



The African Women's
Development and
Communication Network

**INCLUSIVE FINANCING
FOR WOMEN'S LEADERSHIP
AND ECONOMIC EMPOWERMENT
IN UGANDA**

POLICY BRIEF



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LIST OF ACRONYMS

AU	African Union
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CSOs	Civil Society Organizations
EOC	Equal Opportunities Commission
FY	Financial Year
GDP	Gross Domestic Product
GROW	Generating Growth Opportunities and Productivity for Women Enterprises
MDAs	Ministries, Departments and Agencies
MGLSD	Ministry of Gender, Labour, and Social Development
MoFPED	Ministry of Finance, Planning, and Economic Development
MP	Member of Parliament
MSMEs	Micro, Small, and Medium Enterprise
MoFPED	Ministry of Finance Planning and Economic Development
NDP III	National Development Plan III
NFIS	National Financial Inclusion Strategy
NGOs	Non-Governmental Organisations
PDM	Parish Development Model
ROSCAs	Rotating Savings and Credit Associations
SAGE	Social Assistance Grant for Empowerment of Elderly Persons
SDGs	Sustainable Development Goals
UNDP	United Nations Development Programme
UN	United Nations
UWEP	Uganda Women Entrepreneurship Programme
VSLAs	Village Savings and Loan Associations
YLP	Youth Livelihoods Programme

EXECUTIVE SUMMARY

Inclusive financing empowers women by enhancing their leadership potential, and economic independence through increasing their influence in decision-making processes, facilitating entrepreneurship, fostering community development, developing leadership skills, and building resilience against economic challenges. These factors collectively contribute to a more equitable society where women can lead effectively and be economically empowered. Uganda has made progress in making sure that there is inclusive financing for women and has gone ahead to put in place programs to that effect. However, despite progress being made in inclusive financing, to foster women's leadership and economic empowerment in Uganda, women continue to face significant barriers to accessing financial services and opportunities for leadership. This policy brief examines the legal and policy framework, the current status of inclusive financing for women's leadership and economic empowerment, the role inclusive financing plays in promoting women's leadership and economic empowerment and the specific barriers to inclusive financing for women and policy recommendations.

The government of Uganda has enacted several laws to protect women's rights in areas such as domestic violence, property ownership, marriage, employment, education, and health.¹ There are several programs designed to empower women economically, socially, and politically. Government-led programmes such as the Uganda Women Entrepreneurship Programme (UWEP); the Youth Livelihoods Programme (YLP); the Social Assistance Grant for Empowerment of Elderly Persons (SAGE), *Emyooga*; Parish Development Model (PDM); and the recent launched Generating Growth Opportunities and Productivity for Women Enterprises (GROW) project funded by the World Bank are focused on supporting women's leadership and economic empowerment. Notwithstanding Uganda's comprehensive gender-responsive policies and progressive laws in place to protect women's rights and ensure women's empowerment, the country still faces challenges in achieving its stated gender equality goals. Coupled with limited funding to the Ministry of Gender, Labour, and Social Development, inadequate institutional coordination and knowledge, as well as insufficient gender-disaggregated data hinders effective policy implementation. As a result, women's rights remain precarious, and their leadership, and economic participation remain limited by deeply entrenched social norms and cultural practices that discriminate against women's access to and control over productive assets such as land and the limited availability of innovative financial products and services tailored to women.

This policy brief makes the following key recommendations: (1) Strengthen implementation of existing gender equality laws, programmes, and policies; (2) Integrate unpaid care/domestic work into the case management system; (3) Engage with cultural and religious institutions to work towards dismantling social and cultural barriers that limit women's economic participation; (4) Involve local leaders in the design and implementation of women's economic empowerment programs; (5) Increase access to affordable credit for women-owned businesses; (6) Enhance the efficiency and timely programme budget allocation and streamlined disbursement processes; (7) Expand public-private partnerships; (8) Promote business formalization; (9) Strengthen regulatory oversight; (10) Develop gender-sensitive financial products and services; (11) Promote financial literacy programs specifically designed for women; (12) Develop alternative credit scoring systems; (13) Incentivize financial institutions; (14) Promote digital financial inclusion; (15) Engage with stakeholders to develop a multi-faceted approach to bridge the digital divide; (16) Review outdated laws that discriminate against women; (17) Strengthen legal frameworks with enforcement mechanisms; (18) Support capacity building; and (19) Educate men and women about their equal inheritance rights.

¹ See <https://www.fidh.org/IMG/pdf/uganda582afinal.pdf>

I. INTRODUCTION

There is a strong, interconnected relationship between inclusive financing, women's leadership and economic empowerment.² Inclusive financing is an important tool in advancing women's leadership and economic empowerment by providing innovative financial products and services tailored to address specific barriers to financial access and creating opportunities for participation in the economy.³ Inclusive financing provides women with access to financial services, empowering them to start businesses, invest in education and healthcare, and build assets. This access, combined with financial literacy programs, enhances women's financial knowledge and decision-making capabilities.⁴ As women become economically empowered, they gain confidence, expand their social networks, and acquire influence and decision-making power.⁵ This increased agency enables them to take on leadership roles, advocate for their rights, and contribute to their communities' economic growth.⁶ In turn, successful women leaders serve as role models, inspiring and mentoring other women. This cycle of empowerment demonstrates the powerful impact of inclusive financing on women's leadership and economic empowerment, ultimately leading to positive social and economic change.⁷

Inclusive financing is a key strategy for achieving the United Nations Sustainable Development Goals (SDG).⁸ To eradicate poverty and ensure gender equality, SDG 1 and 5 emphasize the importance of equal access to financial resources and property ownership for both men and women. Additionally, SDG 8 promotes equal pay and decent work opportunities for all, while SDG 10 advocates for the social, economic, and political inclusion of all individuals, regardless of their background. Through inclusive financing, nations can empower marginalized groups, reduce poverty, and foster sustainable development. Uganda has made significant progress in promoting inclusive financing for women, notwithstanding the unique challenges women face in accessing these services. The contribution of women to Uganda's economy, as workers, entrepreneurs, and unpaid labourers is enormous. With relatively high labour force participation rates and strong entrepreneurship, according to the 2019 Mastercard Index of Women Entrepreneurs, Uganda has some of the highest rates of female business ownership in

² Klugman, J., & Twigg, S. (2016). Advancing women's leadership and economic empowerment: A roadmap. International Center for Research on Women.

³ Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic Literature*, 50(4), 1051-1079.

⁴ See, *Empowering Women Through Financial Literacy: Breaking the Chains of Financial Dependence*. Available at <https://theequanimityproject.org/woman-domestic-violence/empowering-women-through-financial-literacy-breaking-the-chains-of-financial-dependence/#:~:text=Financial%20literacy%20is%20a%20powerful,economic%20independence%2C%20and%20pursue%20their>

⁵ Christiansen, L., Lin, H., Pereira, J., Topalova, P., & Turk, R. (2016). Gender Diversity in Leading Positions: Evidence from Firm-Level Data (IMF Working Paper No. 16/50). International Monetary Fund.

⁶ Demircuc-Kunt, Asli; Klapper, Leora; Singer, Dorothe. Financial inclusion and inclusive growth : a review of recent empirical evidence (English). Policy Research working paper, no. WPS 8040 Washington, D.C. : World Bank Group. Available at <http://documents.worldbank.org/curated/en/403611493134249446/Financial-inclusion-and-inclusive-growth-a-review-of-recent-empirical-evidence>

⁷ See <https://www.cgap.org/topics/women-financial-inclusion>

⁸ See, <https://sdgs.un.org/goals>

the African region,⁹ notwithstanding significant gender-based economic disparities.

While recent policy reforms have improved the enabling environment regarding inclusive financing for women's leadership and economic empowerment, deep-rooted gender inequalities persist. Women still earn less than men, are more likely to work in the informal sector, and bear a disproportionate burden of unpaid care/domestic work. The COVID-19 pandemic exacerbated these challenges, particularly for women in vulnerable sectors and those with care responsibilities.¹⁰ Despite various government programs and civil society initiatives designed to promote inclusive financing for women, women continue to face significant barriers to accessing the financial resources they need. This policy brief targets civil society, women's rights activists, policymakers, government officials, and development organizations working on gender equality, women's leadership and economic empowerment as an advocacy tool for inclusive financing for women's leadership and economic empowerment in Uganda. It provides evidence-based policy recommendations to ensure that women in Uganda can access the financial resources they need to lead and thrive economically.



2. LEGAL, POLICY AND INSTITUTIONAL FRAMEWORK SUPPORTING INCLUSIVE FINANCING FOR WOMEN'S LEADERSHIP AND ECONOMIC EMPOWERMENT IN UGANDA

Uganda has ratified important international gender equality instruments and commitments and put in place legal frameworks to promote inclusive financing for women, women's leadership and economic empowerment.

