alliance for a Green Revolution in Africa
AWTT	Association of Women in Tourism Tanzania
BDS	Business Development Support
BEST-AC	Business Environment Strengthening for Tanzania-Advocacy Component
BOT	Bank of Tanzania
BRELA	Business Registration and Licencing Agency
CBO's	Community-Based Organizations
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CTI	Confederation of Tanzania Industries
EADB	East African Development Bank
ECGS	Export Credit Guarantee Scheme
EOTF	Equal Opportunities for all Trust Fund
ESFR	Economic and Social Research Foundation
FAWETA	Federation of Associations of Women Entrepreneurs in Tanzania
FGD	Focus Group Discussion
GDP	Gross National Product
HHA	Hurumzi Henna Art
ICT	Information and Communications Technology
ILO	International Labour Organization
IMED	Institute of Management and Entrepreneurship Development
MCDGC	Ministry of Community Development, Gender and Children
MDG's	Millennium Development Goals
MFI	Micro Finance Institution
MIT	Ministry of Industry and Trade
MKUBWA	Mpango wa Kukuza Ujasiliamari na Biashara kwa Wanawake
MKUKUTA	Mpango wa Kukuza Uchumi na Kuondoa Umaskini Tanzania
MLE	Ministry of Labour and Employment
MSE	Micro and Small Enterprises
MSMEs	Micro Small and Medium Enterprises
NBS	National Bureau of Statistics
NEEC	National Economic Empowerment Council

NGO's . . . . .	Non-Government organizations
NSGRP . . . . .	National Strategy for Growth and Reduction of Poverty
PASS . . . . .	Private Agricultural Sector Support
ROSCAS . . . . .	Rotating Savings and Credit Societies
SACCOSs . . . . .	Savings and Credit Cooperative Societies
SELF . . . . .	Small Entrepreneurs Loan Fund
SIDO . . . . .	Small Industries Development Organisation
SIDO-WED . . . . .	Small Industries Development Organization-Women Entrepreneurship Development
SME . . . . .	Small and Medium Enterprises
SUGECO . . . . .	Sokoine University Graduate Entrepreneurs Cooperative
TAFOPA . . . . .	Tanzania Food Processors Association
TAMWA . . . . .	Tanzania Media Women's Association
TAWLA . . . . .	Tanzania Women Lawyers Association
TAWOMA . . . . .	Tanzania Women Miners Association
TCCIA . . . . .	Tanzania Chamber of Commerce, Industry and Agriculture
TGNP . . . . .	Tanzania Gender Networking Programme
TGT . . . . .	Tanzania Gatsby Trust
TIN . . . . .	Tax Identification Number
TIRDO . . . . .	Tanzania Industrial Research and Development Organization
TRA . . . . .	Tanzania Revenue Authority
TPSF . . . . .	Tanzania Private Sector Foundation
TWCC . . . . .	Tanzania Women Chamber of Commerce
TWN . . . . .	Twende Women Network
UDEC . . . . .	University of Dar es Salaam Entrepreneurship Centre
UNCTAD . . . . .	United Nation Conference on Trade and Development
UNDP . . . . .	United Nations Development Programme
UNIDO . . . . .	United Nations Industrial Development organisation
URT . . . . .	United Republic of Tanzania
VICOBA . . . . .	Village Community Bank
WB . . . . .	World Bank
WEs . . . . .	Women Entrepreneurs
WED . . . . .	Women's Entrepreneurship Development
WEDGE . . . . .	Women's Entrepreneurship Development and Gender Equality
WIC . . . . .	Women Information Centre
WIW . . . . .	Women Information Window
WOEs . . . . .	Women-Owned Enterprises
ZATI . . . . .	Zanzibar Association of Tourism Investors



## EXECUTIVE SUMMARY

### The State of Women's entrepreneurship in Tanzania

Women play a key role in the private sector and micro, small and medium enterprises (MSMEs) in Tanzania. The proportion of women owned enterprises (WOEs) is reported to have increased from 35 per cent in early 1990s (NISS, 1991) to 54.3 per cent in 2012 (MIT, 2012). This amounted to 1.716 million WOEs, over 99 per cent of which are microenterprises with fewer than five employees and almost three-quarters have only one employee.

The majority of women entrepreneurs are aged between 25 and 40 years, and have a low level of education. On the one hand, these women entrepreneurs are a potential motor for the economy to generate jobs and reduce poverty. On the other hand, multiple obstacles continue to impede their capacity to start and grow businesses in sectors that generate quality jobs. Although many women have an untapped potential for entrepreneurial development, they are often impeded by a lack of the necessary capacities, skills and resources. They face more disadvantages than men due to legal impediments, cultural attitudes, less mobility and their businesses tend to be younger and smaller than men's. All of these areas came through in the report, to varying degrees.

A key barrier is the cultural environment that makes it more difficult for women to start and run enterprises based on traditional reproductive roles and power relations. Gender-related impediments also include challenges in claiming rights to property and assets which could be pledged as collateral for loans and inequality in inheritance rights.

Most WOEs in Tanzania are concentrated in informal, micro, low growth, and low profit activities, where entry barriers are low but price competition is intense. These include trade, food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, food processing and charcoal selling. Most WOEs sell their products in the local market, with only small percentages selling regionally or internationally.

Other challenges are laws and regulations affecting businesses (including licensing procedures) which are designed for relatively large projects and are therefore difficult for MSMEs and WOEs to comply with. Corruption and bureaucracy make matters worse, especially for women, who are more vulnerable to pressure from corrupt officials. Some women mentioned that they are being sexually harassed by different government officials (tax and municipal officials) when these officials find their business has some problems. These challenges happen because most women are not aware of their rights and do not know who to go for help when such problems occur.

#### ■ Environment and Challenges for Women Entrepreneurs

The government of Tanzania has expressed commitment to support women's entrepreneurship through a number of policy pronouncements as well as specific support programmes. However, women entrepreneurs continue to face a challenging environment that contributes to stifling the growth of their enterprises (Nchimbi, 2003, Stevenson and St. Onge, 2005; IMED, 2010; Jagero and Kushoka, 2011). A key barrier is the cultural environment that makes it more difficult for women to start and run enterprises due to their traditional reproductive roles and power relations. Women divide their time between their traditional family and community

roles and running the business and therefore they have less time to spend than men on their business than men. Further, power relations both at the household level and in the environment impede their capacity to act fully upon their potential. Due to customary law, their capacity to claim their rights to property which could be pledged as collateral for loans is significantly different to men's. Women who participated in the rural focus group discussions mentioned that it is common to find parents-in-laws discouraging their daughters-in-law from using their own property as collateral for fear that they will not manage to repay the loan. Finally, some cultural and religious values restrict women from socialising and hence broadening their networks which could be useful for their business.

Another problem is that laws and regulations affecting businesses (including licensing procedures) were designed for relatively large projects and are therefore difficult for micro enterprises where the majority are led by women, to comply (Olomi and Mori, 2013). Women entrepreneurs in the focus group discussions mentioned that they fear registering their businesses because of cumbersome regulations and licensing procedures. However, those who had registered their businesses said the process was indeed cumbersome but worthwhile, showing that more awareness-raising is needed on the benefits of registry.

Another major constraint mentioned in the focus group discussions is limited access to relevant and affordable services, such loan levels suited to business needs, technical and management training, advice and marketing, locating a suitable premise. These problems arise from the limited capacity and outreach of existing institutions as well as the women's inability to afford the services (Jagero and Kushoka, 2011). The most commonly mentioned challenge is access to finance. The women entrepreneurs' survey (WES) shows that finance is one of the top challenges faced by women entrepreneurs when starting and growing their businesses. The next challenge was getting customers for their products followed by finding a suitable business location. It is also surprising that women entrepreneurs find getting family support a greater challenge when growing their business (30 per cent) than when starting it (12 per cent).

The ILO and other stakeholders have conducted several studies aimed at assessing the development and support of WOE's. One of the conclusions of these studies is that the business environment for WOE's is not as smooth as it is for men, and that although many of the challenges to starting and growing a business are the same, women may face these challenges to a higher degree or in different ways than men. Building off of previous studies, the current assessment presents an up-to-date picture of the situation of WOE's in Tanzania and assesses the progress and development of the WED supporting environment through six framework conditions (see below).

## ILO-WED Assessment Methodology

The current national assessment of WED in Tanzania, commissioned by the ILO, builds off of a previous report in 2005, *Support for Growth-Oriented Women Entrepreneurs in Tanzania* commissioned by ILO and carried out by international researchers and experts L. Stevenson and A. St-Onge.<sup>1</sup> To date, the ILO has undertaken 18 WED country assessments, which has led

<sup>1</sup> Stevenson, L., & St-Onge, A. 2005. Support for Growth-oriented Women Entrepreneurs in Tanzania. Programme on Boosting Employment through Small Enterprise Development Job Creation and Enterprise Department. Geneva: International Labour Organization.

to national action plans and WED strategies at the national level or with employers' federations and advocacy and increased voice of women entrepreneurs' associations.

The main goal of the assessment of WED framework conditions is to identify the major deficiencies in the conditions affecting the emergence of women entrepreneurs and the ability of WOE's to access the necessary resources and supports for sustainability and growth on an equal opportunity basis. In particular, its specific objectives are to:

- 1 Highlight any specific barriers faced by women entrepreneurs in the country;
- 2 Assess the extent to which enterprise support policies and programmes, including financial and non-financial, are sensitive to the needs of women entrepreneurs and respond to these needs;
- 3 Assess the extent to which businesswomen have a "voice" in public-private policy dialogue and issues affecting them are raised in these fora;
- 4 Identify concrete country-specific recommendations for how to develop the potential of women's entrepreneurship.

Implementing targeted actions to develop women's entrepreneurship and removing impeding obstacles can contribute in particular to the following:

- ▶ Job creation and poverty reduction.
- ▶ Improvements in the wealth, health, education and welfare of the family and wider community.
- ▶ Women's economic empowerment.
- ▶ Increased voice and advocacy for the needs of women entrepreneurs in PSD.

## ■ The WED Assessment Framework Conditions

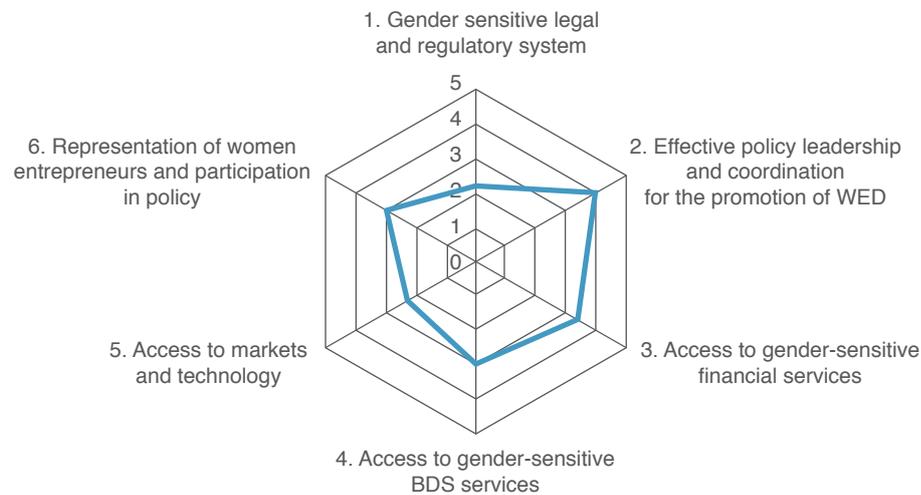
The ILO-WED assessment is centred on examining the status of six "framework conditions" deemed critical to achieving both comprehensive and incremental improvements in developing the level and quality of women's entrepreneurship within the national context of Tanzania. The six framework conditions and their associated 17 sub-conditions, which form the basis of the assessment, are presented in Figure 1 in the Introduction chapter.

- 1 Gender-sensitive legal and regulatory system
- 2 Effective policy leadership and coordination for the promotion of WED
- 3 Access to gender-sensitive financial services
- 4 Access to gender-sensitive BDS services
- 5 Access to markets and technology
- 6 Representation of women entrepreneurs and participation in policy dialogue

## Overall results for the assessment of WED framework conditions and some select findings

Women entrepreneurs continue to be important to the Tanzanian economy. This assessment reveals that many initiatives, policies, programmes and organizations have been introduced in order to support women entrepreneurs and women-owned enterprises. However there are still areas that need to be given attention in order to improve the business environment for WOE's. The figure below present the summary scores for the six WED framework conditions.

Spider Diagram for Six WED Framework Conditions



Select findings of the analysis of the WED Assessment Framework Conditions:

**1** *Gender-sensitive legal and regulatory system that advances women's economic empowerment*

The legal and regulatory framework overall is gender-sensitive, with specific reference to men and women as well as the need to empower the latter and other marginalized groups. The government also recognizes and promotes women's economic rights in various avenues, starting with the constitution, which was amended in 2000 and 2004. In terms of property rights, the government through its Acts allows for the ownership and mortgaging of land and other property. This gives women the right to mortgage land for getting bank loans. Land ownership also safeguards the matrimonial property for women and children. Therefore, the challenge is not in the laws themselves, but in making sure that women (and men) fully understand them and can contest if they are not respected. Many women are still unaware of their rights, and they may face social pressures pushing them to not claim them. Society's traditional practices (taboos and customs) limit women from getting a good education and being employed, owning property, and even registering their businesses. It is important to create more awareness, not only among women but also in the society of the importance and gains of providing women with protection of their legal rights and equal access to employment opportunities and business registration services.

The matrix scoring for this framework condition scored an average of 2.2. This score is the minimum and can be explained by various factors, including: There are gender gaps in terms of employment whereby few women are in formal employment, women employees are paid lower wages than men, and women have a higher unemployment rate than men. Second, orientation of women entrepreneurs regarding labour laws and regulations and compliance is provided, but at a very low level and mainly in urban areas. Thirdly, women have limited access and awareness of property rights and fourthly, there are no specific efforts made to assist women entrepreneurs with the complexities of dealing with labour regulations, including informing them of the reporting and compliance requirements.

## **2** *Effective policy leadership and coordination for the promotion of WED*

All of the government's top documents, strategies and policies mention the importance of having gender balance and equal rights and opportunities for all. Many policies also mention support for WED. The assessment found a lack of awareness of government support programmes and policies in general. For example, 56 per cent of women entrepreneurs responding to the WES disagreed that "The government is supportive of women business owners in its attitudes and assistance programmes". A majority of women entrepreneurs in focus group discussions had no knowledge of the policies supporting women's entrepreneurship in the country. Those who had some idea of the policies mentioned Mpango wa Kukuza Uchumi na Kuondoa Umaskini Tanzania (MKUKUTA) and the National Economic Empowerment Policy. Almost half of the focus group participants did not know the meaning of "policy". In this area, the participants suggested that more information should be given on the opportunities available in different government agencies to support women through local government and the media.

With regard to WED as a national policy priority, the situation in Tanzania is relatively strong reaching a score of 4. A score of 4 means that 'Women entrepreneurs have been identified as a specific target group in the government's MSME policies and there are specific measures in MSME policy documents to foster women's entrepreneurship/ enterprise development' and it was found to be the most appropriate. In addition, a national focal point for WED has been established within the government, though still not functioning properly, is under-resourced, and has limited liaison across ministries and agencies.

## **3** *Access to gender-sensitive financial services*

The mapping of financial service providers reveals that most providers do not consider women as a specific target group. There are 32 registered commercial banks in Tanzania and none of these has a specific focus on women entrepreneurs, but some commercial banks such as CRDB and Standard Chartered have SME windows, which focus on both men and women-owned SMEs. In addition, some banks have specific savings products for women. Semi-formal and informal financial service providers are focusing on WOE. MFIs are leading in serving WOE compared to formal financial providers. For example, the three leading MFIs in Tanzania, Brac, Finca and Pride, use ICT tools in their operations and have a larger women customer base.

The government is also making various efforts to enable MSMEs to obtain finance. This is due to high level of collateral required by banks (125 per cent), which most MSMEs including WOE cannot provide. Guarantee schemes are used by the government and development partners to make up for shortfalls in collateral and to cushion lenders in the event of default by some risky segments.

Tanzania has two financial institutions (out of 18 registered financial institutions) that specifically target women entrepreneurs, the Tanzania Women's Bank (TWB) and the Covenant Bank for Women (CBW). Tanzania Women's Bank was established in 2008 and Covenant Bank for Women in 2011. Women entrepreneurs are also increasingly forming village community banks (VICOPA) which have become a source of capital for financing their businesses. Most micro finance institutions (MFI) practice group-based methods, while many entrepreneurs seek individual loans. Despite existing initiatives, most women entrepreneurs still do not access to or do not use financial services. The WES findings indicate that 85 per cent of women interviewed financed their start-ups from their own savings, mainly due to high interest rates and collateral requirements. However, women entrepreneurs also seek other sources of finance. Again, results from WES revealed that 55 per cent of women interviewed made an effort to obtain loans from

various financial providers during 2012. The low level of financial literacy and education was mentioned as a challenge when serving women entrepreneurs.

Apart from the challenges mentioned by women entrepreneurs in obtaining loans, financial services providers also face challenges when serving women. Key informants mentioned several challenges encountered when serving women, including issues relating to business formality as the bulk of women owned enterprises are not registered. The women want loans for their businesses using their personal/family property as collateral, some which is co-owned by spouses. Therefore it becomes complicated, since the spouses have to approve.

The matrix scoring for this framework condition scored an average of 3.5 indicating that financial providers are 'Recognizing the potential of the women's market, they implement gender-sensitivity training for loans officers, plus actively reaching out to the women entrepreneurs' market through promotional activities'. It was further evidenced that there are financing programmes specifically targeting WOE's such as women banks and MFIs. However, these services are primarily accessible to women entrepreneurs in urban areas. Only a few semi-formal programmes such as SACCOs and VICOBA's are available in a few rural areas. There is need of increasing development of tailor made loan products and loan guarantee schemes for women entrepreneurs.

#### **4** *Access to gender-sensitive business development support (BDS) services*

Access to business development services (BDS) is crucial for the success of WOE's to strengthen their capacity to start, effectively manage and grow their business. Although there are many organisations providing BDS services (including training, counselling and consultancy in the areas of business planning, legal, accounting, auditing, etc.) they typically serve only a very small number of formal MSME's. Few women entrepreneurs access these services and few business development service providers specifically target women. Also most BDS providers have a limited product offer, offering mainly training in business management, or marketing/trade facilitation. Most service providers indicate that the percentage of women among their client base may range between 20 and 30 per cent and they do not have special services or promotional tools targeting women. Focus group discussions reported that women entrepreneurs want demand-driven services that target their needs, some of which are developing business plans, financial management issues, packaging and labelling products, customer care and how to use various ICT facilities. In addition, they would also like to have more women-only training, which would give them a better opportunity and the confidence to open up during discussions.

