AFAWA Finance Series -Kenya:

Event Report

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Prepared By Bloomingdale Planners

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Introduction

The rise of women entrepreneurship globally is undeniable. In the African continent, women entrepreneurs are making incredible strides in various sectors such as digital technology, education, agriculture, health, transportation, energy, and manufacturing among others. According to the Global Entrepreneurship Monitor (GEM) 2016/17 Women's Report, the female entrepreneurship rate in sub-Saharan Africa is 25.9% of the female adult population, meaning that one in four women starts or manages a business. It is no wonder therefore that they are often referred to as the backbone of the African economy.

Despite their tremendous contributions to economic growth, women still face major hindrances to scaling up their businesses and exploring their highest potential. One of the crippling factors has been insufficient or no access to financial services. It is estimated that in Africa, there exists a $42 billion financing gap for women across business value chains, including $15.6 billion in agriculture alone. This is catalyzed by the misconception that lending to women is much riskier, and hence prohibitive interest rates. In addition, women often lack traditional collateral and guarantees. To make the situation worse, there is a lack of capacity for financial institutions to understand and respond appropriately to women entrepreneurs, who in turn often lack the financial and business acumen to respond to the needs of financial institutions. In many countries, legal and regulatory frameworks hinder women's full participation in private sector growth.

To address the existing challenges of women's access to finance in the continent, the African Development Bank (AfDB), established the Affirmative Finance Action for Women in Africa (AFAWA), a flagship initiative that aims to bridge the financing gap for women-led and owned small and medium enterprises (WSMEs). Since its inception just over two years ago, the AFAWA initiative has already approved $1.2 billion in funding for women-led enterprises in 32 countries through 96 financial institutions across Africa. The goal is to mobilize $5 billion in financing for African women-led businesses by 2026. In Kenya, AFAWA's partnership with the African Guarantee Fund has seen 15 financial institutions sign up for the risk-sharing agreement. As a result, 925 women-led enterprises have had access to finance through these financial institutions.

Country Overview

Kenya has made significant political and economic reforms that have contributed to sustained economic growth, social development, and political stability gains over the past decade. However, its key development challenges still include poverty, inequality, youth unemployment, transparency and accountability, climate change, continued weak private sector investment, and the vulnerability of the economy to internal and external shocks.

Kenya’s economy, according to the World Bank, achieved broad-based growth averaging 4.8% per year between 2015 and 2019, significantly reducing poverty (from 36.5% in 2005 to 27.2% in 2019).

In 2020, the COVID-19 pandemic shock hit the economy hard, disrupting international trade and transport, tourism, and urban services activity. Fortunately, the agricultural sector, a cornerstone of the economy, remained resilient, helping to limit the contraction in GDP to only 0.3%. In 2021, the economy staged a strong recovery, growing at 7.5% although some sectors, such as tourism, remained under pressure. GDP growth however declined to 4.8% in 2022 and is projected to grow at 5.0% in 2023. The poverty rate has resumed its trend decline after rising earlier in the pandemic. Although the economic outlook is broadly positive, it is subject to elevated uncertainty, including through Kenya’s exposure (as a net fuel, wheat, and fertilizer importer) to the global price impacts of the war in Ukraine.

In addition to aligning the country’s long-term development agenda to Kenya’s Vision 2030 −which aims to transform Kenya into a competitive and prosperous country with a high quality of life, the government’s Bottom-up Economic Model prioritizes agriculture, healthcare, affordable housing, micro and small enterprises, and the digital and creative economy.

In context, Kenya noted the critical significance of gender equality in financial and digital inclusion, recognizing that resolving the gender gap is not only a question of social fairness, but also a strategic need for long-term economic development. Over time, gender-inclusive policies have been put in place, to boost productivity, economic resilience, and social well-being, especially among women. The government's initiatives such as the Women Enterprise Fund (WEF) represents Kenya’s step towards inclusivity, with the goal of empowering women. It also attempts to provide a more equitable and resilient environment by investing in programmes that especially empower women economically, give access to financial resources, and promote gender equality.