2.1 International Frameworks

Uganda has ratified several international treaties and conventions that serve as a benchmark for governments, international organizations, and civil society on human rights protection worldwide. The Universal Declaration of Human Rights (UDHR),¹¹ adopted by the United Nations General Assembly in 1948, is a foundational document outlining fundamental human rights to be universally protected. The Declaration encompasses a wide range of rights that affirms the

9 Mastercard. (2019). Mastercard Index of Women Entrepreneurs (MIWE) 2019. Available at <https://www.mastercard.com/news/media/yxfpewni/mastercard-index-of-women-entrepreneurs-2019.pdf>

10 See <https://documents1.worldbank.org/curated/en/409301625117731839/pdf/Uganda-Women-s-Economic-Empowerment-Analytical-Inputs.pdf>

11 See, <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

inherent dignity and worth of every person, regardless of nationality, race, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. The UDHR has inspired the adoption of several other human rights treaties applied today on a permanent basis at global and regional levels.

The Beijing Declaration and Platform for Action (BDPfA),¹² adopted in 1995, provides a comprehensive agenda for achieving gender equality and women empowerment. The Platform for Action builds upon the Universal Declaration of Human Rights to address specific challenges faced by women worldwide. It outlines an agenda for action in critical areas of concern, including poverty, education and training, health, violence against women, armed conflict, economic empowerment, power-sharing and decision-making, institutional mechanisms, human rights, and a new ethic of mutual respect, responsibility and partnership. This framework has been instrumental in shaping global policies and initiatives aimed at advancing women's rights and empowering them to participate fully in all aspects of society.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)¹³ often described as the "international bill of rights for women" is an international treaty adopted by the United Nations General Assembly in 1979. CEDAW defines discrimination against women and sets out a comprehensive agenda for national action to end such discrimination. It addresses a wide range of issues affecting women, including political and public life, education, employment, health, and family life. CEDAW is a powerful tool for promoting gender equality and empowering women worldwide, and its principles continue to guide efforts to advance women's rights and achieve gender justice.

Uganda is a State Party to the Africa Union Agenda 2063¹⁴ which provides a comprehensive continental framework for addressing key challenges and harnessing the potential of African women as drivers of sustainable development. The country is also party to several AU initiatives, including the African Women's Decade on Financial and Economic Inclusion 2020 - 2030, and existing policies such as the AU Strategy for Gender Equality & Women's Empowerment 2018-2028¹⁵, the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol)¹⁶, the Solemn Declaration on Gender Equality in Africa.¹⁷ These commitments, combined with domestic legal frameworks, laid the foundation for advancing women's empowerment in the country.

Additionally, as a member of the East African Community, Uganda ratified the EAC Equity Act 2015 to promote gender equality and equity across economic, political, social, and cultural spheres within the region. Furthermore, Uganda has endorsed the African Union Gender Strategy 2018-2028, aligning its national efforts with the continental agenda for gender equality.

2.2 National Legal Framework

12 See, <https://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf>

13 See, CEDAW available at <https://www.ohchr.org/sites/default/files/cedaw.pdf>

14 African Union. (September 2015). Agenda 2063: The African We Want. Available at https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf

15 African Union. (2018). Available at https://au.int/sites/default/files/documents/36195-doc-52569_au_strategy_eng_high.pdf

16 African Union Commission. (2016). Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol). Available at https://au.int/sites/default/files/documents/31520-doc-maputo_protocol_on_womens_rights_a_living_document_for_womens_human_rights_in_africa_submitted_by_the_women_gender_and_development_directorate_wgdd_of_the_african_union_commission.pdf

17 African Union Commission. (July 2020). Solemn Declaration on Gender Equality in Africa. Available at

Uganda has established a comprehensive legal framework to promote women's leadership and economic empowerment. The promulgation of a gender-sensitive Constitution in 1995 provided a strong legal foundation for gender equality, guaranteeing equal treatment under the law¹⁸ and protecting specific women's rights.¹⁹ It explicitly outlaws discriminatory practices and customs that harm women's welfare and dignity. The Constitution guarantees equal rights for women and men and includes affirmative action provisions²⁰ in various fields, especially in decision-making, credit facilities, and education for women and other marginalized groups to address historical imbalances.²¹ Laws such as the Parliamentary Elections Act Cap 177 and the Local Government Act Cap 138 have further strengthened women's political representation, with significant numbers holding leadership positions at various levels. Uganda established the National Women's Council under the National Women's Council Act Cap 113²² to mobilize women for development purposes, irrespective of their religion, tribe, origin, status or political affiliation. Several other laws are in place to protect women's rights in areas such as domestic violence, property ownership, marriage, employment, education, and health.

The Constitution²³ and the Land Act Cap 236²⁴ provide measures to safeguard women's land rights. These included provisions for joint ownership, requiring both spouses to agree on land transactions, and recognizing women's right to own land through various means such as buying, inheriting, receiving as a gift, or obtaining in divorce settlements. The Domestic Violence Act Cap 123²⁵ provides for the protection of women against domestic violence; the Equal Opportunities Commission Act Cap 7 established the Equal Opportunities Commission (EOC) "mandated to eliminate discrimination and inequalities against any individual or group of persons on the ground of sex, age, race, colour, ethnic origin, tribe, birth, creed or religion, health status, social or economic standing, political opinion or disability, and take affirmative action in favor of groups marginalised."²⁶

Uganda has also promoted inclusive financing anchored in several key laws and regulations. The Financial Institutions Act Cap 57, provides the overarching legal framework for the financial sector, including licensing and regulation of banks, microfinance institutions, and other financial service providers. The Microfinance Deposit-Taking Institutions Act Cap 58, specifically regulates microfinance institutions, which provide financial services to low-income individuals and small businesses. The Bank of Uganda Act Cap 54, establishes the central bank and its role in promoting financial inclusion. Various amendments to the Financial Institutions Act Cap 57 have further strengthened the regulatory environment and facilitated the expansion of digital financial services, such as mobile money and agent banking to expand access to financial services, particularly in rural areas.

Taking a big step towards women's empowerment, in 2022, Uganda enacted two key laws. The Succession (Amendment) Act 2022²⁷ allows widows to inherit land from their deceased

18 Article 21 of the Constitution of Republic of Uganda

19 Article 33

20 Refers to a set of policies, programs, and practices that seek to promote equal opportunity and diversity by taking into account factors such as race, gender, ethnicity, or national origin. These measures are intended to address past and present discrimination and to ensure that all individuals have equal access to opportunities in various sectors of society, including education, employment, and business.

21 Article 32

22 National Women's Council Act Cap 318

23 Article 26(1&2)

24 Section 27

25 See, The Domestic Violence Act 2010 here https://mglsd.go.ug/wp-content/uploads/2019/05/wcms_172625.pdf

26 See, EOC here <https://eoc.go.ug/neweoc/wp-content/uploads/2020/04/THE-EQUAL-OPPORTUNITIES-COMMISSION-ACT-2007.pdf>

27 See, Succession (Amendment) Act 2022. Available at [https://bills.parliament.ug/attachments/The%20Succession%20\(Amendment\)%20Act,%202022.pdf](https://bills.parliament.ug/attachments/The%20Succession%20(Amendment)%20Act,%202022.pdf)

spouses and ensures equal property distribution between men and women. The passage of the Employment (Amendment) Bill 2022 (awaiting Presidential assent) protects women from sexual violence and harassment in the workplace. These reforms directly address the barriers faced by women in land ownership and workplace safety, empowering vulnerable groups. Additionally, recent legislative efforts include the ongoing lobbying for the Marriage Bill 2024, Sexual Offences Bill 2019,²⁸ and National Legal Aid Bill 2022.²⁹ The Marriage Bill 2024³⁰, introduced by a private member, Tororo District Woman MP Hon. Sarah Achieng Opendi, was tabled in Uganda's Parliament. The Bill seeks to modernize the country's marriage law³¹ and address issues like marriage recognition, registration, rights, and dissolution. Key among the reforms is the adoption of a provision that allows women to obtain divorce in the same way as men. The Bill is currently under review by the Parliament's Committee on Gender, Labour, and Social Development. However, challenges persist in fully realizing these legal provisions. Deep-rooted cultural norms and practices often hinder women's access to resources and decision-making power. Additionally, enforcement mechanisms and awareness of legal rights are weak in some areas.³² Despite these challenges, Uganda's legal framework provides a strong foundation for advancing women's leadership and economic empowerment.

2.3 National Policies and Institutional Frameworks

The government of Uganda has established a strong policy and institutional framework that supports inclusive financing for women, women's leadership and economic empowerment. Building upon its constitutional framework, the government has put in place numerous policy reforms to advance women. These reforms align with international legal instruments and prioritize women's empowerment in national development plans. To ensure that gender equality is integrated into all aspects of governance, the Ministry of Finance, Planning and Economic Development has adopted a gender-responsive budgeting strategy that requires all government Ministries, Departments and Agencies (MDAs) to consider gender perspectives in their policies, plans, budgets, and activities.