The matrix scoring for this framework condition scored an average of 3 indicating that women make up an estimated 20 to 30 per cent of their BDS-related clients; also some of these BDS services respond to the needs of women entrepreneurs since it was evidenced that there are 'initiatives to gender-sensitize and mainstream BDS organisations and to create broader awareness among women entrepreneurs of their services'. To improve Tanzania's performance on this indicator, more efforts would have to be made to specifically target women, understand and respond more directly to their needs and provide a fuller range of coordinated BDS services available to women entrepreneurs in all parts of the country.

#### **5** *Access to markets and technology*

Access to markets and technology is among the seven pillars of Tanzania's Small and Medium Enterprise (SME) policy (MIT, 2003). In implementing this, several efforts have been made to



promote access to technology through various channels, such as promoting linkages between MSMEs and technology providers, facilitating joint ventures in order to enhance the transfer of technology and strengthen marketing agencies and institutions that support MSMEs. None of these initiatives specifically focuses on women-owned enterprises.

Various export promotion agencies promote the exports of women by organizing events and facilitating their participation in trade fairs, however their participation rates are low. WES results indicated that only 23 per cent of those surveyed have participated in local trade fairs and 9 per cent in international trade fairs. Women entrepreneurs who have attended these export promotion events reported to have benefited from awareness-creation, accessing international markets and increasing sales of their products. The challenges faced by women entrepreneurs in engaging in export markets are as follows: communication with regards to product specifications; understanding the import regulations of the destination countries; trade negotiations, including reading and understanding supply contracts; language – ability to communicate in English; ability to meet orders and ensure quality; and the lack of Internet skills by both women entrepreneurs and their employees.

So far, no targeted efforts were found which raise the awareness of women entrepreneurs to participate in the government procurement process. The forms and tendering procedures are complicated and WOE's are not able to comply. In terms of supply chains and linkages, some efforts have been made by different associations and agencies to link WOE's to large enterprises, however efforts should be made to enable WOE's to work jointly and organise themselves in order to be able to compete in the bidding process.

Women are increasingly using different forms of ICT, in particular mobile phones (97 per cent of WES respondents indicated this) for their business. Only 11 per cent of women have websites for their business, while 16 per cent are selling their products online. The results of WES further show that most business activities, such as finding customers and communicating with customers, are much more likely to be done using mobile phones than other forms of ICT. Not only is training in ICT needed by women entrepreneurs within their skills training, mobile phone applications should be leveraged to support women entrepreneurs to increase their skills, information, financial access and marketing.

The matrix scoring for this framework condition scored an average of 2.25 indicating the following: first even though organizations that promote exports exist, they do not actively engage WOE's in terms of capacity building to make use of export opportunities; second, although information about participation in procurement is available via government websites, there are currently no efforts to ensure that women entrepreneurs participate in the bidding/procurement process; thirdly, regarding ICT usage there are limited efforts made at the government level to improve the digital literacy of WOE's.

## **6** *Representation of women entrepreneurs and participation in policy dialogue*

Business and sector membership associations play a major role in advocating for the needs of the business community in public-private dialogue. However, women's participation in the larger business associations is weak and the participation of women and organisations representing the needs of women entrepreneurs in policy dialogue is low. Some associations are specifically for women and a few target women entrepreneurs. The presence of women-focused associations and networks is very important for women to air their views. This was revealed during interviews, when key informants noted that women are active in bringing ideas and

speaking out when participating in women's associations. However, most women's business and advocacy organisations are weak, making it hard for their voices to be heard. In addition women's associations are not yet organised in a way that affords them a collective voice and a common advocacy agenda to voice their needs and deal with unjust practices or disabling laws and regulations. Their associations have a low membership, a weak or no secretariat and very limited resources.

Despite the presence of several associations, few women entrepreneurs are members. Belonging to a network is a key strategy to acquire role models, increase business contacts, market opportunities and further develop their product or service. The WES findings show that 23 per cent of women surveyed are members of women's business associations. 10 per cent of women are members of TCCIA and TWCC, which is a good indication that women are increasingly joining associations. However, women entrepreneurs perceive that business associations are not as helpful as expected which brings to question whether these organisations are well aligned with the needs of their members and have the capacity to respond to them.

The matrix scoring for this framework condition scored an average of 3 indicating that there are several women entrepreneurs' associations and business networks, but at the same time there is a relatively low membership base given the high number of women entrepreneurs in Tanzania. Although the available business associations have started to recognise the importance of better integrating the views of women members in their policy advocacy priorities, these efforts have not yet led to much progress in influencing the government's policy agenda. Associations also have limited capacity to outreach in rural areas. Promoting the importance of networking among women entrepreneurs as well as strengthening the capacity of business organizations to respond to their needs and women entrepreneurs' associations to effectively advocate are key to increasing these scores.

## ■ *Conclusions and Recommendations*

Women entrepreneurs continue to be important to the Tanzanian economy. This assessment reveals that many initiatives, policies, programmes and organizations have been introduced in order to support women entrepreneurs and women-owned enterprises. However there are still areas that need to be given attention in order to improve the business environment for WOE's. Scoring matrices provided scores for the six WED framework conditions and each of the related sub-conditions, respectively. The matrices show effective policy coordination for the promotion of WED is the strongest as it scored higher than other framework conditions. This is attributed to by the various initiatives taken at government level to ensure that WED is given priority from the policy level to the institutional level.

The lowest performed framework condition is on gender-sensitive legal and regulatory system. This is attributed to the fact that only one indicator applied to the sub-condition related to 'WOEs and labour regulations', reflecting that efforts to provide women entrepreneurs with orientation on labour laws and regulations is weak. There is also limited evidence of efforts to ensure that women are informed about business registration regulations and procedures and assisting them with complying with the requirements (thus many women are operating informal enterprises). Women are also at a great disadvantage when it comes to existing property and inheritance rights, mainly concerning the application of customary and Islamic inheritance laws and limited recourse to their legal rights.



Based on the assessment, various recommendations are made to the government, chamber of commerce, business associations, donor community and other stakeholders:

#### Gender sensitive legal and regulatory system that advances women's economic empowerment

- 1** Organise awareness campaigns on the importance of access to formal education for girls up to higher levels and in sectors that have job creation potential (non -traditional sectors).
- 2** Raise awareness of women entrepreneurs to the need to register their businesses, including the inherent costs and benefits through BRELA and existing networks of BDS, financial providers and business associations.
- 3** Organize communication campaigns targeting women and men, especially in rural areas, on women's right to own property and other assets they are entitled to and reviewing female-male stereotypes.

#### Effective Policy Leadership and Coordination for the promotion of WED

- 4** Seek to gather and regularly update relevant information on WED policies and programmes in a centralised platform.
- 5** Evaluate policies and programmes over time, with a gender, efficiency and impact lens in order to see whether policies are working for both women and men.
- 6** Build the awareness and the capacity of gender focal persons in each ministry on the importance of WED for the country as well as existing measures to support it.
- 7** Build off of the existing MSME baseline dataset from MIT, reaching out to a larger and more representative sample and analyse the data from a gender perspective to identify constraints and opportunities leading to formalisation and job creation among women.

#### Access to gender-sensitive financial services

- 8** Banks and MFIs should be encouraged to review their service offer to ensure it responds to the needs of women entrepreneurs, including technical inputs and non-cash technical transfers, and develop strategies and actions that increase their service provision to women entrepreneurs.
- 9** Financial service providers should put in place credit guarantee schemes to support WOE and ease their access to capitalisation for starting and growing their businesses.
- 10** Financial service providers should periodically meet with women entrepreneurs representative organisations to raise awareness on the needs and constraints of women entrepreneurs and share concerns.

**11** Government should design a review mechanism for disbursement of loans and grants through government funding windows to ensure that women entrepreneurs in under-served rural regions benefit.

**BDS services responding to needs of women entrepreneurs**

**12** Promote financial literacy programmes alongside management skills training for women to help them assess their financial needs and opportunities and take calculated risks that may enable them to grow their businesses past the micro size in the future.

**13** Strengthen BDS providers to be able to (re)orient women entrepreneurs towards market niches with more growth potential and help micro-enterprises led by women to organise and become competitive suppliers to larger enterprises, domestic and international (for example hotel chains).

**14** BDS providers should extend their service provision (or partner accordingly) to women entrepreneurs in order to offer a range of services going from marketing, customer-care and sales to essential post-training supports, such as mentoring, coaching, networking, ICT facilities and other needs based workshops.

**15** BDS providers should be encouraged to develop and market BDS products based on specific needs of WOE's and cluster these services as a market niche.

**16** BDS providers should actively encourage women to join networks and provide information on the networking options available, as well as information about other relevant programmes they can benefit from to increase their skills and competencies to successfully run their business.

**Access to Markets and Technology**

**17** Support women entrepreneurs' participation in international trade fairs and international markets, including rendering regional protocols accessible and sharing this information through BDS providers.

**18** Establish a target for WOE's participation in procurement<sup>2</sup>, with a simplified process and raise awareness among service providers and WOE's on compliance. Through existing BDS providers, establish supports to help WOE's determine if they are eligible and then assist them to become procurement ready.

**19** Employers' organizations and business associations should increasingly work towards establishing linkages between women entrepreneurs in their membership and large domestic and international enterprises to increase women's access to markets and supply chains. (Linkage done by TAWOMA is a good example that could be replicated by other associations.)

<sup>2</sup> For example, Kenya established a 30% target for WOE's for public procurement for businesses owned by women and youth.



**20** Support training and capacity development for women entrepreneurs in ICT skills relevant to running their businesses.

**21** Provide capacity building and support to women entrepreneurs for them to use and integrate modern production technologies in their businesses that can help them increase productivity and increase time efficiency.

**22** Use broad-based media to share information and enterprise related skills, including how ICTs (computer, mobile phone) can be used by women entrepreneurs to enhance their businesses.

**23** Linkage and supply chain programmes should target sectors in which WOE are highly present, identify opportunities for linking WOE to supply chains of large enterprises; and include WOE in capacity building programmes to prepare them as suppliers (including the TIC Business Linkages Programme).

**24** Introduce capacity building programmes on quality certification to help selected WOE acquire the standards and quality certifications needed to qualify as suppliers of large firms.

#### Representation of WEs and Participation in Policy Dialogue

**25** Organize awareness-raising campaigns and capacity building workshops with employers' organisations, business associations and women entrepreneurs to encourage more women to become members of these organizations and raise their voices at policy level.

**26** Disseminate accessible information about relevant policies and programmes to women entrepreneurs so they are more aware of their rights and entitlements as well as opportunities for support and advocacy.

**27** Heads of Employers' Organisations and business associations should encourage and support women entrepreneurs to express their views and participate in discussions, regardless of men's stronger presence in these associations.

**28** The Government and donors should identify means and mechanisms to facilitate the formation of associations by women entrepreneurs. They should however refrain from leading the process.

**29** Active women entrepreneurs' associations should be further strengthened and their services be promoted among women entrepreneurs. In rural areas, forming semi-autonomous networking cells or using relevant technologies to facilitate networking are two means of extending association coverage into remote locations.





# 1. INTRODUCTION

## 1.1. Background

The International Labour Organization (ILO) through its Women Entrepreneurship Development (WED) programme works on enhancing economic opportunities for women by carrying out affirmative action in support of women starting, formalizing and growing their enterprises. WED has been promoted by ILO as a means of creating jobs, empowering women's economic development and promoting gender equality for more than ten years. In 2012, ILO signed a fourth partnership agreement with Irish-Aid, which included a project called 'Women's Entrepreneurship Development and Economic Empowerment. Among its outputs, the project supports national assessments on WED in order to bring forward key policy-level recommendations adapted to the context of each country.

The ILO contracted the Institute of Management and Entrepreneurship Development (IMED) to conduct the WED assessment in Tanzania. The assessment was conducted following the ILO-WED Assessors Guide for conducting a national WED assessment (Stevenson and St-Onge, 2013). The assessment framework is presented in figure 1, outlining the six WED framework conditions of interest.

- 1 Gender-sensitive legal and regulatory system that advances women's economic empowerment;
- 2 Effective policy leadership and coordination for the promotion of WED;
- 3 Access to gender-sensitive financial services;
- 4 Access to gender-sensitive business development support (BDS) services;
- 5 Access to markets and technology; and
- 6 Representation of women entrepreneurs and participation in policy dialogue.

Each of the six WED framework conditions is defined by a number of relevant sub-conditions covering different issues. These form the major parameters of the study. This report presents the findings of the assessment of these six WED framework conditions which was conducted between May and October 2013 by IMED.

## 1.2 Background of WED in Tanzania

In Tanzania women entrepreneurs are as important as their male counterparts for wealth creation and the development of society, which has led the government and other players to consistently create and implement laws, policies, programmes, projects, networks and organizations aimed at supporting women entrepreneurs. The ILO and other stakeholders have conducted several studies aimed at assessing the development and support of women entrepreneurs (ILO, 2003; Stevenson & St-Onge, 2005; IMED, 2011; Van der Poel, Gerwen & Olomi, 2005; MIT, 2012a; UNIDO, 2013). One of the conclusions of these studies is that the business environment for women entrepreneurs is not as smooth as it is for men and that women are still marginalized despite the fact that they are important for economic development. Previous assessments by ILO (2003) and Stevenson & St.Onge (2005), for example, reported that there is a great need

to create a favourable entrepreneurial environment for women entrepreneurs in Tanzania. The reports emphasized that the strong promotion of women entrepreneurs can be achieved through, among others, enabling them to access affordable training, business development services (BDS) and finance and to formalize their businesses.

The current assessment presents an overall picture of the situation of women entrepreneurs in Tanzania. Preliminary findings and recommendations of this assessment were shared with project stakeholders, Government officials, representatives of employers' organizations, trade unions and women entrepreneur associations. A preliminary draft was also shared at an international level with the WED Working Group of the Donor Committee on Enterprise Development.

### 1.3 Objective of the WED Assessment

The main goal of the assessment of WED framework conditions is to identify the major deficiencies in the conditions affecting the emergence of women entrepreneurs and the ability of women-owned enterprises (WOEs) to access the necessary resources and support for sustainability and growth on an equal opportunity basis. The specific objectives are to:

- i** Shed light on the specific barriers faced by women entrepreneurs in Tanzania;
- ii** Examine if, and how, female business owners are affected negatively by policies, laws and regulations in areas that affect women's economic empowerment, and the extent to which these policies, laws and regulations are appropriately gender-sensitive;
- iii** Assess the extent to which enterprise support policies and programmes, including financial and non-financial ones, are sensitive to the needs of women entrepreneurs and respond to their unmet potential and under-served needs;
- iv** Assess the extent to which business women have a "voice" in public-private policy dialogue and the issues affecting them are raised in these fora; and
- v** Identify concrete country-specific recommendations for how to develop the potential of women's entrepreneurship that will serve as the basis for future priority actions on WED by policymakers and other stakeholders.

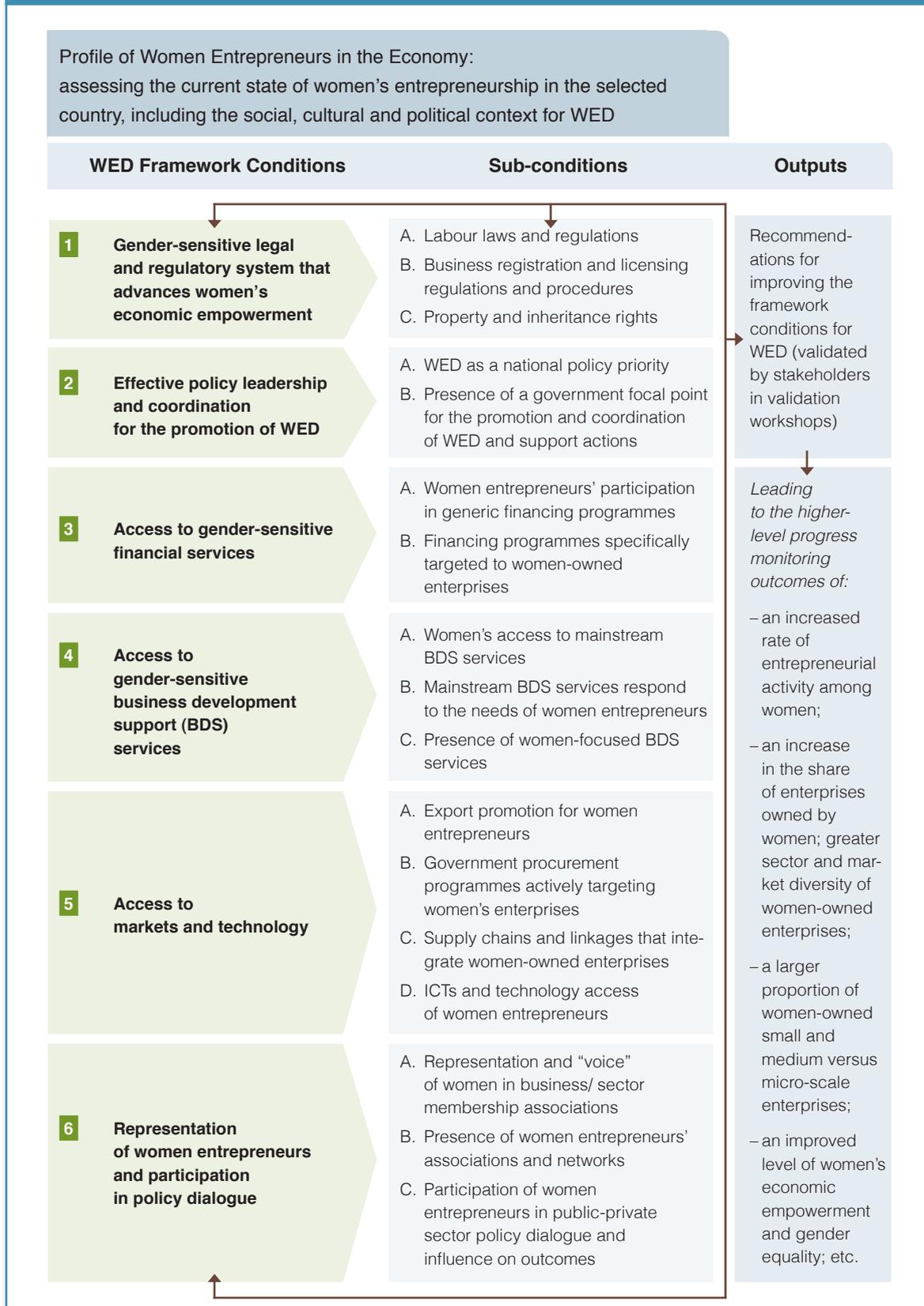
### 1.4 Methodology

The WED assessment methodology used a combination of both secondary and primary data sources and information.

#### 1.4.1 Desk Review

The desk review used two approaches. Firstly, various reports from different sources were consulted and analysed. These include previous ILO reports; academic research carried out by Tanzanian institutes (IMED and UDEC), data and reports from the National Bureau of

**Figure 1. WED Assessment Framework – Profile of Women’s Entrepreneurship and Key Framework Conditions**



Statistics (NBS), Ministry of Industry and Trade (MIT) and dissertations/articles on entrepreneurship in Tanzania. Secondly, a mapping was performed of selected gender-sensitive laws, regulations and policies; financial services providers ; BDS service providers ; and general business as well as women entrepreneur associations. These were useful for discussing the status of the six WED framework conditions and developing a database of key informants to participate in interviews.

