USAID STRATEGIC ECONOMIC RESEARCH AND ANALYSIS – ZIMBABWE (SERA) PROGRAM

WOMEN AGRIBUSINESS ENTREPRENUERS IN ZIMBABWE:

Evaluating Access to Capital and Markets

CONTRACT NO. AID-613-C-11-00001

SEPTEMBER 2016

This report was produced by Nathan Associates Inc. for review by the United States Agency for International Development (USAID).

USAID STRATEGIC ECONOMIC RESEARCH AND ANALYSIS – ZIMBABWE (SERA) PROGRAM

WOMEN AGRIBUSINESS ENTREPRENUERS IN ZIMBABWE:

Evaluating Access to Capital and Markets

CONTRACT NO. AID-613-C-11-00001

Program Title:	USAID Strategic Economic Research & Analysis – Zimbabwe (SERA)
Sponsoring USAID Office:	USAID/Zimbabwe
Contract Number:	AID-613-C-11-00001
Contractor:	Nathan Associates Inc.
Date of Publication:	September 2016
Author(s):	Dr. Elin Cohen, Leanne Sedowski and Dr. Hazel M. Kwaramba

DISCLAIMER

This document is made possible by the support of the American people through USAID. Its contents are the sole responsibility of the author or authors and do not necessarily reflect the views of USAID or the United States

CONTENTS

Executive Summary **v**

Findings and Recommendations v

Access to Capital v

Access to Markets vi

Introduction **9**

1. Women and the Economy in Zimbabwe **11**

2. Acccess to Capital **17**

Recommendations 29

3. Access to Markets **33**

Recommendations 48

4. Entrepreneur Profiles **53**

References **59**

Appendix. Inclusion Strategies of Financial Institutions **67**

Illustrations

Figures

Figure 1: Financial Inclusion of SME Business Owners 24

Tables

Table 1: Ownership of Registered Businesses, by Gender 13

Table 2: Married Women's Versus Husband's Cash Earnings 18

Table 3: Home Ownership in Harare, by Gender 22

Table 4: Ownership of Registered Businesses by Gender and Turnover 34

ACKNOWLEDGMENTS

This report was prepared for the USAID Strategic Economic Research and Analysis—Zimbabwe (SERA) program. Dr. Elin Cohen, an independent consultant, and Leanne Sedowski of Nathan Associates Inc. researched and wrote the report under the guidance of Dr. Dan Ndlela, SERA's Chief of Party, and Rongai Chizema, SERA's Senior Economist. The authors recognize the significant support they received from Dr. Hazel Kwaramba, an independent consultant based in Zimbabwe, who provided important guidance and insight, and from Kristin Smith of Nathan Associates, who contributed significant background research.

The team expresses its gratitude to the Zimbabwe National Chamber of Commerce for its guidance and support, and to the NGOs, donors, government agencies, individuals, enterprises, and business organizations that gave their candid perspectives on the issues this assessment explores. The team is also grateful to the participants at the dissemination workshop held on August 4, 2016, for their additional insights.

Finally, we acknowledge Leanne Sedowski's generous contribution of the photographs that appear throughout this report.

ABBREVIATIONS

AMA	Agricultural Marketing Authority
FTLRP	Fast Track Land Reform Program
GoZ	Government of Zimbabwe
MAMID	Ministry of Agriculture, Mechanisation and Irrigation Development
MFI	Microfinance institution
MSME	Micro, small, and medium enterprise
MSMECD	Ministry of Small and Medium Enterprises and Cooperative Development
MWAGCD	Ministry of Women's Affairs, Gender and Community Development
NFIS	National Financial Inclusion Strategy
NGO	Nongovernmental organization
PROWEB	Professional Women, Women Executives and Business Women
RBZ	Reserve Bank of Zimbabwe
SERA	Strategic Economic Research and Analysis—Zimbabwe
SME	Small and medium enterprise
SMEAZ	Small and Medium Enterprise Association of Zimbabwe
SMEDCO	Small & Medium Enterprises Development Corporation
USAID	United States Agency for International Development
Zim Asset	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMSTAT	Zimbabwe National Statistics Agency
ZMF	Zimbabwe Micro-Finance Fund

ZNCC	Zimbabwe National Chamber of Commerce
ZWITAD	Zimbabwe Women in Trade and Development

EXECUTIVE SUMMARY

Almost half of all women in Zimbabwe engage in entrepreneurial activities, the vast majority in informal microbusinesses connected to agriculture. This study analyzes the enabling environment for these agribusiness entrepreneurs. The analysis focuses on access to capital and markets—in practice and as affected by policies and regulations.

The findings are based on desk and field research. In June 2016, the researchers interviewed more than 60 representatives of government, the private sector, civil society, and research and training institutions in or around Harare, Mutare, and Nyanga. The field research also included focus group discussions and direct observations.

These findings must be considered against the 2016 backdrop of an unpredictable policy environment, cash shortages, the planned reintroduction of bond notes, and an insecure, immovable property or real estate market. These factors have contributed to limited risk-taking, underinvestment, and low productivity.

FINDINGS AND RECOMMENDATIONS

Access to Capital

- Most small- and medium-enterprise (SME) owners use their savings to finance business start-ups. Women, especially young women, face a particular obstacle here because fewer women than men hold salaried, especially well-paid, jobs in the formal sector.[1]
- Because of the insecurity of agricultural land tenure, banks accept almost exclusively real estate in urban centers as collateral for business loans. Fewer women than men own such property.
- Women entrepreneurs in Zimbabwe hesitate to take financial risks owing to significant uncertainties in the business environment. Nonetheless, the introduction of a collateral registry and national credit reference registry should improve women's access to finance.
- SMEs find it difficult to meet the banking system's stringent borrowing requirements, affecting women and men. But more banks are starting to recognize the need to tailor their products and services to SMEs.
- The Reserve Bank of Zimbabwe (RBZ) will require banks to establish women entrepreneur desks and to start collecting gender-disaggregated data by the end of 2016.

---

[1] The 2011 Zimbabwean SME Act defines a *small and medium enterprise* as a business with an asset value between US$10,000 to $2 million, 2 to 20 employees, and an annual turnover ranging from US$30,000 to $5 million (Bomani, Fields, and Derer 2015).

- Most microfinance institutions (MFI) engage in payroll lending and consumer loans rather than business or development loans. These loans have high interest rates and short periods, making them unsuitable for agricultural or agribusiness loans. Consequently, entrepreneurs—and especially women entrepreneurs—have limited access to credit through MFIs.

Recommendations for improved access to capital

To create a more stable, enabling environment for access to capital and business growth, considerable land tenure reviews and reforms will be required. Such reforms will require political commitment as well as significant time and financial resources. In the near to medium term, carrying out the following recommendations would support the implementation of the National Financial Inclusion Strategy and benefit women entrepreneurs:

- Support the Reserve Bank of Zimbabwe to undertake more in-depth research investigating why women are underserved by financial institutions.
- Build awareness among women about the introduction of the collateral registry
- Support financial institutions to introduce more loan products that are tailored to needs of agribusinesses
- Train commercial banks' SME units in gender awareness and mainstreaming
- Provide young women entrepreneurs with more comprehensive support to start, maintain, and expand their businesses
- Strengthen linkages between MFIs and savings and lending groups.

Access to Markets

- Women are more likely than men to operate their businesses informally. Informality restricts women's access to market information, networking, business linkages, and training opportunities.
- The expense and burden of licensing registration disproportionately affect women, who have smaller savings, earn less business revenues, and are more often exposed to harassment from government officials during registration. In fact, men are three times as likely as women to register their businesses.
- Physical markets offer the first entry point for many informal, small, and expanding agricultural producers, traders, or wholesalers. Women, however, face such obstacles as unsafe conditions, inadequate restrooms, and women from rural areas lack affordable accommodation near the market.
- Women business owners need more information and greater access to advice and support to understand market preferences and standards for domestic and international markets. General and gender-specific obstacles exist to obtaining information, advice, and support:
  - ZimTrade, the national trade development and promotion organization, is highly regarded by the business sector, but greater outreach is needed for women entrepreneurs to understand and sell to domestic and export markets.

- The economic downturn has eroded institutional support for aggregation, grades, and standards. The result has been considerable difficulties for those buyers sourcing agricultural inputs and sellers finding markets.
- Women are less likely than men to join business associations and other organizations that supply important information, mentoring, networking, and training, along with leadership opportunities and provide support in obtaining finance. A number of organizations focus on supporting and engaging with women in business, but a majority of women entrepreneurs lack access to or information about these opportunities.

- Limited opportunities exist for training women entrepreneurs in such skills as business planning, accounting, and marketing. Longer, more comprehensive and tailored training and mentoring would support and propel women-owned businesses to the next level.

Recommendations for improved market access

Considering these constraints, and to support the implementation of Zimbabwe Agenda for Sustainable Socio-Economic Transformation 2013–2018 and the Framework for Broad-Based Economic Empowerment for Women and Communities, these recommendations focus on activities that can be implemented in the short to medium term.

- Support the implementation of policy reforms to simplify and expedite business registration and licensing
- Facilitate information-sharing among gender focal points within the different ministries, at all levels
- Address the policy issues that are stalling the commodity exchange
- Mobilize the necessary external support for business associations to continue to expand their outreach to current and aspiring women entrepreneurs
- Encourage existing market linkage associations, and market information and access programs to link up with women agribusiness owners and groups
- Provide more in-depth business training and targeted mentorship support to women entrepreneurs throughout the country
- Support further research on women in business associations and women's role in value addition in agriculture
- Encourage the formation among women of formal groups, including trade and commodity associations
- Set priorities for the development, by government and donors, of physical market infrastructure that meets women entrepreneurs' needs.

INTRODUCTION

Women participate in Zimbabwe's economy at nearly the same rate as men and have similar high rates of education. Women, however, are less likely than men to work in the formal sector. With limited formal sector opportunities, women become entrepreneurs, especially in agribusiness. Although women starting and expanding businesses face challenges like those of all business owners, such as an expensive and complicated process for business registration, women also face gender-specific challenges. These include owning less bankable collateral or having less access to market information. There are other challenges as well.

In this context, this study represents a collaboration between USAID's Strategic Economic Research and Analysis—Zimbabwe (SERA) program and the Zimbabwe National Chamber of Commerce (ZNCC). USAID-SERA, a five-year program ending in 2016, has three strategic objectives: an improved economic environment for inclusive growth through evidence-based policy analysis and research; strengthened capacity for policy development institutions; and improved economic data for use by researchers, policy makers, and other stakeholders.

The purpose of this study is to explore the implications of regulations, policies and practices facing woman-owned micro, small, and medium enterprises (MSMEs) in Zimbabwe's agribusiness sector, which is the sector that employs the most women. Specifically, this study investigates the constraints on access to capital and markets faced by women entrepreneurs in agribusiness and examines existing efforts to expand access. The study mainly focuses on value-added activities. The assessment also considers women's participation in agricultural production to the extent that inadequate access to capital and markets constrains the growth of women producers and limits the supply of farm goods to processors.

This report begins with a discussion of women entrepreneurs in Zimbabwe. It is followed by sections on access to capital and access to markets; each section concludes with specific recommendations for government, donors and business associations. Three women entrepreneurs are profiled at the end of this report.

METHODOLOGY

The observations and findings in this report are the result of a desk study and field research that implemented a multipart methodology to assess various aspects of women's economic participation and empowerment.

From June 21 to 30, 2016, the assessment team met with more than 60 people, consisting of agribusiness owners and managers; national and local government officials; and representatives of business associations, civil society, international donors, financial institutions, and educational and research and training institutions. Interviews were conducted in and around Harare (in Harare Province) and in Mutare and in and around Nyanga (in Manicaland Province). The team also facilitated three focus group discussions: two focus groups in Harare with women

entrepreneurs in the agroprocessing sector, and one focus group in Mutare with young women farmers who were studying entrepreneurship at a technical college.

On August 4, 2016, the Zimbabwe National Chamber of Commerce hosted a workshop attended by 120 participants from government, the private sector, civil society, and international development partners to deliberate on and validate this report.

In summary, the scope and time available for this assessment limited the geographical reach of fieldwork. Moreover, the assessment team was unable to research the capital and market access issues specific to certain crop value chains. Given that women are more involved in the production, marketing, and processing of certain crops than others, further in-depth research focused on specific value chains is of interest for future work.

The methodology is grounded in the Commercial, Legal and Institutional Reform (CLIR) methodology developed by USAID and has been used in studies worldwide during the past decade. Applying the CLIR methodology, this assessment reviews how the legal framework, implementing institutions, supporting institutions, and social dynamics affect women's access to capital and markets. The inquiry thus

- Reviews laws, regulations, and policies on access to capital and markets for all entrepreneurs along with specific implications for women entrepreneurs.
- Examines the effectiveness of government institutions with the primary responsibility for implementing and enforcing the legal framework. These institutions consist of government ministries, departmental agencies, and authorities. The assessment, in particular, considers whether gender awareness is factored into implementation procedures and decisions.
- Analyzes how civil society and private sector organizations support their constituents in building and improving their business through advocacy, training, networking, or the provision of services and information.
- Discusses how social customs and practices throughout the economy or in certain sectors of the economy affect women entrepreneurs' access to information, knowledge, business opportunities, and formal institutions.

1. WOMEN AND THE ECONOMY IN ZIMBABWE

To understand the role of women entrepreneurs and the challenges they face in Zimbabwe, it is important to grasp the larger economic context. After looking at the economy, this section describes women's role in it, discussing both the evolution of gender equality as a policy in Zimbabwe and the legal and institutional framework for achieving equality.

Entrepreneurs in Zimbabwe operate in an unpredictable policy environment that impacts the country's business climate, one that is bleak according to various global indices. For instance, in its 2015 report on Zimbabwe's national competitiveness, the National Economic Consultative Forum (NECF 2015) found that policy inconsistencies have created uncertainties that, in turn, deter investment. Corruption is rampant, according to the Transparency International Corruption Perception Index for 2015, which ranks Zimbabwe 150 out of 175 countries. The World Bank's Ease of Doing Business Index ranks Zimbabwe 155 out of 189, and the World Economic Forum's Global Competitiveness Report, 125 out of 140.

During 2000–2008, Zimbabwe experienced a political and economic crisis that resulted in hyperinflation, rising unemployment, and greater food insecurity. Since dollarization in 2009, the economy has stabilized but not recovered. Uncertainty and volatility have led to decreased formal-sector employment and an enlarged informal sector as people struggle to find jobs.

As a result of a cash shortage, the government of Zimbabwe announced plans in May 2016 to reintroduce bond notes of equal value to the U.S. dollar, starting in October 2016. Business owners have hesitated to take out new loans, make large investments, or market themselves to new domestic and international customers until the impact of the bond notes is known. Moreover, the shortage of collateral in Zimbabwe due to the insecure immovable (real) property market creates a cycle of limited risk-taking, underinvestment, and low productivity.