The Uganda Vision 2040³³ developed by the National Planning Authority (NPA) prioritizes gender equality as crucial for socio-economic development, acknowledging persistent gender gaps in areas such as land ownership, wage employment, and decision-making. Additionally, the NPA's Third National Development Plan 2020/21–2024/25 (NDP III)³⁴, aligned with the Sustainable Development Goals (SDGs)³⁵, aims to increase household incomes and quality of life, with gender equality as a key focus. This commitment is also evident in the established institutional land tenure arrangements and the regulations outlined in the documents. The Ministry of Lands, Housing and Urban Development developed the National Land Policy (2013)³⁶, and its accompanying Implementation Action Plan 2015³⁷ which specifically outline positive steps taken to ensure women have secure land ownership and easier access to it.³⁸

28 See, Sexual Offences Bill 2019 here <https://parliamentwatch.ug/wp-content/uploads/2021/09/Sexual-Offences-Bill-2019-1.pdf>

29 See, National Legal Aid Bill 2022 here https://bills.parliament.ug/user_bill_stage.php?billid=362

30 See, The Marriage Bill, 2024. Available at <https://parliamentwatch.ug/wp-content/uploads/2024/10/Marriage-Bill2024.pdf>

31 Marriage Act, Chap 251

32 Dragica Dimova. (January 2022). Land ownership rights: A barrier to gender equality and economic empowerment of Ugandan women. Available at <https://ddrn.dk/6955/>

33 GOU, 2014. Vision 2040, National Planning Authority, Kampala.

34 See, NPA. (July 2020). National Development Plan III 2020/21–2024/25. Available at https://www.npa.go.ug/wp-content/uploads/2023/03/NDPIII-Finale_Compressed.pdf

35 United Nations. SDGs here <https://sdgs.un.org/goals>

36 MLHUD. (February 2013). National Land Policy. Available at <https://mlhud.go.ug/wp-content/uploads/2015/10/The-Uganda-National-Land-Policy-February-2013.pdf>

37 MLHUD. (2015). Uganda National Land Policy Implementation Action Plan 2015/16 – 2018/19. Available at <https://faolex.fao.org/docs/pdf/uga195929.pdf>

38 Enokenwa, O. (CIFOR-ICRAF), 2022. Women's Land Rights in Uganda. Securing Wom-

The Ministry of Gender, Labour and Social Development published a national gender policy in 2007³⁹ to establish a benchmark for addressing gender inequalities and guide gender mainstreaming into the various government sectors. The 2011 National Employment Policy⁴⁰ along with the National Employment Strategy 2023-2028 and its implementation action plan 2023-2025⁴¹; the Ministry of Trade, Industry and Cooperatives' Micro, Small, and Medium Enterprise Policy (MSMEs) 2015-2025⁴² also recognizes women's economic empowerment. These policies have seen Uganda register some progress in reducing gender inequalities and vulnerabilities through programmes such as the Uganda Women Entrepreneurship Programme (UWEP)⁴³ focused on increasing women's access to finance and business skills; the Youth Livelihoods Programme (YLP)⁴⁴; and Social Assistance Grant for Empowerment of Elderly Persons (SAGE), and the recently launched Generating Growth Opportunities and Productivity for Women Enterprises (GROW) Project funded by the World Bank focused on increasing access to entrepreneurial services that would enable female entrepreneurs to successfully transition their businesses from micro to small and small to medium enterprises in targeted locations.⁴⁵

The government through the Ministry of Gender, Labour, and Social Development (MoGLSD) has implemented programmes tailored to women's economic empowerment in Uganda. The Equal Opportunities Commission (EOC) also produces annual reports on the state of equality in the country and gender and equity compacts for government ministries, departments and agencies to track progress in improving the livelihoods and well-being of vulnerable populations. Based on EOC assessments, the Ministry of Finance, Planning, and Economic Development gives out Gender and Equity Compliance Certificates to MDAs. These MDAs are required to establish gender-specific policies and strategies to integrate gender considerations into their work. In 2020, Uganda submitted its combined 8th and 9th periodic reports on government commitments to the UN CEDAW committee. The government also submitted its responses to CEDAW Committee queries raised in 2022 highlighting the actions taken.⁴⁶

Overall, Uganda has a strong legal and policy framework on gender equality and women empowerment, notwithstanding significant challenges in ensuring its effective implementation. Uganda has also made strides in enacting legislation to protect women from sexual and domestic

en's Resource Rights Through Gender Transformative Approaches. Bogor, Indonesia: Centre for International Forestry Research (CIFOR) and Nairobi: World Agroforestry (ICRAF) International Fund for Agricultural Development (IFAD). Available at https://www.cifor-icraf.org/publications/pdf_files/Books/Socio-legal-review-Uganda.pdf

39 MGLSD. (2007). The Uganda Gender Policy. Available at <https://faolex.fao.org/docs/pdf/uga163564.pdf>

40 MGLSD. (2011). National Employment Policy for Uganda. Available at <https://faolex.fao.org/docs/pdf/uga199859.pdf>

41 MGLSD. (November 2022). NES 2023-2028 and Action Plan 2023-2025. Available at <https://mglsd.go.ug/wp-content/uploads/2022/11/DRAFT-NATIONAL-EMPLOYMENT-STRATEGY-FOR-UGANDA-V.01.pdf>

42 MTIC. (2015). micro, small and medium- sized enterprises (MSMEs) Policy (2015-2025). Available at <https://www.ugandainvest.go.ug/wp-content/uploads/2016/02/Final-MSME-Policy-July-2015.pdf>

43 UWEP's primary target beneficiaries are women within the age bracket of 18-65 years. The assumption is that those beyond 65 years will be catered for under the Social Assistance Grants for Empowerment of Elderly Persons (SAGE) Programme.

44 YLP targets young women aged 18 – 30 years (the Programme guidelines stipulate that 30% of the Youth Interest Group members should be female), the female youth already benefiting from YLP are not considered as beneficiaries for UWEP

45 See, GROW Project information available at <https://grow.go.ug>

46 UNDP. (2020). Gender Responsive Indicators: Gender and NDC Planning for Implementation

violence. The country's selection for the UN Spotlight Initiative⁴⁷ focused on eliminating violence against women and girls demonstrates this commitment.



3. THE CURRENT STATE OF INCLUSIVE FINANCING FOR WOMEN, WOMEN'S LEADERSHIP AND ECONOMIC EMPOWERMENT IN UGANDA

The 2024 National Population and Housing Census preliminary results indicate that the total population of Uganda is 45.9 million people, with a gender balance of 51% female and 49% male.⁴⁸ The majority of the population (71%) lives in rural areas, while 29% resides in urban areas. Notably, Uganda is one of the youngest nations globally, with 74% of its population under 30 years old. People aged 31-59 account for 22% of the population, and only 4% are 60 years and older. The government recognizes inclusive financing for women's leadership and empowerment as crucial factors in achieving accelerated socio-economic development. There has been significant progress made in achieving gender parity and narrowing gender gaps in areas such as economic participation, education, health, leadership and political participation. According to the World Economic Forum Gender Gap Index Report 2022, Uganda ranks 61st out of 146 rated countries in gender equality, and 11th in Sub-Saharan Africa.⁴⁹ Women constitute 40% of all formal and informal business owners, the highest in the world⁵⁰ making Uganda one of seven countries globally to achieve gender parity in entrepreneurship rates⁵¹ and a female labour force participation rate of 49.6% in 2022.⁵²

3.1 Inclusive Financing for Women

Inclusive financing, also known as financial inclusion refers to "the availability and equality of opportunities to access and use responsible, affordable, and high-quality financial services that meet the needs of individuals and businesses, including the vulnerable and marginalized segments of the population."⁵³ The government has implemented several strategies to promote

47 See, UN Spotlight Initiative website here <https://www.spotlightinitiative.org>

48 Uganda Bureau of Statistics 2024: The National Population and Housing Census 2024 – Preliminary Report, Kampala, Uganda. Available at <https://www.ubos.org/wp-content/uploads/publications/National-Population-and-Housing-Census-2024-Preliminary-Report.pdf>

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51

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53 Alliance for Financial Inclusion. (2017). Maya Declaration. Retrieved from <https://www.>

inclusive financing for women. The National Financial Inclusion Strategy, for instance, outlines the government's vision and sets specific targets for increasing access to financial services. Key objectives include reducing financial exclusion, deepening the use of financial products, strengthening financial consumer protection, promoting green finance, and advancing gender-inclusive finance. The strategy is being implemented through collaborative efforts between the government, financial institutions, and other stakeholders.

Additionally, the government has prioritized financial literacy programs and access to credit, including through Savings and Credit Cooperative Organizations (SACCOs), particularly for women and youth, to empower them to make informed financial decisions. Furthermore, the government has actively supported the adoption of digital financial services, such as mobile money and agent banking, to expand access to financial services, especially in rural areas. The country's vibrant mobile money industry, for instance, has revolutionized access to financial services, particularly for women in rural areas. This digital revolution has enabled women to engage in economic activities, save money, and make payments, thereby empowering them financially.

