AFAWA

AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT

AFFIRMATIVE FINANCE ACTION FOR WOMEN IN AFRICA

we-fi

WOMEN ENTREPRENEURS FINANCE INITIATIVE

AfDB Update
October 2021

Baseline study on the status of women entrepreneurs and their financial access in Africa

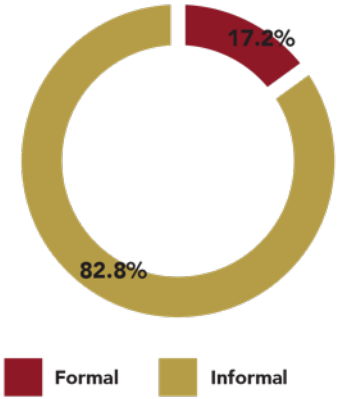
Women MSME landscape in baseline countries

Angola, Benin, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ghana, Kenya, Morocco, Niger, Nigeria, Rwanda, South Africa, Tanzania, Togo, Zambia

Out of 11,791,766 woman MSMEs > only 2,000,321 are formal women MSMEs
> Of those only 475,354 are women SMEs

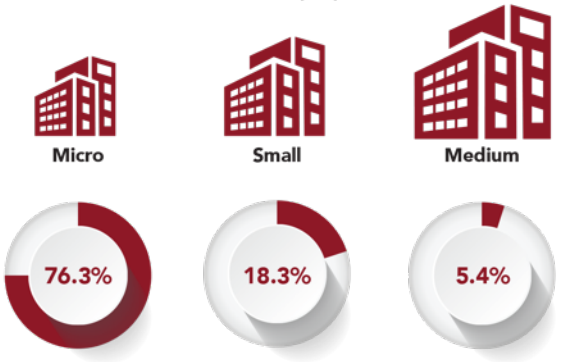
Formality & Size

Formality of MSME market (%)



Women-owned SMEs are more likely to own a lower percentage of formal enterprise compared to men-owned SMEs.

Size of formal market (%)



Findings from the Study

- **The availability of credit information is key to supporting lending to women SMEs.** When banks lend to customers, they use credit information to conduct a risk assessment to understand the likelihood of repayment and the appropriate way to price the risk. **The way in which banks typically overcome this information asymmetry is by requiring collateral from borrowers to reduce the risk taken by the bank.**
- Three quarters of respondents whose loan applications were rejected indicated that **the main reason was failing to provide all the documents required, which included financial statements, accounting records and registration certificates.**
- **The significant reliance on savings means the WSME is limited to what funds they can accumulate, and are also constrained by the length of time required to accumulate savings**
- **Risk Sharing or Blended Finance facilities** can be a good alternative but cost implications, lengthy coverage processes cause financial institutions to shy away from utilizing the facilities hence the lower effectiveness of the mechanism
- **Technical assistance** is critical for women SMEs but is equally as critical for Financial Institution on the Women's Market but also on the efficient utilization of the Risk Sharing Facility
- Despite the demographic being relatively educated and women with larger types of businesses, **only 54% had ever taken part in programs targeting businesses**, and 55% were aware of initiatives that targeted them.

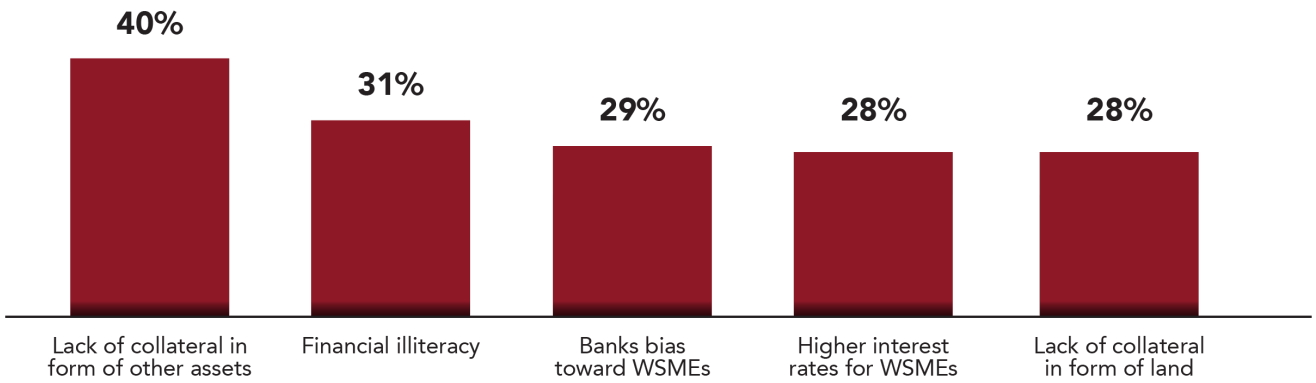
Women care about targeted products but also interest rates, fees and customer service.