Zimbabwe, nonetheless, has many fundamentals in place for economic growth. To start with, Zimbabwe is rich in agricultural and other natural resources. The infrastructure for market access—roads and ICT, for example—is solid, even if needing considerable maintenance and investment. The country's workforce is relatively well-educated: 71 percent of micro, small, and medium enterprise (MSME) owners have some secondary education or more (FinScope 2014), which facilitates training of entrepreneurs in business development and entry into the market. On the policy front, Zimbabwe in 2013 adopted a new constitution and a new development plan, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset).

Agriculture, accounting for 12.5 percent of GDP (World Bank 2016), is a potential driver of future growth, especially if value is added to farm production through processing. Most of the adult population in this sector engages in on-the-farm production, where women play a significant role. According to ZIMSTAT's 2014 Labor Force Survey, more women (56.4%) than men (47.7%) are self-employed in agricultural production. In addition, 60 percent of agricultural traders in Harare markets are women, according to an interview with a key stakeholder. Beyond this however, there is a lack of detailed, comprehensive data on where women work in the agricultural value chain.

A significant number of women operate businesses, but overwhelmingly in the informal economy. Almost half of the adult population in Zimbabwe owns an MSME. Women own a little more than half of the MSMEs (FinScope 2012). Most MSME businesses are micro enterprises without any employees (71%), and a majority of MSMEs are engaged in growing and selling produce or agricultural products (43%) (FinScope 2012). However, outside of on-farm production and vending, 12.5 percent of economically active women, and the same percentage of men, are self-employed (ZIMSTAT 2014).

Only 10 percent of microenterprises and 30 percent of SMEs are formally registered as businesses (FinScope 2012). As shown in Table 1, there are far fewer registered woman-owned enterprises in Zimbabwe and woman-owned enterprises have fewer employees. The vast majority of MSMEs in Zimbabwe are informal and were started due to necessity (63%) rather than market opportunity (34%) (FinScope 2012).

Employment in the informal sector has increased in recent years as formality is perceived to be expensive and time-consuming with limited benefits. Women participate in Zimbabwe's economy at nearly the same rate as men (89 percent versus 92 percent) (ZIMSTAT 2014) but are less likely to have formal employment or hold middle and senior management positions (ZIMSTAT 2012). They are concentrated in sectors that are traditionally considered female, like food preparation, health, trading, and education services (ZIMSTAT 2012).

For business owners, informality inhibits access to markets and finance and some growth-oriented business services as well as to business associations and networking opportunities. However, there is potential for progress in addressing the ease of starting a business; the recently launched initiative to improve Zimbabwe's doing business indicators is reviewing the process of registering a business.

Table 1: Ownership of Registered Businesses, by Gender

Employees	Male Owner	Female Owner	Joint Owners
0 to 4	18,464	5,298	3,603
4 to 9	1,368	333	715
10 to 19	726	97	345
20 to 29	270	28	98
30 to 49	208	17	77
50 to 99	185	8	60
100 and above	118	5	43

Source: ZIMSTAT (Zimbabwe National Statistics Agency) 2015.

Women business owners have less personal savings to start a business and have less access to collateral to obtain finance. They are less likely to have business-oriented social networks or participate in business associations that are conduits of important information on standards and new markets (Chipika 2011).

There is a strong foundation for gender equality in the legal framework, but implementation is uneven. Gender equality is increasingly garnering attention throughout the government of Zimbabwe. The Ministry of Women's Affairs, Gender and Community Development (MWAGCD), established in 2005, is responsible for (1) empowering women through policies, strategies and programs that promote women's participation in national development; (2) promoting gender equality and equity so that there is equal and equitable access, control, utilization and ownership of resources; and (3) empowering communities so that they are self-reliant and are able to participate at all levels, in all spheres of their lives for sustainable development. The MWAGCD also has the main responsibility to implement the National Gender Policy, the most recent of which is described in the next section.

The Ministry of Agriculture, Mechanisation and Irrigation Development (MAMID) addresses the research, extension, and marketing of agricultural production. MAMID oversees the agricultural research and extension service (AGRITEX), which works directly with women farmers and processors in the field and the Agricultural Marketing Authority (AMA), which entrepreneurs can rely on for price information on various commodities.

The Ministry of SMEs and Cooperative Development (SMECD) is responsible for promoting the development of SMEs to support economic growth and employment. There is often overlap between the intended activities of the Ministry of Small and Medium Enterprises and Cooperative Development (MSMECD) and the MWAGCD (Bomani et al 2015). However, the SMECD is consistently underfunded in terms of its budgetary allocation, and as recently as 2013, there was the perception that the MSMECD is a marginalized ministry—despite the importance of the informal sector (Maunganidze 2013).

Overall, Zimbabwe has developed or adopted several new laws and policies in the past few years that address gender equality, promote women's economic empowerment, or support for agriculture and SMEs.

- ***The Constitution of Zimbabwe:*** In 2013 the Government of Zimbabwe enacted a new constitution, repealing the one promulgated upon attainment of Independence in 1980. The 2013 Constitution states that all customs, traditions, and cultural practices that infringe on the rights of women are void. However, the Constitution gives precedence to customary law in regard to marriage and inheritance, which in practice results in prevalent discrimination against women—particularly in rural areas.
- ***National Gender Policy:*** The National Gender Policy (2013–2017) stipulates equal access to employment, control of productive resources, and entrepreneurial opportunities and support. The National Gender Policy specifies that all ministries and parastatals should have a gender focal point to ensure that all sectoral policies and programs are gender-mainstreamed, and that planning, programming, and budgeting integrate gender equality.

- ***Framework for Broad-based Economic Empowerment for Women and Communities:*** In 2011 the MWAGCD developed the 2011 Framework for Broad-based Economic Empowerment for Women and Communities to guide recommended actions to increase by 2015 women's participation in all sectors of the economy to 50 percent. The Framework identified four strategic intervention areas: (1) women's business ownership and entrepreneurship; (2) women in key economic decision making positions; (3) employment equity; and (4) livelihoods for women from disadvantaged backgrounds. Under entrepreneurship, the framework makes several important recommendations for actions in terms of access to capital, market access, resources, technology, and training. The Framework specifically identifies actions to support the growth and performance of woman-owned SMEs, including market linkages and training.
- ***Zimbabwe Comprehensive Agricultural Policy Framework (2012-2032):*** MAMID's Comprehensive Agricultural Policy Framework (2012-2032) recognizes the role of women in agriculture and the challenges they face in the sector. The Framework calls for several gender-targeted activities, such as additional resources for women's economic empowerment in the sector, but does not explicitly mention gender integration into the overall work of the ministry. MAMID's gender policy does focus on gender integration at the ministry, but it is yet to be approved and operationalized. It calls for the MAMID to have a gender coordination unit within the Ministry to coordinate all the gender focal points within each department.
- ***Zimbabwe Agenda for Sustainable Socio-Economic Transformation 2013-2018 (Zim Asset):*** During October 2013, the Government launched Zim Asset, an economic blueprint to support an economic recovery and growth trajectory for the economy following subdued economic performance. Zim Asset hinges on leveraging domestic resource capacity, both human and material, and is focused on a cluster industrialisation development model that emphasises strategic investment "quick wins" in areas or "clusters" that encourage domestic market linkages. The Value Addition and Beneficiation Cluster is of particular interest to this study as it highlights needed investments in honey, dairy, livestock, and herbal tea subsectors, among others. Zim Asset also identifies specific outputs under Gender and Development that increases women's access to capital and markets, and calls for the support and formalization of SMEs.
- ***National Financial Inclusion Strategy 2016:*** The Reserve Bank of Zimbabwe's National Financial Inclusion Strategy seeks to create greater financial inclusion through innovation in products and services, improve financial literacy, reduce barriers for formal banking, and increase financial consumer protection. The strategy specifically recognizes that women, MSMEs, and rural and small-scale agricultural communities require special consideration, and calls upon a broad spectrum of stakeholders to collaborate in support implementation.

Although there are some inconsistencies across the policy frameworks, notably in the Constitution, women's right experts shared that the main issue is limited policy implementation. The MWAGCD, which has the primary responsibility for gender mainstreaming and women's empowerment, is severely underfunded like most other Ministries. The Ministry of Women's approved, but not yet allocated, budget for 2016 amounts only to 0.3 percent of the government's total budget (Ministry of Finance and Economic Development 2015). However, 93 percent of the allocated budget in 2015 to the Ministry of Women covered costs for personnel,

but very limited funding for program implementation (ibid.). Furthermore, several experts noted that coordination across Ministries is uneven, and there is some overlap between the activities of the MWAGCD and the Ministry of SME. For instance, the gender focal points in the various ministries do not meet on a regular basis.

Two sections in this report offer an assessment of the constraints that women entrepreneurs face in terms of access to capital and access to markets. At the end of each, a set of recommendations is made for action for government, business associations, and donors to implement to support women entrepreneurs in the agribusiness sector.

2. ACCCESS TO CAPITAL

Access to capital is needed to start, maintain, or expand MSME businesses. It is by far the main constraint MSME owners face in Zimbabwe (FinScope 2012). In Zimbabwe, most business owners use their own savings to start a business (FinScope 2012). While they may tap into loans from financial institutions as sources of capital, they need to leverage their assets to access additional capital; these may include movable and immovable property, savings, wage earnings and revenues. The ongoing financial downturn, a reduced collateral base due to policy insecurities, and the current cash shortage have reduced the availability and access to finance in the country for all entrepreneurs. However, women entrepreneurs are faced with additional challenges to capital formation. This section details these challenges and offers recommendations based on the team's assessments.

Women business owners face unique challenges in leveraging assets to access capital needed to start, maintain, and expand their businesses. They find it difficult to accumulate savings as fewer women are employed in the formal sector, and if they are employed in the formal sector, they earn less money than men and infrequently hold senior management positions.

A significant issue is the development of collateral. Considering the challenging economic and policy environment, banks accept almost exclusively real estate in urban centers as collateral to access finance. However, women are much less likely to own such collateral. While there is some positive policy development, notably the introduction of a collateral registry and credit reference registry, as well as organizational changes such as women's desks within financial institutions to improve accessibility, women entrepreneurs in Zimbabwe are reluctant to take risks due to the significant uncertainties in the business environment.

Another issue is the limited availability of business lending. The majority of MFIs engage in payroll lending and consumer loans rather than business start-up or expansion loans. Consequently, there are limited opportunities for entrepreneurs, especially women, to access credit.

Women entrepreneurs use their own savings from previous employment to start their businesses, but women are less likely to hold salaried, especially well-paid, employment. Worldwide, women entrepreneurs are commonly using their own savings to start their own business (Smith-Hunter 2013). This is also the case in Zimbabwe. Several studies on women's entrepreneurship in Zimbabwe (Mauchi et. al. 2014; Mboko and Smith-Hunter 2010; and Mariwo 2008) have found that female business owners have commonly held salaried

employment before starting their own businesses. Similarly, a survey of 137 female entrepreneurs found that 61percent of the study participants had been employed before or while starting their businesses (WABAZ 2011).

This assessment also found that numerous small- and medium-sized business owners had held salaried employment in the civil services or the private sector before starting their own enterprises. Using the savings from their salaries and the security of formal employment while testing the market and starting their own businesses, the women business owners interviewed had been able to establish successful businesses. However, although women's labor force participation in Zimbabwe is high (89%) (ZIMSTAT 2015b), women make only up to about one-third of the wage employment outside of on-farm production. Moreover, women represent only about one-quarter of middle or senior management (ZIMSTAT 2012).

Furthermore, as shown in Table 2, a significant majority of married women earn less than their husbands, even after controlling for high level of education and wealth (ZIMSTAT 2012b). As a result, the pipeline of potential women entrepreneurs is limited, given that women are less likely to hold salaried employment, in better paid positions, to enable them to accumulate savings to start their own businesses.

Table 2: Married Women's Versus Husband's Cash Earnings

Category	More than husband	Less than husband	About the same as husband	Husband has no earnings
All employed married women ages 15–49	13.70%	60.20%	18.50%	6.60%
Employed married women with more than secondary education	13.30%	53.50%	27.50%	5.70%
Employed married women in the highest wealth quintile	16.50%	61.70%	14.20%	6.80%

Source: Zimbabwe Demographic and Health Survey 2010–2011.

More established business owners find the available loan terms too unfavorable and the policy climate too unpredictable to seek access to credit to grow their business. In general, Zimbabwean businesses are confronted by unfavorable macro and microeconomic conditions. According to the aforementioned Finscope (2012) survey, MSME owners most frequently identified access to capital under favorable terms as the chief constraint (43%) for business growth.

In fact, the team noted these impacts on the field during its assessment. Women owning more established small and medium enterprises (SMEs) that were able to secure access to finance from a financial institution, shared with this team that the short loan periods to start servicing the loan (within 30 days) and the high interest rates were too unfavorable for agribusiness.

For instance, one interviewed agroprocessor described how she identified an export market for her products, but the cost of capital she could access was too expensive for the expansion to make financial sense. She noted that payments and the deliveries of input and products were often delayed due to the current cash shortage in the country. The business owner did not believe foreign buyers would be as understanding, and considered it more prudent to wait to expand to the regional or international market until the macroeconomic climate in Zimbabwe

improved, or she could access favorable finance which would allow her to honor her international contracts.

Another agroprocessor noted that she needs to purchase the stock for her input once a year upon the annual harvest. As a result, the short-term, three-to-six-month loans were unsuitable for her business. Yet another female business leader noted the uncertainty surrounding the pending introduction of the bond notes made businesses wary of seeking loans because the impact of loans made in U.S. dollars was undetermined. There was a consensus among several women running agroprocessing businesses that rather than pursuing new market opportunities, they are focusing on honoring their current contracts and maintaining a sound business, which is challenging enough in the current business climate.

Finally, another macro issue is the state of the banking industry relative to the economy. A total of 11 banks have closed since 2006 due to a number of reasons, chief amongst them poor corporate governance and macroeconomic challenges. In 2010, Zimbabwe had 26 banks, but by March 2016, only 18 of the banks remained in operation (Bongai and Mlambo 2016; RBZ 2016b). As a result of the banking crisis and the current limitations on cash withdrawals due to the cash shortage in the country, many micro and small enterprises prefer to conduct all business transactions in cash. However, cash transactions, especially in larger amounts involve risks of safety and theft.

Younger entrepreneurs, especially young women, are less likely to be employed and have limited personal savings, and are therefore challenged to raise initial start-up capital. Young aspiring entrepreneurs have special challenges in raising initial start-up capital. They are less likely to be employed, possess savings or collateral, or have a credit history or business track record (GoZ 2016). Since they lack their own financial resources, they are not able to access finance to raise initial start-up capital. In addition, even if young entrepreneurs are able to access credit, the interest rates and the loan terms are typically unfavorable for start-up businesses.

SMEAZ products and services offered to grow SMEs.

Young entrepreneurial women face particular challenges. In particular, fewer young women have held paid employment and are thus less likely to have personal savings to start their own business. According to ZIMSTAT (2015), young women ages 20–24 are almost half as likely as men of the same age group to hold permanent or

temporary paid employment (15% versus 28%).