According to the 2022 Gender Gap Index Report, 49% of women had access to some form of financial service in FY2019/2020, compared to 57% of men. Findings from the 2023 FinScope Survey indicate that overall, financial inclusion in Uganda has improved since 2018, increasing by 4 percentage points to 81%. Formal financial inclusion saw the most significant growth, rising 10 percentage points to 68%. Informal financial inclusion grew slightly, reaching 52% from 50%.⁵⁴

According to the National Financial Inclusion Strategy (NFIS) II (2023 - 2028)⁵⁵, access to formal financial services has increased, although women are less likely to be formally financially included compared to men in Uganda. In 2021, 65% of women had access to formal financial services compared to 67% of men, the gender gap in formal financial inclusion coincides with the gap observed in accessing financial services at formal financial institutions (excluding mobile money) and the uptake of mobile money. More men (38%) than women (35%) own an account at a financial institution, and more men (55%) than women (53%) and youth (52%) own mobile money accounts. Usage of formal financial services remains low among women compared to men. In addition, women are less likely to use digital financial services to make or receive payments. This is because women are less likely to own digital assets, which would allow them to access financial services. According to the Uganda National Household Survey Report 2019/2020, adult women are less likely to own a mobile phone (44%) than men (60%).⁵⁶

3.2 Women's Economic Empowerment

Economic empowerment is a multifaceted concept that empowers women to participate in economic activities, control resources, access decent work, and participate in decision-making processes about their lives. It also involves enhancing women's economic independence, providing access to resources like land and credit, investing in education and skills, ensuring equal opportunities in the workplace, and fostering a supportive legal and policy framework. Inclusive financing is a crucial component of women economic empowerment, ensuring women have meaningful access to formal and informal financial products and services tailored to their specific needs and empower them to make informed financial decisions. The Government of Uganda recognised the need to economically empower women by addressing structural barriers and creating enabling environments that support their economic participation⁵⁷, including realising their rights, economic growth, reducing poverty, promoting health care, and attaining quality education and welfare.

afi-global.org/maya-declaration/

54 FSD Uganda. (July 2024). Finscope Uganda 2023 Findings. Available at <https://www.abi.co.ug/wp-content/uploads/2024/08/Final-Finscope-Uganda-2023-Survey.pdf>

55 GOU. (2023). National Financial Inclusion Strategy 2023-2028, Kampala.

56 See. Uganda National Survey Report 2019/2020. Available at https://www.ubos.org/wp-content/uploads/publications/09_2021Uganda-National-Survey-Report-2019-2020.pdf

57 See, <https://mglsd.go.ug/uwep/>

Government Programmes on Women's Economic Empowerment:

The government of Uganda has introduced various initiatives to economically empower women. One of the most prominent initiatives is the Uganda Women Entrepreneurship Programme (UWEP) launched in 2016. UWEP provides women with access to finance, business skills training, and market linkages. It also focuses on empowering women to start and grow their businesses, contributing to economic growth and poverty reduction. In addition to UWEP, the government also supports women's economic empowerment through other programs and initiatives including; the Youth Livelihood Fund (YLF) established in 2014, and the more recent Parish Development Model (PDM) introduced in 2021. UWEP specifically targets improving women's social and economic welfare nationwide, while YLF and PDM are designed to support both men and women. Within the PDM, implementation guidelines mandate that at least 30% of beneficiaries in each district be women. Other initiatives include financial literacy programs to enhance women's financial knowledge and decision-making skills, agricultural extension services to improve women farmers' productivity, support for microfinance institutions to provide access to credit and savings, and encouragement of women's groups and cooperatives to facilitate collective action and market access. These programs share a project-based approach, combining access to credit and skills training to enhance income-generating opportunities. However, the project-based structure has had limited impact, benefiting only a small portion of Ugandan women. Additionally, many of the funded enterprises are in agriculture, which, due to minimal modernization, restricts women from transitioning from low-income agricultural activities to higher-paying roles in the service and industrial sectors.⁵⁸

This policy brief examines women's economic empowerment in Uganda by focusing on four key aspects: women's employment, income and earnings, women in entrepreneurship, ownership and control of productive assets⁵⁹ as discussed below.

Income and earnings: In Uganda, women earn significantly less than men per hour and month. According to the UN-Women study,⁶⁰ the raw gender pay gap in Uganda is 25.2 % and 32.3 % when considered at hourly and monthly levels respectively. Using data from 10 countries across the East and Southern Africa region, the study shows that women only earn 81 cents per hour and about 68 cents monthly for every US dollar earned by men in the region. This is because women work for fewer hours for pay every week highlighting the persistent challenges that women face in the labour market. This gender pay gap is worse when looking at monthly earnings because women often work fewer hours in paid jobs. As the World Bank gender data shows, women in Uganda spent 14.6% of their day and men spent 7.5% of their day on unpaid work in 2018.⁶¹ This is due to a disproportionate burden of unpaid care/domestic work, and gender-based discrimination in hiring, promotion and compensation can lead to lower earnings for women and personal choices.

Ownership and control of productive assets:

Ownership of assets such as land, housing, livestock, and financial assets is a crucial determinant of economic well-being. In Uganda, as in many developing countries, gender disparities in asset ownership persist. Women generally have lower levels of asset ownership compared to men,

58 Susan Namirembe Kavuma, Florence Kuteesa, Emmanuel Keith Kisaame, Richard Ayesigwa, Phoebe Atukunda, and Philemon Okillong. (2022). Increasing Salience and Strategic Engagement for Women Economic Empowerment, Women Empowerment Collectives, and Gender Integration in Uganda, Kampala. ACODE Policy Research Series, No. 108.

59 World Bank. 2021. Uganda Women's Economic Empowerment: Final Report

60 UN Women Uganda: <https://africa.unwomen.org/en/digital-library/publications/2023/10/why-women-earn-less-gender-pay-gap-and-labour-market-inequalities-in-east-and-southern-africa>

61 World Bank. Gender Data Portal. Available at <https://genderdata.worldbank.org/en/economies/uganda#:~:text=In%20Uganda%2C%20the%20labor%20force,males%20is%2072.4%25%20for%202023>

which limits their leadership, economic empowerment and perpetuates existing inequalities. Asset ownership is a source of economic empowerment and for women, it protects in the case of marital dissolution or abandonment. There is increasing evidence that ownership of property by women has positive consequences for women's empowerment. While Ugandan laws do not prevent women from owning land, enforcing these rights can be difficult. Local traditions often place women's land rights below those of men, even though both genders technically have rights to family land. This creates a gap between the progressive policies on paper and the realities faced by women on the ground.⁶²

Women in Uganda have limited ownership of land, property, and other assets, which significantly impacts their economic empowerment. While there have been some improvements in recent years, women continue to face challenges in accessing and controlling assets. This is due to a combination of legal, cultural, and social factors such as customary land tenure systems which often discriminate against women's rights to inherit or own land; limited access to formal property registration; patriarchal norms that prioritize men's ownership and control of assets; and lack of awareness of legal rights pose significant challenges for women's land ownership in Uganda. These often result in discrimination against women's rights to inherit or own land, leaving them vulnerable to disputes and encroachment.

According to data from the Afrobarometer round nine (2021/2022) survey,⁶³ which included a special module on gender equality. The survey explored Africans' perceptions of gender equality in areas such as asset ownership and control, employment, land ownership, and political leadership. The findings reveal that women in Uganda lag behind men in education, asset ownership, and financial independence. While a strong majority (69%) of citizens support gender equality in land ownership and political leadership. However, this support is significantly higher among women (81%) compared to men (58%). Younger respondents (75%) are more likely to endorse these rights than older generations (62%-68%), while those with no formal education (79%) are more supportive than the educated (67%-69%). Support for equality in hiring is notably weaker. Although most Ugandans believe the government is effectively promoting gender equality, a significant portion believe more substantial efforts are necessary.

Women in entrepreneurship:

Women's entrepreneurship in Uganda is on the rise, with a significant number of businesses owned by women across various sectors. While the exact percentage of women-owned businesses in Uganda may vary depending on the data source and methodology used, it is clear that women are making significant contributions to the country's economy as entrepreneurs in agriculture, trade and retail, services, and microfinance.⁶⁴ According to the Uganda Jobs Strategy for Inclusive Growth,⁶⁵ the micro, small, and medium enterprises (MSMEs) created within the past five years now generate over 50% of formal jobs, and household enterprises employ 3.1 million households. The 2020 Mastercard Global Index of Women Entrepreneurs estimated that women constitute 40% of all formal and informal business owners, the highest in the world⁶⁶

62 MoLHUD. (June 2019). Land & Property Ownership The Gender Strategy for National Land Policy Implementation. Available at <https://mlhud.go.ug/wp-content/uploads/2019/06/Gender-Strategy-on-Land-for-the-NLP-July-2018-reviewed.pdf>

63 Afro barometer. (January 2023). Afro barometer Dispatch No. 588. Available at <https://www.afrobarometer.org/wp-content/uploads/2023/01/AD588-Ugandans-applaud-government-efforts-to-promote-gender-equality-but-want-more-Afrobarometer-9jan23.pdf>

64 Walker, Richard Ancrum; Solotaroff, Jennifer; Sebudde, Rachel K.; Atamanov, Aziz; Puerto Gomez, Margarita; Willman, Alys M.; Naqvi, Fatima.