### 1.4.2 Key Informants Interviews

The database built during the mapping exercise was used to identify key informants who were contacted and asked for interview appointments. A semi-structured interview guide was prepared for each group. The key informants came from various government and private sector organizations and a total of 30 interviews were conducted. Findings from these were processed and incorporated into the report.

### 1.4.3 Women Entrepreneurs Survey

As a means to identify past and future trends or issues faced by women entrepreneurs themselves, the ILO WED Assessment encourages surveying women entrepreneurs by using a set of questions covering their past experience, business ownership history, motivations, and basic demographic information; the characteristics of their businesses; their business start-up and access to financing challenges; their experiences in accessing business information and business development support; their experiences with business registration and other dealings with government officials; the development of the business in terms of investments and future plans for the business; and their general perceptions of the operating environment for women entrepreneurs.

A total of 212 women entrepreneurs from Dar es Salaam, Mwanza, Dodoma and Tanga were surveyed in Tanzania. These women were identified from lists provided by mainly UDEC, MIT, IMED, TCCIA, TWCC and trade offices in the respective municipalities. A combination of cluster, purposive and snowball sampling were used to select the final list of women. These women were surveyed using the above mentioned questionnaire translated into Kiswahili and adapted to Tanzania.

Coding of the questionnaire was done in parallel with the survey exercise followed by proper and in-depth analysis. Like the findings from key informant interviews and the focus group discussions, findings from the Women Entrepreneurs Survey (WES) were weaved into the report when deemed relevant.

### 1.4.4 Focus Group Discussion

Four focus group discussions (FGDs) were held with women entrepreneurs who did not participate in the survey. The regions selected were Dar es Salaam (2), Tanga (1) and Dodoma (1). 42 participants were identified using age, location and business sectors as selection criteria to take part in the different FGDs. Final participants included young women aged between 20 and 40 from both the formal and informal sectors. The FGD findings are also integrated and weaved into the report.



### 1.4.5 Scoring of WED framework condition Indicators

Scoring of the WED framework condition indicators was done after analysing all the material collected (key informant interviews, WES, FGD and desk review). This exercise was done following instructions in the ILO Assessors Guide (Stevenson and St-Onge, 2013). Scores were given individually by two researchers from IMED and then discussed among all members of the research team to determine which score fit best.

## 1.5 Structure of the Report

The report is presented in 4 sections. Section 2 presents a profile of women entrepreneurs in Tanzania. Section 3 presents the assessment of six WED framework conditions. Section 4 provides conclusions and recommendations. Annexes are attached at the end of the report.





## 2. PROFILE OF WOMEN ENTREPRENEURS IN TANZANIA

### 2.1 MSME Definition and characteristics

The Micro, Small and Medium Enterprises (MSME) sector in Tanzania covers non-farm economic activities and services. The yardsticks used for defining MSMEs are the number of employees and capital investment. The 2003 SME policy defines MSMEs as follows: micro enterprises are those engaging up to 4 people or employing capital up to Tshs.5.0 million. The majority of micro enterprises are in the informal sector. Small enterprises are those engaging between 5 and 49 employees or with capital from Tshs.5 million to Tshs.200 million. Medium enterprises employ between 50 and 99 people or have capital from Tshs.200 million to Tshs.800 million (MIT, 2003). The definition is summarized in table 2.1.

**Table 2.1: MSME definition in Tanzania**

Category	Employees	Capital Invested in Machinery (Tshs)
Micro enterprise	1-4	Up to 5 mill
Small enterprise	5-49	5 mil to 200mill
Medium enterprise	50-99	200 mill to 800 mill
Large enterprise	100+	Over 800 mill

Source: MIT (2003)

The government through the MIT recognizes the importance of the MSME sector in Tanzania. MIT (2012b) mentions three important aspects of the MSME sector. First, this sector makes a major contribution to employment MIT (2012a), for example, reports that the MSME sector employs 5.2 million people, which is more than 12 per cent of the entire population.<sup>3</sup> Second, the MSME sector contributes to 27 per cent of the national GDP. The sector also contributes to rural development and has increased the income of many Tanzanians. Thirdly, this sector is a source of entrepreneurship and private sector development making it a driver not only for reducing poverty but also for reducing urban-rural migration.

The number of MSMEs in Tanzania has been increasing over the past ten years. Studies report the number to have increased from 1.8 million in the early 1990s (NISS, 1991) to 3.1 million in 2010 (MIT, 2012a). In addition MIT (2012a) reports that 97 per cent of MSMEs fall in the micro enterprises category. The report also shows that the majority of MSME owners are aged between 25 and 45 and have received primary education. Two-thirds of MSMEs employ one person who is also the sole proprietor of the enterprise. Only 4 per cent of MSMEs are

<sup>3</sup> According to National Census of 2012, Tanzania has a population of 44.9 million.

**Table 2.2: Characteristics of MSMEs in Tanzania**

Characteristics of MSME Owners/businesses			
<b>A</b> Age of Owners	Percent	<b>D</b> Legality	Percent
Under 25 years	11	Sole proprietor	96
25 to 45	67	Limited liability company	0.05
Over 45	22	Partnership	4
<b>B</b> Highest Education attained		<b>E</b> Registration (BRELA)	
Primary School	81	Registered	4
Secondary School	11	Not registered	96
Technical and university education	1	<b>F</b> Business Sector	
<b>C</b> Number of employees		Trade	55
1 employee	66	Service: Catering; Accommodation	26
2 to 4 employees	31	Manufacturing	14
5 or more employees	3	Other services	5

Source: MIT, 2012a

registered with the Business Registration and Licensing Agency (BRELA). Most MSMEs are in the sector dealing with both wholesale and retail trading. Table 2.2 summarizes these characteristics as extracted from MIT (2012a).

## 2.2 Women MSMEs and their characteristics

Women entrepreneurs (WOEs) play a key role in the private sector and MSMEs in Tanzania. The proportion of WOE is reported to have increased from 35 per cent in the early 1990s (NISS, 1991) to 55 per cent in 2005. The latest baseline survey (MIT, 2012a) places this figure at 54.3 per cent, suggesting that it has stabilized. High motivation for running a business, a decreasing purchasing power of wages earners and increasing unemployment are some of the main reasons why many women engage in income-generating activities. The NBS (2006) data, below shows the employment data (table 2.3) for both men and women.

An important insight from the above table is that there are not enough “paid jobs” in the country for women (the majority of workers are unpaid helpers). Encouraging more MSME development is important for the growth and development of the economy. Secondly, women are disadvantaged in paid work: only 5.3 per cent of working women were in paid employment (compared with 12.8 per

**Table 2.3: Type of employment for working Tanzanians**

Type of work	Working men	Working women	Women's share of employment
Paid employees	12.8%	5.3%	29.7%
Self-employed	13.8%	10.7%	44.0%
Unpaid helpers	73.8%	84.0%	53.8%
Total	100%	100%	50.4%

Source: NBS, 2006

cent of men), and women made up only 29.7 per cent of paid workers. Thirdly, the self-employment rate is low given Tanzania's level of development – only 10.7 per cent of working females were self-employed in 2006 (and lower than that of working males), while 84 per cent of working females were unpaid helpers. There seems to be therefore scope for increasing the number of women becoming productively employed by starting their own businesses and creating jobs for others.

According to the National MSME Baseline Survey Report (MIT, 2012a), over 1.7 million MSMEs are owned by women (table 2.4). Although women own 54.3 per cent of all MSMEs almost three-quarters of their enterprises have only one employee and 99.3 per cent fewer than 5 employees. This distribution is different from the distribution of male-owned MSMEs in terms of size. Women own 60.2 per cent of MSMEs with only one employee, compared with only 14 per cent of those with five employees or more. This suggests that women have a much more difficult time growing their businesses than men. Women are starting businesses (probably at a greater rate than men), but their enterprises are feebler, are not contributing as much to job creation, and not growing. This raises the policy problem of ensuring that women

**Table 2.4: Number and distribution of MSMEs by size and gender of owner**

Size of enterprise (number of employees)	Total		Male		Female		Female share of enterprises by size category
	Number	Distribution by size (%)	Number	Distribution by size (%)	Number	Distribution by size (%)	
1 employee	2,093,097	66.2%	833,279	57.6%	1,259,817	73.4%	60.2%
2 to 4 employees	981,841	31.0%	537,546	37.2%	444,295	25.9%	45.3%
5 or more employees	87,550	2.8%	75,287	5.2%	12,263	0.7%	14.0%
Total MSMEs	3,162,488	100.0%	1,446,112	100.0%	1,716,375	100.0%	54.3%

Source: MIT, 2012a

entrepreneurs have the capacity and supports necessary to not only start businesses, but enable them to grow so they can contribute more to employment and GDP.

Unfortunately, although the National MSME Baseline Survey collected considerable information on the characteristics of MSMEs and their owners, very little of the data was sex-disaggregated.

Data collected through the ILO's WES showed that 83 per cent of women entrepreneurs surveyed were sole proprietors, 12 per cent were in partnership and 5 per cent were limited liability companies. Over two-thirds had owned a business before their current one and over a third of them currently own more than one business (see table 2.5). In terms of education, the MIT survey of 2012 found that most women entrepreneurs had a low level of education with 68 per

**Table 2.5: Characteristics of women entrepreneurs and their enterprises**

<b>A: Age of Women entrepreneurs</b>		<b>MIT 2012a: n= 6,134 (% of respondents)</b>
15-24		12
25-39		46
40-55		36
Over 55		6
<b>B: Highest Education</b>		
No formal schooling		7
Primary school (7 years or less)		68
Some secondary school/Completed		17
Vocational or technical training diploma (VETA)		0.5
University/college education		0.2
Bachelor's degree and above		0.1
<b>C: Number of businesses owned</b>		<b>WES results; n= 200 (% of respondents)</b>
One		65
Two		27
Three or more		8
<b>D: Organization/Business Status</b>		
Sole proprietorship		83
Partnership		12
Limited liability company		5

cent of them attaining primary level education and only 0.1 per cent a university education. Most women mentioned two main reasons for owning a business: to support themselves and the family and to supplement their income (MIT, 2012a, WES results).

### 2.2.1 Sector of WOE's

Research consistently shows that WOE's are concentrated in the informal, micro, low growth and low profit areas, where entry barriers are low but price competition is intense (Nchimbi, 2003; Stevenson and St. Onge, 2005; IMED, 2010; UNIDO, 2013; ILO WES 2013). These include trade, food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, food processing and charcoal selling. Despite snowball and convenience sampling, findings from the ILO-WES survey found similar results to the ones listed above.

## 2.3 Environment and Challenges for Women Entrepreneurs

The government of Tanzania has expressed commitment to support women's entrepreneurship through a number of policy pronouncements as well as specific support programmes. However, women entrepreneurs face a challenging environment that contributes to stifling the growth of their enterprises (Nchimbi, 2003; Stevenson and St. Onge, 2005; IMED, 2010; Jagero and Kushoka, 2011). Some of the challenges identified in the literature review, national statistics, WED and FGD are:

- 1 Traditional reproductive roles and power relations:** A key barrier found is the cultural environment that makes it more difficult for women to start and run enterprises due to their traditional reproductive roles and power relations. Women have to divide their time and energy between their traditional family and community roles and running the business. Another problem is customary law that limits women's rights to property which could be pledged as collateral for loans. Women who participated in the rural FGDs mentioned that it is common to find parents-in-laws discouraging their daughters-in-law from using their own property as collateral for fear that they will not manage to repay the loan. They also mentioned that some men (husbands) discourage their wives from formalizing their business. They might allow them to have an informal business but not to formalize it fearing they would be overpowered by it. Finally, some cultural and religious values restrict women from socialising and hence broadening their networks which could be useful for their business.
- 2 Laws and regulations affecting MSMEs:** Another problem is that laws and regulations affecting businesses (including licensing procedures) were generally designed for relatively larger businesses and are therefore difficult for micro enterprises (mostly women owned) to comply with (Olomi and Mori, 2013). Women have to grapple with costly and cumbersome business regulations and administrative practices. Women entrepreneurs in the FGD mentioned that they fear registering their businesses because of cumbersome regulations and licensing procedures. However, those who had registered their businesses said that while cumbersome it was worthwhile.
- 3 Corruption and bureaucracy:** These too can make matters worse, especially for women, who are generally more vulnerable to pressure from corrupt officials. Women entrepreneurs find it

difficult dealing with corrupt officials. Some women in the FGD mentioned they were being sexually harassed by different government officials (tax and municipal officials) especially when these found out their businesses had some problems like lack of a business licence or delay in paying taxes. Similar results were found in WES, where 13 per cent reported to have bribed government officials at least once. Most mentioned having to pay a bribe because they were accused of having a dirty business environment, unqualified employees, or having not correctly done the process of getting a TIN or business licence. A few women entrepreneurs (8 per cent) also mentioned having been harassed by government officials (specifically tax officials when the taxes are due and high) and financial providers' officials (to speed up loan processing, get a loan and obtain soft follow-up/monitoring). These challenges happen because most women are unaware of their rights and do not know who to go to for help when such problems occur.

**4 Limited access to business services and facilities:** Another major constraint mentioned in FGDs is limited access to appropriate and affordable facilities and services, such as premises, loan levels suited to business needs, technical and management training, advice and marketing. These problems arise from the limited capacity and outreach of existing institutions as well as the women's inability to afford the services (Jagero and Kushoka, 2011). The most commonly mentioned challenge, as shown in table 2.6, is access to finance. Findings from WES also showed that finance was one of the top challenges faced by women entrepreneurs when starting and growing their businesses. The next challenge was getting customers for their products followed by finding a suitable business location. Interestingly women entrepreneurs that took part in WES found getting family support a greater challenge when growing their business (30 per cent) than when starting it (12 per cent). This could imply that families are willing to support women in starting a business but are unwilling to see them grow and succeed in their business for fear of them having greater power over the family. Another challenge to growing businesses is the fact that many women entrepreneurs found it difficult to get advisors/consultants/ mentors to give advice on growing a business.

**5 Access to market and competition:** Research carried out in 2010 by IMED with women entrepreneurs found that markets where women are mostly present are markets with fierce competition and price sensitivity. This also led to fake, counterfeit and contaminated products to appear in the market (raw materials, water, chemicals, feed, spares, equipment, etc) negatively affecting the quality and reliability of the supply chain, and thus indirectly WOE's by undermining their credibility and demand for their products.

In addition to the challenges in the broad environment, women entrepreneurs also face challenges at the personal level. The biggest challenge is their limited awareness and capacity, including attitudes and practices that are more aligned with subsistence than profit oriented activities. They lack information about regulations and standards, inputs, equipment and strategic services (IMED, 2010). Women entrepreneurs also do not have sufficient skills to develop creative business concepts, market products beyond their neighbourhoods, keep records or properly cost and price what they are selling. Technical skill gaps include the inability to identify and select appropriate technology; safety and security; ensuring efficiency of operations; consistency of volumes and quality; and risk management. A few of the key informants who work with women entrepreneurs had similar observations:

*The problem is that most women entrepreneurs do not have the capacity to create and develop their businesses. They mostly copy and paste what others are doing without modifying at all. This limits them from expanding their businesses as they find themselves operating in very competitive markets.*

**Table 2.6: Challenges to Business Start-ups and Growth**

<b>A: Start up Challenges</b>		<b>Percent: n=200</b>
Accessing finance		73
Getting customers		63
Finding a suitable business location		55
Dealing with registration and regulatory requirements		25
Finding information on how to start a business		21
Knowing where to go to get advice		18
Finding suppliers		14
Getting support from the family		12
<b>B: Challenges likely to be faced in future business growth</b>		<b>Percent</b>
Accessing finance		75
Taxation issues		69
Transport issues		64
Finding qualified and trusted workers		62
Finding information on new markets (e.g. supply chain opportunities, exporting, etc.)		60
Finding a more suitable business location		58
Dealing with government regulations and compliance costs		50
Finding advisors/consultants/mentors to give advice on growing the business		48
Getting support from the family		30

Source: WES results

## 2.4 Structures and Mechanisms for Delivery of MSME Policy and Programme Support

In Tanzania, several programmes and initiatives exist to support and help operationalize the MSME policy.

The Government, in collaboration with international donors, has established various support programmes for women. The Ministry of Community Development, Gender and Children (MCDGC) established a Women's Information Centre (WIC) in 1997 to increase the visibility

of policies from the Ministry and strengthens its institutional and managerial gender-oriented capacity to empower women. One of the aims of the WIC is to promote ongoing dialogue with civil society by collaborating with associations such as the Tanzania Media Women's Association (TAMWA), the Tanzania Women Lawyers Association (TAWLA) and the Tanzania Gender Networking Programme (TGNP). In 2004, the WIC opened the Women Information Window (WIW), which offers information to women on legal issues, education and business and marketing opportunities and in 2008, facilitated the establishment of the Tanzania Women's Bank, which is mostly owned by the Government and operates with funds from the Women's Development Fund (a government basket to support women entrepreneurs).

The MIT has a programme for the support of Rural Micro, Small and Medium Enterprises, known in Swahili as *Muunganisho Ujasiriamali Vijijini (MUVI)*. The programme is financed by a loan from IFAD and implemented by SIDO. MUVI is a 7-year programme closing in 2014 aiming to improve the efficiency of specific value chains to deliver sustainable margins to producers (regardless of gender) and thus increase their incomes and reduce poverty. Women entrepreneurs in rural areas are among the key targets of this programme.

SIDO also offers capacity building to MSMEs and access to finance services. Access to finance services is offered directly to clients who have obtained capacity building services through SIDO-WED, a department working to support women entrepreneurs, or indirectly through managing a guarantee scheme with funds obtained from MIT (National Entrepreneurship Development Fund) and African Development Bank (ADB).

The National Economic Empowerment Council (NEEC) offers support to MSMEs in different sectors. Among the services offered to MSMEs is entrepreneurship training, coaching and mentoring. It also helps MSMEs to attend local, national and international trade fairs. NEEC further manages a guarantee scheme on behalf of the government (JK Funds, initiated in 2006) and is collaborating with CRDB bank to offer financial services to MSMEs who are members of SACCOs. Generally, 60 per cent of SACCO members are women.

Since 2010, the Tanzania Gatsby Trust (TGT) has been implementing the Project "Tanzania Virtual Business Incubator" or (MKUBWA in Kiswahili) with funding from the World Bank and technical assistance from AIDOS. MKUBWA is an innovative business development programme, specially designed to respond to the needs of women entrepreneurs. By the end of phase one in 2012, MKUBWA had trained more than 1,000 women entrepreneurs. Out of these, 240 were offered advanced specialized business development services, which were coaching, mentoring, market exposure visits, technical classes, product/development design and financial services linkage (TGT, 2012). The programme also supports women entrepreneurs in formalizing their businesses and in the course of phase 1, 40 per cent of specialized participants were assisted in registering. The programme is currently operating phase II (March 2013 – April 2016), focusing on online mentoring for women entrepreneurs from phase I and training 500 new women entrepreneurs.