As highlighted in the 2016 National Financial Inclusion Strategy (NECF 2016), business and skills training, internships, mentorships and networking opportunities are all key elements for aspiring entrepreneurs to develop a bankable business plan, gain experience, and establish contacts in their field. However, as discussed in more detail in the Access to Markets section, business development trainings are typically short and concentrated in Harare; these trainings also provide limited linkages to financial institutions. Nevertheless, there is a growing awareness that young entrepreneurs need sustained support beyond the initial training, especially to access finance.

For instance, the Small and Medium Enterprise Association of Zimbabwe (SMEAZ) shared with this team the particular difficulties of young women in accessing finance. To address this issue, SMEAZ began helping young female entrepreneurs to seek finance from MFIs. For another example, the USAID-funded Zimbabwe Works project provides young entrepreneurs with business training for 6 to 12 months, and offers program participants, especially women, linkages with MFIs that offer loans at a subsidized interest rate. However, few organizations have the financial resources to provide support to young entrepreneurs for an *extended period of time.*

Young entrepreneurs who are able to start their own businesses, often start out on their own, but with limited support and resources. For instance, five young women who were enrolled on a full scholarship at the Mutare Polytechnic's agricultural and entrepreneurship certificate program, shared with this team that they had launched their microbusinesses using capital from on-farm employment, spousal income, or saving and lending clubs. However, their production is hampered by inadequate infrastructure and equipment such as lack of enclosure of their plots, irrigation, access to water as well as limited drying and storage facilities. While these women had heard about MFIs, they did not know where they were located or how they operated. Nevertheless, they were under the impression that microfinance was expensive, and were unsure whether it was relevant to their businesses. However, through the Polytechnic's certificate program, they did gain technical and business skills, which if bundled with access to feasible finance and mentoring, could propel these young women who had promising production and marketing ideas from subsistence farmers to entrepreneurs.

Insecurity of land tenure severely restricts the availability of bankable collateral, which in particular affects women, as fewer women than men own immovable property that can be used as collateral. As in many African countries, access to land and the insecurity of land tenure is a very important but contentious subject in Zimbabwe. As such, women are at a significant disadvantage to acquire and build up an asset base, particularly in rural areas. The government's seizure of private commercial farms to provide for a more equitable land distribution under Zimbabwe's Fast Track Land Reform Program has resulted in insecure land tenure and diminished agricultural production. The land regime is governed by a multitude of laws, but legal enforcement of property rights has been undermined by political interference (USAID 2010). Farmers who have been resettled on so-called A2 farms (2-200 hectares of land intended for commercial farming) under this reform program have been granted 99-year lease agreements. Initially, the 99-year lease agreements were designed to only list one person as the leaseholder, thus typically leaving women off the lease. Through lobbying from

women's advocacy groups, the Land Act was amended in 2004 to allow for joint titling. However, women in rural areas often lack the awareness and empowerment to add their names to the lease agreements, and some local civil servants are unaware that both spouses can be included on the offer letters and the lease agreements (Matondi and Dekker 2011).

Although the government has set aside a 20 percent quota of the A2 farms for women, less than 16 percent of beneficiaries of A2 farms are female-headed households (ZIMSTAT 2012a). Moreover, A2 farms headed by women are overwhelmingly engaging in subsistence farming (Manjengwa and Mazhawidza 2009). One study on the aforementioned program notes that the application process for A2 farms requires proof of finance, collateral, agricultural knowledge, and production records, which many women are unable to produce (Matondi and Dekker 2011).

While women have a constitutional equal right to access land and own property, the 2013 Constitution gives precedence to customary law in regard to marriage, divorce, and inheritance. Women married under customary law, common particularly in rural areas, have very limited rights to and protection of assets. In fact, one study on inheritance found that only 37 percent of widows or the widow's children inherited the majority of the assets, while in 50 percent of cases, the majority of assets were inherited by the deceased husband's children or family (Peterman 2011). As a result, women in rural areas are at a significant disadvantage in acquiring and building up an asset base.

Due to the great insecurity surrounding land titling to agricultural land and the lease agreements, commercial banks are not accepting lease agreements for agricultural land as collateral. With technical support of the World Bank, the Government has consulted stakeholders to review the 99-year lease agreements to render them bankable. Currently, the 99-year leases are not bankable because the lease agreements are not tradable, can be repossessed by the government and can only be transferred with the consent of the government (Mazhawidza and Manjengwa 2011). The revised lease agreements are currently under consideration by the Attorney General, and banks are hesitantly awaiting the outcome. One banker shared with this team: "Even if the lease agreements are now before the Attorney General, it would still be hard to trust. We could be pushed to accept lease agreements as collateral, but we wouldn't choose to accept them."

Property in the urban centers is more likely to be titled, and bankers consider the title deeds offices in Harare and Bulawayo to be relatively reliable and accurate. As a result, banks strongly prefer urban property as collateral. Moreover, developing collateral through homeownership is particularly problematic for women entrepreneurs.

Banks are reluctant to accept titled agricultural land as collateral due to insecurity of land tenure, and some banks do not accept it at all. One banker explained that banks are hesitant to accept titled agricultural land "due to the frequency of government in gazetting [agricultural] land for compulsory acquisition for the purpose of resettling landless people who want the land for farming purposes. This is the reason why banks prefer urban land." The banker further explained that for a bank to accept titled agricultural land as a security, extensive due diligence must be done. Such due diligence can include the requirement to get a certificate of no interest

in the land from the Ministry of Lands and Resettlement for the period of the loan. Yet another banker said that the bank does not accept titled agricultural land at all as a collateral, due to "the challenges on agricultural land".

Women are less likely than men to own immovable property, which is the most commonly required collateral for obtaining access to credit. Nationally, fewer women (9%) than men (15%) own a house, and fewer women (9%) than men (14%) own land under one of the different tenure systems (ZIMSTAT 2012b). However, as shown in **Table 3**, women are less likely than men to own a house alone in Harare but more likely to own it jointly (ZIMSTAT 2012b). The same gender patterns hold true for ownership of land in Harare, as well as ownership of a house or land in Bulawayo (ZIMSTAT 2012b).

Table 3: Home Ownership in Harare, by Gender

	Women	Men
Own house *alone* in Harare	2%	11%
Own house *jointly* in Harare	10%	3%

Source: Zimbabwe Demographic and Health Survey 2010–2011.

The establishment of a collateral registry will allow women entrepreneurs to use a wider range of collateral to secure loans. As a result of the high, although declining, rate of non-preforming loans (from 18% in June 2014 to 11% in December 2015) (RBZ 2016a) banks are applying stringent collateral requirements. However, since the current secure transaction regime is fragmented and does not allow for a collateral registry, banks rarely accept movable property as a security for a loan. For instance, several banks finance purchase agreements, but the requirements are stringent to safeguard repayments, something bankers refer to as "ring fencing" the loan. Banks require both parties to be well-known customers in good standing with the bank, they monitor cash flow in and out of the bank closely, some require one of the parties to have 150 percent of the loan amount in their savings account. Some banks still require collateral to ring fence a loan agreement. As a result, financing of purchase agreements is rare unless the borrower can secure the loan with collateral.

The new secured transaction law before Parliament, the Personal Property Security Interest Act, was developed with technical support from the World Bank. It will regulate the use of movable property as collateral and establish a collateral registry. The Reserve Bank of Zimbabwe is planning for the collateral registry to be in operation by the end of 2016. Considering the very limited existing and accepted collateral base, the 2016 National Financial Inclusion Strategy stresses that the introduction of the collateral registry will enable SMEs to leverage their movable assets to obtain access to credit. In particular, several observers note that women are more likely to own and control movable property than immovable property, so this new law may allow more women entrepreneurs to access commercial finance.

The introduction of a national credit registry will facilitate women entrepreneurs' ability to build a credit history to access finance. As part of the government's reform program to improve the ease of doing business and create greater financial inclusion, the Banking Act (2000) has been amended to regulate the licensing of private credit reference

bureaus and to establish a national credit registry. Zimbabwe has several private credit reference bureaus. The largest one has operated in the country for more than 25 years and has a database of 2.4 million people.

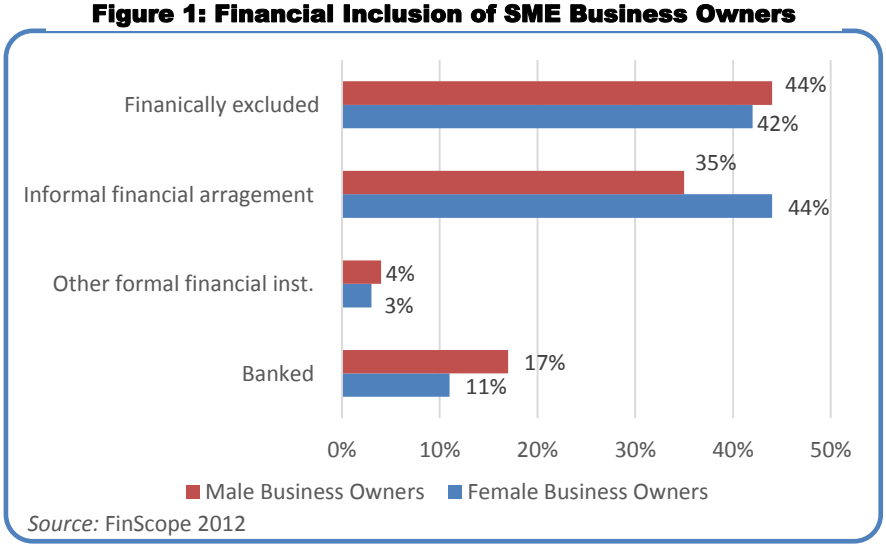
However to date, the private credit reference bureaus have only been able to collect negative credit history and data that is not very detailed. The new national credit registry will collect both positive and negative credit information from all banks and MFIs. The inclusion of information from MFIs will benefit women, in particular, because they are more likely to borrow from an MFI than a commercial bank, and thereby build a credit history.

Moreover, the positive and the negative credit information will allow credit reference bureaus to analyze the data and offer credit scores based the lender's financial exposure and risk. Due to limited available data, credit scores are currently rarely used by financial institutions to determine the terms and cost of loans. The Reserve Bank is planning to set up the credit registry by the end of 2016, and while some implementation details still need to be resolved, the national credit registry could help unlock stringent lending practices by supplying financial institutions with more accurate and comprehensive credit information.

The Government of Zimbabwe recently launched a comprehensive National Financial Inclusion Strategy, which will require significant coordination, collaboration, and resources to implement. To support the implementation of the national development objectives of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset), and to broaden the access to and use of affordable and appropriate financial services, the Government of Zimbabwe introduced in March 2016 the National Financial Inclusion Strategy 2016-2020 (NFIS). The Strategy seeks to create greater financial inclusion by expanding financial innovations of products and services, improve financial literacy, reduce barriers for formal banking, and increase financial consumer protection.

While the strategy aims to improve financial inclusion for all, it recognizes that women, youth, MSMEs and rural and small scale agricultural communities require special consideration. The strategy calls upon a broad spectrum of stakeholders to collaborate in support implementation of the strategy. To this end, the Reserve Bank of Zimbabwe has established a number of thematic working groups, which it will be of essence for business organizations representing women entrepreneurs to actively participate in to

Figure 1: Financial Inclusion of SME Business Owners



Source: FinScope 2012

access information and voice constituent concerns and interests.

As shown in Figure 1 a significant proportion of MSME owners are financially excluded; they do not use any financial products or services. If they do borrow, they only borrow from family and friends, and any savings they may have, they keep at home. Women entrepreneurs (44%), more than their male counterparts (35%), are using informal financial products and services such savings clubs, farmer associations, or private money lenders. Relatively few women (3%) and men (4%) are served by other formal financial institutions, such as insurance companies, to mitigate financial risks. Only 11 percent of women entrepreneurs use or have in the past used financial products or services provided by banks or MFIs, compared to 17 percent of male entrepreneurs.

However, experts interviewed for this assessment noted that the country's economic problems, the cash shortage, and the pending introduction of bond notes, can pull the government away from prioritizing, coordinating and funding the implementation of the National Financial Inclusion Strategy.

National Government Programs to Support Women's Access to Finance

The Ministry of Women's Affairs, Gender and Community Development has two programs to support women's access to finance, but neither program is disbursing any funds at the moment. The **Women's Development Fund** provides groups of women with small loans ($500-$5,000/group) without requiring any collateral. Founded in 2010, the Fund has provided loans to 2,800 groups. However, the repayment rate has been very low, and the loan amounts were often too small for starting up a viable business (Selome and Tshuma 2014). The Fund has not received any budgetary disbursements from the Treasury since 2012, and no women's groups were funded during the first half of 2016. The Ministry intends to distribute the Fund's current balance ($300,000) on a broad basis, possibly with allocations as small as $100/project.

The Ministry is establishing a **Women's Micro Finance Bank**. As the Ministry works to comply with the Reserve Bank's requirements to establish the micro finance bank, the Ministry has not been able to secure the initial $5 million dollars for seed funding since the inception of the plan in 2010.

Smaller businesses, especially woman-owned businesses, remain underserved by banks, but recent policy change and modified banking practices are promising steps to better serve the MSME sector. Many micro and small enterprises are underserved by formal financial institutions as they find the procedures to open a bank account too cumbersome and the required documents, including a national ID or proof of residence too difficult to obtain (ZEPARU and BAZ 2014). A study conducted by the Research and Advocacy Unit found that women are faced with multiple difficulties in accessing identity documents for themselves or their children. Women reported that long queues and delays, rude and unhelpful civil servants, flourishing corruption, lack of standardized applications of rules and regulations, bureaucratic hurdles and the inability to secure birth certificates, especially for single mothers, made it very challenging to obtain identification (Dube 2012). In addition, commercial banks require loan applicants to submit their business license as part of the application package, but as discussed in more detail in the Access to Markets section it is cumbersome and expensive for SMEs to obtain the license. Moreover, several women entrepreneurs interviewed said that

dealing with banks can be intimidating and that many female entrepreneurs lack negotiating skills, which put them at a disadvantage to gain more favorable terms for loans and other services.

The National Financial Inclusion Strategy (NFIS) requires banks to establish a MSME unit, which a number of banks have done recently. Moreover, the NFIS require also banks to create dedicated women entrepreneurs' desks, but at the time of this assessment the RBZ had yet to require implementation. The banking sector recognizes the pressing need to broaden their customer base by attracting previously unbanked customers (ZEPARU and BAZ 2014). To better meet the needs of MSME clients, banks are starting to implement more inclusive banking practices as detailed in the appendix. For instance, some banks have introduced low-cost accounts, which require less paperwork to open. In addition, some banks promote the use of e-banking and offer their SME clients financial and management training, as well as networking opportunities with other SMEs. However, banks' orientation toward actively seeking out SMEs is still at a nascent stage. In 2014, loans to SMEs constituted only 6 percent of the total amount of loans the banking sector granted (Dhliwayo 2014).

