

new faces, NEW VOICES

AfDB supports the economic empowerment of African women and the new network New Faces, New Voices



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**Africa is open
for business,
and the business
of the African
Development
Bank is to make
it happen.**

DONALD KABERUKA
President of the AfDB

As the global financial system is being reshaped, it is time for financial institutions and regulators to realize that women represent an emerging market.

More financially inclusive policies for women are needed. Most new income growth, post-recession, will come from women,¹ who save more and spend more on education, health and family welfare.² Businesses run by women, or corporations with a higher number of women executives, also perform better.³

The African Development Bank (AfDB) Group's Medium-Term Strategy 2008–2012 advocates increased selectivity at sector level and calls for a more robust private sector and for mainstreaming gender in all of the group's operations. AfDB is thereby advancing the financial-inclusion agenda and economically empowering women.

In that context, the first African Women's Economic Summit was held in Nairobi in March 2010. Policy-makers, regulators, financial services providers and development finance institutions agreed to improve access to financial services for women and to fast-track women's leadership in the financial sector.

This event was co-organized by AfDB and New Faces, New Voices, a network of professional women in business and finance across Africa, led by Graça Machel. By supporting gender mainstreaming, women entrepreneurs and improved financial inclusion for women, AfDB encourages more equitable growth and greater opportunities for the private sector and economic integration. The bank is channelling

resources to African women and building capacity through innovative approaches. Interventions aim to motivate financial institutions and microfinance institutions to invest in women through equity, debt, loan guarantee support and capacity building.

At the microfinance level, two capacity-building funds will support the financial institutions as well as micro-, small and medium-sized enterprises: the Microfinance Trust Fund and the Migration and Development Fund, which aim to lower transfer costs and enhance local economic development through innovative financial products.

At the level of small and medium-sized enterprises (SMEs), AfDB launched the African Women in Business Initiative in 2004. It combines financial and capacity-building support to financial intermediaries to better service women entrepreneurs and help them face their challenges. In addition to the gender-based cultural and social barriers that African women have to cope with, the key challenge for women in business for the growth of their enterprises is the difficult access to credit. Within this initiative, the Growth-Oriented Women Entrepreneurs Partial Guarantee Program for banks facilitates access to credit for women-owned SMEs in Kenya and Cameroon. Other partial



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guarantee programmes for SMEs have recently been launched in the United Republic of Tanzania and in Zambia with women representing 20% of beneficiaries.

The African Women in Business Initiative has also acknowledged that globalization is an important opportunity for women entrepreneurs. A regional Women Enterprises Export Development and Competitiveness Support programme to help women's enterprises to upgrade and access export markets is under development. It aims to identify new export clusters, promote national export strategies and high value-added products, develop capacity-building tools and support exporter finance. Further, the initiative has supported the development of information and communication technology for women by promoting the 'C and Go' Internet platform for women's associations and entrepreneurs, and has financed an online business-to-business marketplace and training courses. The platform and the marketplace have facilitated the integration of African women's enterprises in the world economy. AfDB has fostered networking among women's associations to encourage knowledge and experience-sharing by organizing pan-African conferences and has built the capacity of such associations in Cameroon, Egypt and South Africa.

Within five years at least 2,350 women-owned micro-enterprises and SMEs will be financed and 500,000 women depositors and 200,000 women borrowers will benefit from the private sector operations projects.

The African Guarantee Fund, flowing from a recommendation of the Africa Commission, led by the Danish Government, is another sustainable response to the historic lack of SME funding. The ambition is to raise US\$ 300 million as guarantee capital over five years beginning next year. The primary goal is to increase the availability of long-term financing and capacity building through loan guarantee products.

Finally, in response to the global financial crisis, a US\$ 1 billion trade finance initiative was designed in 2009. So far, US\$ 785 million has been committed to address the trade finance liquidity shortage.

AfDB believes that harnessing the economic power of African women can yield significant benefits. The recent 200% capital increase will allow the bank to scale up its interventions assisting women in business. 'Indeed, Africa is open for business, and the business of the African Development Bank is to make it happen,' said Donald Kaberuka, AfDB President in May 2010. ☺



- 01 In Cameroon, an AfDB microfinance enabled Alice Mbulah to buy a boat and hire fishermen to grow her smoked fish business. © AfDB
- 02 AfDB microfinance loans are helping women in rural Africa to establish businesses, such as this textile shop owner in Gambia. © AfDB

- 03 Leila Mokaddem (African Development Bank) and Graça Machel (founder of New Faces, New Voices) at the first African Women's Economic Summit in Nairobi, March 2010. © AfDB



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¹ Michael J. Silverstein and Kate Sayre, *Women Want More* (New York, HarperBusiness, 2009).

² FinMark Trust studies using FinScope surveys, 2009.

³ McKinsey, Georges Desvaux, *Women Matter*, 2009.