



AFRICAN DEVELOPMENT BANK GROUP

# African Women's Economic Summit Opening Statement

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Event: African Women's Economic Summit

Nairobi, Kenya

19 March 2010

Twenty-five years ago, in 1985, women and men from around the world gathered here in Nairobi to take part in the Third UN Conference on Women. We have come a long way since that unique event which brought so much hope and enthusiasm and has since been followed by so many others. Nonetheless, as we all get together today, there is no other city more appropriate to host this important event than Nairobi. We are therefore much honoured Prime Minister Raila Odinga that you could find time to be with us despite so many other demands on your time. Thank you, Governor Ndung'u, for being here.

We are much proud to be meeting here in a country which also has one of the most impressive innovations in the financial sector in which women leaders play a key role, with strong support of the Central Bank.

In your name, I must reserve a special word for our sister, Graca Machel, founder of New Faces and New Voices Network, for your outstanding leadership on so many things, but particularly the issue of women's equal rights. Thank you for associating our Bank to this important event and, as always, for the work you do at the forefront of the development agenda of the continent, especially the issue of gender, women business leadership and the financial services industry. The idea of this get-together was yours, you piloted the initiative. You are pushing all of us in the financial sector forcefully, to be drivers of change.

Thank you, too, to so many distinguished personalities here.

Today there are many conferences, seminars, workshops on Africa and its numerous development challenges in Africa and abroad and many of you, including people like Graca and myself, spend much time to attend these types of conference.

But I want to say here, this one is not one conference too many; it touches an issue of critical importance to our countries, an issue on which we all agree progress is possible, but painfully slow. That is why it sparked my interest and my colleagues in the Bank were highly enthused to cosponsor the event and to carry it forward to concrete outcomes.

As co-sponsor I must thank all you political leaders and representatives of governments, financial institution heads, development partners, civil society organizations, policy makers, prominent women entrepreneurs for joining us to reflect on the critical issues of accelerating empowerment of the women of Africa.

This is exactly the kind of coalition we need if we are to succeed: financial institutions; central banks and other regulators; continental development institutions like ourselves; and of course, business women – risk takers like you.

This is not the place to repeat the familiar narrative about the condition of women in Africa and, indeed, the world: women not simply as mothers, spouses, sisters, daughters, friends and neighbours but above all in their role in all segments of society, economies, politics, business, security and science, are central to the fortunes of our individual countries and our continent.

But, in all frankness, we must acknowledge that their access to financial services so critical for the growth of any economic endeavour remains problematic. We have, together, a bridge to cross to break through the barriers holding back so much a force for good into the World of finance.

In the coming two days we will reflect on how financial service delivery can better respond to the needs of women entrepreneurs and what that means for our respective societies. Evidence is now overwhelming that women who have access to opportunities are a positive force. When they have been able to access the financial markets they have a proven record of credit worthiness, high repayment and credible performance which is at par with the very best. I do not recall where I heard that maybe Lehman Brothers could have operated better as Lehman Sisters.

We, of course, need to deepen and expand to the even larger, yet under-represented segment of women entrepreneurs who still do not have access to finance, especially the rural womenfolk and those who struggle under difficult conditions in the informal sector, what in Kenya they call the “hot sun”.

But while striving for progress methodically we should also raise the bar. Far too often when we talk about women’s economic empowerment, women in business, we instinctively think about SMEs and microfinance. That, of course, remains critical and this will remain a central focus of any meaningful focus.

But we have to go further to determine how, through our collective action, the world of finance can best serve the half of our continent, how more women get up the corporate ladder.

Such is the objective of the African Women Business Initiative, launched by the AfDB. We have drawn lessons from the best practices in Africa and around the world in improving the financial literacy of women entrepreneurs and developing appropriate financial products as well as service delivery to stimulate the growth of women-owned businesses.

We have much learnt from some of our own work at the Bank. In places such as here in Kenya, Cameroun, Zambia, Tanzania and Nigeria, we have seen how partial loan guarantee programmes have been successfully and profitably administered by banks specifically targeting women-owned small and medium enterprises, advancing loans based on evaluation of business cash flow rather than collateral.

We have accompanied such loans facilities with training in business skills development and support to strengthen women's business associations.

Going forward we intend to build on this experience, on this platform, to ensure that institutions whom we finance promote those outcomes.