To understand to what extent and why women are underserved by banks, the Reserve Bank of Zimbabwe will in September 2016 start to require banks to report gender-disaggregated data on their client base. Among other indicators, the RBZ will be tracking data on banking of women, women owned enterprises, and SMEs as well as women's access to credit from banks and MFIs (RBZ 2016). While most banks do not yet produce sex-disaggregated data, one bank told our team that 35 percent of their account holders are women. However, another bank reported at a meeting in July 2016 of the Reserve Bank of Zimbabwe's financial inclusion working group for women that loans to women constitute only 1.3 percent of total individual loans on the books. Although several bankers interviewed noted that women are better at repaying their loans, they concurred that women have more limited access to bankable collateral and are thus underrepresented in accessing credit.

> "It is hard to pay [rural] suppliers. Mobile banking is a good idea, but the fees are too high and there is no cash in the rural areas. So the producers send a representative. Last time they sent an old grandmother because they thought she would be less of a target travelling with a lot of cash. But getting cash is not easy; it took me 8 days to get US$3,800.00 from the bank."
> Woman Agro-processor

Short-term payroll lending, collateral requirements and inadequate development lending limit women entrepreneurs' access to microfinance. In Zimbabwe, there are over 150 MFIs, with the majority of branches centered in Harare and Bulawayo. The majority of MFIs are small: 20 MFIs control 90 percent of the sector. Unlike many other countries, the MFI sector is dominated by short-term, for-profit lending: as much as 71 percent of lending is for consumer lending (Mataruka 2015), with loans typically secured against pay stubs. Several interviewed women entrepreneurs confirmed that the high interest rates and the short- term loans made microfinance unsuitable for their business needs.

To improve the trust in MFIs following the financial crisis, the 2013 Microfinance Act requires all MFIs to have a financial literacy advisor, who should not be involved in lending, but should provide potential or current clients with unbiased information about available financial products on the market. However, according to experts this team consulted, few MFIs engage in more

rigorous financial literacy activities, and it seems unlikely that MFIs will take it upon themselves to implement this requirement (Makuyana 2016), or that the Reserve Bank of Zimbabwe, which is already stretched thin, will make enforcement a priority.

Experts this assessment team interviewed confirmed that fewer women than men are served by microfinance lending. This is primarily due to the heavy reliance on payroll lending, and as fewer women than men work in the formal sector, fewer women can secure loans. If a borrower is not employed, MFIs often require some other form of collateral, which many women do not possess. A recent study in Zimbabwe found that more than one-third of women who own a micro or small business perceived the collateral requirements to be an obstacle for accessing microfinance (Mishi and Kapingura 2012). Permission from one's spouse is only required if the spouse is the owner of the collateral. However, several stakeholders pointed out that the social norms made some women feel obligated to obtain spousal consent even though it might not be legally necessary, and the need to ask their spouse deterred them from seeking access to finance. Moreover, several observers noted that women have limited negotiation skills to secure favorable loan terms.

The Zimbabwe Association of Microfinance Institutions (ZAMIF) estimates that there are about 11 MFIs in the country engaged in traditional development-oriented lending to MSMEs, the rural and agricultural sector, and women. However, ZAMFI noted that there is still very limited coverage of MFIs in rural areas, and that the financial crisis was devastating for the rural branches. There are three MFIs that focus on development lending to women. One of these, the MFI VIRL, has a portfolio where 85 percent of the borrowers are women entrepreneurs. VIRL offers loans of up to $5,000 for up to 24 months using group guarantees, movable collaterals or third party guarantees.

To infuse much needed capital into development microfinance lending, the Zimbabwe Microfinance Fund (ZMF Fund) was established with the support of the donor community in 2012. The Fund provides MFIs, savings and credit cooperative organizations, and value chain actors serving micro and small enterprises with wholesale funds at a lower rate (7% -15% per annum) than what commercial banks offer. To improve lending to women, the ZMF Fund is requiring the financial service providers obtaining on-lending to lend to a certain percentage of women. As a result, although women are still lagging behind, there's an increase in women obtaining development oriented microfinance. Of the 32,000 clients who had benefited from the ZMF Fund's in 2015, 63 percent were women (Zimunhu 2015).

Saving and lending groups are one of the most effective ways for poor and rural women to save and access micro-loans, but few transition to services provided by MFIs. Care International piloted village saving and lending in Niger 25 years ago, and the model has since spread across the continent (Helmore et al. 2009). Saving and lending groups, where group members meet regularly to collect savings, and lend to members against an interest rate, have predominantly women members. The proceeds of the interest rate are distributed as dividend to the members, but many saving and lending groups in Zimbabwe donate also a percentage to poor members in the community. Care International in Zimbabwe estimate that 80-90 percent of the members of the saving and lending clubs that they support are women. Organizations such as Care, provide the groups with financial literacy training, financial

management as well as training to govern the group. The groups typically meet once a month and start out by collecting small contributions from the members. However, according to Care Zimbabwe within a year some groups can save $10-$100 per member, per month.

Mobile cash transfers are growing, but micro and small enterprises consider the charges to cash out to be prohibitive.

Considering that the country has a 108 percent mobile penetration rate (RBZ 2016c) some banks are moving into mobile banking by offering low threshold requirements for opening up mobile savings account. To improve accessibility, EcoCash, the country's largest mobile banking and transfer platform, has 20,000 agents in the country and 2,000 agent banks for cash withdrawal and savings. Interviews revealed that mobile cash transfers have been increasing as a result of the cash shortage, but there is a strong sense that the transaction cost for cashing out money is prohibitive. For example, the cost for a registered recipient to cash out $100.00 is $3.50 (https://www.econet.co.zw/ecocash/ tariffs-limits). As a result, many micro and small entrepreneurs interviewed preferred to still deal in cash.

One of the benefits of saving and lending groups is that they can introduce previously unbanked micro and small business owners to formal banking, either through mobile banking or though MFIs. For instance, EcoNet introduced last year an EcoCash saving clubs product that allows safe, secure, and transparent lending for members of savings clubs. While many savings and lending clubs prefer to deal in cash due to the transactions fees for cashing out from EcoCash, according to a representative from Steward Bank (a subsidiary of Econet), they have seen a good uptake of the service. Moreover, according to Care Zimbabwe, they facilitate linkages with MFIs such as VIRL to enable groups to access additional funding for income generating activities. However, Care Zimbabwe noted that without institutional support and financial guarantees to reduce the interest rates, few members of saving and lending groups graduate to MFIs. According to Care Zimbabwe, members of savings and lending groups find the interests MFI charges too high and have a lack of understanding of how MFIs operate, and few MFIs understand and tailor their products to the needs of the saving and lending groups.

The bundling of agricultural technical services, access to finance and market access can unlock income opportunities for women in rural areas. Contract farming is on the rise throughout Africa, and there are several out-grower schemes in Zimbabwe. By providing access to input on credit and extension services, the buyer exercises quality control over sourced supply, while the farmers are typically improving their yield and have a guaranteed buyer.

The Nyakomba irrigation scheme bundles technical and financial services to their tabasco chili producers.

However, contract farming has also been

found to be inequitable as there are significant bargaining asymmetries between larger buyers and small-scale farmers (ActionAid 2015).

One well-known example of a contract farming arrangement in Zimbabwe is the Better Agriculture-established out-grower schemes for tabasco chilies in the Eastern Highlands. The Zimbabwe Microfinance Fund is providing Better Agriculture with on-lending for value chain financing. To respond to the needs in the agricultural sector, the loan product offers a 6- to 9-month grace period and the principle repayments can be quarterly, biannually, annually or ballooned depending on the agribusinesses cash flow.

TechnoServe, which has provided this out-grower scheme with technical assistance, found that women farmers of polygamous marriages would be better served if multiple contracts with a single family would be allowed. Previously, the husband would attend trainings and receive the payments, while the wives working the farms did not have access to the same kinds of extension services or control over the funds. As a result of this seemingly simple change a couple of years ago, women have been empowered to manage their production and finances[2].

RECOMMENDATIONS

Access to capital is hampered by instability in the policy environment and significant insecurities surrounding the use of land as collateral. Consequently, to create a more enabling environment for access to capital and business growth considerable reforms and reviews of the current land regime will be required. As noted by many, the land tenure regime needs to be reviewed to provide for a more predictable market for land; moreover, land tenure use needs to be audited and the land registry updated. All of these reforms will require political commitment and cooperation with international institutions as well as significant time and financial resources.

Considering these overarching issues that will most likely take time, the below recommendations support the implementation of the National Financial Inclusion Strategy (RBZ 2016c) and focus on activities that can be implemented in the immediate to medium term.

Support the Reserve Bank of Zimbabwe to undertake more in-depth research investigating why women are underserved by financial institutions. As the Reserve Bank of Zimbabwe will start to collect sex-disaggregated data from banks and MFIs by the end of 2016, there exists an opportunity to support the Bank to conduct more in-depth research using the data and supplement it with qualitative research to better understand what barriers women in business face to access finance. From the research, concrete, actionable recommendations of change can be derived to benefit women business entrepreneurs' access to finance.

Build awareness among women in business about the introduction of the collateral registry. The launch of the collateral registry will enable women business owners to leverage their movable property as collateral. To ensure that female business owners are aware and have sufficient knowledge about the process to use movable property as bankable collateral, an

---

[2] *See* Creating Opportunity for Women Through Innovative Business Models*" on the TechnoServe website,* http://www.technoserve.org/our-work/stories/empowering-women-through-agribusiness-in-zimbabwe

awareness campaign is recommended. Business associations, in collaboration with commercial banks and the Reserve Bank of Zimbabwe can facilitate the production of information material and workshops for women in business to raise awareness about the expansion of bankable collaterals. Moreover, business associations, such as the Women's Desk of the ZNCC and the SME Desk or the proposed women's SME desk at commercial banks, can provide one-on-one follow up to support women business owners seeking to access finance using movable collaterals.

Support financial institutions to introduce more loan products that are tailored to the needs of agribusinesses. Agribusinesses require loan products that offer longer loan and grace periods to better correspond to their business cycle. Financial institutions require secure collaterals or guarantees to be able to extend such loans. The ZMF Fund plays an important role to bridge this gap for MFIs, but there is a need to expand these products both in the MFI sector as well as to the commercial banking sector. Further consultation with stakeholders is needed to determine the scope of such intervention, most likely supported by the donor community.

Train commercial banks' SME units in gender awareness and mainstreaming. As commercial banks are establishing SME units, there's an opportunity to provide the staff with gender awareness and gender mainstreaming training. Although the banks will be required to establish women's SME desks, it will be important to ensure that the SME units are accessible to women and that the banks understand issues faced by women in business to best serve their female client base.

Provide young women entrepreneurs with more comprehensive support to start, maintain or grow their business. Young female entrepreneurs need longer and more rigorous support to succeed in their business endeavors, including training, networking, internship and mentoring opportunities, as well as support to access capital. Non-governmental organizations, business organizations, the Ministry of Women, the Ministry of SME and financial institutions all play an important role, but the initiative needs to be coordinated and sufficiently funded.

Strengthen linkages between savings and lending groups and MFIs. To enable members of savings and lending groups who require additional funds to grow their business, more support and collaboration is needed between organizations supporting savings and lending groups and MFIs focused on development lending to women. MFIs need to better understand how savings and lending groups work and might require financial guarantees to be able to meet their needs, and organizations supporting savings and lending groups need to prepare and train the members on the transition to MFIs. Besides NGOs supporting savings and lending groups and MFIs focused on development lending, the ZMF Fund, and the proposed Women's Microfinance Bank will be important actors to continue expanding access to MFIs for smaller scale women entrepreneurs.

3. ACCESS TO MARKETS

Given Zimbabwe's current economic situation characterized by limited employment opportunities in the formal sector, entrepreneurship offers a way for women to utilize their talents and education to participate in the workforce and earn an income. With the departure or collapse of larger enterprises, there is the potential for the entry and growth of smaller and medium size enterprises. There is significant interest in market linkages – connecting buyers and suppliers – in the agricultural value chain with a view to reclaim the manufacturing base that Zimbabwe once had.

However, women business owners are faced with a number of constraints to access markets to start and grow their businesses. Women are more likely to operate their businesses in the informal sector, which limits their access to markets, information, networking and training opportunities. Most business associations, which provide training on business management and markets, require businesses to be formally registered in order for women entrepreneurs to become members. Women in the informal sector are also more likely to sell in physical markets, which have inadequate infrastructure – specifically bathrooms and safe lodging. Women in both the formal and informal sectors face a lack of information on prices and on market preferences, making it difficult to price and market raw and final products. Women entrepreneurs in urban areas face barriers to entry and growth due to limited access to advanced training courses, while women in rural areas face barriers such as access to physical markets, registration and introductory training.

These and other constraints that affect woman-owned MSME owners in general, and women specifically, are described in detail in this section. In doing so, this section sets forth key considerations affecting the ability of woman-owned enterprises, both formal and informal, to access domestic and international markets that are critical for long-term success.

High informality of woman-owned businesses hinders their growth and access to markets. With the economic downturn that Zimbabwe has been facing since the year 2000, the level of informality has increased as formal employers have shut down or reduced their work forces. The 2012 FinScope survey found that of the estimated 2.8 million MSMEs in Zimbabwe, which employ 5.7 million people, only 400,000 of them are registered (15%). Informality prevents business from accessing large buyers, international markets, government procurement opportunities, training, formal business associations, and services from financial institutions. Informality impacts also tax revenue; Zimbabwe's net revenue collection is falling; between 2014-2015, revenue from businesses fell three percent, from US$3.6 billion to $3.5 billion (Bhebhe 2016).

Informal enterprises are more likely to be woman-owned than man-owned. The Ruzivo Trust (2013) estimates that 76 percent of informal businesses are owned by women. While there is a lack of hard data on the size of informality, ZIMSTAT produced recently a study on the characteristics of registered businesses (ZIMSTAT 2015a). As shown in Table 4, men establish and register three times as many formal businesses than women (ZIMSTAT 2015a). Moreover, 22 percent of businesses that have an annual turn-over of $10,000 or less are owned by women, while only 8 percent of businesses with an annual turn-over of $100,000 or more are owned by women. Hence, women owned, registered businesses are concentrated in the lower earning bracket. Moreover, as shown in the chart in the section on Women Entrepreneurs in the Zimbabwean Economy, woman-owned enterprises have considerably fewer employees (ZIMSTAT 2015a).