Uganda Economic Update 18th Edition : Putting Women at the Center of Uganda's Economic Revival (English). Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/099100011302141746/P1748840506ccf0da0ba0d08902edcbc883>

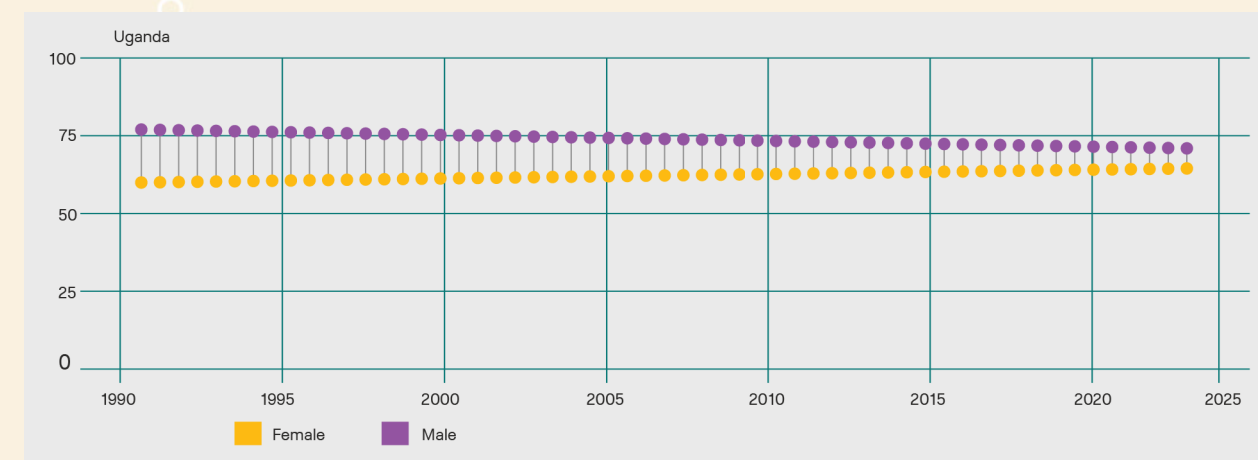
65 Merotto, Dino Leonardo. Uganda: Jobs Strategy for Inclusive Growth (English). Issue no. 19, Jobs Series Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/693101582561426416/Uganda-Jobs-Strategy-for-Inclusive-Growth>

66 World Bank. 2021. Uganda Economic Update, 18th Edition, December 2021: Putting

making Uganda one of seven countries globally to achieve gender parity in entrepreneurship rates.⁶⁷ However, women micro-entrepreneurs earn approximately 30 percent lower profits than men and women business owners in Uganda face gender-specific barriers, including lower access to capital, and segregation into lower-value sectors.⁶⁸

Labour force participation:

More women have been joining the workforce since 1990.⁶⁹ In Uganda, the difference in work participation between men and women is smaller among people with low incomes than among the general population. According to the 2023 World Bank gender statistics, the labor force participation rate in Uganda stood at 67.6% and 72.4% for women and men respectively. This is slightly above the Sub-Saharan African average of 60.7% for women as shown in the graph below.



Source: Word Bank Gender Data Portal

However, there are notable differences between rural and urban areas. Women in rural areas are more likely to be engaged in agriculture and informal sector activities. Their participation rates tend to be higher than those in urban areas, as they are often involved in subsistence farming and household chores. Women in urban areas have higher rates of participation in the formal labour force, but they are often concentrated in lower-paying jobs and face challenges like limited access to formal employment opportunities. It's important to note that while women's participation in the labour force is relatively high, they continue to face significant barriers to achieving economic empowerment, such as gender-based discrimination, limited access to education and skills training, and challenges in balancing work and family responsibilities. Vulnerable employment among women is 82.2% compared to 68.2% for men in Uganda as 2022 data shows.

3.3 Women's Leadership

This refers to the participation and representation of women in positions of power, influence, and decision-making across various sectors, including business, politics, civil society, and the public sector.⁷⁰ There is a strong link between inclusive financing and women's leadership.

Women at the Center of Uganda's Economic Revival. World Bank, Washington, DC. <http://hdl.handle.net/10986/36825> License: CC BY 3.0 IGO

67 UNDP. (2022). Gender Equality Strategy 2022-2025. Available at <https://www.undp.org/sites/g/files/zskgke326/files/2023-02/UNDP%20UGANDA%20Gender%20Equality%20Strategy%202022-2025.pdf>

68 World Bank Group. Profiting from parity: Unlocking the potential of women's business in Africa. World Bank, 2019.

69 The percentage of people aged 15 and older who are working or looking for work is called the labor force participation rate.

70 Eagly, A. H., & Carli, L. L. (2007). Women and the Labyrinth of Leadership. Harvard Business Review, 85(9), 62-71.

Access to financial resources and capital is a key enabler for women to start, grow, and scale their own businesses, which in turn contributes to their economic independence and decision-making power both at the household and community levels.⁷¹ Access to finance is an important factor that can enable women's leadership and participation. Improving women's access to financial services, such as bank accounts, credit, and capital, can help increase their economic opportunities and participation in decision-making roles.⁷² Furthermore, women in leadership positions, whether in business, politics, or civil society, can serve as role models and advocates for other women, inspiring them to pursue economic opportunities and challenge gender norms. Inclusive financing that supports women's leadership development, such as mentorship programs and leadership training, can further strengthen this link between women's leadership and economic empowerment.⁷³

For example, Uganda has made strides in women's representation and leadership in national politics, as guaranteed by its constitution and related laws. Women hold significant positions in local government, parliament (33.8% seats in the 11th Parliament) higher than the average rate in Sub-Saharan Africa, and the cabinet (45.8%). According to the Global Gender Gap Index, Uganda's score has improved from 0.717 in 2020⁷⁴ to 0.7249 in 2022.⁷⁵ Equal participation of women in local decision-making processes is critical for prioritising women's needs in local governments.⁷⁶ However, Uganda is yet to attain gender parity in political representation at the local government level as the numbers are still very low. According to data from the Electoral Commission revealed a significant underrepresentation of women in local government leadership roles, with only 5 out of 146 district chairpersons, 1 out of 10 city mayors, and 1 out of 31 municipal mayors being female.⁷⁷



71 Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic Literature*, 50(4), 1051-1079.

72 Christiansen, L., Lin, H., Pereira, J., Topalova, P., & Turk, R. (2016). Gender Diversity in Leading Positions: Evidence from Firm-Level Data (IMF Working Paper No. 16/50). International Monetary Fund.

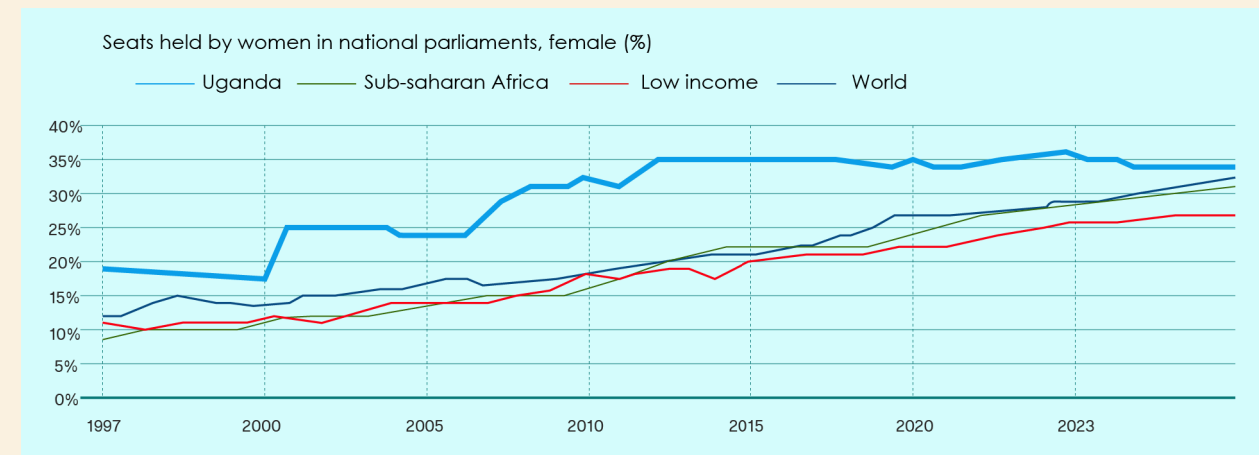
73 Klugman, J., & Twigg, S. (2016). Advancing women's leadership and economic empowerment: A roadmap. International Center for Research on Women.