### 3. ASSESSMENT OF THE SIX WED FRAMEWORK CONDITIONS

This is the core section of the report and focuses on evaluating the strength of the six ILO WED framework conditions, which are: i) gender-sensitive legal and regulatory system that advances women's economic empowerment; ii) effective policy leadership and coordination for the promotion of WED; iii) access to gender-sensitive financial services; iv) access to gender-sensitive business development support (BDS) services; v) access to markets and technology and vi) representation of women entrepreneurs and participation in policy dialogue. This section presents detailed findings of these WED framework conditions integrating inputs from the desk review, key informant interviews, WES, and FGD and concludes with scoring of indicators for each of the sub-conditions and conditions of the WED framework.

#### 3.1 Gender-sensitive legal and regulatory system that advances women's economic empowerment

A gender sensitive regulatory and legal environment supports women to gain access and be able to claim the same economic rights as men. It also ensures that specific laws and regulations are clearly enforced so women are not subjected to customary practice and denied their legal rights.

For the purpose of assessing the WED framework condition, "gender-sensitive legal and regulatory system", the focus is on labour laws and regulations, business registration and licensing regulations and procedures, and property and inheritance rights.

As part of a wider process towards a market-based institutional framework, the Government of Tanzania has undertaken major legal and regulatory reforms in the past 15 years. The legal and regulatory framework overall was found to be gender-sensitive, with specific reference to men and women, as well as to the need to empower the latter and other marginalized groups. The 2007 report on the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) of which Tanzania is a member also testified of Tanzania's commitment to implement the convention and listed Tanzania's achievements in the areas of legal and human rights, the strengthening of institutional mechanisms for gender equality and equity and women's economic empowerment, and access to social services such as health and education. The World Economic Forum's 2013 Global Gender Gap Report (Hausmann et al., 2013) ranks Tanzania 66 out of 136 countries in the world. Table 3.1 shows ratios of two sub-indexes related to economic participation and political empowerment.

The government has increasingly recognized and promoted women's economic rights, starting with the constitution, which was amended in 2000 and 2004. These amendments increased the proportion of women in Parliament and Local Authorities. Section nine of the national constitution, for example, states that Tanzania is a nation of equal and free individuals enjoying freedom, justice, fraternity and concord. In this regard, the state authority and all its agencies are obliged to direct their policies and programmes at ensuring, among other things, that

**Table 3.1: Tanzania Gender Gap Index, 2013**

Gender gap sub index	Rank (out of 136 countries) (low ranking is better)	Female to male ratio
<b>Economic participation and opportunity (total)</b>	70	
Labour force participation	4	0.99
Wage equality for similar work (survey)	48	0.68
Estimated earned income(PPP US\$)	36	0.69
Legislators, senior officials and managers	91	0.20
Professional and technical workers	92	0.61
<b>Political empowerment</b>	32	
Women in parliament	17	0.56
Women in ministerial position	30	0.38
<b>Economic empowerment</b>		
Female adult unemployment rate (% of female Labour force)		6%
Male adult unemployment rate (% of male Labour force)		3%
Share of women in wage employment in the non-agricultural sector (% of total non-agricultural employment)		31%
Inheritance rights of daughter (0-to-1 scale: 1 = worst score, 0 = best score)		1.0
Inheritance rights of widow (0-to-1 scale: 1 = worst score, 0 = best score)		1.0
Firms with female owners (%)		31%
Women's access to land ownership (0-to-1 scale: 1 = worst score, 0 = best score)		0.50
Women access to credit (0-to-1 scale: 1 = worst score, 0 = best score)		0.50
Women's access to property other than land (0-to-1 scale: 1 = worst score, 0 = best score)		0.50
Women's access to credit (0-to-1 scale: 1 = worst score, 0 = best score)		0.50
Ability of women to rise to the position of enterprise leaders (survey data) (1-to-7 scale: 1 = worst score, 7 = best score)		5

Source: *The Global Gender Gap Report 2013* (Hausmann et al., 2013)

all citizens, men and women, are given equal opportunities regardless of their colour, tribe, religion, or station in life (URT, 1977). The constitution further directs that women should encompass at least 30 per cent of members of parliament and at least five of the ten members appointed by the president should be women. These rights are also discussed in the draft for a new constitution (URT, 2013), whereby section 43 is dedicated to explaining all the rights of women in Tanzania.

In addition, the election results of 2005 and 2010 demonstrate the Government's commitment to ensuring women's effective participation in high-level political decision-making bodies (CEDAW, 2007; EU, 2010). For example, the number of seats reserved for women in the National Assembly during the 2010 election increased from 75 in the last elections (2005) to 102 in the 2010 elections (EU, 2010). The current (2010-2015) 358-member National Assembly has 128 female representatives, including the 102 reserved seats and the five women appointed by the president of the Union (EU, 2010). The 2013 Global Gender Gap Report presents relatively favourable results for women's political empowerment in Tanzania: the ratio of women/men in parliament is 0.56 and that of women/men in ministerial positions is 0.38 (Table 3.1).

### 3.1.1 Labour laws and regulations

The Employment and Labour Relation Act of 2004 stresses that every employer should ensure that she/he promotes equal opportunities in employment and strives to eliminate discrimination in any employment policy or practice (MLE, 2004). The Act also stipulates that men and women should be remunerated equally (although the Global Gender Gap Report indicates that women earn only 68 per cent of what men earn for similar work) and that in a workplace with more than one hundred members, at least five of the trade union representatives should represent women employees. In addition, the Government domesticated the International Labour Standards by passing the National Employment Services Act (1999). This law provides that women and men be given equal opportunities for employment. Both laws require employers to report to the Labour Commissioner on their plans to promote equal opportunities. Affirmative actions and other strategies and programmes have been put into place to enhance and safeguard the employment of women to ensure gender equality and equity have also been developed.

However, low education levels, lack of qualifications, and patriarchal attitudes limit women's opportunity of being recruited and promoted (CEDAW, 2007). Also people's attitude to mainstreaming gender concerns in employment practices is still a challenge to encouraging women in workplaces. All these limit women from having equal opportunities despite the labour laws emphasizing equality.

The National Bureau of Statistics (NBS) (2013) (see table 3.2 below) reports that 1,550,018 persons were employed in the formal sector<sup>4</sup> in 2012, 64.2 per cent in the private sector and 35.8 per cent in the public sector. Only 37.6 per cent of all formal employees were women. Women are also paid lower wages than men. The report further shows that women are highly employed in only two sectors (accommodation and food service activities and education) out of the nine sectors examined. These are also known as low-paid sectors compared with

<sup>4</sup> The formal sector comprises the Public Sector which includes the Central Government, Local Government & Parastatal Organization Institutions and the Private Sector which includes Profit making Private Establishments, Non-Profit making Private Establishments and Co-operative Establishments (NBS, 2013).

**Table 3.2: Employment and wages strands as at the end of 2012**

Employment	Male (%)	Female (%)
Private Sector	41.2	23.0
Public Sector	21.2	14.6
<b>Total</b>	<b>62.4</b>	<b>37.6</b>
Wages (Tshs)		
Below 65,000	6.2	9.0
65,001-150,000	36.0	25.6
150,001-300,000	35.1	28.4
300,001-500,000	17.1	13.5
500,001-1,500,000	14.8	10.2
Above 1,500,000	2.4	0.8

Source: extracted from Table 3.3 in NBS, (2013).

other sectors and that may explain why women employees receive the lowest wages (below Tshs. 65,000). To sum, although there is only a small gender gap in labour force participation rates, women are less likely to be in paid jobs and more likely to be unpaid workers. Moreover, and as was made evident during FGDs, most women entrepreneurs are unaware of the labour laws and their implication for themselves as employers and for their employees. Many of FGD participants did not follow formal employment procedures, such as contracting and registering their employees with the pension and tax authorities. The major reason for using informal contracts was that most perceive their business as too small with a low profit margin and hence unable to pay the various benefits, such as social security. Others said that they were unaware of the processes to follow when hiring/dismissing workers.

### 3.1.2 Business registration and licensing regulations and procedures

The Business Activities Registration Act of 2007 postulates the procedures that need to be followed when registering a business. The act does not mention anything about gender balance when it comes to business registration. It only postulates that when registering the business, a person should submit information such as the name of the business, name(s) of owner(s), location, branches if any, date of business commencement and nationality of the owner. BRELA (established in 1999) is responsible for implementing this Act and for registering all businesses in Tanzania. According to BRELA, registering is the right of everyone who wishes to associate and form themselves into a limited liability company. Companies registered by BRELA are required to follow the Companies Act (latest amendments 2006), which identifies four types: private companies; public companies; foreign companies (companies incorporated out of Tanzania) and parastatal or state-owned companies. The procedures for registering a company

**Table 3.3: Registration and formal licenses held by MSMEs**

	MIT 2012a; n=6,134 (% of all MSME);	MIT 2012a (% of WOE)
Registered by BRELA	3.9%	1.2%
Trade/Daily licence	15.3%	5.4%
Professional registration	0.3%	0.1%
Local authority licence	3.6%	1.0%
TIN Number (TRA)	5.9%	1.5%

Source: Extracted from MIT, 2012a

under each category can take at least five days and requires the applicant to submit various documents and cover registration costs ranging between Tshs. 50,000 and Tshs. 300,000, depending on the share capital issued.

Since BRELA does not have a wide branch network, the Tanzania Chamber of Commerce, Industry and Trade (TCCIA), partnered with BRELA in 2013 to facilitate the registration process. According to key informant interviews, since starting this service, TCCIA has facilitated registration applications for 3,000 enterprises, of which 20 per cent were women-owned. For this service, the applicant submits its application to BRELA through the nearest TCCIA office. BRELA officials indicated that applications submitted through TCCIA were normally processed quickly because most of them followed the instructions correctly. BRELA plans to open in the near future an online registration platform to further cut down the process and time.

Businesses are also required to get different licenses from the MIT, the Tanzania Revenue Authority (TRA) and local government offices, depending on the type and location of businesses and independently of being registered by BRELA (UNIDO, 2013). These additional registration and licensing processes do not provide specialized support to women entrepreneurs. This was further corroborated during FGDs. Table 3.3 shows the difference in percentage between the registration and licensing of all MSMEs as compared to WOE as per the MIT (2012a).

Among the women surveyed in WES, only 15 per cent were registered by BRELA. Many had licences and certificates to run micro-businesses but were not formally registered. The requirement to pay regular taxes on sales and income was indicated as the major barrier (64 per cent) along with high registration costs and limitations of time and mobility to go register. Despite the fact that most WOE were not registered by BRELA, WES respondents mentioned several advantages of being registered (see table 3.4). 87 per cent of WES respondents mentioned that registered businesses did not have to fear being fined or harassed by the police and other authorities, unlike informal enterprises. They also mentioned that registered businesses had better access to various services such as finance, business support and training. The list of barriers to business registration as well as advantages as indicated by WES respondents are shown below in table 3.4.

To sum, results from both WES and FGDs seem to suggest that a section of women entrepreneurs knows the advantages of having a registered business but perceive many challenges

during the process. However, a significant proportion of women entrepreneurs remain without knowing the advantages or the process of registering as reflected by the 65 per cent of WES respondents who disagreed with the statement “information about business regulations and registration is widely available to them”.

**Table 3.4: Challenges and Advantages of Business Registration**

<b>A: Barrier in registering the business</b>	<b>WES 2013; n=200 (% of respondents)</b>
The requirement to pay regular taxes on sales and income, once registered	64
The costs of registration	49
Not being able to register the business online	47
The time it would take (such as travelling or waiting) to register	47
Knowing how to register (having information on the steps to take, when and where)	43
The amount of reporting to the government that would have to be done once registered	37
Proximity of the business registration office in the area where you live (e.g. accessibility)	26
<b>B: Advantages of having a registered business</b>	<b>% of respondents</b>
Registered businesses do not fear being fined or harassed by the police and other authorities unlike informal enterprises	87
Registered businesses have better access to finance, business support services and training programmes	78
Registered businesses are able to access government support/assistance programmes	76
Registered businesses have better access to markets, including export markets	74
Registered businesses can compete for government contracts as suppliers	72
Registered businesses can benefit from social insurance or social protection programmes	63

Source: WES results

### 3.1.3 Property and inheritance rights

In terms of property and inheritance rights, the government through its national land policy (1997), encourages the optimal use of land resources, and facilitates broad-based socio-economic development. The policy states that women will be entitled to acquire land in their own right through purchase and allocations. The Land Act of 2004 has given value to land and allows for the mortgaging of land with the consent of spouses. This provides women with the right to mortgage land for getting bank loans and credit. Land ownership also safeguards the matrimonial property for women and children.

Moreover, the Village Land Act No. 5 of 1999 provides for the representation of men and women on the Land Allocation Committees and Land Administration Boards (CEDAW, 2007). In addition, in 2002 the Government of Tanzania passed the Courts (Land Disputes Settlements) Act, No. 2 of 2002, which states that composition of Land Courts must include no less than 43 per cent of women members. This act is further challenged by customary law in Tanzanian society which does not recognize or follow provisions of this Act such as ensuring a women's right to "acquire, hold, use and deal with land" is equal to that of men.

When it comes to inheritance rights, Tanzania is guided by three systems, which are customary law (referring to traditional tribal law), Islamic law and the Succession Act. While the Succession Act is gender-sensitive, both customary and Islamic laws are gender-discriminatory. Under customary law, a widow is generally denied inheritance altogether. Her share is to be cared for by her children, just as she cared for them. Daughters inherit the smallest share with restrictions attached. Under Islamic law, women only inherit half as much as men and this depends on whether the woman has children or not. Most Tanzanians follow these two laws which are discriminatory and limit women from inheriting property when their husbands or fathers die.

The government has however established precedents for enacting statutes that supersede customary and Islamic law. For example, the law now protects women by ensuring that they receive a share of the matrimonial property upon divorce even though they might not have financially contributed, which is against Islamic law.

Despite these Acts and laws, there is little awareness by women of their rights and customary law is still followed. The government and NGOs are raising awareness of land, property, and inheritance rights through mass media campaigns to educate society on property rights, but changing traditional practices and attitudes is a gradual process and many of these legal awareness campaigns do not reach rural areas. Some of the key informants indicated the need to raise women's awareness of laws in regard to property rights. One noted that:

*I work at a WED desk here and one of our objectives is to help women entrepreneurs know their property rights. Many especially in rural areas are not aware and are blinded by traditional customs. There are many cases where women know that the land is theirs, but the head of the clan will prevent them from using it, giving the reason that it is for the family. We seriously need to raise awareness of these legal issues among our women. (Government Key Informant)*

In terms of seeking permission to start a business, 17 per cent of women in the WES indicated that they legally needed to obtain the permission of their husbands to start their business. This was because the premises for the business were owned by both of them. Thirty-seven per cent of respondents sought the permission of their husbands without being legally required to do so. They thought it was good to share the information with their husbands to get their support.

Key findings emanating from the assessment of this WED framework condition is that the government's various documents (laws, regulations and Acts) show commitment to supporting women in general regardless of whether they are entrepreneurs or not. The main challenge is the limited awareness and capacity of women to take advantage of these provisions. Moreover, society's traditional practices (taboos and customs) limit women in getting a good education, being employed and paid equally, registering their businesses, and owning and or inheriting property. It is important to create more awareness not only among women but also in society of the importance of providing women with equal access to their rights and to facilities and services.

### **3.1.4 The scoring for Gender-sensitive legal and regulatory system that advances women's economic empowerment**

Scoring to assess the strengths and weaknesses of each of the sub-conditions of the legal and regulatory system WED framework condition was facilitated by use of the scoring indicators developed by the ILO in the Assessors Guide (see scoring matrix in the annex). Points for each sub-condition were assigned based on an assessment of the best fit with the statements in the scoring matrix given the integrated analysis of all inputs gained from the desk review, the key informant interviews, the FDG and the WES results.

Four of the statements in the scoring matrix related to "equality of women's access to the labour market" and thus a score of 4 out of 5 was assigned. All four indicators are true according to laws and regulations. But in reality as seen in tables 3.1 and 3.2, there are gender gaps in terms of employment whereby few women are in formal employment, women employees are paid lower wages than men, and women have a higher unemployment rate than men. As discussed and shown earlier, women need to have formal employment in order to accumulate funds for starting their own business as well as to gain useful experience. Well paid employment is an important path to entrepreneurial activity. Not having equal employment opportunities and equality of wages implies that women are not getting the opportunity to start and grow their own business.

Only one indicator applies to "labour regulations and WOE's". Orientation of women entrepreneurs regarding labour laws and regulations and compliance is provided, but at a very low level and mainly in urban areas. No other specific efforts are made to assist women entrepreneurs with the complexities of dealing with labour regulations, including informing them of the reporting and compliance requirements.

Two indicators for business registration and licensing regulations and procedures apply in Tanzania: women are allowed to register a business without the legal requirement to obtain their husband's permission and they can obtain a business licence for all types of businesses. This applies in laws and in practice as evidenced in WES and FGDs.

One indicator applies to property and inheritance rights. The findings indicate that women have some of the same property and inheritance rights as men, but different procedural requirements are imposed on women to gain access to these rights. The procedural requirements are mainly in customary and Islamic laws where women and girls are discriminated against inheriting property. Other government laws are gender sensitive but because of women's lack of awareness and their limited recourse to their rights, men get the opportunity to control most of the property.

Overall, the matrix scoring for this framework condition scored therefore an average of 2.2. This score is the minimum and can be explained by various factors, including: There are gen-

der gaps in terms of employment whereby few women are in formal employment, women employees are paid lower wages than men, and women have a higher unemployment rate than men. Second, orientation of women entrepreneurs regarding labour laws and regulations and compliance is provided, but at a very low level and mainly in urban areas. Thirdly, women have limited access and awareness of property rights and fourthly, there are no specific efforts made to assist women entrepreneurs with the complexities of dealing with labour regulations, including informing them of the reporting and compliance requirements.

## 3.2 Effective policy leadership and coordination for the promotion of WED

Policy measures related to WED are often found across multiple ministries and departments. Coordination of these measures is a necessary component of effective policy development and implementation. Structures and systems dedicated to policy leadership and coordination for the promotion of WED can improve the emergence of policy measures that respond to the specific needs of women entrepreneurs, more effective use of resources, and the sharing of lessons learned with relevant stakeholders. In many countries, this is achieved by delegating the policy leadership for WED to a government body which has the responsibility to champion reforms and programme initiatives to address the barriers faced by women in starting, managing and growing their own businesses.