Event Overview

The 6th Affirmative Finance Action for Women in Africa (AFAWA) Series, Kenya Edition, was held at The Safari Park Hotel in Nairobi on the 21st November, 2023 to 23rd November, 2023. It stood as a defining moment in the ongoing narrative of women's empowerment and financial inclusion in Africa. This seminal event managed to bring together a diverse assembly of luminaries, policymakers and bankers who all shared the vision for achieving women's economic empowerment.

The three-day event commenced with a high-level breakfast meeting that, among others, brought together CEOs of leading banks and financial institutions. This was followed by the main conference event whereby keynote speakers, panelists and the audience were drawn from senior Kenyan government officials, Chief Executive Officers of major financial institutions, women entrepreneurs, and business leaders. Day two and three of the series entailed an informative, inspiring and engaging gender finance training for lead staff of financial institutions.

Amidst the ongoing worldwide dilemma of gender inequality in financial inclusion, the AFAWA programme stands out as a daring solution, viewing women's economic emancipation as a foundation for the continent's prosperity. Against this context, the AFAWA Finance Series becomes a vital crossroad where ambitions meet action and rhetoric converts into a collaborative commitment to harnessing women's potential for the continent's long-term development.

The need for addressing women's financial inclusion goes beyond societal fairness; it is now recognized as a strategic imperative for long-term development. As the continent manages the challenges of the twenty-first century, economic empowerment for women appears not as an option but as an urgent requirement. The AFAWA Finance Series acts as a crucible for recognizing and responding to this necessity.

The AFAWA initiative has a long history, gaining traction under the visionary leadership of the African Development Bank's (AfDB) President, Dr. Akinwumi Adesina. However, AFAWA's strategy is not limited to economic empowerment; it also addresses broader socioeconomic challenges hindering women's growth. The AFAWA series has evolved, emphasizing the interconnectivity of economic, social, and cultural aspects in the goal of holistic women's economic and investment empowerment.

Day 1

High Profile Breakfast Meeting

Moderator

Mark Masai
Corporate Moderator & Journalist

Keynote Speakers

Ms. Harriette Chiggai

President's Advisor on Women's Rights

Recognizing the importance of the AFAWA initiative in laying the groundwork for transformative change, the journey towards women's economic empowerment in Africa is more than an aspiration; it is a collective obligation that necessitates commitment, collaboration, and concerted efforts from a variety of entities. As aptly put by Ms. Chiggai, she charactered the day as a watershed moment for Kenyan women. Her statements rang with historical significance, outlining the beginnings of the AFAWA initiative, crediting its impetus to the AfDB President, Dr. Akinwumi Adesina's steadfast support.

The emphasis on AFAWA's major pillars stood out in Ms. Chiggai's address. She proposed that the program considers entry into the data space, suggesting a strategy shift towards harnessing technology for broader financial inclusion. She also highlighted the Kenyan government's Women Charter as complimentary to AFAWA's agenda, encompassing economic empowerment, addressing issues such as Female Genital Mutilation (FGM), adolescent well-being initiatives, and addressing broader societal challenges. The call for collaboration rang out not only for today's women, but for future generations as well. Ms. Chiggai also stressed on the importance of public-private collaborations in moving the AFAWA programme ahead. She announced ongoing government programmes in Kisumu and Vihiga counties that will benefit over 6,800 women and help them integrate into the changing economic landscape.

The mandate of AFAWA was also an overriding theme in Ms. Chiggai's address: to mould women into active participants in the growing economic environment, bridging the gap that exists between women and economic prosperity. Additionally, the significance of political goodwill in the AFAWA journey was noted as both a driver and a challenge.

Jules Ngankam

Group Chief Executive Officer – Africa Guarantee Fund

Mr. Ngankam emphasized the importance of AFAWA; a crucial programme on the continent, describing it as a critical catalyst for facilitating access to credit for women across Africa. He highlighted the main concern addressed by the AFAWA programme: the $42 billion funding gap between men and women accessing financial resources for entrepreneurship and developing their businesses in Africa. The programme aims to close this gap by achieving a 50:50 ratio. To demonstrate his dedication to this vision, Mr. Ngankam announced a $3 billion cash commitment during the first five years (2022-2026).