The recent financial and economic crisis has tested the resilience of African economies and led us to re-examine our development practices from different angles.

This continent, often described as the laggard in converging with the rest of the economic world, has demonstrated, after all, that the risks of doing business in Africa, provided well understood, priced and mitigated, are no different from those in the rest of the world.

Africa is emerging in a much better shape than expected. The crisis has also, of course, provided the impetus for us to explore different ways we do business.

We fully understand the risks this continent faces: external shocks; internal shocks; or even those imposed by the neighbourhood in those episodic times of turmoil. But this is a continent – from East, South, Central, North and West – on the move.

This is a continent of a billion people; that means half a billion women. The challenge for us is to unleash the dynamics of these internal markets as another growth pole. Look at the members: Africa is now, and has been for this decade, the second fastest growing economy after Asia. Yes, of course, from a low base, commodity-dependent, and not enough to cope with the demographics and there are vulnerabilities always at the corner. But there is no way the dynamism of this internal market can be unleashed without opening the world of finance, the oil of economy, to be more inclusive.

For us at the African Development Bank we like to say that what Africa needs today is a strong, sustained and shared growth – what we call the three S's and not episodic phases of growth soon reversed. It, of course, cannot be a shared growth when half of our continent is not fully aboard. Here I want to salute the fairly broad

acknowledgment for this across Africa exemplified by genuine efforts in many of our countries.

For us at the Bank, Africa's Premier Bank, promoting gender equality is a key building block for everything we do. Our new Gender Action Plan 2009-2011 focuses on three priority areas: the first of which is Investing in women's economic empowerment. We are making deliberate and sustained contributions in promoting equality between women and men by mainstreaming gender equality in all our development efforts and ensuring that development outcomes from our investments substantially benefit women as much as men and ensuring equal access to opportunities for all.

In full realization of the reliance of many of our women on microfinance, at least in the initial stage, we are putting in place a Microfinance Capacity Building Trust Fund to provide a structure for efficient African microfinance institutions and ensuring they give special attention to and targeting women.

We have on course a number of key initiatives, among them the Africa Women in Business Initiative, to build capacity.

You will be pleased to learn that the Bank and the Danish Government, together with a number of bilateral and multilateral investors, are putting in place an Africa Guarantee Fund Initiative for SMEs which will be targeted to youth, half of whom will be youth women businesspeople.

Over the next two days you will help us to identify the major bottlenecks that constrain women's access to positions of financial management and to finances and recommending a way forward. And there is no better place to begin than ensuring that women themselves assume leadership positions across the spectrum of the financial sector including, and especially, institutions like the AfDB.

Women leaders are playing key roles at all levels of leadership in the African Development Bank. But I am the first to agree that the Bank needs, and will benefit from, more women in the top leadership positions in the Bank.

You will be pleased to learn that in the Young Professionals Program – the future of the institution – we are just above parity at 59%.

This summit is a coordination of our dialogue; our battle to reshape the financial architecture to serve all the Peoples of Africa better. I want to state categorically here that we will, as the AfDB, through our influence, advocacy, convening power, relationships privileged with financial institutions in the sub-regions across Africa, do devise with us innovative approaches to investing in women differently.

While we all know the direction of travel, we must now define an action plan, set indicators and the direction and ensure that we translate these noble goals to which we are all committed into time bound measurable outcomes.

Finally, let me say the following: for businesswomen on our continent to prosper, surely they need access to finance; but, like the menfolk, on their side they also need infrastructure that works, energy that is reliable, skilled workers and wider diversified markets. That is why, at the AfDB, the domains of infrastructure (energy, water, power and IT) take up 60% of our commitments; and it is for the same reason we are the leading lender to economic integration on the continent.

And, of course we – men and women – need a stable continent which inspires business confidence for this continent to come out of the mode of stretched hand to trade and investment. This cannot be until the episodic instabilities which have caused so much havoc and mayhem are contained, in which women and children in a country such as mine often paid too high a price.

Building and consolidating economic institutions that are equitable and fair to all of us, again, critical for the work we do at the Bank through our governance.

This Summit is part of that continuous process which must be self-reinforcing and in which I want to assure you the Board, the management and the staff of the Bank are on your side as full partners on whom you can count.

Thank you for listening and I look forward to the recommendations of your deliberation.