Table 4: Ownership of Registered Businesses by Gender and Turnover

Categories	Male Owner	Female Owner	Joint Owner
Annual turnover of $100,000 or less	67%	22%	11%
Annual turnover of $100,000 or more	65%	8%	27%
Total number of registered businesses where gender of owner is known	66%	19%	14%

Source: ZIMSTAT 2015a

Stakeholders interviewed for this assessment reported that the business registration process is cumbersome and expensive. According to the World Bank's 2015 Ease of Doing Business survey, Zimbabwe ranked 182 out of 189 countries in terms of starting a business; on average it took nine procedures, 90 days, and costs an average of USD$900 to complete all the necessary steps to register a business. According to informants, it is common to hire a consultant to register the business, adding an additional $50–$200 to the cost of starting a formal business. While many entrepreneurs felt that the additional cost was justified due to the time saved, the cost is a barrier to entry for smaller firms. Moreover, many registration processes are concentrated in Harare or other major cities, which adds burdensome time and cost for smaller and rural businesses. Also, according to stakeholders, women are sometimes held back from traveling to Harare to register their businesses by their husbands.

In addition, a recent inventory of business regulations, laws, and procedures that are required to start and operate a business in Zimbabwe found that agriculture is the most regulated business sector: "The [agriculture] sector is affected by a plethora of acts and regulations, which directly and indirectly impact on the day-to-day operations of the farmer" (McGill 2016). For example, traders in agricultural goods must register with the Agricultural Marketing Authority (AMA). To register for this annual license, traders must provide estimates of their purchases and their locations. Yet another example is that if importing seed or exporting finished products, agricultural businesses must obtain a sanitary and phytosanitary permit from the Ministry of Agriculture's Division of Research and Special Services' office in Mazowe (Mutema 2016) — this is the only location in the entire country issuing these permits. This type of permit is merely a standard document required for international trade. But the burden in terms of time and travel to Mazowe, the only location in the entire country issuing these permits (i.e., 40 kilometers north of Harare) is significant for smaller businesses.

To improve the ease of doing business, the government is currently in the process of reducing the number of days and steps needed to register a business; it hopes to implement all reforms by the end of 2016. However, reforms are focused on the time it takes to register, rather than on the cost, which is still high compared to similar countries and the country's per capita GDP. Thus, cost is a hurdle to registration given that businesses owned by women are less well-resourced than those owned by men.

Finally, the government should also consider other administrative hurdles that are part of the registration process. For example, one of the documents needed to register a business is a national ID. As described in the Access to Capital section, women face specific difficulties in obtaining a national ID card, thus hindering or barring business registration.

Informal traders, many of whom are women and vendors of fruits and vegetables, have been increasingly under pressure by the Zimbabwe Revenue Authority (ZIMRA) and local authorities to register so they can be taxed. Women small traders reported that the tax burdens were comparatively very high for the limited profit, so very little benefit would be gained from registering the business. However, as discussed throughout this section, the fact that woman-owned businesses remain informal restricts their market access.

In addition, many female micro-entrepreneurs are informal vendors of horticultural products sold at local markets, managed by local councils. The local council charges vendors a daily user fee for accessing the market. Chipika (2011) described how female vendors are harassed by police and local councils for vending outside of designated spots or forced to pay bribes.

Adequate and safe physical market infrastructure is necessary to facilitate women entrepreneurs' economic participation in agribusiness. Access to adequate and safe physical market infrastructure can facilitate the economic participation of women in agribusiness and the growth of agricultural enterprises, while a lack of access can hinder growth for both man- and woman-owned enterprises. Women need to be able to travel safely to marketplaces that are secure with facilities adequate for women's needs.

In fact, the World Bank has found that to ensure that women as well as men can benefit from new infrastructure projects, consultation is needed to reduce specific barriers to women. For instance, a project to improve market facilities in Bangladesh included the installation of separate restrooms, which made it easier and more socially acceptable for women to work at or visit the markets (World Bank 2010). In a different study, the World Bank found that public investments in rural infrastructure—such as rural roads, transport services, and physical markets — are critical to reduce post-harvest losses and to enhance competitiveness in traditional markets (World Bank 2008). Physical markets such as these offer the first entry point for many informal, small, and growing agricultural entrepreneurs, whether producers, traders, or wholesalers, and make these markets safe spaces—so that all buyers, sellers, and consumers can facilitate commerce. Such physical market space is of particular importance for women in the informal sector, as most women doing business in the markets are informal vendors (WOZA 2015).

One of Zimbabwe's largest open-air agricultural markets is Mbare Musika in Harare, where an estimated 2,500 traders, about 60 percent women, transact daily. Farmers and traders of both genders begin to arrive at 2 a.m. to obtain a spot for the 4 a.m. market opening. Very limited appropriate, safe, and affordable accommodations are available to women upon arrival. Very few toilets and ablution facilities available, and these can be accessed only at a relatively high cost (US$0.50).

Selling produce at the Mbare Musika market in Harare.

In addition, women face particular constraints. The facilities do not cater to women with children, lacking private space to breastfeed or wash them. Few market stalls have canopies, so women's produce and children are exposed to the sun and inclement weather. When waiting outside the market, women are also vulnerable to traders that harass them, coercing them to accept very low prices with threats that prices will drop further when the market opens. Many women travel from rural areas and are unfamiliar with these tactics. Nonetheless, the case of Mbare Musika is just one example; Zimbabwean women operate as informal traders in similar conditions throughout the country.

During the assessment, it was unclear where and whether the national priority is set for such market infrastructure. A review of the National Gender Policy and the Comprehensive Agricultural Policy Framework did not highlight the need to upgrade existing physical market structures. Moreover, leaders of the Mbare Musika market association told this assessment team that despite repeated appeals to the Ministry of Local Governments, Public Works and Urban Development, as well as to the city council, there has been no effort by government to prioritize the renovation and upgrade of physical market infrastructure.

A lack of pricing information hinders the expansion of woman-owned businesses. Globally, women are increasingly supplying national and international markets with traditional and high-value products. However, women farmers and entrepreneurs typically have less access to pricing and demand information. As such, women lack information to plan and price their production and, as they move up the value chain, to purchase raw materials for processing (World Bank et al. 2009). Thus, unaware of current pricing, women risk exploitation by traders and middlemen (ibid.).

The Agricultural Marketing Authority (AMA) is the main government authority on agricultural pricing information, producing weekly bulletins with prices for agricultural commodities in Zimbabwe and South Africa. The information is published online through its website and is distributed to AGRITEX offices, commodity associations, input suppliers, and farmers unions. However, it is based on market prices that the larger, key players receive for their commodities

particularly in major markets in Harare, Bulawayo, Beitbridge, and Mutare. Key informants for this study found that AMA pricing information was informative, but incomplete since it lacks the width (pulling information from many different sellers) and depth (type of information made available) to be truly helpful for farmers and processors. The distribution of its pricing bulletins is limited, with the AMA relying on AGRITEX and farmers unions to distribute the information throughout the country.

The Zim Asset plan, however, does highlight the need for the country's market information systems to be more robust and calls for the AMA to be recapitalized (GoZ 2013). In an interview, the AMA reported that it is exploring a mobile platform for market information, but no steps appear to have been taken to move the process forward. Zimbabwe has the infrastructure available for a mobile platform for market information: as mentioned in the Access to Capital section, mobile phone penetration is 108 percent (RBZ 2016c) and about half of Zimbabweans get weekly information via text or SMS (Broadcasting Board of Governors 2012).

Private players are stepping in to provide needed price and market information. Since 2012, eMKambo, a market information provider, provides pricing information on over 60 different commodities from 20 markets in 6 major cities across Zimbabwe. Farmers can call eMKambo for current pricing information, and based on eMKambo's historical data, farmers can access additional information on historic and current sales to decide when to sell. Traders and farmers pay based on the type of market information service they wish to use, from 50 cents per crop per day for daily commodity prices, to $1 per crop per week for weekly data and analysis. eMKambo has stated it has one million users in its database, with about 100 people a day using their call center for pricing and crop information. Overall, eMKambo works with 15,000 traders countrywide, about 50 percent of whom are women. Women agro-entrepreneurs in and around Harare were aware of eMKambo products and services, but key stakeholders interviewed in the Eastern Highlands were unaware of the service.

Key informants mentioned other providers of similar market pricing information that included EcoFarmer, provided by EcoNet. This service delivers weekly mobile pricing and crop data information as well as agricultural extension services to registered subscribers for a cost of $1.50 per month or 5 cents per day.

The lack of commodity exchange hampers the market for agricultural trade. Worldwide, commodity exchanges have been shown to reduce the cost of and the transaction risk in agricultural commodities. A commodity exchange can provide important and transparent information on prices and trade volume, improve farmers' access to markets, and facilitate aggregation as well as the development of a warehouse receipt system (Jayne et al. 2014). Zimbabwe currently lacks a commodity exchange. But it would provide important pricing information to buyers and sellers, and an important link between producers and buyers of commodities grown and sold by small producers, such as maize and groundnuts, predominantly sold by women (Nyamutowa et al 2014).

In 2010, the Ministry of Industry and Commerce announced the development of an agricultural commodity exchange; in 2012, the Comprehensive Agricultural Sector Framework called for the development of a complete market information system; and in 2013, $500,000 was allocated to

start the exchange (Nyamutowa et al 2014). Despite all these positive signs, there appears to have been no further movement of such a system.

In part, stakeholders interviewed during this study attributed the stalled process to disagreements between the Ministry of Agriculture and the Ministry of Industry and Commerce on which ministry should be in charge of the exchange. A recent report by the SERA project also makes the point that government involvement in the commodity exchange has crowded out private investment that could support the development of the exchange (Mutambara 2015).

One hurdle to the introduction of the commodity exchange is the lack of a warehouse receipting system to facilitate the storage and use of commodities as collateral. The Warehouse Receipt Act of 2007 sets out the regulations for warehouses, but Ruzivo Trust found in 2014 that no private warehouses are compliant with those regulations. Some Grain Marketing Board (GMB) warehouses have been found to be compliant, but they are not registered under the warehouse receipting system. The Zim Asset plan has a goal of rehabilitating 360 warehouses in the country, as well as operationalizing the Warehouse Receipt Act, and the NFIS calls for the system to be operational by the end of 2016. However, the government has so far lacked the funds to implement a warehouse receipting system, and in 2014, it was looking at bringing in private players for support (Ruzivo Trust 2014). According to stakeholders interviewed for this study, there has been no further work on the warehouse receipting system since that time.

The impact of farmers' lack of knowledge of quality standards. One agricultural entrepreneur shared his encounter with farmers producing carrots, which illustrates the lack of knowledge around quality and standards. The entrepreneur was trying to source carrots from individual farmers from around Harare. However, the farmers were producing carrots that were short and stubby, not long and thin as the market requires. The entrepreneur brought the farmers in to the warehouse to show them the standards and quality he was seeking so they understood what he needed. He then connected the farmers to seed suppliers located in the same industrial cluster as his business, who offered training from agronomists along with carrot seed. The next season, the carrots were the right size and length. In the first season, he purchased just 25% of the farmers' production. In the second season, he purchased the full harvest.

Women need access to information to better understand domestic and international markets, develop linkages, and comply with domestic and international standards. Businesses need to understand and have access to information on the market preferences, standards and the potential customer both domestically and internationally. Businesses also need linkages—either through associations, marketing materials, or other connections to find and explore markets. In agribusiness, an understanding of domestic and international product, packaging and labeling standards is critical to success and expansion. In the Zimbabwean context, women entrepreneurs face a lack of market information and intelligence of market opportunities and trends. They often do not understand the policies and procedures to enter new domestic and international markets, especially women from rural areas (Chipika 2011). Women agroprocessors are being held back from market opportunities by a lack of information and understanding on supplier and final market requirements (Chipika 2011).

AGRITEX officers can offer some support on standards and quality the market is demanding, but AGRITEX extension workers focus more on providing support to crops, and less emphasis on

providing training in terms of farming as a business (USAID 2012). ZimTrade, a joint venture between the government and the private sector funded by a levy on imports and exports, collects and disseminates international market information, and offers training to business owners on export markets, international standards for product quality, labeling and packaging, and international market information. Businesses can obtain standards certification from the Standards Association of Zimbabwe (SAZ), but business owners have reported that it takes a long time – one owner mentioned up to two months – and that it is expensive.

Locally produced vegetables in a Harare supermarket.

In the absence of a government body or business association providing standards information, the private sector is stepping in. eMKambo offers standards guides for different types of products, to guide farmers on what the market wants and the different price points offered for higher quality products. However, the concentration of most services in Harare presents barriers to access for those entrepreneurs in other areas. In addition, entrepreneurs mentioned the lack of packaging and labeling suppliers in Zimbabwe whose products meet international quality standards. Entrepreneurs interviewed mentioned importing packaging types that are not available in Zimbabwe currently, and working with graphic designers outside Zimbabwe that have design experience needed for targeted end markets. ZimTrade has recognized the issue and is taking actions to improve the skills of packaging, labeling and designers in 2016.

The Zim Asset plan, under the gender and development cluster, recognizes the need for market exposure. It calls on the MWAGCD to link women's groups to markets through exhibitions, fairs and expositions. However, MWAGCD has a very limited budget, which mostly funds personnel. There is very little funding available for activities; most of the ministry's activities are donor funded. Women interviewed for this assessment concurred that participation in trade fairs and expositions was extremely helpful in learning about market trends through Zimbabwe and abroad, in understanding their customer base better and the efforts necessary to sell to larger and international markets. Some even recognized that their businesses were not ready for international markets. Almost all those who participated received assistance or training through ZimTrade, and they recognized the importance of having ZimTrade as a resource to learn about international opportunities.

Women entrepreneurs are particularly affected by the lack of market linkages in the agricultural sector. The lack of market information is related not just to price but also to

buyers and sellers locating each other. Buyers need to buy in bulk, but many Zimbabwean farmers are smallholders. There is a missing middle of service providers, aggregators, wholesalers, and processors that buy from smallholders and sell to agroprocessors. This lack of middle in the value chain is resulting in sellers having limited awareness of markets and customer preferences. With the loss of major medium and large agricultural enterprises in Zimbabwe, stakeholders stated that the linkages between suppliers and buyers have broken down. Agricultural producers and processors no longer have the institutions and connections available at scale to buy and sell significant quantities of production.

Thus, business owners seemed to rely on word of mouth and personal connections to find what they need. In interviews, several informants mentioned the role that the MAMID, MSMECD, and MWAGCD play in connecting business owners to producers and vice versa, through their outreach personnel outside of Harare. In each case, the efforts by government to connect buyers and sellers are viewed positively, but in general the reach is limited by lack of resources and depth of networks extending into rural markets.

Large buyers reported finding it difficult to locate the quantities and types of produce they need for processing. They are either purchasing out of the country or spending the additional time, energy and resources to locate production from smaller wholesalers/traders, farmers associations, which is more expensive for business. This lack of middle affects women producers and buyers, as they are more likely to lack the connections, either through groups or associations, to find markets and suppliers.

> "We used to get our groundnuts for processing from Zimbabwe, from the GMB. Now we source from Malawi, since 2012. We prefer to get nuts from Zimbabwe. But when we purchase locally, the groundnuts vary too much in terms of fat content, and our processing machines won't work. My business can't handle sourcing from 1,000 small suppliers to get what we need."
> Woman agroprocesser

Some small private actors have attempted to fill the market linkage gap. In addition to providing market information, eMKambo offers a market linkages service to connect buyers and suppliers for a small percentage of total sales. The Market Linkage Association, an established non-profit organization, facilitating linkages between 30 input suppliers, commodity buyers, agroprocessors and farmers organizations that want to sell to and buy from smallholder farmers.