74 World Economic Forum, 2020, Global Gender Gap Report. Available at https://www3.weforum.org/docs/WEF_GGGR_2020.pdf

75 World Economic Forum, 2022, Global Gender Gap Report. Available at https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

76 SDG 5 seeks to achieve gender equality and empower all women and girls; while indicator 5.5.1(b) recognizes the need for gender balance in political decision making in LGs.

77 Electoral Commission. (2021). Local Government Council Elected Leaders. Available at <https://www.ec.or.ug/ecresults/2021/Elected%20Chairperson%20and%20Councillors%20for%20City%20and%20District%20Local%20Government%20Councils%202021.pdf>



Source: World Bank Gender Data Portal, 2024

Uganda's relatively high number of women in political leadership at the national level notwithstanding, their influence and decision-making power are yet to match their numbers. Also, the high level of political inclusion of women at the national level is not mirrored at the sub-national level. Gaps persist in women's leadership, economic, political, and social spheres, especially exacerbated by the COVID-19 pandemic.⁷⁸ Furthermore, while increasing women's representation is important, it does not automatically guarantee effective influence over policy decisions or articulation of women's interests. Effective participation depends on various factors, including incentives, knowledge of the system, and deliberate action by women leaders. Improving women's access to financial services and capital can be an important factor in enabling their participation in leadership roles and closing gender gaps in decision-making positions.

In summary, the research indicates that improving women's access to financial services and capital can be an important factor in enabling their participation in leadership roles and closing gender gaps in decision-making positions.



4. THE ROLE OF INCLUSIVE FINANCING FOR WOMEN'S LEADERSHIP AND ECONOMIC EMPOWERMENT

Inclusive financing plays a crucial role in empowering women and enhancing their leadership roles. By providing access to affordable financial services women are empowered to start and grow businesses, invest in education and healthcare, and build assets. This economic

78 UN Women. (2020). COVID-19 Rapid Gender Assessment: Gendered Perspective. Available at https://data.unwomen.org/sites/default/files/documents/Publications/Uganda_RGA_Full%20Report.pdf

empowerment, in turn, boosts women's confidence and self-efficacy, enabling them to take on leadership roles in their communities, businesses, and organizations. Inclusive financing

for women helps dismantle gender stereotypes and discrimination to boost their economic independence, allowing them to invest in their businesses, education, and healthcare, which leads to increased income, improved livelihoods, and strengthened communities.⁷⁹

Government support for the growth of microfinance institutions and community savings groups addresses one of the primary challenges for women entrepreneurs which is access to capital. These programs offer the necessary funds to start or expand businesses through tailored financial products, loans, and grants, which encourage economic independence. Additionally, inclusive financing often includes financial literacy training that educates women on budgeting, saving, investing, and managing debt. This empowers them to make informed financial decisions, equipping them with essential skills for both personal finance management and business success.⁸⁰

Access to financial resources also boosts women's confidence as leaders and entrepreneurs, enabling them to assert leadership within households, communities, and businesses hence creating a positive ripple effect across society. Greater financial inclusion allows women to start and expand businesses, increasing their representation in entrepreneurship and leadership roles within the economic sector. A 2016 World Bank study⁸¹ indicates that financial empowerment strengthens women's bargaining power and confidence, helping them overcome traditional barriers to leadership and enabling them to advocate for themselves and their communities.⁸²

Furthermore, inclusive financing can break down traditional gender roles and empower women to challenge societal norms.⁸³ When women have access to financial resources, they can make independent decisions and invest in their own futures, leading to increased autonomy and decision-making power.⁸⁴ This can translate into stronger leadership skills and a greater ability to influence policy and social change. Despite progress in Uganda, a significant portion of the population, including 34% of women, remains outside the formal financial system or relies on informal financial arrangements. Increasing access to affordable financial services for women remains essential for achieving broader social and economic goals, including sustainable development and gender parity.⁸⁵



⁷⁹ International Finance Corporation. (2017). Women and Finance: Bridging the Gender Gap in Financial Inclusion.

⁸⁰ World Bank. (2020). Women, Business, and the Law 2020.

⁸¹ Klapper, L., El-Zoghbi, M., & Hess, J. (2016). Achieving Financial Inclusion: The Role of Financial System. World Bank Group. And Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2017). The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. World Bank Group.

⁸² International Finance Corporation. (2017). Women and Finance: Bridging the Gender Gap in Financial Inclusion.

⁸³ See, <https://www.undp.org/africa/blog/womens-economic-empowerment-critical-catalyst-sdg-achievement>

⁸⁴ See, <https://digitalforwomen.worldbank.org/access-finance>

⁸⁵ Excluded is defined as individuals who do not have or use financial services (either formal or informal) - World Bank, 2021, The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Available at <https://www.worldbank.org/en/publication/globalindex>



5. CHALLENGES TO INCLUSIVE FINANCING FOR WOMEN'S LEADERSHIP AND ECONOMIC EMPOWERMENT IN UGANDA

Many developing countries, including Uganda, are faced with several challenges in achieving inclusive financing, particularly for women. Despite several initiatives made in recent years, women continue to be disproportionately excluded from the formal financial sector due to many barriers. By understanding these challenges, the government, women's rights organizations and other stakeholders can identify effective strategies to promote inclusive financing and empower women to lead and participate fully in the economy. While Uganda's gender policies and programmes are applauded for expanding opportunities for women's leadership and economic empowerment, gender biases remain. Some of the key structural and social culture barriers to Inclusive financing in Uganda include:

Gaps in the implementation of legal and policy frameworks: Notwithstanding Uganda's extensive gender-responsive policies and laws, the country still faces challenges in achieving its stated goals. Coupled with limited resources, inadequate knowledge, and insufficient gender-disaggregated data⁸⁶ hindering effective implementation. Poor program design, weak implementation strategies, and a lack of monitoring and evaluation can undermine the effectiveness of government initiatives. As a result, women's rights remain precarious, their economic opportunities are limited, and formal equality has not translated into tangible outcomes. For example, the Ministry of Gender, Labour, and Social Development (MGLSD) faces significant funding challenges in its efforts to mainstream gender into government policies and programs. Despite institutionalized provisions for gender funding, the MGLSD receives less than 1% of the national budget, which affects its ability to effectively implement its mandate. This limited funding affects the ministry's capacity to provide technical support, coordinate gender focal points, and promote gender equality across government agencies.⁸⁷

The government has implemented several Economic Inclusion Programmes (EIPs) over the years. In all these EIPs, there has been a special emphasis on inclusion, particularly focusing on the economic empowerment of women and other marginalized groups. While these programs share a common focus on combining access to credit with skill development to boost income generation, their project-based nature limits their impact. This approach can only benefit a small fraction of women. Moreover, the agricultural focus of many supported enterprises can hinder women's transition to higher-paying jobs in the service and industrial sectors due to limited opportunities for modernization.

Among them is UWEP initiated in the FY2015/16, a flagship programme dedicated specifically to the economic empowerment of women. According to a 2023 assessment of UWEP conducted

⁸⁶ MFPED. (2020). Budget Framework FY 2020/21. Available at https://archive.finance.go.ug/sites/default/files/National%20Budget%20Framework%20Paper%20FY%202020-21_0.pdf

⁸⁷ United Nations Development Programme Uganda Country Office, Gender Equality Strategy 2022-2025

by the Advocates Coalition for Development and Environment (ACODE),⁸⁸ the programme was initially projected to distribute a total budget of UGX 585 billion over a 5-year period, with 70% of the total programme budget intended to reach its beneficiaries, expenditure data show that only UGX 107 billion was disbursed in the first phase (FY2015/16 – 2019/20) and UGX 168 billion in the second phase (2020/21 – 2021/22). This shortfall means that the programme cannot achieve its intended objectives. Insufficient funding, limited data on women's diverse needs, lack of recognition of the complementary role of men in UWEP activities at the household level, and weak stakeholder coordination hinder effective planning and implementation. The program's resilience to external shocks like COVID-19 is inadequate, and political interference undermines its objectives. Additionally, issues like free-riding within groups and integration into the Parish Development Model without clear alignment of goals and structures pose further challenges to UWEP's long-term sustainability and impact.

Skewed Economic Inclusion Programmes (EIPs): Many women economic empowerment programs of government aimed at ensuring inclusive financing for women often focus on agriculture-based enterprises that require access and control over land which limits women's participation.⁸⁹ Additionally, challenges such as corruption, political interference, and inadequate funding hinder the effectiveness of these initiatives.⁹⁰ Weak monitoring and evaluation systems fail to ensure accountability and measure progress effectively. Complex procedures, high fees, and limited financial literacy further limit women's access to financial services.⁹¹ Furthermore, obstacles in market access information due to poor infrastructure, high transportation costs, and limited storage facilities, particularly in rural areas reduce their profit margins. There is also inadequate government support for agricultural inputs and value addition. Other issues have been noted to include poor inputs such as seeds that do not do well in some areas and poor service delivery, especially inadequate training. This scenario is precipitated by haphazard disbursements with beneficiaries of government funds almost not prepared to receive and properly use the funds. Government interventions aimed at inclusive financing have been reported as top-down marred by frequent shifts in strategy, focus, modalities and reach that destabilized smooth operation and implementation.