Two sub-conditions are associated with examining the “WED policy and coordination leadership” framework condition:

- ▶ Women’s entrepreneurship development as a national policy priority; and
- ▶ Presence of a government focal point for the promotion and coordination of WED and support actions

### 3.2.1 WED as a national policy priority

In Tanzania, all of the government’s top policy and strategy documents, such as Vision 2025 and the national strategy, mention the importance of having gender balance and equal rights and opportunities for all. These documents do not specifically mention however support for WOE’s but rather for all women. Among the various policies and strategies, this report highlights the following:

In 2000, the Government put in place the National Development Vision 2025, which states that Tanzania should ensure the attainment of gender equality and the empowerment of women in all socio-economic and political relations and culture by the year 2025. Similarly, in 2005 the Government adopted the National Strategy for Growth and Reduction of Poverty (NSGRP), with the Kiswahili acronym MKUKUTA (URT, 2005). The plan, which is currently in its second phase, admits a discrepancy in income between women and men persists although it decreases with the level of education. Moreover it sets to have Tanzania in parallel with the Millennium Development Goals requirements, meet the target of eradicating discrimination against women by 2015.

In order to effectively implement the vision and strategies, sectoral policies, strategies and programmes have also been reexamined nationally like the Women in Development Policy (1992) which led to the Policy on Women and Gender Development adopted in 2000. The policy states that it will support the integration of women in national development endeavours to bring about social, economic, ideological, cultural and political liberation. The MCDGC is the host of this policy.

The government through the 2003 SME Development Policy commits to ensuring that gender mainstreaming is enhanced in all MSME development initiatives. The policy states its aim to encourage women to participate in MSME activities. It further states it will facilitate MSME service providers to design special programmes for women entrepreneurs, identify factors inhibiting women from going into business and design programmes to address those factors. As part of its implementation, in 2004, the ILO helped the MIT develop an Action Plan for mainstreaming gender in implementing the policy.

The Trade Policy (2003) has the main objective of raising efficiency, widening linkages in domestic production and building a diversified competitive export sector as the means of stimulating higher rates of growth and development in Tanzania. The policy mentions the need to “support inclusion of women in trade development processes through more egalitarian access to productive assets, particularly titled land, infrastructure, finance, education and skills”.

The National Micro-Finance Policy (2000) provides guidelines for achieving gender equality and equity in accessing financial services. The Policy calls for special efforts to make financial services accessible to both women and men. It also gives flexibility in regulating micro-finance institutions, including those established specifically for financing women (CEDAW, 2007). As part of this policy, the government and other stakeholders promoted the formation of women’s productive groups such as the formal SACCOs and Community-Based Organizations (CBOs).

The National Land Policy (1997) has the objective of promoting and ensuring a secure land tenure system to encourage the optimal use of land, and to facilitate broad-based socio-economic development. The policy states that women will be entitled to acquire land in their own right through purchase and allocations which is also mentioned in the national agriculture and livestock policy of 1997. This policy further calls for more research, training and credit services to rural women to enable them to contribute effectively to agricultural production.

There are other policies that address and mainstream gender issues, such as the national employment policy and national economic empowerment policy. However, the main challenge to all remains the implementation of the policies, strategies and action plans. The key informant interviews indicate that the slow implementation of policy is due to limited financial resources and institutional and human resource weaknesses (execution commitment, bureaucratic culture, and information management by duty holders). Also, the policies and strategies overlap so much that implementation demands very close coordination and harmonisation downstream (UNIDO, 2013; Olomi and Charles, 2010).

### **3.2.2 Presence of a government focal point for the promotion and coordination of WED**

Although there is no one designated focal point for the national promotion and coordination of WED in Tanzania, a number of ministerial bodies are involved in promoting and supporting WED, some of which collaborate with each other. Within the MCDGD, WIC offers information

to women ranging from legal issues, advice, coaching, mentoring, education, business and marketing information and opportunities. The WIC is also responsible for liaising with gender focal persons in other ministries and agencies. However, WIC still does not have sufficient capacity and resources to input into or coordinate gender issues across all sector ministries and government agencies as was further corroborated in key informant interviews. Moreover, WIC activities are supported by donor projects which means that when these end, most activities stop as well.

The MIT has two gender desks. One is responsible for mainstreaming all gender-related issues in the ministry's policies, strategies and plans. The second is a gender desk in the SME department. This desk has the objective of mainstreaming gender issues in the MSME policy, strategies, plans and all projects relating to MSMEs. Women entrepreneurs who seek the services of the MSME gender desk are normally referred to the SIDO-WED department.

Within SIDO, the SIDO-WED department has the objective of building the capacity of women entrepreneurs in 21 regions of Tanzania. Services offered by SIDO-WED include food processing and entrepreneurship training and consultancy; the provision of information on the food industry and markets; organizing open days and trade fairs for WOE; sourcing and selling food-processing equipment/inputs and networking and advocacy. Women entrepreneurs are also linked to a guaranteed financial services offered by both SIDO and banks.

Key informant interviews revealed that even though SIDO-WED is running activities in the whole country, it still struggles to reach to all women entrepreneurs due to distance, lack of knowledge that these activities are taking place by WOE and spouses' concerns.

### 3.2.3 The scoring for effective policy leadership and coordination for the promotion of WED

In assessing this WED framework condition, scores were assigned to each of the sub-condition indicators (as per the matrix in the annex). With regard to WED as a national policy priority, the situation in Tanzania is relatively strong. The four-points indicator stating 'Women entrepreneurs have been identified as a specific target group in the government's MSME policies and there are specific measures in MSME policy documents to foster women's entrepreneurship/enterprise development' is assessed as the most appropriate.

In terms of the 'presence of a government focal point for promotion and coordination of WED and support actions', a score of 4 is also the most reflective of the situation in Tanzania: 'A national focal point for WED has been established within the government, but it is still not functioning properly, is under-resourced, and has limited liaison across ministries and agencies'. This role is assumed by the MIT with the MSME department in charge of WED. It collaborates mainly on WED issues with the WIC and SIDO-WED. However, there is limited collaboration between the MIT and other ministries on WED matters. To improve coordination and collaboration, there is a need for allocation of more resources and setting up a formal WED committee or working group that would facilitate the process and the development of an action plan.

The final average score for this condition was thus estimated to be 4 out of 5.

### 3.3 Access to gender-sensitive financial services

Access to finance is critical to the creation of sustainable new enterprises and the growth of existing enterprises, especially MSMEs. Although all micro and small enterprises lacking collateral and credit histories will experience financing constraints, the situation is exacerbated for WOEes due to additional barriers and constraints (IFC, 2011).

Gender-sensitive financial services take into account the specific needs of women entrepreneurs while delivering services in an environment where gender bias is non-existent. If all financial services were gender-sensitive, the outcome would be the increased participation of WOEes among the client base. Two sub-conditions are examined as a reflection of gender-sensitive financial services, both having an impact on the start-up, development and growth of women-owned enterprises:

- ▶ Women entrepreneurs' participation in generic financing programmes
- ▶ Financing programmes specifically targeted to women-owned MSMEs

In Tanzania, there are a variety of financial services targeting MSMEs in general, and a few have a specific focus on women. For this WED framework condition, financial services providers are categorised as formal, semi-formal and informal. Formal providers include financial institutions<sup>5</sup>, and commercial banks<sup>6</sup>; semi-formal include SACCOs and MFIs and informal include rotational savings and credit associations (ROSCAs), Village community banks (VICOBAs), village savings and loan associations (VSLAs), family and friends, small businesses and money lenders.

#### 3.3.1 Women Entrepreneurs' participation in generic financing programmes

The mapping of financial service providers found there are 32 registered commercial banks in Tanzania and none of these have a specific focus on women entrepreneurs: Some commercial banks such as the CRDB, the National Microfinance Bank, the Standard Chartered, Akiba, the National Bank of Commerce, and Barclays Bank however have SME windows. In addition, some banks have specific saving products for women. The CRDB bank, for example, has a savings product for women called "Malkia account" which offers deposit rates of up to 6 per cent per year. Exim Bank also has a savings product targeting women called "Tumaini account". Women entrepreneurs with this account are entitled to getting business loans against their saving accounts balance. Finally, Equity Bank in collaboration with ILO recently developed a 'Fanikisha' loan product for women entrepreneurs'.

Microfinance companies are increasingly offering loans to MSMEs including WOEes. SACCOs are member-based cooperatives with majority women as owners. Most SACCOs are formed as a result of something that unites them, such as teachers' SACCOs, farmers' SACCOs and rural/village SACCOs. Women entrepreneurs benefit from accessing finance from different SACCOs.

<sup>5</sup> A financial institution is an institution licensed by Bank of Tanzania and authorized to engage in banking business not involving the receipt of money on current account subject to withdrawal by cheque. <http://www.bot-tz.org/BankingSupervision/RegisteredFinancialInst.asp>.

<sup>6</sup> A bank is an institution authorized to receive money on current account subject to withdrawal by cheque. Below is a list of licensed banks operating in Tanzania <http://www.bot-tz.org/BankingSupervision/RegisteredBanks.asp>.

Additionally, the Government is also increasing its efforts to enable MSMEs to access finance. Most banks require a high (125 per cent) collateral which most MSMEs including women entrepreneurs cannot afford. Guarantee schemes are used by the government and development partners to make up for shortfalls in collateral and cushion lenders from default by some risky segments. There have been several Guarantee Schemes in Tanzania, mostly targeting MSMEs. The SME-Credit Guarantee Scheme was operated by the Bank of Tanzania (BOT SME-CGS) from 2005 to 2011 with a capital of Tshs 2 billion. It guaranteed loans ranging from Tshs 5million to Tshs 500 million lasting from 1 to 5 years. The scheme should be relaunched soon according to key informant interviews. No data exists on the percentage of WOEes who benefited from the guarantee.

Other guarantee schemes include the Private Agricultural Sector Support (PASS) Limited Guarantee Scheme established to stimulate growth and investment in the agricultural and agribusiness in Tanzania, the Alliance for a Green Revolution in Africa and the Export Credit Guarantee Scheme (ECGS). The ECGS provides partial collateral cover for exporting firms of all sizes. Among these schemes, none has a particular focus on WOEes and no data were available on the number of WOEes who had benefited from these schemes.

The National Economic Empowerment Council (NEEC) manages a guarantee scheme on behalf of the government (JK Funds) and collaborates with the CRDB bank in offering financial services to MSMEs who are members of SACCOs. By the end of 2012 a total of 44,224 entrepreneurs had benefited from these funds in eight regions. Among these, 60 per cent were women entrepreneurs.

In addition, SIDO offers financial services directly and indirectly to MSMEs. The direct financial service offered is credit facilities. These credit facilities are extended by SIDO as working and investment capital to individuals or groups (solidarity or self-help) of MSME entrepreneurs. Loans do not exceed Tshs. 30 million and are to be repaid in a maximum of three years with interest ranging from 22-30 per cent. SIDO has been able to offer loans to MSMEs directly or as a guarantee scheme by utilizing funds from the National Income Generating Programme (NIGP), the TGT, the Small Entrepreneurs Loan Fund (SELF), and East African Development Bank. Indirectly, SIDO links MSMEs to financial institutions by introducing clients, mainly women who are SIDO-WED beneficiaries, to financial institutions and guaranteeing loans to these clients when needed.

### 3.3.2 Financing programmes specifically targeted to WOEes

Tanzania has two financial institutions (out of 18 registered financial institutions) which focus on women entrepreneurs, the Tanzania Women's Bank (TWB) and the Covenant Bank for Women (CBW). TWB was established in 2008 as a limited liability company with a shareholding structure comprising 97 per cent Government and 3 per cent private individuals and entities. The Bank aims to empower women economically and socially offering them personal banking, business banking and facilitating their access to loans. Currently, the bank has two branches in Dar es Salaam and 21 sale outlets in Dar es Salaam, Mwanza and Dodoma regions. As of June, 2013, the bank had 4,700 active borrowers. Sixty per cent were MSMEs and 40 per cent individual customers. Eighty per cent of its customers were women entrepreneurs, 90 per cent of which were in solidarity lending groups.

The CBW was established in 2011 as a commercial bank committed to providing quality and competitive financial services with a strong focus on WOE's and development services. Currently the bank offers various savings and loan products. Among savings products is the Tausi Women Entrepreneurs Account, a customized savings account for women entrepreneurs who choose to save for a long period of time and get a good return. The bank has not started offering loans.

Semi-formal and informal financial service providers also focus on women entrepreneurs. MFIs are leading in serving women compared to formal financial providers. For example, three MFIs in Tanzania, Brac, Finca and Pride, have a large female customer base. BRAC has more than 110,000 clients, 80 per cent of which are women. FINCA has more than 100,000 clients, more than 60 per cent of whom are women. SACCOs and ROSCAs are also serving women entrepreneurs and the majority of rural-based SACCOs owners are women.

Village Community Banks (VICOBAs) are also a common means by which women entrepreneurs raise finance. VICOBAs comprise 25-30 members from the same village/street. Normally the membership is not limited to women, but around 90 per cent of the members are women. Most VICOBAs are formed in rural areas and have conditions for loans and membership rules and regulations (e.g. interest rates, minimum/maximum amount of shares, etc.). VICOBAs have two main funds: the savings fund and the insurance/social fund. Since 2012, VICOBAs have been recognized by the government and can register as a community based organization or with BRELA as a company. It is estimated that there are more than 3,000 VICOBAs.

Despite all these initiatives, most women entrepreneurs still do not have access to or use financial services. The IMED (2010) study found that 66 per cent of women entrepreneurs financed their start-up from their personal savings or family. The study further found that only 5.5 per cent and 11 per cent of respondents obtained their working capital from MFIs and formal banks, respectively, while 40 per cent had never borrowed from any source. Similarly, low access to financial services was reported by MIT (2012a) and the WES results found that 85 per cent of the women entrepreneurs surveyed financed their start-ups from their own savings.

Results from the WES showed also that 55 per cent of those surveyed made efforts to obtain loans from various financial providers applying for loans from banks, VICOBAs, informal providers and MFIs and those who did were successful, especially when they were able to fill out all forms correctly and meet requirements.

Women entrepreneurs in Tanzania continue to face challenges however when searching for or servicing their loans, especially from banks and MFIs. As shown in table 3.5, challenges most mentioned among WES respondents were the high interest rate charged and high collateral requirements. These two barriers were also consistently mentioned during FGD. The least mentioned problem was "women entrepreneurs are not taken seriously by loan officers", although it still applied to 42 per cent of the women entrepreneurs surveyed. Participants in FGD indicated that they did not see any difference in treatment of men and women when it came to accessing finance, however, they did mention that it was easier for men to access loans since they were possibly more willing to give a bribe to simplify the process, which women cannot do as easily. Women entrepreneurs in the FGD also pointed out that men find it easier than women to get security for a loan and get their spouse's approval. On the other hand, husbands tend to be hesitant in letting their wives pledge their assets as security for a loan. FGD participants further mentioned that even the TWB and the CBW, which are women's banks, did not serve or treat women differently than normal banks.

**Table 3.5: Problems in obtaining a loan from a bank or MFI (Multi response)**

Problems	Percent
Interest rates are too high	85
Collateral requirements are too high	84
Required to provide a personal guarantee	71
The term of the loan is (would be) too short	68
The amount of the approved loan is (would be) too small	66
Required to have a co-signatory (husband, father or other)	60
Women entrepreneurs are not taken seriously by loans officers	42

Source: WES results

From the supply side of financial services, key informants indicated that financial service providers also faced challenges when serving women entrepreneurs due to business formality as most WOE's are not registered, spouses' refusal to use co-owned land as collateral, inability of WOE's to fill out application forms and general low financial literacy and education. However, financial providers remain to consider women entrepreneurs as a potentially good market for their services and try to sensitize their staff on how to serve women entrepreneurs.

### 3.3.3 The scoring for Gender-Sensitive Financial Services

The scoring for women entrepreneurs' participation in generic financing programmes is assessed as a 3, reflecting that financial providers are 'Recognizing the potential of the women's market, they implement gender-sensitivity training for loans officers, plus actively reaching out to the women entrepreneurs' market through promotional activities'. This was noted by key informants and women in the FGDs.

The scoring of the second sub-condition: financing programmes specifically targeting WOE's is assessed as 4. The assessment revealed that there are loan guarantee programmes targeting WOE's complement credit programmes targeting WOE's/ women entrepreneurs at different stages of development (from start-up to expansion); but primarily accessible to women entrepreneurs in urban areas. Only a few semi-formal programmes such as SACCOs and VICOBA's are available in a few rural areas. There is no evidence of women-focused equity (seed and venture capital) programmes in Tanzania so far.

Overall the matrix scoring for this framework condition scored an average of 3.5 indicating that financial providers are 'Recognizing the potential of the women's market, they implement gender-sensitivity training for loans officers, plus actively reaching out to the women entrepreneurs' market through promotional activities'. It was further evidenced that there are financing programmes specifically targeting WOE's such as women banks and MFIs. However, these services are primarily accessible to women entrepreneurs in urban areas. Only a few semi-formal programmes such as SACCOs and VICOBA's are available in a few rural areas. There is

need of increasing development of tailor made loan products and loan guarantee schemes for women entrepreneurs.

### 3.4 Access to gender-sensitive business development support (BDS)

This section presents the status of women entrepreneurs' accessibility to Business Development Support (BDS) services in Tanzania. BDS services are defined as those services that improve the performance of enterprises. The services may include training, consultancy and advisory services, marketing assistance, information, technology development and transfer and business linkage promotion (Stevenson & St-Onge, 2013). These services are needed by MSMEs either to make improvements in their daily operations and or for making strategic decisions that can help them identify and service markets, design products, set up facilities, and seek financing.

Gender-sensitive BDS services take into account the specific needs of women entrepreneurs while delivering services in an environment where gender-bias is non-existent. If BDS services were gender-sensitive, the outcome would be increased participation of women entrepreneurs in all forms of BDS provision. Three sub-conditions form part of the assessment of "access to gender-sensitive BDS":

- ▶ Women's access to mainstream BDS services
- ▶ Mainstream BDS services responding to the needs of women entrepreneurs
- ▶ Presence of women-focused BDS services

#### 3.4.1 Women's access to mainstream BDS services

In Tanzania, there are many organisations claiming to provide BDS services to MSMEs in the form of training, counselling, consultancy in the areas of business planning, legal, accounting, auditing, etc. However, they typically serve a very small number of MSMEs, and usually only those who formalized and have sufficient capacity to pay for these services.

Many women entrepreneurs do not get access to BDS services, as evidenced in previous studies and the current WES. IMED (2010), for example, found that 57 per cent of women entrepreneurs had not received any BDS services before or after starting their business. These findings are in line with UNIDO (2013), suggesting that there are still gaps in awareness of BDS among women entrepreneurs. Also many BDS providers focus on only a few areas, mainly training in entrepreneurship and business management, or marketing/trade facilitation. Table 3.6 shows BDS access strands for women entrepreneurs based on MIT data. The data show that only 17.9 per cent of women entrepreneurs are aware of entrepreneurship training, while 31 per cent of them do not know any providers. The percentages are even lower for other types of training and support services, and many women do not know the providers of these services. Overall, less than 25 per cent of women entrepreneurs indicated they were aware of BDS services (MIT, 2012a dataset).

Furthermore, findings from mapping of BDS service providers and key informant interviews suggest that women are perceived and served as a normal market segment. The mainstream BDS providers do not generally have special services or promotional tools targeting WOE.