During a focus group discussion with female entrepreneurs and business executives in the agribusiness sector, women shared that the Grain Marketing Board used to play an important role in the past in grading and storing the aggregated production from small farmers, which was available for sale to agroprocessors in bulk quantities. The Board nominally offers storage and grading of produce to farmers for a range of commodities (groundnuts, sugar beans, coffee, maize, soya beans, etc.).

However, the Board faces a number of structural and policy-related challenges; it acts not only as a grain marketing entity but also as a strategic grain reserve focused on food security, which leads to conflict. In addition, the Board does not have adequate liquidity to operate (Mutambara 2015). As recently as 2015, the Board was unable to purchase commodities due to its lack of liquidity; it had not paid farmers for their 2014 crops by June 2015 (USDA 2015). In the absence

of a central body to grade and store the production from various small-scale producers, issues of quality and grades have become more difficult to address. As a result, agroprocessors reported that they instead imported raw products like groundnuts because aggregated and graded commodities are no longer available locally and thus must be purchased abroad, despite the companies' desire to source from within Zimbabwe. The lack of a functioning Board has negative consequence for women agricultural processors because they cannot source easily, and for producers because they have fewer options to sell their production as individuals or as small groups in rural areas.

Contract farming is a workaround for missing market linkages because buyers and sellers deal with each other directly. Some processors are switching to outgrower or contract farming schemes to secure the production they need.

Several examples of outgrower schemes that successfully connected producers and sellers into long-term relationships, specifically include paprika, tabasco chilies, poultry, and bananas that were visited or referenced during the course of this assessment, which received technical support from donors and NGOs and linked to financial service providers.

One example is Molu Meats, a poultry contract grower in Mutare. The owner saw an opportunity for an abattoir in the Mutare area, but needed a continuous supply of chickens to supply his abattoir and markets. He now has 400 farmers raising chickens for him, and most are women since small livestock is traditionally raised by women. The arrangement appears to be beneficial for all concerned: women are earning a steady income, increasing their production of chickens steadily, and branching out into other livestock, while the abattoir has a steady flow of chickens for processing.

Nyamaropa Paprika Growers Association Expands Access to International Markets

Founded in 1998, the Nyamaropa Paprika Growers Association has 1,025 members, of which 99 percent are women. The association started its own company in 2012, and has been exporting since 2014. In 2014, they produced 500 tons of dried paprika, of which 97 tons were exported. With a grant from USADF, the association has hired two marketing specialists to help them access more international markets. Members use their revolving fund of US$170,000 for inputs as the fund has affordable terms. Of the 14 board members, half are women, which is noteworthy given that on 1 percent of members are male. ZimTrade assisted them on branding, market access, and value addition.

Government procurement could provide a market for woman-owned SMEs, but cash flow issues are significant barriers. One last market linkage that is missing for woman-owned SMEs in Zimbabwe is access to government procurement. Governments worldwide rely on preferential treatment or set asides for small businesses and woman-owned businesses that are seeking to supply the government with goods and services. In Zimbabwe, the Indigenization and Economic Empowerment Act of 2007 requires all government ministries to source 50

percent of their goods and services from black Zimbabweans, and the Act was intended to support SMEs (Bomani et al 2015).

In addition, the NFIS calls for the government to consider providing incentives and specific goals for the procurement of government goods and services from woman-owned businesses to help women secure markets for their products, and calls on the Ministry of Industry and Commerce, the Zimbabwe Investment Authority and the MWAGCD to implement by the end of 2017. However, very few SMEs have successfully done business with the government due to a lack of awareness of government policies and procedures, the lack of managerial competence in government contracts, and the lack of working capital to cover expenses during the time it takes to be reimbursed by the government, among other reasons (Bomani et al 2015). In addition, stakeholders interviewed stated that there is no set-aside or preferential treatment for woman-owned businesses in the procurement process.

Entrepreneurship, business, and marketing training courses offered are usually general, short-term, and need to be better-tailored to women entrepreneurs. Women agricultural entrepreneurs in Zimbabwe have a range of learning needs in terms of building a business, depending on their educational backgrounds, location (urban versus rural), motivation for starting a business (out of necessity for perceived market opportunity, for example), and the stage of their business growth. FinScope identified several challenges that entrepreneurs face in terms of business growth: about half of business owners surveyed do not keep financial records, and overall, 82 percent of SMEs relied on word of mouth as their sole marketing technique. This indicates a need for business training, but only 9 percent of MSME business owners surveyed reported using business support services (FinScope 2012).

As such, women entrepreneurs need access to the full spectrum of training courses to increase the likelihood of business survival and growth. The courses would include business plan development, marketing or accounting skills development, business registration, the business life cycle, and domestic and foreign markets. Also needed are training to develop more sophisticated management process and entrepreneurial skills, including contract negotiation and supply chain management. In Zimbabwe, a variety of organizations offer training to small business owners, some targeted at women entrepreneurs; these organizations include banks; business associations; international NGOs; government institutions such as the Ministry of Small and Medium Enterprises and Cooperative Development and the Small & Medium Enterprises Development Corporation (SMEDCO).

- ***Government programs***. While the 2016 budget statement calls for investments in the SME sector, the Ministry of SMEs is provided with an operational budget of only $6 million, roughly 0.1 percent of the annual budget. SMEDCO, a state-owned corporation, offered training to just 500 entrepreneurs, 40 percent of them women, who received business financing from SMEDCO in 2015. General business courses are typically offered once a month for one to two days. SMEDCO is hampered by a consistent lack of government funding; in 2012, SMEDCO was allocated just US $200,000 in the national budget (Bomani et al 2015).
  According to ZimTrade, which works closely with a number of business associations on exporting and pays attention to women's program participation, 30 to 40 percent of the

SMEs they work with are woman-owned. In addition, at an export awareness event in 2016, ZimTrade's Regional Manager Similo Nkala stated that 262 women have participated in their programs since 2014.

- ***Business associations***. In terms of longer support programs, SMEAZ offers a more extensive series of trainings on starting and improving a business, with modules covering developing a business plan, marketing, costing, inventory, employees and productivity, and recordkeeping. SMEAZ found that training participants preferred short courses of a few hours, rather than intensive full-time courses over a few days as busy business owners have other commitments. SMEAZ estimates that about 35 percent of their paid members are women. As described in the Access to Capital section, SMEAZ is also working with banks to develop a loan facility for members, particularly women. As discussed in more detail below, business associations, such as ZNCC and PROWEB, also offer business development training programs that last 6 to 12 months.
- ***Educational institutions***. The Mutare Polytechnic offers a six-month entrepreneurship course on the basics of entrepreneurship complemented by technical support for specific trades, such as agriculture, welding, catering, among others. Such a program is significant, as a recent study noted a lack of training in management skills for farmers unless they are tied into a cash crop value chain like tobacco or cotton (Sukume, Mavedzenge, Murimbarima, and Scoones 2014).
- ***Donor programs.*** The USAID-funded Zimbabwe Works program, offers entrepreneurship training ranging from 6 to 12 months for entrepreneurs between the ages of 20 and 35. International donor programs are also encouraging support for training. As elaborated on in the Access to Capital section, Zimbabwe Works offers training participants, particularly younger women, and linkages to MFIs, where they receive subsidized interest rates.

While conclusive evidence on the best structure and curriculum for entrepreneurship training programs is limited (McKenzie and Woodruff 2012), this assessment has noted that many training courses were general in nature and focused on short-term support. The topics covered offered an introduction into entrepreneurship and business management, marketing, and basic financial literacy. As described, very few courses lasted longer than a few days or a few sessions. A recent study found that programs with the most significant impact provided training and follow-up support for an extended period of time, specifically in the form of a mentor or tailored program (McKenzie and Woodruff 2012). A recent World Bank study noted the importance for women business owners of including soft skills training modules on leadership and teamwork that result in better firm performance; it also noted the importance of a mentor who can provide specialized advice (Cirera and Qasim 2014). Business associations offer important building blocks to support women's leadership and advancement in business.

Business associations offer important building blocks to support women's leadership and advancement in business. Formal and informal networks offer women of all professional and educational levels the opportunity to access business support services and to network to expand the markets for their goods and services. However, women entrepreneurs perceive that traditional business associations are not accessible to woman-owned businesses, and that women are faced with challenges to become leaders in these types of organizations (WABAZ 2011). According to one prominent business leader, women used to feel uncomfortable coming to the business associations' meetings before the association started to do more outreach to

women in business a few years ago. However, in recent years, the inclusion, and awareness, of women in leadership positions in business associations have increased in urban centers like Harare. For instance, the Vice President of the Confederation of Industries shared that she had been approached for the role in the association in part because she is a woman. She noted that there are few women in leadership positions in larger corporations, stating "I can count them." However, she had first rejected the proposal to take on the leadership position in the Confederation being concerned that the time-consuming commitment could compromise her work performance. She agreed to take on the position once her supervisor encouraged her to do so. However, as noted above in regard to the Nyamaropa Paprika Growers Association, this awareness has not trickled down to more rural areas.

> My mentor helped me look at a business in a new light. She encouraged me to expand my product lines within my plant nursery that I otherwise wouldn't have. I'm now doing quite well, but I wouldn't have done that without her.
> — Woman agricultural entrepreneur

Traditional and woman-only business associations, farmers groups, and informal networks provide established and aspiring women entrepreneurs important support for the growth of their business. Zimbabwe offers a number of different organizations that offer support to professionals and entrepreneurs, businesses of different sizes, and trade organizations that target specific trades and sectors.

Women have a greater need than men for effective business networks, as they need networks to help them overcome skill or financing shortcomings; women benefit in particular from the skill-building and information-sharing that comes with networking at business associations (OECD and EU 2015). Women who do not have strong social networks are disadvantaged, as men's social connections lead them to learning about opportunities and programs faster than women, thereby ensuring their immediate access to limited programs and resources (Chipika 2011). A 2011 survey of women business owners found that the majority—63.5 percent—were not members of a business association (WABAZ 2011); women were not members because they either did not know about any, or they did not think associations provided, important services. Business networks can support women in building connections that are important for long-term success. Women in rural areas felt they cannot easily travel far from home to take advantage of networking activities, and most of their networks consist of close friends and colleagues in business.

Business associations are realizing that increased outreach to woman-owned businesses offer associations an opportunity to add more value to the organization by tapping a new membership group. The following list enumerates the organizations this assessment encountered and their main programs that target women:

- In 2013, the ZNCC started a Women's Desk at the Harare headquarters, and Women's Desks are being implemented in all ZNCC provincial offices. The Women's Desk awards the Women in Enterprise Awards at its annual Women in Enterprise Conference and Awards (WECA) and in 2014 piloted a year-long Mentorship in Practice program, which pairs young or aspiring entrepreneurs with seasoned women entrepreneurs or corporate leaders. The program was considered successful, and ZNCC is rolling it out to the provincial offices.

- PROWEB, an association of 600 professional women and entrepreneurs, offers a six-month mentoring and training program as well as regular networking breakfast meetings. Both offer important advocacy opportunities with government officials; PROWEB recently met with ZIMRA to discuss taxes and duties and the ease of doing business, and holds joint events with ZimTrade to encourage awareness of international markets.
- SMEAZ offers several series of trainings for aspiring and current entrepreneurs, and connects members through value-chain focused subgroups, including one on agribusiness. The association developed a gender strategy in May 2016 and is in the process of implementing it. In collaboration with the USAID-funded Zimbabwe Works program, SMEAZ is offering a youth and woman-owned business growth program that offers low-cost, one-on-one mentoring and group entrepreneurship training.
- Zimbabwe Women in Trade and Development (ZWITAD) offers its 4,000 members training and access to microfinance. ZWITAD is present in 10 provinces, and encourages women to organize into cluster groups of three to seven women to network and learn from each other. It has organized over 500 cluster groups around the country.

Business associations can play a larger role in meeting the needs of women entrepreneurs. For example, one woman interviewed stated that she attended a trade fair, sponsored by ZimTrade. She received additional orders for her products, but she did not have the capacity to meet them. She tried to develop partnerships with other companies to help fill the orders, but this wasn't successful. Had she been a member of a business association, the networking with other members might have allowed her to meet that order.

Larger business or trade association should recognize that they offer women unique opportunities to take on leadership positions that would be beneficial for them, particularly up and coming professional women. Women tend to be underrepresented in the leadership of larger, formal business associations—a missed opportunity to offer leadership opportunities. As noted in the Access to Capital section, women in mid-level or senior management, who make up just one-quarter of those positions (ZIMSTAT 2012), are best placed to become entrepreneurs, given their skills and savings. Business associations can do more to support these women as potential leaders as they consider entrepreneurial opportunities.

RECOMMENDATIONS

Access to markets is hampered by multiple gaps in information and access. The assessment found gaps in pricing and demand information, on standards, and on places to aggregate production. Women business owners have constraints in fully accessing physical markets and customers due to business registration challenges, resource constraints, and limited training. There is also surprisingly little information on value addition in different sectors in Zimbabwe. Government, business association, and private actors are stepping in to address these gaps, but unfortunately, the scope of their interventions is small compared to the needs of business owners. Woman business owners face difficulties in accessing this information as they are less likely to have the social structures, leadership opportunities, and training to learn and grow. Market access is also hampered by a lack of overall economic stability, which would encourage more entrepreneurs to take risks, such as expanding their production, product lines, or entry

into new markets. Considering these constraints, and to support the implementation of the Framework for Broad-Based Economic Empowerment for Women and Communities, the recommendations below focus on supporting activities that can be implemented in the short- to medium-term.

Support the implementation of policy reforms to simplify and expedite business registration and licensing. Woman-owned businesses are more likely to be informal, and informal businesses face specific market access issues. The reforms that are currently under discussion are very positive steps to reduce the number of days and procedures to register a business. The Ministry of Industry and Commerce should also ensure that businesses in rural areas have equal access to a simple registration process. The introduction of easily accessible e-registration throughout the country would ease the burden of small, informal, and rural business owners (McGill 2016). In addition, the Ministry of Industry and Commerce should consider reducing the high fees that businesses pay to register and maintain their licenses; the fees in Zimbabwe are higher than international norms. Finally, the Ministry of Agriculture needs to review its administrative requirements for SMEs to facilitate business registration and operation.

Facilitate information-sharing among gender focal points within the different ministries, at all levels. This assessment identified the need for more linkages between buyers and sellers. The Ministries of Agriculture, SMEs, and Women's Affairs were mentioned several times as playing key roles in connecting women sellers to buyers and thus facilitating market relationships. To have a greater impact, the ministries need to continue and expand their work as key points of contact for buyers and sellers. Gender focal points within ministries currently do not meet regularly at either the national or the provincial level. The Ministry of Agriculture's gender strategy (developed but not yet approved) highlights the need for a Gender Coordination Unit at the ministerial level to coordinate the gender focal points within a ministry, but the government could benefit from having gender focal points meet across ministries also. The MWAGCD, at the national, provincial, and local levels, could introduce and coordinate regular meetings between gender focal points. By meeting regularly, focal points could share valuable information on other groups and associations that are seeking support or markets. In addition, ministries should consider empowering gender focal points to have authority over activities within a ministry; often, they are technically focused officials that are not mainstreamed into ministry leadership.