The metaphorical representation of Africa flying with one wing underscores the urgency and importance of AFAWA's mission. By addressing the gender gap in access to finance, the program seeks to restore balance, allowing the continent to soar to new heights with both wings, women and men, fully operational. This symbolic imagery sets the stage for a deeper exploration of AFAWA's transformative potential.

Recognizing the specific issues, Mr. Ngankam also addressed the risk perception associated with Africa, which is frequently seen as the riskiest continent, SMEs as the riskiest firms, and women as the riskiest gender. A full breakdown of the Women SMEs concessionary measures was presented. Higher risk coverage (from 50% to 75%), preferred pricing (up to a 50bp savings), and extensive technical assistance including automating expenses, product development, feasibility studies, loan officer training, policy reviews, and strategic plan support to the intermediary financial institutions, were all included. AGF's pragmatic guarantee approach intends to absorb 10% of losses.

The impact of AFAWA was presented as a win-win scenario, benefiting financial institutions, businesses, households, communities, and governments. By fostering economic and social development, AFAWA seeks to address multifaceted challenges facing the African continent.

Mrs. Marie-Laure Akin-Olugbade

Vice President - Regional Development, Integration and Business Delivery Complex - AfDB

Ms. Marie began by pointing out that the African Development Bank (AfDB) is actively engaged in demystifying the challenges faced by small and medium-sized enterprises (SMEs) led by women. This involves dismantling stereotypes and addressing barriers that impede the growth of businesses helmed by women. The initiative aims to foster a conducive environment for these enterprises to thrive.

CEOs of successful women-led SMEs play a crucial role in this initiative by sharing their insights and experiences. Learning from these leaders, other entrepreneurs can expedite their journey towards success, implementing bold and effective strategies for business growth.

Central to this effort is the focus on business finance. The aim is to empower women-led SMEs to achieve more rapidly and boldly, by providing robust financial support. To realize this, partnerships with financial institutions and governments are seen as essential. Collaborations with these entities can create a supportive ecosystem conducive to the success of women entrepreneurs.

Stakeholder engagement is paramount. The initiative calls on financial institutions, governments, and women beneficiaries themselves to actively participate. This involvement is vital for financial support, policy advocacy, and active engagement in the program. Leveraging bank instruments, both existing and newly developed, is seen as a practical means to facilitate and enhance financial support for women-led SMEs.

A key objective is to encourage financial institutions to scale up their efforts in supporting women-led SMEs. This may involve expanding existing programs or introducing new initiatives tailored to the specific needs of women entrepreneurs. The AFAWA program stands as a testament to the commitment and progress of this initiative.

Noteworthy is the acknowledgment of a consistent request from women entrepreneurs for grants rather than loans. This recognition underscores the unique financial challenges faced by women-led businesses and emphasizes the importance of providing accessible and tailored financial support. In essence, the initiative seeks not only to provide financial assistance but also to create an enabling environment for the sustainable growth of women-led businesses.

Additional Remarks

Dr. James Mwangi

Group Chief Executive Officer – Equity Bank

Equity Bank is actively working towards gender equity and empowerment. This is demonstrated by the commitment to having women in leadership roles across the group including insurance and the foundation. Within the bank, is a focus on training and funding for women and youth. According to Dr. Mwangi, Equity has set the bar, with 54% of its customers being women.

Being the 14th strongest bank in Africa in current rankings is not just a testament to their financial prowess but also their commitment to inclusivity. Their partnership with UN Women and USAID through the Fanikisha product has not only resulted in a multiplication of products but has touched the lives of 4.6 million women. This is a testament of not just being in the business of banking, but also of empowerment.

Pamoja Banking program and its guarantee offerings, especially for those without securities, showcases Equity Bank’s dedication to providing accessible financial solutions. Their collaboration with the MasterCard Foundation, focusing on women and youth, is a step towards not just nurturing the present but investing in the future.

Equity Bank firmly believes that success is not just about profits; it's about impact. And to truly succeed, they must affirm women at every step. Business is not just a profession; it's a force for positive change. It requires capacitated individuals, and Equity is proud to say that they are leading the way in building a workforce that is not just skilled but diverse and inclusive.