The burden of unpaid care/domestic work: Women and girls play a critical role in the provision of essential services within households that are not compensated financially. This includes activities such as caring for children, the elderly, and sick individuals, as well as household chores like cooking, cleaning, and shopping.⁹² Unpaid care and domestic work pose another serious constraint. It has been noted as one of the most significant drivers of the gender productivity gap. In Uganda, women are more likely to care for children or other household members while they are farming.⁹³ In 2018, women spent nearly twice as much time on unpaid labor as men, dedicating 14.6% of their day compared to 7.5% for men. This trend has persisted over the past



88 See, ACODE. (2023). Assessment of the Economic Inclusiveness of the Uganda Women Entrepreneurship Programme (UWEP): The Case of Luwero, Wakiso, Mpigi, Mukono and Kampala districts. Available at <https://acode-u.org/goTo.php?id=604&type=publications>

89

90 EPRC. (2017). Stakeholders' views on challenges of the Uganda Women Entrepreneurship Programme (UWEP) and how to address them

91 See <https://africa.unwomen.org/sites/default/files/2022-09/Assessing-National-Funding-For-WEE-Uganda.pdf>

92 UNDP. (2020). Unpaid Care Work – A Gateway for Gender Equality. <https://www.undp.org/papp/blog/unpaid-care-work-gateway-gender-equality>

93 World Bank. (2021). Uganda Women's Economic Empowerment: Final Report

decade, based on World Bank data from 2014 to 2024.⁹⁴ The high burden of care work born by women limits their potential for economic empowerment and taking on leadership roles. As such women's participation in community meetings, training events, savings and actual running of business ventures is limited.⁹⁵

Lack of collateral: Women in Uganda face significant barriers to accessing collateral due to limited asset ownership and restricted land rights. Cultural norms and traditional inheritance practices often favour men, limiting women's ability to own property.⁹⁶ Low income levels further exacerbate this issue. Land, a crucial form of collateral, is particularly challenging for women to acquire, with only 16% owning land in their own name. Customary laws often restrict women's land rights, and even when ownership is secured, lack of formal documentation is a common problem.⁹⁷ Additionally, many women-led businesses operate informally, making it difficult to provide the necessary financial records or demonstrate sufficient business value to meet traditional bank collateral requirements.⁹⁸

Limited financial literacy: The Bank of Uganda has led the development and implementation of the Strategy for Financial Literacy in Uganda 2019-2024 which aims to improve financial knowledge, skills and confidence among Ugandans. However, the current financial literacy initiatives tend to be relatively small-scale and fragmented. Women in Uganda often face significant financial literacy gaps, hindering their ability to make informed financial decisions. Many women lack a basic understanding of financial concepts, are unaware of available financial products, and lack confidence in their financial decision-making abilities. These gaps can make women vulnerable to financial exploitation and limit their economic opportunities.

Digital Divide: While Uganda made progress in digital financial inclusion, significant gender gaps still exist. Women are 30% less likely than men to use digital financial services, with only 25% being active mobile money users compared to 38% of men. The first National Financial Inclusion Strategy (NFIS) 2017-2022 highlighted several factors that contribute to this gap, including limited access to technology, high transaction costs, lower education levels, fewer formal employment opportunities, and cultural norms that restrict women's access to financial resources. While mobile banking offers a path to financial inclusion, many Ugandan women struggle to fully utilize these digital services. Limited access to smartphones and the internet, combined with a lack of digital skills, act as hurdles preventing women from engaging with these platforms. These barriers underline the need for targeted initiatives to bridge the gender gap and create a more inclusive digital financial landscape.⁹⁹



94 World Bank. (2023). Gender Data Portal. Available at <https://genderdata.worldbank.org/en/economies/uganda#:~:text=In%20Uganda%2C%20the%20labor%20force,males%20is%2072.4%25%20for%202023>

95 Oxfam Novib in Uganda. (2017). Women Economic Empowerment (WEE) Community Practice Guide: What Works for Women Economic Empowerment in Uganda. Oxfam Uganda, Kampala.

96 World Bank. (2019). Profiting from Parity: Unlocking the Potential of Women's Business in Africa. Washington, DC: World Bank.

97 Doss, C., Meinzen-Dick, R., & Bomuhangi, A. (2014). Who Owns the Land? Perspectives from Rural Ugandans and Implications for Land Acquisitions. *Feminist Economics*, 20(1), 76-100.

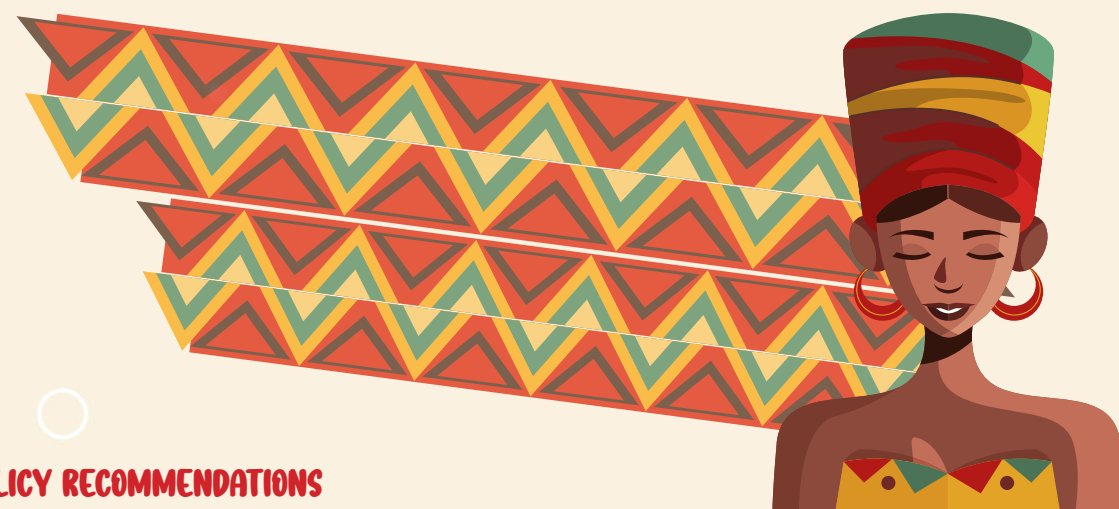
98 ILO. (2018). Women's Entrepreneurship Development in Uganda: Insights and Recommendations. Geneva: International Labour Organization (ILO).

99 Kahunde, R. (2023, March 8). Advancing women's digital financial inclusion in Uganda. Retrieved from Economic Policy Research Centre (EPRC): <https://eprcug.org/eprc-highlights/advancing-womens-digital-financial-inclusion-in-uganda-2/>

Informality of Uganda's economy: Uganda's economy is predominantly informal, characterized by small-scale businesses, self-employment, and a significant portion of economic activities operating outside the formal regulatory framework. This informality poses significant challenges to inclusive financing. Small-scale businesses, often run by women who make up 87% of informal workers, struggle to access formal financial services due to lack of collateral, inadequate financial records, and perceived high risk by financial institutions. This limits their access to credit, savings, and insurance products for business growth.¹⁰⁰

Additionally, informal businesses are vulnerable to economic shocks and lack social safety nets, exacerbating poverty and inequality.

Social cultural barriers: Cultural and social norms in Uganda often limit women's access to financial resources and decision-making power. Patriarchal structures, gender stereotypes, gender-based violence, early marriage, discriminatory inheritance laws, lack of property rights, and social pressure can create barriers for women in accessing financial services, participating in the workforce, and making independent financial decisions. Overcoming these deeply ingrained cultural and social norms is crucial for achieving gender equality and promoting women's leadership and economic empowerment in Uganda. These biases prevent women from participating equally in society and owning land on par with men. Laws meant to protect them often fall short, while harmful practices and traditional beliefs further disadvantage them. This reality is reflected in the low land ownership rate. Statistics show that only 16% of land in Uganda is registered to women. This stark discrepancy highlights the gap between progressive laws and the lived experiences of women. Deeply entrenched social norms continue to favour men as the primary landowners and decision-makers in most communities.¹⁰¹



6. POLICY RECOMMENDATIONS

To enhance inclusive financing for women's leadership and economic empowerment in Uganda, the following policy interventions are recommended:

The Ministry of Gender Labour & Social Development should

Strengthen implementation of existing gender equality laws, programmes, and policies by investing in generating up-to-date gender-disaggregated data to aid the implementation of existing policies that target women's needs and address gender-specific barriers to accessing financial services. The government should focus on using validated women's leadership and economic empowerment indicators that are contextually relevant for both rural and urban

100 ICRW. (2022). Expanding Social Protection to Informal Women Workers for Better COVID-19 Recovery in Uganda. <https://www.icrw.org/wp-content/uploads/2022/03/Uganda-RE-BUILD-Policy-Brief1.pdf>

101 International Land Coalition. (September 2024). WOMEN'S LAND RIGHTS IN UGANDA: Struggles and Progress. Available at <https://www.landcoalition.org/fr/latest/womens-land-rights-in-uganda/>

segments. MGLSD should convene a working group of different social protection programmes to improve coherence and cost-effectiveness through the integration of different social protection mechanisms. To enhance the sustainability and effectiveness of women's economic empowerment programs, MoGLSD and the Ministry of Local Government should collaborate to apply lessons from UWEP to the Parish Development Model. A phased implementation approach, starting with fewer local governments, can optimize resource allocation. Local governments should prioritize women's economic empowerment and ensure diverse representation in group formation. Decentralizing UWEP service delivery to sub-regional levels can improve responsiveness and efficiency.