Address policy issues that are stalling the commodity exchange. The re-introduction of a commodity exchange, and with it a warehouse receipt system, into Zimbabwe would make a significant difference to agricultural producers, many of whom are women. Given the importance of the commodity exchange for the economy, and the prominence devoted to it in the Zim Asset blueprint, the Ministry of Agriculture and the Ministry of Industry and Commerce should restart the conversation and resolve the governance issues that are stalling the commodity exchange. The National Economic Consultative Forum could act as a champion to motivate government to address to roadblocks; business associations could also step in to advocate for renewed efforts.

Business associations need to continue to expand their outreach to current and aspiring women entrepreneurs. However, they require external support to do so. Aspiring and current women entrepreneurs need more access to the networking, mentoring,

and training opportunities business associations have to offer. The ZNCC, SMEAZ, and PROWEB are all examples of business associations that are leading by example by targeting women business owners with specific programs of support.

However, all business and trade associations could do more to build stronger connections with woman-owned businesses, particularly those that are operating in the informal sector. Business networks and associations should continue to advocate for simplified registration procedures. Traditional business associations can also do more to incorporate women into their mainstream activities and leadership structures. Associations can provide value to their members by regularly assessing their courses and offerings, and ensuring that their offerings are meeting the needs of their members. Finally, because associations tend to be concentrated in Harare and Bulawayo, they can do more to build connections with and between women members outside the major urban centers.

Given the current economic conditions in Zimbabwe, business associations are struggling to maintain their member base, although this issue could be mitigated with an increase in the number of formal, registered businesses. Targeted, limited-term support from government or donors could help business associations research and develop programs that provide value to formal and informal woman-owned business. Such programs, over time, could expand the associations' member base.

Encourage existing market linkage associations, and market information and access programs to link up with women agribusiness owners and groups. Women entrepreneurs lack access to important information on market demand both domestically and internationally. The MWAGCD, MAMID, and MSMECD should support and implement programs that expand market access, specifically implementing the recommendations for market access found in the Broad-Based Framework for the Empowerment of Women. Ministries and donors can also work with and support groups like eMkambo and the Market Linkages Association, which play an important, but currently small, role in facilitating connections between buyers and sellers. Market information programs like those offered by ZimTrade are well-regarded and should be scaled up to reach more women entrepreneurs across Zimbabwe.

Provide more in-depth business training and targeted mentorship support to women entrepreneurs throughout the country. Women entrepreneurs need more training that is longer and more in-depth that provides support throughout the different stages of growth. Business associations, educational institutions, and government ministries and agencies should introduce longer training programs or expand existing ones to provide deeper knowledge of how to run a business over the long term. Donors should encourage their implementing partners to develop more in-depth training programs. Government ministries and agencies (like SMEDCO) and associated institutions like ZimTrade should also ensure their course offerings regularly reach women, particularly those outside of the main cities. In addition to longer and more in-depth training, the World Bank recommends that training programs include a mentoring program, as a mentor can provide specialized training to a business owner and help them address issues specific to the business. Business associations are offering, or can expand their offering of, mentorship programs, which are relatively cost-efficient ways to help members. Overall, governments, donors, and business associations should track the women entrepreneurs who attend their programs and share information on what types of programs are most helpful for women entrepreneurs.

Support further research on women in business associations and women's role in value addition in agriculture. Very little current and detailed information exists on the participation (or nonparticipation) of women entrepreneurs in traditional business associations, trade/commodity associations, or women-targeted associations in the Zimbabwean context. In many cases, business associations are best-placed to provide services to women entrepreneurs. The government, business associations, and donors could support research on the direct benefits that these associations and networks provide, what offers the most value added to women, and why women do or do not join business associations. There is also limited detailed information on women's roles in terms of value addition within the agribusiness sector. A census-type survey that captures the experience of women within priority value chains would provide valuable information to government, associations, and donors on how to reach the "missing middle" of the value chain, that is, the processors and traders.

Encourage the formation of formal groups, trade, and commodity associations among women. As previously mentioned, women lack the market linkages to sell and buy bulk commodities. Women entrepreneurs in the agriculture sector could benefit from organizing more frequently in associations, networks, and clusters to coordinate marketing strategies and to support each other in new (for women) or expanding subsectors (Chipika 2011). Governments and donors can continue to facilitate producer groups and commodity- and trade-focused cooperatives and associations to connect women to markets by aggregating their production and allowing for collective marketing. Such organization would allow for bulk purchase/sale of raw materials and final products or services. Government can also simplify the registration of such groups to encourage their formation. Stakeholders interviewed share that the groups that do best are those formed themselves rather than by outsiders, that have a clear mandate, and that have an identified set of agreed activities.

Set priorities for the development of physical market infrastructure that meets women entrepreneurs' needs by government and donors. Women make up a significant portion of agricultural sellers and traders at rural and urban markets. Policy makers at the local and at the provincial and national levels of government can prioritize funding, planning, and construction of physical market infrastructure, and ensure that women's needs are included in the consultation and planning process. Donors can encourage government to adopt an inclusive process for infrastructure planning and provide important targeted support.

4. ENTREPRENEUR PROFILES

Nyarai Kurebgaseka of Specialty Foods of Africa

Nyarai Kurebgaseka is the managing director of Specialty Foods of Africa (PVT) Ltd. (SFA), a producer and supplier of fair-trade, local, natural food products. SFA products are indigenous and are either wild-harvested or grown by small-scale women farmers in rural areas.

Trained in biology and biochemistry, Mrs. Kurebgaseka has a deep knowledge of natural products. Nyarai began her career in product development at the Southern African Alliance for Indigenous Resources (SAFIRE), a Zimbabwean NGO that trains rural producers in sustainable harvesting and processing technics. Thereafter, Nyarai worked for PhytoTrade Africa, a trade association, marketing natural products throughout Southern Africa.

Like many women business owners, Mrs. Kurebgaseka used her extensive work experience to go into business. In 2008, Mrs. Kurebgaseka became one of three shareholders in Specialty Foods of Africa (SFA). Based in Harare, SFA employs eleven permanent staff.

SFA production line includes herbal teas, honey, wild fruit jams, baobab fruit powder, and cosmetic oils. The products are sold under two brands, Tulimara and Yobab, to retailers and the main supermarket chains in Zimbabwe. SFA exports some ready-made products to the region, and exports products in bulk to buyers in the USA, UK, Australia, the European Union and southern Africa. Mrs. Kurebgaseka markets the company's products and connects with clients via international trade shows, as well as the company's website and social media.

SFA has received support from ZimTrade for product development and to participate in trade fairs. The company finds it challenging to project market demand, and has at time depleted their stock of input before the new crop season and new input is available.

Liquidity poses a significant issue. SFA pays the women producers and suppliers in cash upon delivery. Retailers often take up to three months to pay SFA's invoices, and payment periods are inconsistent. SFA has not accessed finance, as repayment periods for loans are too short and therefore unfeasible for the company's purchasing and production cycle: the loans would need to be repaid before the finished products are sold.

Mrs. Kurebgaseka belongs to several business networks including, the ZNCC, the Zimbabwe Natural Healers Association, and the producer association MarulaNet, which has provided access to market information, networking and training opportunities. In 2015, Mrs. Kurebgaseka received the Zimbabwean National Chamber of Commerce (ZNCC) Women in Enterprise Award, which recognizes women in business who have shown great potential for growth.

Isabel Dubeson (left) at Lorna Doone Farm, with her neighbor Adelaide, another woman entrepreneur.

Isabel Dubeson of Lorna Doone Farm

Isabel Dubeson co-owns and runs with her husband the Lorna Doone farm outside Harare. The 44-hectare farm consists of a plant nursery, agricultural, dairy and livestock production. A nurse by training, Isabel and her husband bought the farm in 2002 to prepare for their retirement. Her husband focuses mainly on livestock production, while Isabel runs the dairy and nursery. The farm has a herd of over 90 Jersey and beef cows as well as ducks, chickens and geese. The business employs 26 men and 17 women full time. The dairy farm produces fresh milk, halloumi, butter, feta, and ricotta cheese. The handmade dairy products are processed and packaged at Lorna Doone Farm and occupy an upmarket niche, selling directly to local supermarkets, restaurants and individuals.

A long-time avid gardener, Isabel expanded the farm to include a wholesale nursery in 2010. She grows water-wise and indigenous plants, due to her concerns about a sustainable water supply in the area, and sells these directly to landscapers and exhibitions. To access new clients, she relies on word of mouth through her reputation and on regular advertisements in the quarterly Zimbabwean Gardening magazine. In the future when finances permit, Isabel wants to expand her nursery by introducing a larger selection of environmentally sustainable plant species.

The family business has relied solely on savings and profits generated from the farm proceeds for its capital and working capital requirements. She explains that "we have not considered getting a loan, as we thought that the current interest rates are high, 10 to 20 percent per year."

To network and find new markets, Isabel belongs to the Zimbabwe Aloes and Succulents Society and the women's business association PROWEB. In 2014, she participated in PROWEB's six-month mentorship program. Her mentor encouraged her to expand the nursery to include medicinal herbs and trees, and not limit it to garden plants.

Nursery plants ready for sale at Lorna Doone Farm.

As an entrepreneur, Isabel has faced several challenges. Debt collection is a challenge; clients fail to pay on time as per the agreed terms. She has to balance multiple roles – as a mother, wife, caregiver to an elderly father and mother-in-law, entrepreneur and involvement in her community. Faced with strong competition from registered and unregistered roadside nurseries, Isabel noted that some established nurseries are resentful of the competition, but she believes that the "sky is large enough for all the birds to fly".

Shupikai Mubvekeri of Bescom Enterprises

The founder and managing director of Bescom Enterprises, Shupikai Mubvekeri started making peanut butter while she was employed as a civil servant. She started small, producing 50 jars per month that she sold to colleagues, neighbors, and congregants from her church. In 2004, she resigned from her day job to fully concentrate on her growing business. Mrs. Mubvekeri accessed and attended trainings and mentorship programs through the Zimbabwe National Chamber of Commerce (ZNCC), ZimTrade and PROWEB.

In 2009, she obtained a loan of $10,000 for the down payment of two shelling machines, and to purchase inputs and packaging. After paying off the machinery, she has been able to source sufficient high-quality groundnuts from women producers in rural areas. The same year, she expanded her operation, starting production in Zambia, and employed a marketing expert in Zimbabwe. The marketing expert secured purchasing contracts from two major supermarket chains in Zimbabwe. One of the supermarkets offered her a contract to package her product under their label. Based upon her desirable product and their good business relationship, she negotiated a cash advance from the supermarket to finance the increased production. Mrs. Mubvekari noted: "This is a very unusual financial arrangement, but they knew my product, they know that I was permanently in business, they knew my house — they trusted me."

Photo credit: Thrive Microfinance

While these types of arrangements might appear unusual, this assessment team heard about similar intra-firm financial agreements based on long business relationships and trust. Mrs. Mubvekeri is now producing 1,000 jars a day, employs eight permanent staff, and has expanded her product line.

She is also a cofounder of Zimbabwe Women in Trade and Development (ZWITAD) which offers women technical, business and marketing training and support, and won an award for the best SME from the ZNCC in 2010. She benefited from support from ZimTrade, visiting and learning from buyers in the Netherlands, where she learned more about packaging: "I have since expanded my product line to package salted nuts."

REFERENCES

ActionAid. 2015. "Contract Farming and Out-grower Schemes: Appropriate Development Models to Tackle Poverty and Hunger?" Policy discussion paper. Johannesburg, South Africa: ActionAid. http://www.actionaidusa.org/sites/files/actionaid/contract_farming.pdf

Bhebhe, N. J. 2016. "Zimbabwe Pushes the Informal Sector to Pay Taxes." *The Africa Report,* May 10. http://www.theafricareport.com/Southern-Africa/zimbabwe-pushes-informal-sector-to-pay-taxes.html

Bomani, M., Z. Fields, and E. Derer. 2015. "Historical Overview of Small and Medium Enterprises in Zimbabwe." *Journal of Social Science* 45(2): 113–29.

Bonga, W., and N. Mlambo. 2016. "Banks and Financial Literacy in Zimbabwe." *Journal of Economics and Finance* 7(2), Version 2: 69–74.

Broadcasting Board of Governors (2012). Zimbabwe Media Use 2012. https://www.bbg.gov/wp-content/media/2012/11/gallup-zimbabwe-brief.pdf

Chipika, S. 2011. Economic Empowerment of Women: Agriculture Sector Study. Ministry of Women Affairs, Gender and Community Development; World Bank; Finance and Private Sector Development Unit.

Cirera, X., and Q. Qasim. 2014. *Supporting Growth-Oriented Women Entrepreneurs: A Review of the Evidence and Key Challenges*. Innovation, Technology, and Entrepreneurship Policy Note No. 5. Washington, DC: World Bank Group. http://documents.worldbank.org/curated/en/2014/09/20344837/supporting-growth-oriented-women-entrepreneurs-review-evidence-key-challenges

Dhliwayo, C. 2014. "Role of the Banking Sector in Promoting Growth and Development of Small and Medium Enterprises." Presentation at the 2nd SME Banking and Finance Summit, Reserve Bank of Zimbabwe.

Dube, R. 2012. "Identity, Citizenship, and the Registrar General: The Politicking of Identity in Zimbabwe." Harare, Zimbabwe: Research and Advocacy Unit. http://researchandadvocacyunit.org/system/files/Identity%2C%20Citizenship%20and%20the%20Registrar-General.pdf

FAO. 2012. *Zimbabwe Post-harvest Management*. http://www.fao.org/fileadmin/user_upload/emergencies/docs/Africa-Zim_crop.pdf

FinScope. 2012. "FinScope MSME Survey Zimbabwe 2012." Working paper 94505. Washington, DC: World Bank Group. http://documents.worldbank.org/curated/en/2012/01/24048081/zimbabwe-finscope-msme-survey-2012

FinScope. 2014. "FinScope Consumer Survey Zimbabwe 2014." Randjespark (Midrand), South Africa: Finmark Trust. http://www.finmark.org.za/finscope-zimbabwe-consumer-survey-2014/

Government of Zimbabwe. 2013. Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset): Towards an Empowered Society and a Growing Economy" October 2013–December 2018. Harare: Government of Zimbabwe.