Mr. Anuj Medirrata

Group Chief Executive Officer – Gulf Bank

In his remarks, the Gulf Bank CEO addressed a common misperception in the banking industry: the tendency to dismiss the revolutionary potential of women SMEs. He dismissed the notion that women SMEs are high risk, saying that they are, in fact, incredibly low risk. He stressed that investing in women may fundamentally reshape society, opening the way for long-term economic growth and prosperity.

Mr. Mediratta described the groundbreaking collaboration between Gulf Bank and the African Guarantee Fund that resulted in the formation of Africa's first Sharia Credit Guarantee Scheme. This unique financial product demonstrates the financial institution’s commitment to supporting and empowering women through various channels.

Mrs. Annastacia Kimtai

Managing Director – KCB Bank

While the event's primary focus was on women's empowerment, the KCB Managing Director emphasized the necessity of not overlooking the ‘boychild’. According to her, an inclusive approach to gender equality entails recognizing and solving the issues that both genders confront in order to develop a more equitable and sustainable society.

Mrs. Kimtai pointed out that KCB Group strongly advocates for and invests in the empowerment of women. Five years ago, the group conducted research highlighting two key areas: bias towards women in leadership positions, and their capacity to effectively run businesses. The findings inspired a commitment to addressing gender bias and supporting the entrepreneurial tenacity of women.

KCB Group has allocated 250 billion Kenyan shillings for initiatives aimed at supporting women-led businesses. The belief in women's skills and competency to manage businesses is evident, with over 2 million women having benefited from both financial and non-financial interventions. The group remains dedicated to fostering an environment where women are not only recognized for their leadership abilities but are also provided with the necessary resources and opportunities to thrive in the business world.

Dr. Susan Koech

Deputy Governor – Central Bank of Kenya (CBK)

The Deputy CBK Governor's call to action was a pivotal moment in the conference. The urgency to close the gender gap within a shorter timeframe and the identification of key areas such as the political scene, education, institutions, and corporates as focal points for intervention provides a strategic roadmap. Dr. Koech delved into the imperative of collective action and the specific areas where concerted efforts can yield transformative outcomes.

She urged the audience to ensure that women have opportunities for growth through training, leadership, and by both being mentored and mentoring others. She mentioned that prior to the impact of COVID-19, it was approximated that it would take 100 years to narrow the gender gap. However, due to the geopolitical implications of the pandemic, it is now estimated to take 131 years to achieve gender parity.

She encouraged those in attendance that in every facet of their endeavors, they have the chance to take proactive measures to bridge the gender gap. It is crucial to support the AFAWA initiative, enabling more women to access financial resources. It is imperative to consciously comprehend the needs of women and develop suitable banking products thereby ensuring accessibility. Bankers should trust in women's ability to repay loans, and by doing so, contribute to closing the gender gap.

Main Conference

Moderators

Mark Masai
Corporate Moderator & Journalist

Joy Doreen Biira
Corporate Moderator & Journalist

Keynote Speakers & Official Opening

Jules Ngankam

Group Chief Executive Officer – Africa Guarantee Fund (AGF)

Mr. Ngankam highlighted the collective commitment to working towards a larger, more economically vibrant Africa. A significant focus was placed on dispelling common misconceptions surrounding Small and Medium Enterprises (SMEs) led by women in Africa. He also underscored the need to appreciate and redefine the vital role women play in driving economic activities.

It was brought to attention the remarkable global participation of women in economic activities. However, a paradox exists in that despite this high participation, Africa has the lowest contribution in GDP, a phenomenon attributed to the prevalence of informality in the sector. Then the question begs, 'how can women be better supported to increase productivity and achieve full participation in the African economy?' The answer partly lies in the AFAWA Initiative, a comprehensive solution to the challenges faced by women. AFAWA addresses issues such as access to land, security, and the overall goal of facilitating full economic participation in Africa. Expressing unwavering commitment, Mr. Ngankam also announced AGF's dedication to the AFAWA program.

Mrs. Harriete Chiggai

President's Women's Rights Advisor

Hon. Chiggai began her remarks by stating that women are renowned for their resilience and tenacity. As of 2016, the Kenya National Bureau of Statistics reported 673,446 businesses in Kenya were owned and led by women. She mentioned that the government is establishing a data hub under the leadership of the Planning Ministry. While women excel in business, the question arises: do they have the financial means?