**Table 3.6: Women Entrepreneurs' Awareness of and Knowledge about BDS services**

Type of BDS services	Aware of Services (%)	Know provider	
		Yes (%)	No (%)
Business management training	8.7	10.8	35.5
Marketing training, incl. exporting	3.7	3.4	42.5
Entrepreneurship training	17.9	16.8	31.2
Market information	7.9	6.0	38.3
Farm support services/training	6.7	7.9	40.1
Business plan development	4.4	7.3	37.1
Advisory service in contracting	2.5	4.4	3.7
Product certification	5.0	10.7	34.9
Accounting, bookkeeping support	4.0	7.3	32.6
Technical skills training and mentoring	11.1	13.5	32.9

Source: MIT 2012a Survey data set

Key informants among BDS service providers estimated that women entrepreneurs make up between 20 and 30 per cent of their client base. This could be considered relatively low, given that 54 per cent of the MSMEs are owned by women.

Although, it was noted that mainstream BDS providers generally target MSMEs in general and do not specifically target women, a few BDS providers participate in building the capacity of women entrepreneurs through contractual agreements or projects, for example, a MKUBWA project commissioned IMED (an academic centre and BDS provider) to build the capacity of WOE's by offering them training, mentoring and coaching. Another example is the Zanzibar Mbogamboga project supported by the TGT and commissioned to the Zanzibar Association of Tourism Investors (ZATI) to offer BDS services to women farmers and link them to buyers of their produce.

### 3.4.2 Mainstream BDS services responding to the needs of women entrepreneurs

One of the reasons for the relatively low take-up of BDS services by women entrepreneurs can be attributed to lack of information and awareness of these services. It is important to ensure that women entrepreneurs are provided with information regarding the availability and importance of BDS for their businesses. The WES results showed that women entrepreneurs surveyed obtained most of their business-related information from other women entrepreneurs (51 per cent), followed by family and neighbours (48 per cent), and male entrepreneurs (37 per cent). During the past year, 54 per cent of the women entrepreneurs who took part in WES

**Table 3.7: Women entrepreneurs' participation in BDS services**

A: Training	Percent
Participated in Computer/ICT training	25
Participated in entrepreneurship or small business management training	50
The training was for men & women (out of 50%)	71
The training was for women only (out of 50%)	29
B: Business Support Programmes offered specifically to women entrepreneurs	
Entrepreneurship (or self-employment) training programme for women entrepreneurs	18
Business counselling or mentoring programme for women entrepreneurs	14
Women's trade fair or exhibition (regional, national or international)	14
Loan programme for women entrepreneurs	13
Services of a women's business support/ enterprise centre	8
Government procurement programme targeting women business owners	3

Source: WES results

indicated they had received advice about business from other male business owners and 44 per cent obtained from other female business owners. This implies that a close network with other entrepreneurs, neighbours and friends is crucial for women in accessing business-related information and advice. On the other hand, few women entrepreneurs obtained advice from other professionals (between 9 and 12 per cent) such as lawyers, accountants or BDS providers. In terms of information channels, women entrepreneurs surveyed said they received business information via newspapers (32 per cent), TV (31 per cent) and mobile phones (23 per cent). Mobile phones have gained presence and more and more BDS providers share messages on upcoming events or BDS opportunities to women entrepreneurs, particularly those in rural areas where it is hard to reach them via phone.

Access to information and business advice is important but women entrepreneurs also need access to training and other services to improve skills and grow their businesses. Among the women entrepreneurs who took part in WES only 25 per cent of women entrepreneurs had participated in ICT/computer training programmes, half had participated in isolated entrepreneurship and small business management training course and 29 per cent had participated in business training specifically tailored for women entrepreneurs (see table 3.7 part A above). Significantly smaller percentages of the women surveyed said to have taken part in counselling, trade fairs, or had accessed enterprise centres (see table 3.7 part B).

Only a few BDS organizations were found to be making special efforts to reach out to women entrepreneurs and to adjust their programmes and service delivery to meet their specific needs as clients such as TGT and IMED who developed a database of women entrepreneurs they

trained to inform them of additional services or UDEC which designed a low-level certificate course in entrepreneurship for MSMEs which based on women's needs, was designed to be run only on weekends and in Kiswahili. UDEC also in collaboration with BiD Network of the Netherlands provides online coaching and business plan development support including women.

### 3.4.3 Presence of Women – Focused BDS Services

A number of BDS programmes focus on women entrepreneurs. As described earlier, SIDO-WED offers different BDS services to women entrepreneurs. These include entrepreneurship training, food processing training and consultancy for the food industry. The programme has enabled women to increase their ownership of assets from US\$ 670 to US\$ 16200; create more than 1500 jobs; and produce quality products sold in different supermarkets in the country (UNIDO, 2013). SIDO-WED uses its country-wide branch network to promote its services as well as internet, media and fliers to inform other women entrepreneurs about their products.

UDEC in collaboration with the University of Dar es Salaam Business School (UDBS) and funded by Goldman Sachs Foundation supports women entrepreneurs regardless of their educational background, by sponsoring them to attend a modular and weekend based certificate in entrepreneurship and business management (CEBM) training programme.

The MKUBWA project trains women in entrepreneurship and business skills, offers coaching and mentoring and market exposure visits. The programme also supports women entrepreneurs in formalizing their businesses and in the course of phase 1, 40 per cent of participants were assisted in the actual registering process.

The WIC and the WIW at the MCDGC also offer BDS services to women entrepreneurs. Through its 11 branches, the WIC has offered services such as training, mentoring, information and linkages to women entrepreneurs.

The ILO through IrishAid funding collaborates with various partners in offering BDS services to women entrepreneurs. It has developed various tools for BDS providers to use with women entrepreneurs including a gender self-check tool for BDS aimed at identifying improvements in the organization's operations with respects to the needs of women entrepreneurs. It has also a gender sensitive business management training package and a pool of experienced trainers.

The Mbogamboga project in Zanzibar trains women farmers and encourages hotels to support the growing industry of agricultural supplies that benefit rural smallholders in the country. The project currently focuses on among other things supporting women's current horticulture and agribusinesses to graduate from micro to small.

These women-focused BDS services are still not accessible by many rural women entrepreneurs. Apart from SIDO-WED and a few small others, women-focused BDS providers are mainly in urban areas and donor funded. This implies that most women in rural areas cannot access them and their sustainability is often heavily dependent on continued donor support.

Women entrepreneurs in the FGDs noted the importance of services targeted to their needs, particularly in the development of business plans, financial management issues, packaging and labelling products, customer care and how to use various ICT facilities.

### 3.4.4 The scoring for Access to gender-sensitive BDS services

Based on the findings from key informants that women make up an estimated 20- 30 per cent of their BDS-related clients, the score for sub condition A: women's access to mainstream BDS services, is assessed as 3, which is the score for the statement best reflecting the current situation in Tanzania.

Sub-condition B: mainstream BDS services respond to the needs of women entrepreneurs is also assessed with a score of 3. The statement that there are 'initiatives to gender-sensitize and mainstream BDS organisations and to create broader awareness among women entrepreneurs of their services, including through businesswomen's networks and the use of ICT' best reflects the current situation in Tanzania. The assessment found that a few BDS providers are sensitizing their employees and as a result are able to respond to the capacity needs of women entrepreneurs. Although a few BDS providers, such as UDEC, have modified their existing BDS services/ initiatives to respond to the needs of women entrepreneurs, this is not at present widespread as an approach of the mainstream BDS providers and needs to be further encouraged.

Sub-condition C: presence of women-focused BDS services, also warrants a score of 3. This is based on evidence of there being 'a number of women-targeted BDS programmes, but these focus on a limited range of offerings, specifically training in entrepreneurship skills, and most are not accessible in all parts of the country'.

The matrix scoring for this framework condition scored an average of 3 indicating that women make up an estimated 20 to 30 per cent of their BDS-related clients; also some of these BDS services respond to the needs of women entrepreneurs since it was evidenced that there are 'initiatives to gender-sensitize and mainstream BDS organisations and to create broader awareness among women entrepreneurs of their services. To improve Tanzania's performance on this indicator, more efforts would have to be made to provide a fuller range of coordinated and sustainable BDS services available to women entrepreneurs in all parts of the country.

## 3.5 Access to Markets and Technology

Women entrepreneurs' access to markets (both domestic and international) and technology (its usage and ownership, including ICTs) is a key consideration in strengthening their opportunities for new market development and expansion, quality and productivity improvements, and growth, as well as for enabling their entry into higher-value added and growth sectors. Supporting their access to market opportunities, technology and growth sectors will help women transition from their concentration in low barrier-to-entry and low-yield markets to businesses with higher growth potential that generate jobs and decent employment and can more competitive and sustainable.

Four sub-conditions have been identified as important in assessing access to markets and technology for women entrepreneurs:

- ▶ Export promotion for women entrepreneurs
- ▶ Government procurement programmes actively targeting women-owned enterprises

- ▶ Supply chains and linkages that integrate women-owned enterprises
- ▶ ICT and technology access of women entrepreneurs

Access to markets and technology is among the seven pillars of the SME Policy (MIT, 2003). UNIDO (2013) points out that there have been several efforts to promote access to technology for MSMEs such as promoting linkages between MSMEs and technology providers, facilitating joint ventures to enhance the transfer of technology and strengthening marketing agencies and institutions that support MSMEs. However, none of these initiatives has specifically focused on women-owned enterprises. In promoting access to markets, various agencies organize trade fairs to promote the exports of WOE's products.

### 3.5.1 Export Promotion for Women Entrepreneurs

Various agencies like SIDO, EOTF, NEEC, ILO and others promote the exports of women by organizing events so that they can participate in trade fairs. SIDO and NEEC are the leading government agencies which help women entrepreneurs attend international trade fairs. However, only few women benefit from these as became apparent in the WES where only 23 per cent of those surveyed had participated in local trade fairs and 9 per cent in international trade fairs.

In addition, the export market is mainly accessible to women/suppliers who can produce creative designs and meet the export documentation and import regulations of the destination countries. Access is also more open to WOE's who have the ability to negotiate terms, understand contracts and communicate in English. According to IMED (2010), only a few women entrepreneurs meet these demands. Exports further take place directly or through export merchants/organizations and sometimes indirectly through resellers, limiting the ability of WOE's to participate in the negotiation process. Well established WOE's export directly, while less established ones typically sell through export merchants such as Kwanza Collection (a company that links rural artisans and small-scale producer groups in Tanzania by finding markets for crafts and processed foods for the local, regional and export markets).

Very limited efforts have been made by the government and private agencies to enable women entrepreneurs to export their products and to know about international quality standards and other requirements for participating in international markets such as understanding import regulations of the destination countries; trade negotiation including reading and understanding supply contracts; language – the ability to communicate in English; ability to meet orders of the required quality and quantity and the use of the Internet (skills) (IMED 2010). Other challenges that emerged from FGD and key informant interviews were that women entrepreneurs were and are not sufficiently involved in the formulation of export policies and no centralized information office on trade and export initiatives exist.

However, women entrepreneurs who attended export promotion events reported to have benefited from accessing international markets and increasing sales of their products. This implies that participation in trade fairs is important as it enables women to build networks and find new markets. More efforts are needed by the government and other stakeholders to support the participation of women in trade fairs so that they can market and expand their businesses.

### 3.5.2 Government Procurement Programmes Actively Targeting WOE

Procurement reforms in Tanzania started in 1997, which led to the passing of the Public Procurement Act No. 3 in March 2001 (PPA 2001). It became operational in July 2001 with the establishment of the Public Procurement and Regulatory Authority (PPRA) division under the Ministry of Finance. The objective of the procurement division is to develop, implement, monitor and evaluate mechanisms for involving MSMEs in public procurement.

PPRA actively uses ICT (website, e-government procurement and mobile phone messages) to avail information to interested bidders. However, the procurement process is mainly designed for large enterprises. MSMEs' participation is low and difficult as the tender application form and other procedures are found to be complicated and unclear to follow in terms of what documents need to be filled out. So far, no efforts have been made to sensitize WOE to participate in the government procurement process.

### 3.5.3 Supply Chains and Linkages

A key barrier to business relationships between large and small businesses is inadequate awareness and capacity of small businesses to meet the quality and quantity requirements of large businesses. In addressing this gap, the Tanzania Investment Centre (TIC) has since 2009 been implementing a Business Linkage Programme, which focuses on linking MSMEs with larger companies. TIC registers enterprises and MSMEs that are interested in participating in this programme. MSMEs receive training and advisory services that enable them to deliver to the expectations of the larger corporate entities. All MSMEs can participate in the programme. TIC also organizes buyer-seller meetings where they get to understand each other better and also discuss the challenges. Participating MSMEs get subsidized training and checks on the situation of their business before and after training. Key informant interviews however highlighted that very small numbers of women entrepreneurs take part in this programme.

The Tanzania Association of Women Miners (TAWOMA) has among its objectives to link small women miners with large miners in Tanzania and abroad so that small miners can sell their products. TAWOMA has also identified foreign markets for gemstones, specifically in Japan, India, USA, Kenya, South Africa, China, Canada, Thailand and Italy.

The 'Mbogamboga' project in Zanzibar supported by the TGT and ZATI is also linking women farmers and large tourist hotels in Zanzibar and it trains women horticulturalists to cultivate in more professional ways. It encourages the hotels to support the growing industry of agricultural supplies to benefit rural smallholders. Through this collaboration, the project has reached out to 1,087 women farmers.

One key informant noted that linking WOE in order to respond to the needs of a larger business is not always easy due to trust competition but also because of the different capacities that are needed in order to deliver to large enterprises which women entrepreneurs often do not seem to have.

### 3.5.4 ICTs and Technology Access of Women Entrepreneurs

Most women entrepreneurs have limited access to newer technology. Most use old technologies to manufacture different products. So far there are very limited initiatives that help WOE

integrate new production technologies and support them in upgrading their old technologies. This is done on a very small scale by SIDO and Tanzania Industrial Research and Development Organization (TIRDO).

ICT is an important enabler of productivity, growth, innovation and new economic activities for WOE (UNCTAD, 2011). If used properly, ICT can help women entrepreneurs overcome barriers and constraints to gaining access to information, conducting business and financial transactions, accessing new markets, developing new relationships through conducting online meetings and gaining knowledge and skills. The access and use of ICT tools by women entrepreneurs is increasing, especially of mobile phones, computers, media and the internet (UNIDO, 2013). IMED (2010) found that many women entrepreneurs use modern communication tools, particularly mobile phones, the Internet and email to exchange information with their clients (e.g. exchange of product designs before orders). MIT (2012a) also reported that 59 per cent of MSME owners owned a mobile phone. However, MIT data showed also that overall, more men use ICT tools than women. Key informant interviews shed some light on this stating that men find it easier to use ICT tools because they can more easily find time to learn new ways of using their mobile phone and can more easily go to an internet café to use the internet as it is culturally more acceptable.

WES results showed that majority of women entrepreneurs surveyed (97 per cent) used mobile phones in their businesses (table 3.8). The percentage difference between the regular use of a mobile telephone and other forms of ICT is very high, indicating that other forms are not greatly used. Only 11 per cent of women had websites for their business and 16 per cent sold their products online. Few women entrepreneurs use computers and this may be attributed to the fact that many have not received any computer training. This is further confirmed in table 3.9, where only 19 per cent and 16 per cent of women respondents were confident about their computer skills and internet skills, respectively. The table further shows that women entrepreneurs are in great need of training in the use of ICT tools.

**Table 3.8: ICT Tools used in running WOEs**

ICT Tools used in running the business	Percent of respondents
Regular mobile phone	97
Desktop/ laptop computer	30
Fixed line internet subscription	17
Smartphone	15
Mobile internet subscription	8
Internet café, tele-centre or kiosk	3
Women with Website for Business	11
Women Selling their products online	16

Source: WES results

**Table 3.9: ICT Skills**

ICT Tool	Levels	Percent of WE respondents
Mobile phone	Aware of the different ways a mobile phone can be used in the business	70
	Confident about using related skills in the business	54
	Interested in acquiring more skills	90
Computers	Aware of the different ways a computer can be used in the business	33
	Confident about using related skills in the business	19
	Interested in acquiring more skills	80
The internet	Aware of the different ways the internet can be used in the business	28
	Confident about using related skills in the business	16
	Interested in acquiring more skills	79

Source: WES results

WES results further shows that 67 per cent of respondents are planning to invest in new technologies for their business, develop websites for their business, (37 per cent) and integrate ICT to improve the efficiency and marketing capability of their business (47 per cent). This seems to imply that capacity building is a necessity for these businesses so that they can manage their growth.

### 3.5.5 The scoring for Access to markets and technology

Sub-condition A: export promotion for women entrepreneurs, was assessed with a score of 2 on the grounds that, although organizations that promote exports exist, the organizations do not actively engage WOE in terms of capacity building to make use of export opportunities. Additionally, the information is not disseminated to all WOE, limiting their participation in export-oriented activities. The export market is also limited to few products such as creative design products and mining products excluding the export of other kinds of products. The findings also suggest that there are very few initiatives available that prepare women entrepreneurs to be ready to export.

Sub-condition B: government procurement programmes actively targeting women's enterprises, received a score of 1 since the participation of WOE in procurement programmes is limited. Although information about participation in procurement is made available via government websites, no effort is being made by the government to ensure that bidders and particularly women entrepreneurs participate in the bidding process. Furthermore, there are no initiatives at

government level to ensure that the tender documents are tailored to suit the needs of bidders, particularly WOE, who have little capacity to handle tender documents and the whole process. This limits the participation of WOE in accessing government tenders.

Sub-condition C: supply chains and linkages integrate WOE, was scored with a 4 since some supply chain/linkages programmes target women. Though not existing in all sectors, some sectors, for instance mining and horticulture, provide for such linkages and large firms and/or associations can collaborate with smaller firms and/or WOE along the supply chain to access markets. The challenge exists, however, regarding how the MSMEs meet the demands in terms of quality and quantity of larger businesses. Much greater effort is needed, not only to focus more on integrating WOE in supply chains, but also to provide them with upgrading programmes so they are able to meet the quality and standards requirement of large buyers. This may also require funding programmes so they can implement the necessary changes to their enterprises.

Sub-condition D: ICTs and technology access of WE scores 2, reflecting that limited efforts are made at the government level to improve the digital literacy of WOE. There is evidence of women entrepreneurs using modern technologies but this applies to very few of them and there is no evidence of programmes focused on upgrading and modernizing the technology of WOE. Though WOE use ICT to facilitate their business operations, the usage is limited primarily to the use of mobile phones and efforts to improve their ICT skills happen at the individual level. There are limited efforts centrally that target WOE in this area of digital literacy.

The matrix scoring for this framework condition scored an average of 2.25 indicating the following: first even though organizations that promote exports exist, they do not actively engage WOE in terms of capacity building to make use of export opportunities; second, although information about participation in procurement is available via government websites, there are currently no efforts to ensure that women entrepreneurs participate in the bidding/procurement process; thirdly, regarding ICT usage where there are limited efforts made at the government level to improve the digital literacy of WOE.

