Why AFAWA?

Women are the backbone of the African economy and of African communities, yet women-owned businesses face a $42 billion financing gap because of several factors.

A finance challenge: perceived higher risk of lending to women-owned small and medium enterprises (SMEs), and lack of bankable collateral.

A capacity challenge: from financial institutions lacking the capacity to understand the women’s business market, and women entrepreneurs, who also often lack the financial and business acumen to meet the requirements of financial institutions.

A business environment challenge: with legal and regulatory frameworks hindering women SMEs’ full participation in private sector growth.

Total Credit Gap between women and men in Africa
(by region, in US$ billion)
AFAWA Solutions

A HOLISTIC APPROACH TO UNLOCK $5 BILLION BY 2026

AFAWA Access to finance: AFAWA develops innovative financial mechanisms to increase lending to women-owned businesses. This helps to close the gender gap as well as leverages the African Development Bank’s traditional financial instruments.

AFAWA Technical assistance: AFAWA provides advisory services to financial institutions to enhance their understanding of the women’s business market and to develop tailored financial and non-financial services to better address their needs. AFAWA also strengthens the capacity of women entrepreneurs through training to boost business productivity and growth.

AFAWA Enabling environment: AFAWA engages with African governments, regional economic communities and other key stakeholders to support legal, policy, and regulatory reforms. Through an evidence-based approach, the goal is to strike down structural barriers that impede access to finance and growth of women SMEs. Besides, seeing the importance of transitioning women from the informal to the formal sector, AFAWA through calls for proposals supports innovative mechanisms to be implemented in collaboration with policymakers.
AFAWA is moving forward

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- At the end of 2021, the African Development Bank Group had approved over $424 million to be lent to 1,852 women entrepreneurs and $12.7 million to enhance 17,000 business owners and farmers’ financial and business managerial skills.

- In 2022, the Bank will continue its journey to closing the financing gap for Africa’s women-led businesses, with the goal of approving $500 million between its traditional financial instruments and its guaranteeing mechanism which lowers the collateral requirement for women entrepreneurs to access the financing they need.

- To accelerate the skills enhancement of women entrepreneurs and financial institutions, for example, the Bank through AFAWA launched the Women Entrepreneurship Enablers call for proposals - an annual activity to identify 10 organizations with the ability to deploy training to women business owners and build the pipeline for financial institutions. Each selected organization receives up to $250,000 in funding. Through this partnership, the first organizations selected in 2021 will impact 16,000 women businesses in 26 countries.
Pascaline Nenda  
Lamana SARL, Cameroon

**Lamana SARL (Cameroon):**
For Cameroonian Pascaline Nenda, a mix of a little business savvy and a lot of concern for baby and infant well-being was enough to start up a company making additive-free, gluten-free infant formula that soon found a loyal following in local grocery stores and online.

“I said to myself - why do we have to import our babies’ food from outside, when we have everything on site? Why not feed our babies and children with meals adapted to our eating habits?” Nenda, a mother herself, says.

Although she was venturing into a new sector, she forged on, creating BLESOLAC, her first brand of baby food. Made from plantain, cassava, potato flour and natural sweeteners like honey, BLESOLAC was Nenda’s solution for busy parents eager to find a natural, quick to prepare, nutritious meal for their babies and toddlers.

Today, Nenda has expansion plans: she says a $20,000 (12 million XAF) loan from Afriland Bank in Cameroon will enable her company Lamana SARL to add juices to her lineup of child nutrition products. This AWAFA-backed loan brings Nenda closer to her goal:

“To see families around the dining tables in Cameroon, across Africa and around the world consuming Lamana products.”

Hannah Waithera  
Founder, the Juice Box (Kenya)

“I have never asked for a loan, and it was very scary. But they gave me my first loan. They gave me an actual mentor. Someone I could ask questions about branding, taxation, marketing - all those things that you do when you are in business.”
“When women are supported, they take action. When you empower women, everything changes. When women succeed, it is Africa that succeeds.”

Dr. Akinwumi A. Adesina, President, African Development Bank

“Increasing access to finance, to markets and to business training opportunities for women entrepreneurs is critical to unlocking their potential as key drivers of Africa’s economies. AFAWA’s innovative programs are creating those opportunities to transform the financing landscape for women-led businesses across the African continent.”

Dr. Beth Dunford, Vice President for Agriculture, Human and Social Development, African Development Bank

“Together, we will work with financial institutions to help them better understand women entrepreneurs’ needs and the various risks to which they are exposed. Those aspects must be taken into consideration while designing tailored financial products and services for women.”

Marieme Esther Dassanou, Manager AFAWA, African Development Bank
BRIDGING THE FINANCE GAP FOR WOMEN ENTREPRENEURS IN AFRICA