It is imperative to provide women with opportunities to engage in economic processes. Empowering women economically is akin to teaching them to fish, with the benefits transcending generations. She highlighted the efforts of Hon. Rachel Ruto, the First Lady of The Republic of Kenya, who has played a significant role by involving women in table banking, that ultimately progress to substantial loans. The goal is to ensure that Kenyan women are financially prepared for dealing with banks, enhancing their readiness for credit and preventing missed opportunities.

Ms. Chiggai stated that supporting WSMEs not only benefits women themselves but also contributes to the overall GDP of the country. She mentioned the Government's recent collaboration with the World Economic Forum on the Gender Parity Accelerator, saying Kenya is taking the lead in Sub-Saharan Africa. She encouraged banks to emulate the World Economic Forum's approach and collaborate with the government and the private sector to secure improved financing for women. Data underscores the economic wisdom of providing loans to women.

In conclusion, Ms. Chiggai said women's empowerment is not just a human rights issue but also a crucial aspect of sustainable development. She affirmed that gender mainstreaming is a key focus for the government, recognizing that empowering women is not only a moral imperative but also a catalyst for economic growth.

H.E. Caroline Vicini

Ambassador of Sweden to Kenya

H.E. Ambassador Vicini set the stage by pointing out that Sweden has actively championed women's rights, enabling the country to play a significant role in advancing women's empowerment. By addressing gender equality, combating poverty, and advocating for the security and human rights of all women, Sweden has demonstrated a commitment to fostering positive change.

She shared that there was a considerable potential for Sweden to further contribute to the AFAWA journey in collaboration with the banks and other institutions willing to walk the journey with them. "Our shared commitment lies in empowering women across Africa through financial institutions, aligning with the common goal of reducing the finance gap in SMEs which is currently estimated at $42 billion", Vicini stated.

The AFAWA initiative by AGF in partnership with AfDB and others, has been instrumental in promoting financial support for women, setting a commendable precedent for others to follow. She urged the attendees to collectively embrace and build upon this initiative. Moreover, exploring additional opportunities for women remains a key focus of everyone's collaborative efforts.

H.E. Roberto Natali

Ambassador of Italy to Kenya

H.E. Ambassador Roberto Natali expressed Italy's acknowledgment of Africa as a strategic priority, full of opportunity and economic potential. He emphasized the importance of the private sector's involvement in assisting women-led businesses, arguing that financial and digital inclusion are critical drivers of economic growth and sustainability. Recognizing Africa's leadership in the number of women-led SMEs, Natali emphasized the significance of strengthening these businesses through financial institutions.

Hon. Beatrice Elachi

Deputy Chair – Kenya Women Parliamentary Association (KEWOPA)

Hon. Elachi commenced by asserting that women serve as the cornerstone of African businesses. Consequently, it falls upon legislators to formulate policies and legislative agendas to propel this cause forward. In Kenya, it is the women who have been approached by banks when seeking individuals to lend money to. She reminded the banks that the collaboration between women in Kenya and financial institutions begun well, but over time, the associated products became costly. Nevertheless, it is now opportune for financial institutions to explore strategies to make their loans more appealing to women.

When it comes to financial matters, women exhibit a preference for in-person interactions over digital platforms. Despite engaging in digital transactions, they express a desire to physically visit banks and engage with officials directly.

To enhance the capabilities of SMEs, there is a need to create approachable avenues through which women can communicate their needs. Empowering women in this manner has the potential to catalyze transformative change throughout Africa.

Mr. James Muhati

Principal Secretary – National Treasury

Hon. Muhati noted that despite the hurdles they face, women possess boundless potential in their pursuit of economic empowerment. The 2022 Kenya Demographic and Health Survey, conducted by the Kenya National Bureau of Statistics (KNBS), thoroughly examined various facets of women's empowerment. In terms of employment and earnings, the report revealed that 67% of married women were employed in the 12 months preceding the survey, with 77% receiving cash payments. The report also touched on financial inclusion, indicating that 29% of women had utilized a bank account in the last 12 months, compared to 39% of men. Additionally, 6% borrowed from informal groups.