Ensure government financial inclusion programs aimed at empowering women economically actively involve men at the household, community, and policy levels. Men play a pivotal role as gatekeepers of gender equality and can serve as influential change agents in challenging restrictive gender norms that hinder women's progress. While women are natural advocates and role models for women's economic empowerment, the inclusion of male voices can also be a powerful driver of change. Additionally, the government must create a supportive environment for these programs. This includes investing in improved infrastructure, enhancing communication networks, ensuring the quality and availability of agricultural extension services, strengthening market linkages, fostering opportunities for value addition, and establishing a robust legal framework that allows women to access and control productive resources. Furthermore, local leaders should be involved in the design and implementation of women's economic empowerment programs. Local leaders can effectively mobilize beneficiary groups, monitor program progress, and foster a sense of ownership within communities once involved in the design and implementation.

Tackle the issue of unpaid care/domestic work. The Ministry of Gender Labour & Social Development, in collaboration with relevant MDAs, should take the lead in establishing clear indicators within government frameworks to monitor progress on SDG 5, target 5.4.¹⁰² This includes demonstrating how essential sectors such as education, health, water and sanitation, and infrastructure can play a role in alleviating care work. Additionally, efforts should focus on raising awareness among stakeholders in these sectors about their potential contributions to redistributing unpaid care work in Uganda.

Engage with cultural and religious institutions to work towards dismantling social and cultural barriers that limit women's economic participation using a multi-pronged approach. Implement targeted awareness campaigns to challenge discriminatory norms and promote gender equality within communities. This can involve utilizing traditional leaders and community influencers to champion positive change.

The Ministry of Finance, Planning and Economic Development should

Prioritize budget allocation and disbursement of funds for financial inclusion programs to ensure their effective implementation. Financial inclusion is essential for promoting economic growth, reducing poverty, and enhance the livelihoods of underserved populations. Research indicates that access to financial services can significantly stimulate entrepreneurship and contribute to integrated national development by enabling individuals and businesses to participate in the formal economy. Furthermore, relevant ministries, departments, and agencies such as the Ministry of Gender Labour & Social Development should be allocated adequate funding to facilitate the smooth operation of their mandates. This funding is crucial for achieving their mission of promoting gender equality, social protection, and community transformation. Studies show that gender-inclusive policies not only empower women but also drive economic growth and improve overall societal well-being.

102 Sustainable Development Goal (SDG) 5 aims to achieve Gender Equality. SDG 5.4 specifically pertains to the care agenda and underlines the importance of recognising and valuing unpaid care and domestic work, with the target 'through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.'

Expand public-private partnerships: The government, through MoFPED's Public Private partnership unit, should collaborate with financial institutions to secure projects in other sectors of the economy that can promote inclusive financing for women's leadership and economic empowerment. For example, an initiative such as the Agricultural Credit Facility, a public-private partnership that provides loans for agriculture, agro-processing, and grain trade to boost agricultural production by providing medium and long-term financing at lower-than-market interest rates has increased accessibility, especially for small-scale farmers including women.

The Uganda Registration Services Bureau (URSB) should

Promote business formalization by developing initiatives that encourage informal businesses to register formally. This could involve simplifying the registration process, offering tax breaks for newly formalized businesses, and providing access to social safety nets for formal workers.

The Bank of Uganda should

Strengthen regulatory oversight to ensure that financial institutions comply with gender-inclusive practices and regulations. The central bank has a role in creating a supportive and inclusive gender-inclusive finance ecosystem. This involves collaborating with other key stakeholders to facilitate access to financial services, enhance financial literacy, address gender-specific barriers, and support digital financial inclusion for a more inclusive and equitable financial system that benefits women and promotes gender equality in Uganda.

Promote financial literacy programs specifically designed for women to equip them with financial knowledge and skills to foster their confidence in financial decision-making and resource management. By fostering a more supportive social environment and equipping women with the knowledge and tools needed to navigate financial systems, we can empower them to overcome the deeply entrenched barriers to financial inclusion and achieve greater economic security. Additionally, the program should integrate training in digital skills, encouraging women to embrace mobile banking and online platforms to manage their finances and promote their businesses. This approach, coupled with initiatives spearheaded by women's rights organizations, can create a powerful synergy. By combining financial knowledge with digital tools, women can manage their money effectively, expand their businesses, and contribute to greater community development.

Incentivize financial institutions: The central bank should engage with the MoFPED to implement policies or tax breaks that incentivize financial institutions to offer tailored financial products for informal businesses. These could include microloans, mobile banking services with reduced fees, and simplified loan application processes.

Promote digital financial inclusion. Leveraging technology to provide women with access to financial services, especially in rural areas, can be a powerful tool. While digital financial services have increased access to formal finance and made it easier for people to open accounts and send money to many Ugandans, they have not fully tapped into its full potential.

Financial Institutions Should

Design and provide women-friendly programmes aimed at increasing their access to credit and other financial services.

The Ministry of Information, Communications Technology and National Guidance should

Engage with stakeholders to develop a multi-faceted approach to bridge the digital divide and empower women in Uganda. This includes increasing access to smartphones and affordable data plans, providing targeted digital literacy training tailored to women's needs, and addressing cultural norms that restrict women's access to technology. By addressing these factors, women can fully utilize digital financial services, empowering them to participate in the economy and improve their livelihoods.

The Ministry of Justice and Constitutional Affairs should

Review outdated laws that discriminate against women. The government through the Ministry of Justice and Constitutional Affairs should urgently review and reform laws that discriminate against women or limit their access to financial services. Ensuring that regulations and policies

support financial inclusion and protect women's rights is essential. The Attorney General should engage parliament to expedite the debate and passing into law the Marriage Bill 2024 currently before the Committee of Gender, Labour and Social Development.

Strengthen legal frameworks with enforcement mechanisms to protect women's inheritance rights and property ownership. The Ministry should collaborate with stakeholders to empower women with the legal knowledge and resources necessary to navigate challenges related to inheritance rights and property ownership.

Women's Rights Organizations should

Launch campaigns using persuasive storytelling to shift cultural and social norms that affect inclusive financing for women's leadership and economic empowerment. These campaigns can leverage mass media platforms, including radio and social media, as well as organize events that create spaces for successful women leaders and entrepreneurs to share their experiences and success stories. This approach is vital in changing the mindsets and attitudes of various stakeholders, ultimately ensuring that women receive the support they need.

Foster networking and mentorship opportunities by promoting partnerships between women's organizations, financial institutions, and other stakeholders to create a supportive ecosystem for women's leadership and economic empowerment. Furthermore, they can establish networks where women can connect with mentors and peers to share experiences, resources, and opportunities. This can enhance their confidence and visibility in leadership roles.

Educate men and women about their equal inheritance rights by working with MGLSD and other private sector players to disseminate and create awareness about the reforms contained in the Succession (Amendment) Act 2022 on gender equality in land inheritance, emphasizing the rights of both spouses and children, regardless of their gender.

Promote awareness by Increasing awareness among stakeholders especially policymakers about the importance of gender-friendly policies that support women's financial inclusion, economic leadership and empowerment.

Support capacity building by collaborating with other Civil Society Organizations and development agencies to provide financial literacy training and business management skills to women entrepreneurs in the informal sector. This will equip women with the knowledge and skills needed to manage their finances effectively and access formal financial services.

7. Conclusion

Inclusive financing is a critical enabler of women's leadership and economic empowerment, providing them with essential resources, skills, and networks to thrive economically and socially. While Uganda has made strides through targeted programs and supportive policies, significant barriers persist, limiting women's full participation in the financial sector and leadership roles. The government needs to address these challenges, particularly those impacting women's access to financial services, and strengthen the implementation of policy interventions. The new National Financial Inclusion Strategy (2023-2028) presents an opportunity to enhance collaboration among stakeholders, fostering an environment where women can lead effectively and contribute meaningfully to their communities and the economy. Civil society organizations can leverage the strategy's specific targets for women's financial inclusion to strengthen advocacy efforts, while a multi-faceted approach, including increased funding for gender-focused initiatives, improved institutional coordination, better data collection, and efforts to overcome deep-seated social norms, will further advance Uganda's commitment to inclusive financing. By prioritizing these efforts, Uganda can build a more equitable society where women are empowered to contribute to economic growth, fostering resilient communities and sustainable development.



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Background