WSMEs were also sensitive to targeted marketing and female representation in marketing and staff. Almost three quarters of respondents said that they were more likely to engage with a bank that advertises to women and employ women,

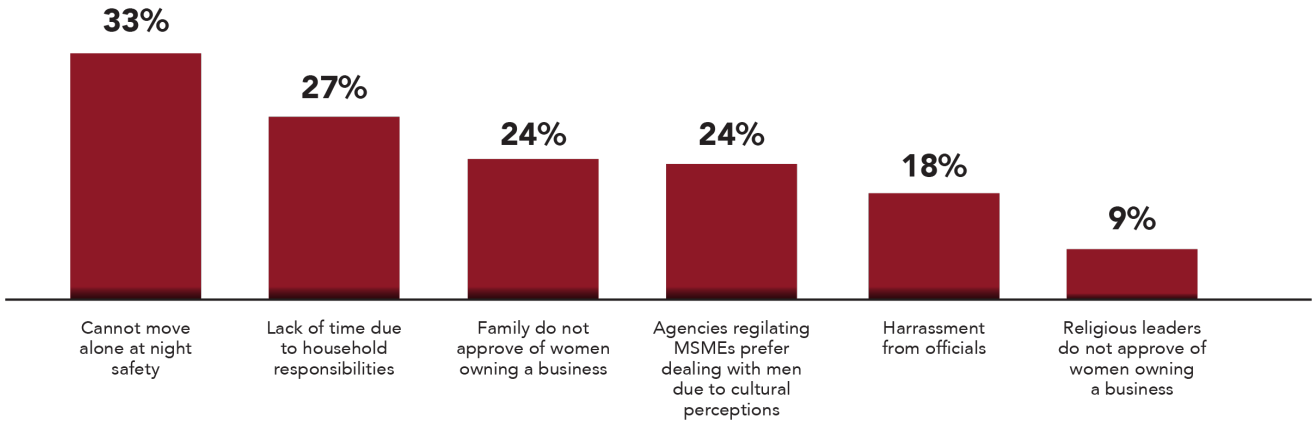
42% of respondents said that banks should offer “For-Women” financial packages. In addition, about a third of WSMEs cited good customer services and competitive interest rates and fees.

Out of 48 Banks interviewed in the 16 countries **only 30% have an approach for women SMEs.**

Financial & Non-Financial Challenges for Women SMEs

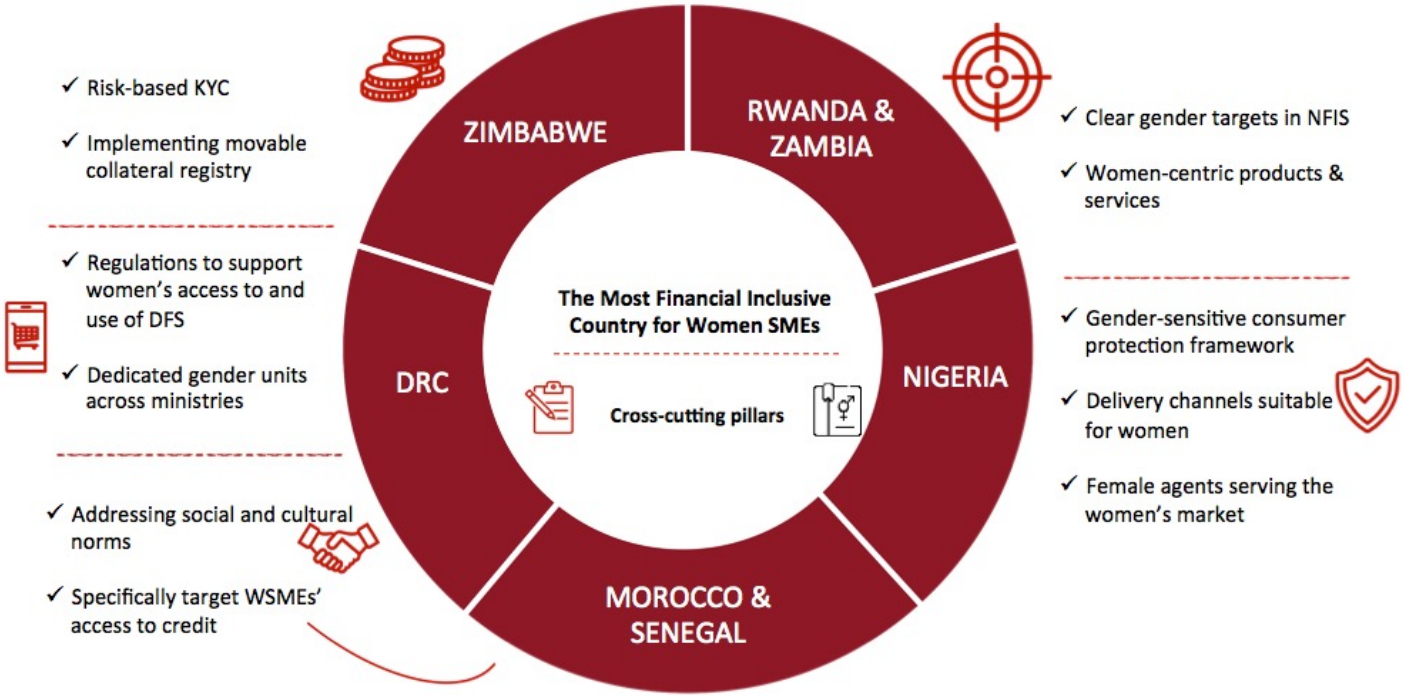


Survey question: What financial challenge do you know that other women businesses have faced?