The 2020 Women Index Report, a collaboration between KNBS and UNICEF, suggested that 29% of women in Kenya were reported as empowered, with urban areas exhibiting higher empowerment rates (40%) than rural areas (22%). Recognizing the potential impact of women's empowerment on economic development, the report emphasized the role of well-supported SMEs in job creation and increasing the proportion of enterprises owned by women.

To address these existing challenges, the Kenyan government has implemented initiatives like the Women Enterprise Fund, Uwezo Fund, NGAAF (National Government Affirmative Action Fund), Youth Enterprise Fund, and Access to Government Procurement Opportunities, all focused on empowering women in SME participation.

A significant step was the launch of the Credit Guarantee Scheme by the National Treasury in December 2020. This scheme, involving a risk-sharing agreement with financial intermediaries such as ABSA Bank, Kenya Development Corporation (KDC), Credit Bank, Diamond Trust Bank, KCB, NCBA, Stanbic Bank, and Cooperative Bank, has disbursed Kshs 5.59 billion to 3,969 MSMEs across 12 economic sectors in 46 counties. As of September 2023, the scheme has achieved a 55% utilization rate and directly supported 24,640 jobs. However, it was noted that only 20% of enterprises owned by women, youth, and persons with disabilities had benefited from the scheme, falling short of the 30% allocation specified in the PFM Act 2012.

Mr. Muhati emphasized that the government remains committed to fostering an enabling environment for SMEs and is working to revamp the Credit Guarantee Scheme. Future initiatives include increasing access for women, youth, and persons with disabilities, designing targeted guarantees for the agriculture sector, and supporting the rural economy, predominantly driven by women.

Mrs. Marie-Laure Akin-Olugbade

Vice President, Regional Development, Integration & Business Delivery Complex - AfDB

Mrs. Olugbade noted that the AFAWA initiative offered valuable insights in every country it has been set up. Its focus on discussing the development of women is crucial, especially considering the financing gap that hinders opportunities for numerous women across the continent. AFAWA Finance aims to demystify and empower women-led initiatives.

A significant point in favor of women is their proven ability to repay loans, with 90% of women choosing to invest in education and medical needs of their families. AfDB is pushing beyond conventional business practices, addressing challenges like capacity building since many women-led enterprises lack essential business and financial skills, hindering their progress.

AFAWA plays a dual role, assisting both financial institutions and women entrepreneurs. In its 18 months of existence, AFAWA has garnered support in Kenya, with 15 financial institutions on board and over 1,000 women-led enterprises in Africa able to access finance. Technical assistance provided by AFAWA builds the capacity of financial institutions, and efforts are underway to collaborate with the Central Bank of Kenya for a gender-responsive approach in working with women-led SMEs. The AFAWA Women Enablers Program offers funding to enhance the bankability of women, leading to success stories such as one graduate who credits the program for providing a strategic vision, resulting in exponential growth and international partnerships.

AFAWA has already allocated $1.2 billion to SMEs and aspires to reach $5 billion. With 100 financial institutions across 32 countries involved, AFAWA has gained the support of G7 countries. Encouraging more financial institutions to join, AFAWA emphasizes that the time to invest in women is now.

H.E. Anne Waiguru

Chairperson – Council of Governors

The chief guest, H.E. Anne Waiguru commenced her speech by stressing that promoting access to finance for women's and small business in general is a vital endeavor. On behalf of women, she acknowledged the ongoing efforts to address gender equality issues, noting that this is not just a fundamental human right, but the cornerstone of sustainable development.

A World Bank report on the cost of gender inequality underscores the economic losses incurred due to limited opportunities for women. Trends suggest a daunting timeline to bridge the gender gap, emphasizing the urgency for collective action. "Waiting is a luxury our world cannot afford", H.E. Waiguru said.

In Kenya, strides have been made, with 83.7% of the population accessing formal finance services. The gender gap is narrowing, thanks to governmental initiatives. The current administration facilitates women entrepreneurs by offering a 6% annual interest rate on instant access loans through the Hustler Fund. The micro-fund product under this initiative provides diverse informal credit options for women, capitalizing on the flexibility and social networks crucial for their financial empowerment.