### 3.6 Representation of Women Entrepreneurs and participation in policy dialogue

Business and sector membership associations play a major role in public-private dialogues for creating an enabling business environment. In order to have a good business environment, there should be both horizontal and vertical dialogues between and within the public and private sector (Van der Poel et al., 2005). In many developing countries, women entrepreneurs make up only a tiny fraction of the membership of key business, sector and employers' organisations and the "voice" of women entrepreneurs is not well represented in public-private dialogue processes, in either the private or public sector. The lack of representation and voice is an important issue for women entrepreneurs, who are often concentrated in unorganised sectors or have varying degrees of exclusion from public spheres. As a result, the existing legal and regulatory impediments that relate specifically to women's economic empowerment are not being satisfactorily highlighted or addressed and the issues of primary concern to women entrepreneurs are not being raised. The formation of women entrepreneurs' associations is often a reaction to this lack of representation in mainstream business and sector associations.

Three sub-conditions have been identified as particularly important to assessing the representation and participation of women entrepreneurs in policy dialogue:

- ▶ Representation and “voice” of women in business/ sector membership associations
- ▶ Presence of women entrepreneurs’ associations and networks
- ▶ Participation of women entrepreneurs in public-private sector policy dialogue and influence on outcomes

The membership association of the private sector in Tanzania comprises a wide and diverse range of actors from different sectors. There are chambers such as the TCCIA, the TWCC, and the Confederation of Tanzanian Industry (CTI), and other sector associations. The Tanzania Private Sector Foundation (TPSF) is an umbrella for all these associations. There are also associations for MSMEs in general such as ‘Vikundi vya Biashara Ndogondogo’ (VIBINDO), and others for specific sectors such as the association of handcraft sellers, Tanzania horticulture association, and association of tour operators, etc.

Co-ordination and vertical integration of different private sector actors at different levels is still at an early stage. The TCCIA and CTI have developed a dialogue partnership with other private sector organisations, as well as the public sector.

### 3.6.1 Representation and “voice” of women in business/ sector membership associations

Many associations face various challenges (Van der Poel et al., 2005; Olomi & Mori 2013). In Tanzania at the grassroots level, there is a huge shortage of producer groups or sector associations that support market-linkages and value chain development and adequately advocate for their constituency so that they can act as a serious dialogue partner. In addition, the associations that do exist often lack capacity, both in terms of knowledge and the ability to attend meetings, travel and voice issues and concerns. Also, associations that are members of a chamber (e.g. TCCIA) only have one vote, irrespective of how many people they represent, leading to the dilution of their issues in the horizontal and vertical dialogue process.

Below are three of the main associations identified in Tanzania. However, it was found that women entrepreneurs’ voices were not well represented in these associations due to among other reasons the predominance of a patriarchal system. Even when present, most women will not speak out in general meetings when many men are present. According to key informant interviews, women simply do not like to participate in association meetings. However, during FGDs women stated that they did not see the value in participating when they believe their voices will not be heard and more so when they have other obligations and priorities they must attend to.

- **The TCCIA** is the most inclusive representative membership association, both with respect to diversity of members (ranging from associations of smallholders to larger urban enterprises), as well as in geographic coverage (24 regional and 60 district branches). The TCCIA represents a big fraction of private sector entrepreneurs, other sector associations and individual entrepreneurs. Currently TCCIA has 8,000 members, of which 60 per cent are MSMEs and 35 per cent are WOE. To be a TCCIA member, one has to have a business with a municipal licence or be registered by BRELA. There are few women in the top management of TCCIA and only one woman entrepreneur out of nine directors sits on the TCCIA board.

- **The Confederation of Tanzania Industries (CTI)** is one of the strongest associations. The main focus of the CTI is policy advocacy, training and supporting individual members when interacting with public sector agencies. Traditionally, its membership consisted of large industrial enterprises but has now established an MSME department to look at issues such as development of small industries, entrepreneurship development, and vocational education and training. It has over 200 members and branches in Mwanza and Arusha. About 5 per cent of members are WOE's in the food processing and beverage production sectors. The governing board has 19 members, 2 of which are women, one being the chief executive officer.
- **The Tanzania Private Sector Foundation (TPSF)** is a national private sector organisation for all business associations. It has over 120 members, some of which include large private firms and different sector associations. MSME member associations are among the membership categories of TPSF. A few women-based associations are members of the TPSF and women are becoming increasingly represented in specific sector associations also members of TPSF, for example the Tanzania Horticulture Association (TAHA), the Tanzania Graduate Farmers Association (TGFA) and the Sokoine University Graduate Entrepreneurs' Cooperative (SUGECO).

### 3.6.2 Presence of Women Entrepreneurs' Associations and Networks

There are many membership-based associations specifically for women in general and a few targeting women entrepreneurs. This study identified 30 associations with a specific focus on women's development issues, seven of these focused more specifically on women entrepreneurs. Below some additional information on these seven associations:

- **The Tanzania Women Chamber of Commerce (TWCC)** is an umbrella organization uniting sectoral business women's associations, companies and individuals who have agreed to form a united front to advocate, lobby and network for the well-being of their businesses and the prosperity of women entrepreneurs. The chamber is supported by TCCIA and has more than 2,000 women members. The chamber also works closely with SIDO-WED and other female networks.
- **The Federation of Association of Women' Entrepreneurs (FAWETA)** has the objectives of creating more awareness of the concerns and issues of women in business; encouraging women to set up enterprises or expand existing ones; serving as a link between members and regional trade organizations to promote trade and development; increasing the awareness of women in business of issues at policy level; and increasing women's participation in decision-making. The number of FAWETA members totals 3,500 women entrepreneurs. The federation was among the initiators of the Tanzanian Women's Bank.
- **The Tanzania Food Processors Association (TAFOPA)** brings together small-scale women food processors, most of them trained by SIDO-WED. Services include advocacy, provision of packaging materials and exhibitions. The association has more than 500 women processors who are spread over more than 20 regions.
- **The Tanzania Women Miners Association (TAWOMA)** aims at lobbying for the support and recognition of women in mining nationally, regionally and internationally. It also serves as an advocate wing for women in the mining sector to lobby the Government on policy issues (gender mainstreaming) and the constraints faced by women. TAWOMA facilitates women

miners to organize and access financial, technical and marketing services. The association has more than 500 members from five regions. Currently TAWOMA is working on the review of the Mining Act 2010 and Mineral Policy of 2009.

- **The Women Fund Tanzania (WFT)** provides a funding mechanism which gives voice and visibility to marginalized women by providing grants and capacity building. Grants are made available through women's movement, women's organizations, women's groups and individual women. WFT also works to strengthen the capacity of women's movements and women's organizations in Tanzania.
- **The Association of Women Entrepreneurs Programme (AWEP)** is a network of women entrepreneurs which has chapters in many African countries. It is an outreach, education and engagement initiative targeting African women entrepreneurs to promote business growth, increase trade both regionally and to US markets through the African Growth and Opportunity Act (AGOA). The AWEP Tanzania chapter has 40 members.
- **The Tanzania Women Entrepreneurs Network & Development Exposition (TWEENDE)** is dedicated to providing opportunities for companies to connect by organising networking opportunities where women owned and led companies can showcase their products and services in exhibitions and discuss various issues in workshops and education sessions.

The presence of women-focused associations and network is very important for women to share their views. This was further corroborated during interviews with key informants who noted that women were active in bringing ideas and speaking out when participating in women's associations. Membership remains low as well as capacity and organizational structure. Also, several associations continue to rely heavily on donor-driven projects, leading to a lack of true commitment by members once projects close. Nevertheless these associations have still managed to take part and positively contribute to various policy dialogues.

### 3.6.3 Participation of women entrepreneurs in public/private sector policy dialogue and influence on outcomes

Despite there being many business/ sector associations in Tanzania, few women entrepreneurs are members. 23 per cent of the women entrepreneurs who took part in WES stated they were members of businesswomen's or women entrepreneurs' associations. Ten per cent were members of the TCCIA and the TWCC. It must be noted however that the women identified for the WES were partly done so thanks to associations so figures could be potentially lower for the entire population of women entrepreneurs in Tanzania.

While carrying out research for this study, it was found that very few government systems have been established for soliciting inputs from women's associations and women entrepreneurs in policy dialogue. Most advocacy issues are raised within associations and are taken forward to be discussed at the public sector level. Representatives of large associations, such as the TPSF, the TWCC and FAWETA, are often invited to government MSME committees and task forces which examine business environment reforms like the Road Map Initiative, which has the objective of enhancing the business environment in Tanzania and ensuring that Tanzania improves its ranking in the World Bank's Doing Business report. As mentioned above, women are not very present at the top level of these associations, which leads to believe that very few women entrepreneurs take part in these committees and task forces.

### 3.6.4 The scoring for Representation of Women Entrepreneurs and Participation in Policy Dialogue

Sub-condition A: representation and “voice” of women in business/ sector membership associations, is assessed with a score of 3, reflecting an estimate that business women/ women entrepreneurs make up at least 20 per cent of the members of the major (mainstream) business associations and sector organizations. This is an overall estimate and women’s share of membership may range from 5 per cent (CTI) to 35 per cent (TCCIA). In most cases, the representation of women members in the management decision-making and governance bodies of these associations is limited.

Sub-condition B: presence of women entrepreneurs’ associations and networks, is assigned a score of 3, reflecting the existence of several women entrepreneurs’ associations and networks, but with a relatively low membership base given the number of WEs in Tanzania. The associations also have limited outreach in rural areas. There is a need, however, for women entrepreneurs’ associations to make known the benefits of membership and the importance of becoming members. Some of these associations play an advocacy role and have some influence on policy dialogues and decisions. The associations need to have a secretariat that will make their voice heard as one, this being another major challenge.

Sub-condition C: participation of WEs in public-private sector policy dialogue and influence on outcomes, was also assigned a score of 3. This reflects that ‘mainstream business associations have started to recognise the importance of better integrating the views of women members in their policy advocacy priorities, and women entrepreneurs’ associations are developing their advocacy skills and capacity, but these efforts have not yet led to much progress in influencing the government’s policy agenda. However, there is evidence of some positive outcomes as a result of women participating in public dialogue.

The matrix scoring for this framework condition scored an average of 3 indicating that there are several women entrepreneurs’ associations and business networks, but at the same time there is a relatively low membership base given the high number of women entrepreneurs in Tanzania. Although the available business associations have started to recognise the importance of better integrating the views of women members in their policy advocacy priorities, these efforts have not yet led to much progress in influencing the government’s policy agenda. Associations also have limited capacity to outreach in rural areas. Promoting the importance of networking among women entrepreneurs as well as strengthening the capacity of business organizations to respond to their needs and women entrepreneurs’ associations to effectively advocate are key to increasing these scores.



## 4. CONCLUSIONS AND RECOMMENDATIONS

### 4.1 Conclusions

Women entrepreneurs continue to be important to the Tanzanian economy. This assessment reveals that many initiatives, policies, programmes and organizations have been introduced in order to support women entrepreneurs and women-owned enterprises. However there are still areas that need to be given attention in order to improve the business environment for WOE. Scoring matrices provided scores for the six WED framework conditions and each of the related sub-conditions, respectively. The matrices show effective policy coordination for the promotion of WED is the strongest as it scored higher than other framework conditions. This is attributed to by the various initiatives taken at government level to ensure that WED is given priority from the policy level to the institutional level.

The lowest performed framework condition is on gender-sensitive legal and regulatory system. This is attributed to the fact that only one indicator applied to the sub-condition related to ‘WOEs and labour regulations’, reflecting that efforts to provide women entrepreneurs with orientation on labour laws and regulations is weak. There is also limited evidence of efforts to ensure that women are informed about business registration regulations and procedures and assisting them with complying with the requirements (thus many women are operating informal enterprises). Women are also at a great disadvantage when it comes to existing property and inheritance rights, mainly concerning the application of customary and Islamic inheritance laws and limited recourse to their legal rights.

Figure 4.1: Spider Diagram for Six WED Framework Conditions

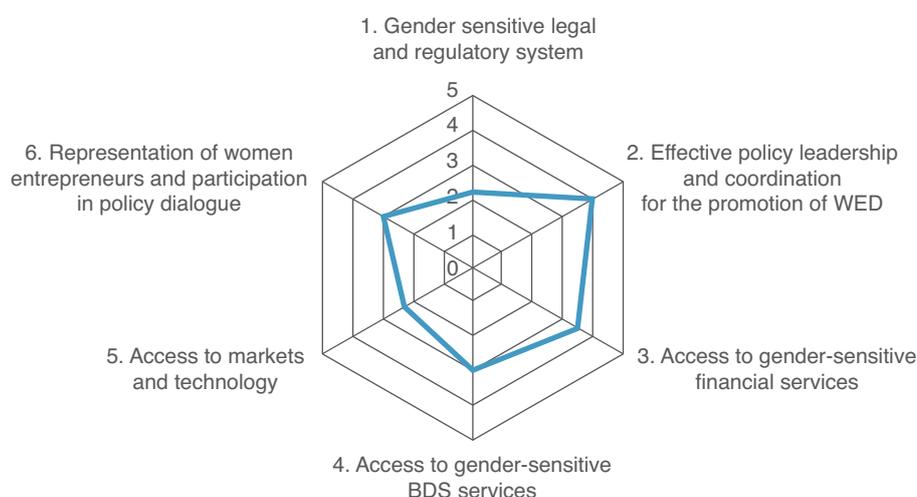
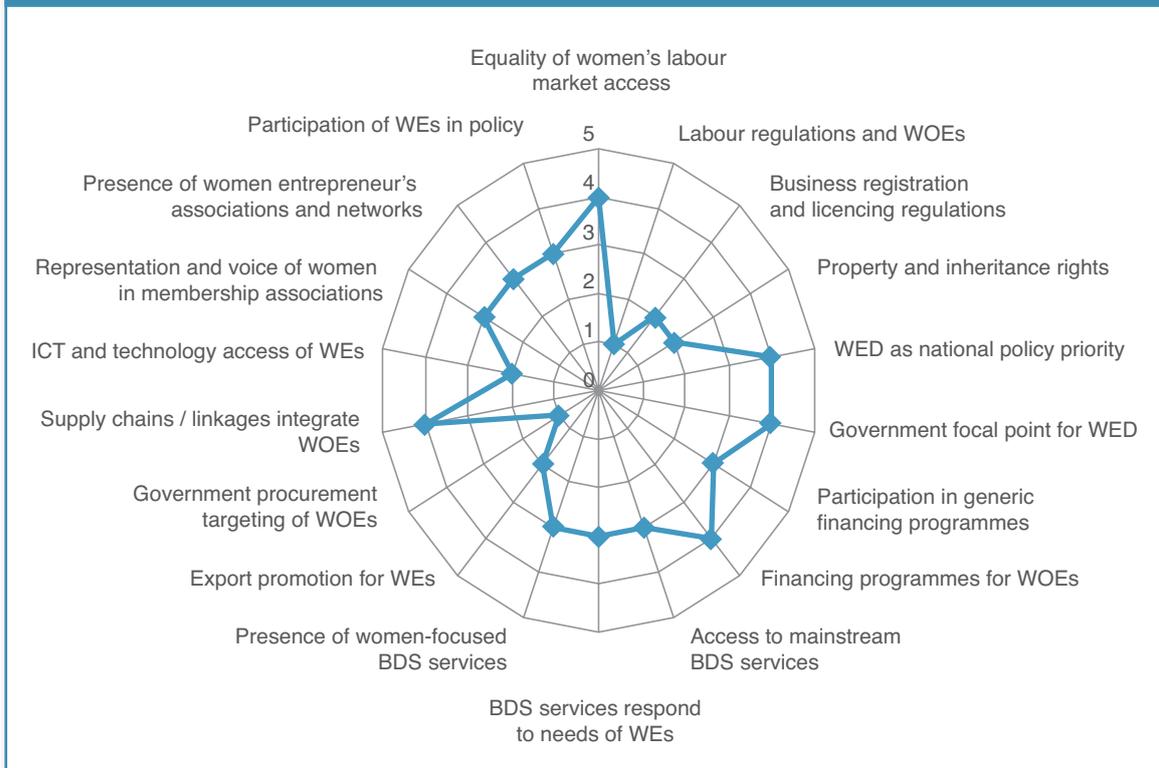


Figure 4.2: Spider Diagram for Eighteen WED Framework Sub-Conditions



Based on the assessment, various recommendations are made to the government, chamber of commerce, business associations, donor community and other stakeholders. These are summarised below.

## 4.2 Recommendations

### Gender sensitive legal and regulatory system that advances women's economic empowerment

- 1 Organise awareness campaigns on the importance of access to formal education for girls up to higher levels and in sectors that have job creation potential (non-traditional sectors).
- 2 Raise awareness of women entrepreneurs to the need to register their businesses, including the inherent costs and benefits through BRELA and existing networks of BDS, financial providers and business associations.
- 3 Organize communication campaigns targeting women and men, especially in rural areas, on women's right to own property and other assets they are entitled to and reviewing female-male stereotypes.

#### Effective Policy Leadership and Coordination for the promotion of WED

- 4 Seek to gather and regularly update relevant information on WED policies and programmes in a centralised platform.
- 5 Evaluate policies and programmes over time, with a gender, efficiency and impact lens in order to see whether policies are working for both women and men.
- 6 Build the awareness and the capacity of gender focal persons in each ministry on the importance of WED for the country as well as existing measures to support it.
- 7 Build off of the existing MSME baseline dataset from MIT, reaching out to a larger and more representative sample and analyse the data from a gender perspective to identify constraints and opportunities leading to formalisation and job creation among women.

#### Access to gender-sensitive financial services

- 8 Banks and MFIs should be encouraged to review their service offer to ensure it responds to the needs of women entrepreneurs, including technical inputs and non-cash technical transfers, and develop strategies and actions that increase their service provision to women entrepreneurs.
- 9 Financial service providers should put in place credit guarantee schemes to support WOE's and ease their access to capitalisation for starting and growing their businesses.
- 10 Financial service providers should periodically meet with women entrepreneurs representative organisations to raise awareness on the needs and constraints of women entrepreneurs and share concerns.
- 11 Government should design a review mechanism for disbursement of loans and grants through government funding windows to ensure that women entrepreneurs in under-served rural regions benefit.

#### BDS services responding to needs of women entrepreneurs

- 12 Promote financial literacy programmes alongside management skills training for women to help them assess their financial needs and opportunities and take calculated risks that may enable them to grow their businesses past the micro size in the future.
- 13 Strengthen BDS providers to be able to (re)orient women entrepreneurs towards market niches with more growth potential and help micro-enterprises led by women to organise and become competitive suppliers to larger enterprises, domestic and international (for example hotel chains).
- 14 BDS providers should extend their service provision (or partner accordingly) to women entrepreneurs in order to offer a range of services going from marketing, customer-care and sales to essential post-training supports, such as mentoring, coaching, networking, ICT facilities and other needs based workshops.

**15** BDS providers should be encouraged to develop and market BDS products based on specific needs of WOE's and cluster these services as a market niche.

**16** BDS providers should actively encourage women to join networks and provide information on the networking options available, as well as information about other relevant programmes they can benefit from to increase their skills and competencies to successfully run their business.

