REMARKS OF THE RIGHT HON RAILA AMOLO ODINGA

PRIME MINISTER OF THE REPUBLIC OF KENYA at the AFRICAN WOMEN'S ECONOMIC SUMMIT

"Investing Differently in Women"

Hon. Uhuru Kenyatta - Deputy Prime Minister and Minister for Finance of the Republic of Kenya;

Mrs. Graca Machel - Founder, New Faces, New Voices Network;

Dr. Donald Kaberuka - President, African Development Bank;

Professor Njuguna Ndung'u - Governor, Central Bank of Kenya;

Distinguished Guests;

Ladies and Gentlemen;

I am pleased to welcome you all to the landmark inaugural African Women's Economic Summit (AWES). I acknowledge there are delegates from other parts of the African Continent and I extend to you a warm welcome to Kenya. It is our pleasure to host you and I hope your stay in Nairobi will be fruitful and enjoyable.

Before I make any remarks, let me take this opportunity to thank the Founder of New Faces, New Voices Network (NFNV), Mrs. Graca Machel and the President of the African Development Bank (AfDB), Dr. Donald Kaberuka, for jointly hosting this auspicious Summit in Nairobi, in collaboration with the Central Bank of Kenya. Indeed, this demonstrates the importance and mutual commitment we all place in promoting the socio-economic empowerment of women across the African Continent and beyond.

Ladies and Gentlemen, the Government of Kenya recognizes the important role the New Faces, New Voices Network and the African Development Bank have played in launching this important Summit, to give a face and a voice to women in Africa. I particularly laud the Network's Mission "to enhance Africa's economic competitiveness by ensuring that women have access to financial services and occupy key leadership positions in the financial sector." Furthermore, the theme of this Summit; "Investing Differently in Women" brings to the fore the importance of the role of women in the economy, and particularly the financial sector.

Ladies and Gentlemen, I am informed that the Summit is intended to provide African financial sector leaders and key decision makers a platform to engage with key stakeholders to ensure that women contribute in shaping the African financial system. Indeed, this Summit is timely as it is taking place at a time when many countries in Africa are recovering from, and evaluating, the after-effects of the global financial crisis. I am, therefore, confident that the outcomes of the Summit will drive a paradigm shift and particularly in ensuring active women participation in the financial system and economy at large.

Ladies and Gentlemen, as we all appreciate, women comprise 50 per cent of Africa's population. They provide the majority of the labour force in the agricultural sector, which remains the backbone of our economies. A large number of women also run small businesses that constitute a significant share of economic activity in African economies. There is therefore no doubt that women play a critical role in economic development in our continent. But the same women remain largely marginalized in terms of access to, and control of, resources and socio-economic opportunities.

A recent national financial access survey carried out in Kenya in 2009 revealed that an astounding 66 percent of women have no access to formal financial services and 33 percent of them are completely excluded from accessing any financial services. No country can tackle poverty when the majority of its people (especially women) have limited access to financial services.

Ladies and Gentlemen, the Government of Kenya acknowledges that women need an enabling environment to enhance their access to not only finance, but also gender equality, insurance, education, healthcare and housing to be fully empowered economically. Really, the benefits of promoting women's economic empowerment spread beyond the individual woman to the household, community and the entire nation.

I am therefore pleased to inform you that in our development blue print, Vision 2030, the Government has paid special attention to increasing access to financial services by women, youth and other vulnerable groups.

Of importance to mention is that one of the key objectives of the Vision is to extend access to affordable financial services to all adult Kenyans by the year 2030.

Ladies and Gentlemen, the Women Enterprise Fund is a flagship project under the social pillar in Vision 2030. This project was initiated to serve as an alternative source of finance for women who cannot access the services of the formal financial sector. Through this fund, subsidized credit for business start up or expansion is offered to women. It also offers business training, market linkages and other infrastructure to women run businesses.

Through the revolving fund, women have been able to access loans and venture into a variety of productive economic activities that have triggered positive multiplier effects. Their enterprises have not only created jobs for themselves but also for many other Kenyans. Moreover, an increase in disposable incomes for women has translated to better nutrition and welfare for their families. Equally important, by empowering women financially, the Fund is expected to strengthen women's voices and bargaining power within the home, the wider community and the nation at large. Indeed, the Women Enterprise Fund motto captures the spirit that, 'if you empower a woman, you have empowered a family and a whole nation.'

Ladies and Gentlemen, our financial sector has also been undergoing a number of reforms to enhance access to financial services, stability and efficiency. Indeed, there has been notable policy, legislative and regulatory reforms in the last few years to specifically enhance access for the low income, particularly women, and the micro and small enterprises (MSEs) in Kenya. Let me mention a few:

First, the Microfinance Act was enacted in 2006 and operationalised in 2008 to license, regulate and supervise deposit-taking microfinance business in Kenya. It allows deposit taking microfinance institutions to be community-based and nationwide.

Second, the Credit Reference Bureau Regulations, operationalised in February 2009 are intended to facilitate the sharing of credit information by institutions licensed under the Banking Act. This will support the development of information and reputational capital. In addition, this will enhance access to credit by MSEs and individuals that have been constrained by a lack of physical collateral. This will go a long way in allowing the poor and low income households, particularly women, access financial services without the traditional collateral, like title deeds and car log books, required by formal financial institutions.

Third, the amendment of the Banking Act and drafting of the National Payments Systems Bill to embrace the changing Kenyan Banking Sector which is now increasingly driven by developments in Information Communication Technology (ICT). This has generated the much needed innovation in financial services and products and in systems through which they flow. The M-PESA and ZAP mobile phone money transfer products are good examples. These developments have been key in increasing efficiency and reducing transactions costs thereby spreading access to affordable financial services to the poor.

In addition, the Central Bank of Kenya is currently in the process of engaging the financial service providers and other stakeholders in developing Agent Banking guidelines under the amended Banking Act. This will allow commercial banks to partner with third party retail outlets to offer banking services. The Agent Banking model will go a long way in reducing the cost of financial services, both to the financial institution and the customer.

Fourth, the introduction of Shariah Compliant Banking Products in the market. With these products, we have seen the introduction of two Shariah compliant banks and growing interest in a number of banks seeking to offer Shariah compliant products. This mode of banking will serve the needs of Kenyans including women who would otherwise be excluded from the conventional banking sector due to their religious beliefs.

Finally, the enactment of the SACCO Societies Act in 2009 has paved the way for the establishing, licensing, regulating and supervising of Savings and Credit Co-operatives (SACCOs). The Act has also established the SACCO Societies Regulatory Authority (SASRA), responsible for the licensing of SACCO societies intending

to engage in deposit taking business. All these efforts by the government are intended to diversify, deepen and ensure reach of the financial market to all corners of the economy.

Ladies and Gentlemen, given the diversity in the knowledge base of participants here, I am certain that there is a great wealth of experiences to be shared. It is my expectation that you shall, over the next two days, explore the key socio-economic issues affecting women in our Continent in order to build consensus, set goals for change, make concrete pledges and strengthen the voice of African women in reshaping African and global financial systems.

With these remarks, it is now my honour and pleasure to wish you all fruitful deliberations and to declare the inaugural African Women's Economic Summit officially open.

Asante na Karibuni Kenya!