Halabisky, D. 2015. *Policy Brief on Expanding Networks for Inclusive Entrepreneurship: Entrepreneurial Activities in Europe.* Luxembourg: OECD/European Union. http://www.oecd.org/cfe/leed/Policy%20Brief%20on%20Expanding%20Networks%20for%20Inclusive%20Entrepreneurship%20EN.pdf

Helmore, K., S. Chidiac, and L. Hendricks. 2009. {*Microfinance in Africa*} *State-of-the-Sector Report: Bringing Financial Services to Africa's Poor*. http://www.care.org/sites/default/files/documents/MF-2009-access_africa_sos_report.pdf

Jayne, T., C. Sturgess, R. Kopicki, and N. Sitko. 2014. "Agricultural Commodity Exchanges and the Development of Grain Markets and Trade in Africa: A Review of Recent Experience." Working Paper No. 88. Lusaka, Zambia: Lusaka, Zambia. http://ageconsearch.umn.edu/bitstream/188568/2/wp88.pdf

Makuyana, T. 2016. "Microfinance Regulation and Supervision in Zimbabwe: A Critical Overview." *Mediterranean Journal of Social Sciences* 7(1): 376–85.

Manjengwa, J., and P. Mazhawidza. 2009. *Gender Implications of Decentralized Land Reform: The Case of Zimbabwe*. Policy Brief No. 30. http://repository.uwc.ac.za/xmlui/bitstream/handle/10566/87/Manjengwa_Gender2009.pdf?sequence=1

Mariwo, T. 2008. "What Are We Doing to Rural Women's Entrepreneurship? A Case of Non-Recognition and Diverted Attention of Women Engaged in Vegetable Farming in Mutoko, Zimbabwe." Master's Thesis, University of Zimbabwe.

Mataruka, N. 2015. "Microfinance Sector: A Catalyst for Inclusive Economic Development." (Presentation). *Microfinance Summer School, Nyanga*.

Matondi, P., and M. Dekker. 2011. "Land Rights and Tenure Security in Zimbabwe's Post Fast Track Land Reform Programme: A Synthesis report for Land" Harare, Zimbabwe: Ruzivo

Trust/Leiden, The Netherlands: African Studies Centre http://www.landgovernance.org/assets/2014/07/Zimbabwe_RuzivoTrust_ASC_0.pdf

Mauchi, F., M. Mutengezanwa, and D. Damiyano. 2014. "Challenges Faced by Women Entrepreneurs: A Case Study of Mashonaland Central Province." *International Journal of Development and Sustainability* 3 (3): 466–80. http://isdsnet.com/ijds-v3n3-5.pdf

Maunganidze, Farai. 2013. "The Role of Government in the Establishment and Development of SMEs in Zimbabwe: Virtues and Vices." *Journal of Business Administration and* Education 4 (1): 1-16. infinitypress.info/index.php/jbae/article/download/193/162

Mazhawidza, P., and Manjengwa, J. 2011. *The Social, Political and Economic Transformative Impact of the Fast Track Land Reform Programme on the Lives of Women Farmers in Goromonzi and Vungu-Gweru Districts of Zimbabwe.* Women Farmers Land and Agriculture Trust and Centre for Applied Social Sciences, University of Zimbabwe. http://www.landcoalition.org/sites/default/files/documents/resources/WLR_8_Zimbabwe.pdf

Mboko, S., and A. Smith-Hunter. 2010. "Zimbabwe Women Business Owners: Survival Strategies and Implications for Growth." *Journal of Applied Business and Economics* 11 (2). http://www.na-businesspress.com/JABE/Jabe112/SmithHunterWeb.pdf

McGill, O. 2016. Reforming Everything, Everywhere, All at Once: Business Licensing Reform in Zimbabwe. Report funded by the USAID-SERA program.

McKenzie, D., and C. Woodruff. 2012. "What Are We Learning from Business Training and Entrepreneurship Evaluations around the Developing World?" Institute for the Study of Labor (*IZA)* Discussion Paper No. 6895. http://ftp.iza.org/dp6895.pdf

Ministry of Finance and Economic Development. 2015. National Budget Statement 2016. http://www.zimtrade.co.zw/IMG/pdf/2016_national_budget_final_2.pdf

Mishi, S., and F. Kapingura. 2012. "Women's Access to Microfinance and Poverty Alleviation in Zimbabwe: Case Study of Chinhoyi Town." *African Journal of Business Management* 6 (29): 8667-76. http://www.academicjournals.org/article/article1380704937_Mishi%20and%20Kapingura.pdf

Mudadigwa, P. 2016. "Illegal Zimbabwe Vendors Back in Harare Streets as Hunger Bites." *Voice of America Zimbabwe*, January 25. http://www.voazimbabwe.com/a/illgal-vendors-back-in-harare-streets-as-hunger-bites/3161847.html

Mutambara, J. 2015. *Maize Marketing and Pricing in Zimbabwe: Final Draft.* Report for the USAID Strategic Economic Research and Analysis – Zimbabwe (SERA) program by Nathan Associates. Washington, DC: United States Agency for International Development. http://pdf.usaid.gov/pdf_docs/PA00M75W.pdf

Mutema, M. 2016. "Ease of Doing Business with a Focus on the Horticulture Sector in Zimbabwe." Presentation made at ZimTrade on 05 July 2016.

NECF (National Economic Consultative Forum). 2015. *Zimbabwe National Competitiveness Report 2015: Competitiveness: Building a Firm Foundation for Inclusive and Sustainable Growth for Zimbabwe.* Harare: NECF.

Njobe, B. 2015. "Women and Agriculture: The Untapped Opportunity in the Wave of Transformation." Background Paper for UNECA Feeding Africa Conference held in Dakar on October 21–23, 2015. Abidjan: African Development Bank Group. http://www.afdb.org/fileadmin/uploads/afdb/Documents/Events/DakAgri2015/Women_and_Agriculture_The_Untapped_Opportunity_in_the_Wave_of_Transformation.pdf

Nyamazana, M. 2016. *Inventory of Business Regulations, Laws, and Procedures in Zimbabwe.* Report funded by the USAID-SERA program.

Nyamutowa, C., S. Masunda, and N. Mupaso. 2014. "Assessing the Readiness of Zimbabwe in Adoption of an Agricultural Commodity and Derivatives Market – A Review Paper." *Midlands State University Journal of Science, Agriculture and Technology* 5(1): 95–110. http://ir.msu.ac.zw:8080/xmlui/handle/11408/679

OECD (Organisation for Economic Co-operation and Development) and EU (European Union). 2015. *Policy Brief on Expanding Networks for Inclusive Entrepreneurship: Entrepreneurial Activities in Europe.* Policy Brief on Expanding Networks for Inclusive Entrepreneurship. Luxembourg: OEDC and EU. http://www.oecd.org/cfe/leed/Policy%20Brief%20on%20Expanding%20Networks%20for%20Inclusive%20Entrepreneurship%20EN.pdf

Peterman, A. 2011. "Widowhood and Asset Inheritance in Sub-Saharan Africa: Empirical Evidence from 15 Countries." Chronic Poverty Research Centre. Working Paper 183. Washington, DC: International Food Policy Research Institute. http://www.chronicpoverty.org/uploads/publication_files/WP183%20Peterman.pdf

Probe Market Research. 2016. *Formalization Strategy Research*. Prepared for the Ministry of Small and Medium Enterprises and Cooperative Development

RBZ (Reserve Bank of Zimbabwe). 2016a. *January 2016 Monetary Policy Statement: Economic Transformation Through Transparency and Accountability*. http://www.rbz.co.zw/assets/monetary-policy-statement-january-2016.pdf

———. 2016b. *Quarterly Banking Sector Report 31 March 2016*. Harare: RBZ. http://www.rbz.co.zw/assets/quarterly-banking-sector-report-31-march-2016.pdf

———. 2016c. *Zimbabwe National Financial Inclusion Strategy 2016–2020.* Harare: RBZ. http://rbz.co.zw/assets/zimbabwe-national-financial-inclusion-strategy-2016---2020.pdf

Ruzivo Trust. 2013. "Micro, Small and Medium Enterprise (MSME) Sector." PIP Empowerment Factsheet 5 (under the Policy Influencing Project). Harare: Ruzivo Trust. http://bit.ly/29J2Jwx

———. 2014. Workshop Report: Strengthening Communication and Management of Agricultural Information in the Warehouse Receipt System. Compiled by Wimbai S Makunike.

Selome, J., and N. Tshuma. 2014. "Microfinance and Women Empowerment in Zimbabwe: A Case of Women Development Fund in Umguza District." *International Letters of Social and Humanistic Sciences Online* 35: 74–85. https://www.scipress.com/ILSHS.35.74.pdf

Smith-Hunter, A. 2013. *Women Entrepreneurs in the Global Marketplace.* Cheltenham, England: Edward Elgar Publishing. http://www.e-elgar.com/shop/women-entrepreneurs-in-the-global-marketplaceSmith-Hunter, A. 2013. Women Entrepreneurs in the Global Marketplace. *Edward Elgar Publishing*.

Sukume, C., B. Mavedzenge, F. Murimbarima, and I. Scoones. 2015. *Space, Markets and Employment in Agricultural Development: Zimbabwe Country Report.* Research Report 46. Cape Town: University of the Western Cape, Institute for Policy, Land and Agrarian Studies (PLAAS). http://www.plaas.org.za/plaas-publications/rr-46-smead-zimbabwe

USAID (United States Agency for International Development). 2010. "Property Rights and Resource Governance: Zimbabwe." USAID Country Profile. Washington, DC: USAID. http://www.usaidlandtenure.net/sites/default/files/country-profiles/full-reports/USAID_Land_Tenure_Zimbabwe_Profile.pdf

———. 2012. *Gender Analysis and Assessment for Feed the Future Programming.* Prepared by ACDI/VOCA and Banyan Global. Washington, DC: USAID. http://pdf.usaid.gov/pdf_docs/PA00JT8C.pdf

USDA (U.S. Department of Agriculture). 2015. *Zimbabwe Grain and Feed Annual Report.* Global Agricultural Information Network Report. Washington, DC: U.S. Department of Agriculture. http://www.fas.usda.gov/data/zimbabwe-grain-and-feed-annual-report

WABAZ (Women Alliance of Business Associations in Zimbabwe). 2011. *Women Entrepreneurs in Zimbabwe, An Analysis of the Enabling Environment and Potential for Women's Empowerment.*

World Bank. 2008. *World Development Report: Agriculture for Development*. Washington, DC: World Bank. http://siteresources.worldbank.org/INTWDR2008/Resources/WDR_00_book.pdf

___. 2010. *Making Infrastructure Work for Women and Men – A Review of World Bank Infrastructure Projects (1995-2009)*. Washington, DC: World Bank. http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1265299949041/6766328-1270752196897/Gender_Infrastructure2.pdf

___. 2016. *World Bank Development Indicators*. Washington, DC: World Bank. http://data.worldbank.org/data-catalog/world-development-indicators

World Bank, Food and Agriculture Organization, and International Fund for Agricultural Development 2009. *Gender and Agriculture Sourcebook*. Washington, DC: The International Bank for Reconstruction and Development/World Bank. http://siteresources.worldbank.org/INTGENAGRLIVSOUBOOK/Resources/CompleteBook.pdf

WOZA (Women of Zimbabwe Arise). 2015. "An Open Letter to the Executive Mayor of the City of Bulawayo." Bulawayo, Zimbabwe: WOZA. http://wozazimbabwe.org/wp-content/uploads/2015/06/Open-Letter-24-June-2015.pdf

ZEPARU (Zimbabwe Economic Policy Analysis and Research Unit) and BAZ (Bankers Association of Zimbabwe). 2014. *Harnessing Resources from the Informal Sector for Economic Development*. Harare: ZEPARU and BAZ. http://www.sundaymail.co.zw/wp-content/uploads/2015/02/Harnessing-Resources-From-The-Informal-Sector-for-Economic-Development.pdf

ZIMSTAT (Zimbabwe National Statistics Agency). 2012a. *Women and Men in Zimbabwe Report*. Harare: ZIMSTAT. http://www.zimstat.co.zw/sites/default/files/img/publications/Gender/Report2012.pdf

———. 2012b. *Zimbabwe Demographic and Healthy Survey, 2010–2011*. Harare: ZIMSTAT. http://dhsprogram.com/pubs/pdf/FR254/FR254.pdf

———. 2015a. Central Business Register Inquiry Revised Report 2015. Harare: ZIMSTAT http://www.zimstat.co.zw/sites/default/files/img/publications/Cbr/CBR_2015_Revised.pdf

———. 2015b. *2014 Labour Force Survey*. Harare: ZIMSTAT. http://www.zimstat.co.zw/sites/default/files/img/publications/Labour/Labour_2014.pdf

ZimTrade. 2016. *Horticulture Trade* (Presentation).

Zimunhu, B. 2015. ZMF Fund Operations (Presentation). *Microfinance Summer School.* Montclair Resort & Casino: *Nyanga*. December 4–5, 201

APPENDIX: INCLUSION STRATEGIES OF FINANCIAL INSTITUTIONS

Financial Institution	Financial Inclusion Initiatives
Steward Bank	• In partnership with FAO, rural community based relationship officers do outreach to provide financial inclusion and literacy services in food insecure areas • Offers an e-platform to provide accountability and transparency for saving and lending groups • Finance small hold farmers that obtain extension services from SNV • Finance contract farming with support of the Development Credit Authority • Offers the I-Save account and the Zama Zama account to meet the needs of rural women and MSMEs. • Operates agent banking and mobile banking in partnership with EcoNet • Provides financial literacy outreach and training programs for women
POSB	• Offers financial inclusion products to women entrepreneurs.
Barclays Bank	• Offer loans to women and youth in business in partnership with development partner. The bank has as of July 2016 disbursed $200 000.00, with a target to disburse $800 000.00 by end of year 2016 • Finances women farmers in partnership with Zimbabwe Farmers Union and provide financial literacy.
Standard Chartered Bank	• Finances input through contract farming arrangements to women tobacco growers. Conducts quarterly financial literacy workshops for growers.
Agribank	• As a result of women's strong repayment records, the Microfinance Division is currently allocating 55% of loans to women • Rolling out agency banking that is targeting women in rural areas • Offers women owned MSMEs in agriculture group lending, value chain financing and market linkages.
Stanbic Bank	• Allocates 20% of the wealth fund to women • Provides women with low cost accounts and financial literacy workshops • Will introduce agency banking before the end of year 2016.
NMB	• Operates a Women's Desk for woman-owned businesses • Planning to introduce group lending for women without collateral requirements • Reserves 30% of agent banking stations for women operators.
FBC	• Operates a microfinance division for women • Offers an insurance product targeting woman owned SMEs • Launching financial literacy workshops before the end of year 2016 • Establishing a desk focused on women's investments.
ZB Bank	• Operates agency banking

Financial Institution	Financial Inclusion Initiatives
	• Developing financial products focused on women
BANC ABC	• Setting up a Women's Desk for women owned SMEs before the end of year 2016. • Supports the Magamba training center in Mutare to develop vocational and business development skills program for youth.

Source: Proceedings from the meeting of the Reserve Bank of Zimbabwe's Financial Inclusion Working Group on Women, held at the Reserve Bank on July 19, 2016.