ENHANCING AFRICA'S ENABLING ENVIRONMENT FOR WOMEN SMES
IN AFRICA 7 BEST PRACTICE CASE STUDIES

Enhancing the financial Inclusion of the WSMEs in Africa



Case studies conducted in collaboration with the Alliance for Financial Inclusion

AfDB-WeFi Examples of Committed Projects

Objective :

to enhance FCMB's financial and Non-Financial Services ('NFS') offering to Women Small and Medium Enterprises (WSMEs) under its ***sheventures*** women's program. The project centers around WSMEs barrier driven non-financial needs that include, increasing financial literacy, business managerial and other entrepreneurial skills, as well as develop a networking program to improve bankability and business productivity of FCMB's WSME clients.

Activities and components :

Sheventures will provide NFS to WSMEs while strengthening the monitoring and reporting capacity of FCMB. Specific activities include:

- Strengthening business capacities of WSMEs
- Mentorship programs
- Networking events
- Implementation an Aftercare program
- Training FCMB frontline staff on the value of delivering NFS to its targeted WSMEs clients
- Structuring a sustainable M&E system to track progress and demonstrated results of the sheVentures program,

Expected Outcomes and Impact

The program will enable FCMB to increase its portfolio of women SMEs, while also enhancing the skills of women SMEsIncreased access to finance for WSMEs: **USD 15 million out of USD 50 million line of credit disbursed** to WSMEs

- ✓ Increased productivity of WSMEs: **3000 WSMEs trained** and accessing NFS activities
- ✓ Improved sheVentures monitoring and evaluation

Affirmative Procurement for Women in West & Central Africa

Objective :

The project aims to support women's economic empowerment through enhanced opportunities of women-led businesses in four countries in West Africa including to access public and private procurement.

Activities and components :

The project includes:

- Policy reforms, institutional strengthening of public sector institutions to adopt and implement affirmative procurement provisions;
- Advocacy to support private sector adoption of gender-responsive supply chain practices;
- Capacity strenthening of 1360 women owned businesses to access procurement opportunities and 270 government officials trained on affirmative procurement;
- Support the delivery of gender-responsive procurement initiatives in the context of COVID-19 response in the region.

Expected Outcomes and Impact

- Capacity building linked to networks (market linkages, procurement opportunities, investment opportunities…) : **1360 WSMEs in Nigeria, Senegal, Mali and Cote d'Ivoire**
- **Accessing procurement opportunities in the 4 countries: 400 WSMEs**
- Strenghtening the ecosystem through training on Affirmative procurement : **270 government officials and the revision of procurement policies to be more inclusive**
- Business environment : Working to have 1 legal and regulatory reforms supported by the We-Fi program to remove constraints and support to women entrepreneurship in each country
- Access to data and information : a national database of women-led businesses

Women Staple Food Cooperative Project of Cote d'Ivoire

Objective :

The project aims to empower Staple food cooperatives in the agriculture sector in Cote d'Ivoire creating a stronger and more inclusive enabling business environment for the women-led cooperatives to become more productive, access finance and markets through harmonized national and regional policies, regulations or mechanisms.

Activities and components :

- Improving business environment through the revision of policies at regulatory levels impacting the ability of Staple food cooperatives in the agriculture sector to operate and trade successfully
- Enhancing their ability to access Market/Cross Boarder Training Opportunities digital marketplace
- Facilitating access to knowledge sharing events at regional and international agriculture and staple food events / activities to encourage and develop access to markets.

Expected Outcomes and Impact

- Building the capacity and increasing the bankability of **the 322 women-led cooperatives over a period of 3 years**
- Women-owned/ led Small and Medium Enterprises having access to finance
- Women-led businesses trained in Leadership and Management, and
- Women-led businesses trained in Financial Literacy
- **Improved wealth, revenues and living conditions for Women-owned/led Co-operatives**

AFAWA We-Fi 2022 Pipeline

Investee Client	Investment Amount	TA Amount	Country
NSIA Bank	USD 50 million blended facility With USD 5 million Risk Share fromWeFI	USD 500,000	Côte d'Ivoire
ETI Ellevate Program	USD 75 million blended facility With USD 10 million Risk Share fromWeFI	USD 3 million to cover 20 countries	Multiple countries
Norsad Group		USD 500,000	Botswana
CRDB	USD 10 million line of credit	USD 150,000	Tanzania
BOAD		USD 350,000	West Africa
Women SME Financing Platform	USD 60 million blended facility	USD 3 million	Multiple countries
Fashionomics Africa program	USD 2 million	USD 1 million	Multiple countries

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We thank you

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