**Access to Markets and Technology**

**17** Support women entrepreneurs' participation in international trade fairs and international markets, including rendering regional protocols accessible and sharing this information through BDS providers.

**18** Establish a target for WOE's participation in procurement<sup>2</sup>, with a simplified process and raise awareness among service providers and WOE's on compliance. Through existing BDS providers, establish supports to help WOE's determine if they are eligible and then assist them to become procurement ready.

**19** Employers' organizations and business associations should increasingly work towards establishing linkages between women entrepreneurs in their membership and large domestic and international enterprises to increase women's access to markets and supply chains. (Linkage done by TAWOMA is a good example that could be replicated by other associations.)

**20** Support training and capacity development for women entrepreneurs in ICT skills relevant to running their businesses.

**21** Provide capacity building and support to women entrepreneurs for them to use and integrate modern production technologies in their businesses that can help them increase productivity and increase time efficiency

**22** Use broad-based media to share information and enterprise related skills, including how ICTs (computer, mobile phone) can be used by women entrepreneurs to enhance their businesses.

**23** Linkage and supply chain programmes should target sectors in which WOE's are highly present, identify opportunities for linking WOE's to supply chains of large enterprises; and include WOE's in capacity building programmes to prepare them as suppliers (including the TIC Business Linkages Programme).

**24** Introduce capacity building programmes on quality certification to help selected WOE's acquire the standards and quality certifications needed to qualify as suppliers of large firms.

#### Representation of WEs and Participation in Policy Dialogue

- 25** Organize awareness-raising campaigns and capacity building workshops with employers' organisations, business associations and women entrepreneurs to encourage more women to become members of these organizations and raise their voices at policy level.
- 26** Disseminate accessible information about relevant policies and programmes to women entrepreneurs so they are more aware of their rights and entitlements as well as opportunities for support and advocacy.
- 27** Heads of Employers' Organisations and business associations should encourage and support women entrepreneurs to express their views and participate in discussions, regardless of men's stronger presence in these associations.
- 28** The Government and donors should identify means and mechanisms to facilitate the formation of associations by women entrepreneurs. They should however refrain from leading the process.
- 29** Active women entrepreneurs' associations should be further strengthened and their services be promoted among women entrepreneurs. In rural areas, forming semi-autonomous networking cells or using relevant technologies to facilitate networking are two means of extending association coverage into remote locations.





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### Summary of Scoring of WED framework conditions Indicators

Indicators and scoring for assessing: Gender-sensitive legal and regulatory system that advances women's economic empowerment		Score
<p>Note: In the scoring of this WED framework condition, the shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.</p>		
<b>A. Labour laws and regulations</b>		
<i>Equality of women's labour market access</i>		
<p><b>5</b> (if all five of the indicators apply); <b>4</b> (if only any four of the indicators apply); <b>3</b> (if only any three of the indicators apply); <b>2</b> (if only any two of the indicators apply); <b>1</b> (if only one of the indicators applies)</p>		
Women are not restricted from employment in any sector of the economy	Labour laws and regulations mandate non-discrimination in hiring practices on the basis of gender	Laws mandate that women and men receive equal pay for similar work
		Married women do not legally require their husband's permission to work outside the home or to operate a business
		Women are made aware of their equal employment rights and these are enforced
<b>4</b>		
<i>Labour regulations and WOE's</i>		
<p><b>5</b> (if all five of the indicators apply); <b>4</b> (if only any four of the indicators apply); <b>3</b> (if only any three of the indicators apply); <b>2</b> (if only any two of the indicators apply); <b>1</b> (if only one of the indicators applies)</p>		
WOEs are provided with assistance in dealing with any complexities in registration and compliance procedures	Orientation on labour laws and regulations and compliance/ reporting requirements is provided to women entrepreneurs as part of BDS and training programmes	The government makes specific efforts to inform WOE's about labour laws and regulations and compliance/ reporting requirements
		Registration of workers can be completed online or through conveniently-located one-stop shops, which eases the administrative and time burden on WOE's
		WOEs are not subjected to harassment or bribery by labour inspectors
<b>1</b>		

B. Business registration and licensing regulations and procedures					Score
<p><b>5</b> (if all five of the indicators apply); <b>4</b> (if only any four of the indicators apply); <b>3</b> (if only any three of the indicators apply); <b>2</b> (if only any two of the indicators apply); <b>1</b> (if only one of the indicators applies)</p>					
Women can register a business without the legal requirement to have their husband's permission	Special efforts are made by the government to ensure that women are informed about business registration and licensing procedures	Women are not disadvantaged in accessing business registration offices due to mobility restrictions (e.g. registration can be done online, or through local registration points, etc.)	Women's desks are located in business registration offices (women may have lower literacy levels and less business knowledge)	It is possible for women to obtain a business licence for all types of businesses, including ones for the types of business traditionally started by women	2
C. Property and inheritance rights					Score
<p><b>5</b> (if all five of the indicators apply); <b>4</b> (if only any four of the indicators apply); <b>3</b> (if only any three of the indicators apply); <b>2</b> (if only any two of the indicators apply); <b>1</b> (if only one of the indicators applies)</p>					
1	2	3	4	5	
Women do not have the same property and inheritance rights as men according to the laws of the country	Women have some of the same property and inheritance rights as men, but there are different procedural requirements imposed on women to gain access to these rights (e.g. by law, husbands are given administrative control over jointly-titled matrimonial property)	Women have the same property and inheritance rights as men, but they are generally unaware of their rights, and few efforts are being made to educate and inform them of their rights	Women have the same property and inheritance rights as men, broad-based efforts are made to make them aware of these rights, but customary practices do not recognise these legal rights, and women have limited recourse through the legal system	Women and men have the same property and inheritance rights by law, these are enforced, and women have access to mechanisms of legal recourse to gain these established economic rights	2



Scoring Recap	
Sub-condition A:	2.5
Sub-condition B:	2
Sub-condition C:	2
<b>Overall score for the framework condition: <math>(4+1+2+2) / 4 = 2.2</math></b>	

Indicators and scoring for assessing: Effective policy leadership and coordination for the promotion of WED		Score	
<p>Note: The shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.</p>			
A. WED as a national policy priority			
1	2	3	4
There is no documented evidence that WED is a national policy priority	Women's enterprise development is stated as one of the priorities of national development plans, gender policies and/ or other national economic strategies and important for the economic and social development of the country, but no specific agenda or action plan has been defined	Women entrepreneurs have been identified as a specific target group in the government's MSME policies	Women entrepreneurs have been identified as a specific target group in the government's MSME policies and there are specific measures in MSME policy documents to foster women's entrepreneurship/ enterprise development
			5
			There is a national strategic framework for women's entrepreneurship development, including providing for both the start-up and growth of their enterprises
			4

B. Presence of a government focal point for the promotion and coordination of WED and support actions					Score
1	2	3	4	5	
The government has taken no steps to address the issue of WED policy leadership and coordination	There are no WED focal points in the government, but some attention is being paid to WED issues in certain ministries/agencies	There are focal points in one or two ministries/ government departments that advocate for or have some promotional activity for WED, but there is no collaboration across ministries/ agencies	A national focal point for WED has been established within government, but it is still not functioning properly, is under-resourced, and has limited liaison across ministries and agencies	There is a national focal point for WED within government with the mandate for policy leadership, supported by budgetary resources, and inter-ministerial collaboration and cooperation necessary to carry out this mandate; has developed strong linkages with external stakeholders, and actively consults on the policy and programme needs of women entrepreneurs	4
<b>Scoring Recap</b>					
Sub-condition A: <b>4</b>					
Sub-condition B: <b>4</b>					
<b>Overall score for the framework condition: 8 / 2 = 4</b>					



<b>Indicators and scoring for assessing: Access to gender-sensitive financial services</b>					
Note: The shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.					
<b>A. Women entrepreneurs' participation in generic financing programmes</b>					<b>Score</b>
<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Passive approach - few WOE/ women entrepreneurs as clients	Beginning to recognise the potential of the women's market and implementing gender-sensitive training for loans officers, but not yet actively reaching out to the women entrepreneurs' market with promotional efforts	Recognition of the potential of the women's market, implements gender-sensitivity training for loans officers, plus actively reaching out to the women entrepreneurs' market through promotional activities	Active efforts to reach out to the women entrepreneurs' market through promotional activities, plus tailor-made loan and financial services products are developed for women entrepreneurs	Tailor-made loan and financial services products are developed for women entrepreneurs' market, plus performance targets generally set for the number of loans to WOE, financial system is seen as women-friendly, client data is tracked and reported on a sex-disaggregated basis	2
<b>B. Financing programmes specifically targeted to women-owned enterprises</b>					<b>Score</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>3</b>
There are no specifically targeted financial services for WOE/ women entrepreneurs	There is evidence of a few women-focused loan programmes, but primarily for women with microenterprises	There are credit programmes targeting WOE of different sizes and at different stages of their development (from start-up to expansion), but primarily accessible in only certain parts of the country (i.e. urban centres); no evidence of women-focused equity (seed and venture capital) programmes	Loan guarantee programmes targeting WOE complement credit programmes targeting WOE/ women entrepreneurs at different stages of their development (from start-up to expansion); but primarily accessible to women entrepreneurs in urban areas	Both women-targeted credit (microfinancing and commercial bank financing) and equity (seed and venture capital) programmes exist and are accessible to women entrepreneurs in urban and rural areas, including through ICT-enabled solutions such as mobile money	3

<b>Scoring Recap</b>
Sub-condition A: <b>2</b>
Sub-condition B: <b>3</b>
<b>Overall score for the framework condition: <math>5 / 2 = 2.5</math></b>

<b>Indicators and scoring for assessing: Access to gender-sensitive BDS services</b>						
Note: The shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.						
<b>A. Women's access to mainstream BDS services</b>						
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Score</b>
	The proportion of women entrepreneurs among BDS clients/ beneficiaries is estimated to be less than 25% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)	The proportion of women entrepreneurs among BDS clients/ beneficiaries is estimated to be at least 25% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)	The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be at least 50% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)	The proportion of women entrepreneurs among BDS clients/ beneficiaries is estimated to be at least 75% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)	The proportion of women entrepreneurs among BDS clients/ beneficiaries is estimated to be on par with or higher than their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)	3



B. Mainstream BDS services respond to the needs of women entrepreneurs					Score					
<b>1</b>	Passive approach of most BDS providers - few women entrepreneurs participating in mainstream programmes/ services	<b>2</b>	BDS providers beginning to be aware of the low take-up of services by women and questioning the reasons for this	<b>3</b>	Initiatives in place to gender-sensitise and -mainstream BDS organisations and to create broader awareness among women entrepreneurs of their services, including through businesswomen's networks and the use of ICTs	<b>4</b>	BDS providers have modified existing BDS services/ offerings to respond to the needs of women entrepreneurs (e.g. approach, scheduling, use of women advisors/ counsellors/ trainers, use of ICT to expand their delivery reach), and are actively promoting their services to potential women entrepreneurs and existing WOE's	<b>5</b>	Mainstream BDS services are perceived as women-friendly; women entrepreneurs are equally as likely as male entrepreneurs to be making use of all types of BDS services	3
C. Presence of women-focused BDS services					Score					
<b>1</b>	There are no BDS services/ programmes specifically targeting women at the moment, but there is growing recognition of the need to reach out to women with more responsive BDS	<b>2</b>	There are isolated women-targeted BDS services/ programmes, but with limited breadth in service offerings and very local in their reach	<b>3</b>	There are a number of women-targeted BDS programmes, but these focus on a limited range of offerings (e.g. self-employment training for women; BDS for women-owned microenterprises) and are not accessible in all parts of the country	<b>4</b>	There are a number of women-focused BDS programmes; in addition to meeting the training and development needs of microenterprises, they also target women in growth enterprises and the upgrading and capacity building of women-owned MSMEs, these BDS services are accessible to women in most regions of the country	<b>5</b>	There is an organised national system of business support for women entrepreneurs (e.g. women's desk in government MSME agencies; women's enterprise or business resource centres; entrepreneurial training programmes for women; etc.), including with access for women entrepreneurs through ICTs	3

<b>Scoring Recap</b>
Sub-condition A: <b>3</b>
Sub-condition B: <b>3</b>
Sub-condition C: <b>3</b>
<b>Overall score for the framework condition: 9/3 = 3</b>

<b>Indicators and scoring for assessing: Access to markets and technology</b>	
Note: The shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.	
<b>A. Export promotion for women entrepreneurs</b>	
<b>1</b>	No programmes targeting export promotion or development to WOE, few WOE involved in exporting activity
<b>2</b>	Some limited efforts to promote export opportunities to WOE through dissemination of information, but they are generally not represented in government-sponsored trade missions or in export training programmes
<b>3</b>	Organisations are making active efforts to include WOE in export orientation seminars and workshops; WOE are participating to a minimal degree in government-sponsored trade missions/fairs
<b>4</b>	Concerted efforts to promote export opportunities to WOE, actively seeking their participation in government-sponsored trade missions/fairs, and early efforts to ensure that WOE are included in export readiness and capacity building programmes to improve their product quality and marketing skills
<b>5</b>	There is a National "Export Promotion for Women Entrepreneurs" programme that is comprehensive in nature
<b>Score</b>	<b>2</b>



<b>B. Government procurement programmes actively targeting women's enterprises</b>					<b>Score</b>
<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Information on public procurement opportunities is made available, but no specific efforts to ensure that WOE are informed or to reach out to WOE	Special efforts are made to disseminate information on public procurement opportunities to potential women suppliers, such as through businesswomen's networks and online mechanisms	In addition to general promotional efforts, workshops are offered to women entrepreneurs on how to access public procurement opportunities	Conducting orientation workshops, plus offering programmes to build the capacity of women's enterprises to meet the requirements to compete for public procurement contracts	There are innovative government procurement programmes targeting women entrepreneurs, such as by allocating a certain percentage of the value of procurement contracts to be awarded to women-owned enterprises	1
<b>C. Supply chains and linkages that integrate women-owned enterprises</b>					<b>Score</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>
There are no supply chain initiatives that specifically seek to integrate WOE	There are a few initiatives to integrate WOE into supply chains, but women are not generally informed about these or targeted for capacity-building	Promotional efforts to create awareness of supply chain opportunities for WOE are being made, and development work has begun/ is underway to build their capacity to become supply chain suppliers	There are some good supply chain/ linkages programmes targeting women-owned enterprises, but these are limited to one or two sectors and/or one or two regions	Supply chain initiatives for WOE are being implemented across many sectors in which WOE are dominant, and in different parts of the country	4

D. ICT and technology access of women entrepreneurs					Score					
<b>1</b>	WOEs are generally operating with rudimentary technology, limited in their use of ICT for business development, and no efforts are being made to improve their related know-how and skills	<b>2</b>	Initial efforts are being made to improve the digital literacy skills of women entrepreneurs through training and to provide them with advice and counselling on updating their use of technology	<b>3</b>	Initiatives are in place to introduce women entrepreneurs to technological innovations and the opportunities for developing a businesses in technology-driven sectors (e.g. ICT, bio-medical, environmental and renewable technologies)	<b>4</b>	Women-owned enterprises are targeted for inclusion in technology upgrading and modernisation programmes on the integration of ICT-enabled solutions (e.g. management information systems, online marketing, e-commerce, etc.); access to financing is available to help them modernise their operations in these areas and to pursue technology innovations	<b>5</b>	Government grants are available to WOEs to defray the cost of investing in updated and new technologies; WOEs are making use of ICT in many of their business operations; women entrepreneurs are actively encouraged and supported to start businesses in higher-technology and innovative sectors of the economy, including the ICT sector	2
<b>Scoring Recap</b>										
Sub-condition A: <b>2</b>										
Sub-condition B: <b>1</b>										
Sub-condition C: <b>4</b>										
Sub-condition D: <b>2</b>										
<b>Overall score for the framework condition: 9 / 4 = 2.25</b>										



<b>Indicators and scoring for assessing: Representation of women entrepreneurs and participation in policy dialogue and influence on outcomes</b>		<b>A. Representation and “voice” of women in business/ sector membership associations</b>					<b>Score</b>			
Note: The shaded boxes represent the statement or statements that best reflect the situation in Tanzania based on an assessment of all of the information collected during the assessment process.										
<b>1</b>	Businesswomen/ women entrepreneurs make up less than 5% of the members in the major business associations/ sector organisations	<b>2</b>	Businesswomen/ women entrepreneurs make up at least 15% of the membership in the major business associations/ sector organisations	<b>3</b>	Businesswomen/ women entrepreneurs make up at least 20% of the membership in the major business associations/ sector organisations	<b>4</b>	Businesswomen/ women entrepreneurs make up at least 30% of the membership in the major business associations/ sector organisations	<b>5</b>	Businesswomen/ women entrepreneurs make up more than 30% of the membership in the major business associations/ sector organisations	<b>3</b>
<b>B. Presence of women entrepreneurs’ associations and networks</b>		<b>A. Representation and “voice” of women in business/ sector membership associations</b>					<b>Score</b>			
<b>1</b>	There are no businesswomen’s or women entrepreneurs’ associations	<b>2</b>	There are only a few such associations, located mostly in urban centres and with only a small number of members	<b>3</b>	In addition to in urban areas, such associations have been formed in a few rural regions of the country, but the membership base is very limited	<b>4</b>	A number of such associations exist in both urban and rural regions, but they would need to build capacity to broaden their membership reach and perform an advocacy role	<b>5</b>	Businesswomen’s/ women entrepreneurs’ associations exist in urban areas, as well as most of the rural regions, and represent a large number of women entrepreneurs as members; they have formed into a national federation of such associations	<b>3</b>

C. Participation of women entrepreneurs in public-private sector policy dialogue and influence on outcomes					Score
1	2	3	4	5	
Public-private policy dialogue mechanisms are not well developed in the country; women's associations and groups are rarely included	Mainstream business associations are not adequately representing the views and concerns of their women members and rarely introduce issues affecting WED in policy dialogue with the government; the "voice" of businesswomen/ women entrepreneurs' associations is very weak	Mainstream business associations have begun to recognise the importance of better integrating the views of women members in their policy advocacy priorities and women entrepreneurs' associations are developing their advocacy skills and capacity, but these efforts have not yet led to much progress in influencing the government's policy agenda	Mainstream business associations routinely raise issues of concern to their women members in policy dialogue with the government; women entrepreneurs' associations have the capacity to play a strong advocacy role in the interests and concerns of WOE and have made an input into policy documents waiting to be passed; WOE are included as members of government task forces and advisory committees on business environment reforms	There are a number of concrete examples where the participation of businesswomen/ women entrepreneurs in public-private dialogue have led to concrete outcomes in terms of improving the environment for WED (e.g. changes to Family Law, creation of women's desks in financial institutions, changes to property law, etc.)	3
<b>Scoring Recap</b>					
Sub-condition A: <b>3</b>					
Sub-condition B: <b>3</b>					
Sub-condition C: <b>3</b>					
<b>Overall score for the framework condition: 9 / 3 = 3</b>					