

Accelerating Access to Finance for Women Entrepreneurs: Gateway to regional, continental and international trade

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Access to finance is a key barrier for women entrepreneurs. Women in business, trade and export face gender biases as they seek access to finance. Financial institutions question the ability of women to manage and successfully run a business and service a large loan amount. They may further perceive women-led business as risky, leading to reluctance to provide them with business finance. Majority of women entrepreneurs lack collateral or assets to secure commercial loans. Women in the informal sector, including women in informal cross-border trade, often lack access to formal financial services due to lack of business registration or financial records to qualify for financial instruments from traditional financial institutions. Limited financial literacy and social and cultural norms are also barriers that women encounter and discourage their involvement in business activities.

The [World Trade Organisation](#) notes that Women-led Micro, Small and Medium Enterprises (MSMEs) make a critical contribution to growth, employment, and poverty reduction in their national economies. However, they do not face the same growth trajectories as their male counterparts. Women-led businesses tend to be smaller, have lower levels of production efficiency, are less well connected to markets and institutions, and struggle to access finance on the same terms as men. MSMEs led or owned by women are particularly constrained by a lack of access to capital or financial services. The International Finance Corporation (IFC) estimates that the financing gap for women-owned MSMEs in 2017 was USD 1.7 trillion and that women account for a disproportionate share of the financing gap facing firms in developing countries. In terms of trade dynamics, [women-led MSMEs are less engaged in international trade](#) than their male counterparts. Only one out of five exporting companies is led or owned by a woman. Increasing women's participation in trade by facilitating access to finance can enhance competitiveness given that trade-engaged firms are, on average, more productive than their non-trade counterparts.

Women exporters face other challenges too. Often, they have limited access to networks due to issues such as lack of representation in leadership positions in male-dominated networks. Lower digital skills, fewer resources, complex bureaucratic processes, high compliance costs, unclear legal frameworks, limited awareness of regional, continental and global trade agreements are some of the barriers that disproportionately affect women's entry to export trade.

It is, therefore, a very welcome development that the World Trade Organisation (WTO) and International Trade Centre (ITC) organised a [high level event on Women and Trade](#) which was held in Abu Dhabi, United Arab Emirates in February 2024 on the sidelines of the 13th Ministerial Conference of the WTO. The two-day meeting was held to celebrate progress made by women entrepreneurs in international trade and inspire governments and the private sector to take bolder actions in their support for the trade and women's economic empowerment agenda.

The Micro, Small and Medium Enterprises (MSMEs) Informal Working Group on Trade and Gender of the WTO launched a publication during the high level event titled "Access to Finance for Women-Led MSMEs: A [compendium](#) of financial inclusion initiatives." The publication is a key resource on closing the gender gap in access to finance.

The high-level event further witnessed the launch of the [WTO-ITC Women Exporters in the Digital Economy \(WEIDE\) Fund](#) – a pioneering initiative that aims to leverage digitalisation to boost the competitiveness of and unlock new markets for women-led businesses. The event also hosted panel sessions, networking opportunities, and the ITC SheTrades Innovation Festival and SheTrades Summit.

During the launch, WTO Director-General Ms. Ngozi Okonjo-Iweala said:

Digital trade, and more specifically digitally delivered services trade, is the fastest growing segment of international trade – growing at 8% on average since 2005. In the era of digital trade, those who were left behind in the first wave of globalisation have the opportunity to benefit now and do things differently. Digitalisation presents us with unprecedented opportunities to empower women entrepreneurs, level the playing field and foster inclusive growth.

ITC Executive Director Ms. Pamela Coke-Hamilton said:

Time and time again, women in developing countries tell us that access to finance is a key barrier to trade. With this new Fund, women entrepreneurs will have the resources they need to do business across borders and online.

The establishment of the export fund for women, creates optimism that women will benefit from:

1. **Financial support** to overcome financial barriers and access necessary resources required to expand their export activities. A very important aspect would be ensuring inclusion of small-scale women traders and women in informal cross border trade who might not automatically qualify or possess required collateral within the threshold of an export fund.
2. **Capacity building:** It is critical to build capacity of women traders and exporters prior to any financial assistance, which could include grants, loans and other forms of assistance. Such initiatives enable women to be trained and mentored in areas including digital financial literacy, business management and export regulations (including information on rules of origin, standards, certification, licenses, intellectual property).
3. **Market Access** is a key component for business and export success. Digital trade platforms provide women with access to global markets that may have been inaccessible through traditional channels. By participating in digital trade, women can reach a broader customer base and expand their business opportunities beyond geographical constraints. Support is required in areas of market research, participation in international trade exhibitions and fairs and networking opportunities with potential buyers.
4. **Promotion of Gender Equality:** By specifically targeting women exporters, the fund promotes gender equality and women's economic empowerment. It helps address gender disparities in access to resources, markets, and opportunities in the export sector, ultimately contributing to more inclusive and sustainable economic growth.
5. **Bridging the digital gender divide:** Empowering women in digital skills contributes towards closing the digital gender gap and is a very important tool for e-commerce and digital trade. Efforts to bridge the digital gender divide, including improving women's access to digital technologies, closing the gender gap in internet access and usage, and addressing online harassment and cyberbullying are essential for ensuring women's meaningful participation in digital trade.
6. **Policy Advocacy** can promote the development of an enabling environment for women traders and exporters. Advocating for policies that reduce trade and non-tariff barriers, address gender-specific challenges and support women's active participation in entrepreneurship and international trade can result in improvements in the business and trade environment for women.

7. **Reduced barriers to entry:** Digital trade lowers the barriers to entry for women exporters by minimizing the need for physical infrastructure and resources traditionally required by international trade. This allows women-owned businesses, especially those in developing countries, to enter global markets more easily and cost-effectively.

Similar initiatives by key trade stakeholders in the public, private, civil society and philanthropy sectors are encouraged to meet the needs of women in trade and export. Access to finance for women entrepreneurs in trade and export is a key component for their success. New opportunities for economic growth, innovation and gender equality in the regional, continental, and global marketplaces can be unlocked by actively promoting the inclusion of women exporters in digital trade. For these reasons, the upcoming protocols on Digital Trade and Women and Youth in Trade under the Africa Continental Free Trade Area (AfCFTA) will be key drivers and catalysts that support acceleration of African women in trade and export.

tralac gratefully acknowledges the support of its Development Partners