Informal financial access, especially through County Empowerment Funds, has proven beneficial. For instance, the Laikipia County's collaboration with banks exemplifies a subsidized loan program under the County's Economic Stimulus Act, benefiting SMEs. Another example is the The Wezesha Kirinyaga Economic Empowerment Program, which focuses on diversifying value chains, providing capital investments, and supporting farmers' groups, predominantly led by women.

Government investments in industrial parks, allocating Kshs 500 million per county, signifies a commitment to fostering industrialization and supporting micro, small, and medium enterprises (MSMEs). Building the necessary infrastructure and sheds will incubate private sector growth, particularly in rural areas.

Understanding the complex financial landscape for women necessitates demand data. Tailoring financial products and services to women's lived experiences, leveraging digital platforms, and bridging the digital divide are essential steps. Empowering women in economic activities and financial decision-making is not just beneficial; it's indispensable.

Financial institutions must adapt with innovative approaches, recognizing and responding to the unique needs of women entrepreneurs. The AFAWA Finance Series stands as an example, showcasing the potential to amplify impact and expedite transformative change in gender dynamics. "Together, let's champion these initiatives for a more inclusive and prosperous future" H.E. Waiguru concluded.

Additional Remarks

Ms. Melissa Basque-Roux

Acting Coordinator -AFAWA, AfDB

AFAWA is an initiative that is bringing lasting change. It stands out because of its systemic approach; the transformative aspect of the initiative through partnerships; scalability; innovation; and information and knowledge management.

There is no one size fits all solution but there is need to connect in new ways to engage.

Ms. Nishdeep Sethi

Group Director – Structured Finance
Africa Guarantee Fund

The AFAWA Guarantee for Growth Program is an instrument that was developed to meet the needs of the first pillar for the AFAWA program which is the access to finance. So far, AGF has partnered with almost 50% of banks in Kenya and the target is 100%.

The G4G initiative is unique because it offers greater risk coverage for the financial institutions to incentivize them to move into the sector. It also has discounted prices on the guarantees.

The aim is to eliminate the perception that women's businesses are high risk and acknowledge that the actual risk in reality is lower. The AFAWA programme is holistic, and it provides technical assistance which compliments the guarantee growth.

Panel Discussions

Panel One: Addressing the Gender Finance Gap

- *'What is Africa Guarantee Fund and AFAWA doing to bridge the financial gap?'*
- *'Is this gender financial gap real or perceived?'*
- *'What is government's view from a policy perspective?'*
- *'The funds and opportunities are there, but is there an awareness perspective from the AfDB perspective?'*
- *'If a woman-led SME wants to borrow money, can she get it guaranteed by AGF through the bank?'*

Moderator

Ephy Hunja

Panelists

Patrick Lumumba

Group Director, Capacity Development

Africa Guarantee Fund (AGF)

Since inception, AGF has aimed to facilitate access to finance for SMEs in Africa through provision of guarantees and technical assistance. AfDB is one of the founding partners.

Other than the initial equity that AfDB provided, the organization has also partnered in youth entrepreneurship for which AGF was creating a line of credit ready for lending. This program is taking place in five countries. The second partnership with AfDB is AFAWA. We hope to bridge the financial gap with the release of $3 billion by 2026. The synergy between these two organization is because of the blended financial approach of AGF.

The challenges of perception of women SMEs as being riskier is addressed by this forum. Through our Guarantee, we address skill gaps. At SME levels there exist skills gaps in the informal sector. Usually commercial banks would not work with them. AGF bridges that gap by working with business enablers. These are consulting firms and government entities that go out to undertake diagnostic assessment and identify what needs they have and link them with these banks to provide the necessary training.

The bank must however do a background check. Women SMEs are not a homogenous group. Banks need to appropriately target them. There are some who will go to the banks, while in others cases the bank will partner with other organizations to get them to the bank. This is where the business enablers come in and help make these SMEs to become credit-ready.

Through various aggregations and value chain players, AGF gives funds to the bank and they in turn can give funds to those on the ground.

Dr. Josephine Ngure

Regional Country Manager – African Development Bank (AfDB)

The gender gap is untenable. We won't prosper Africa without women. The discussion on gender equality and bridging the financing gap, is a conversation about Africa's development. Africa cannot fight poverty without women.

Women who own businesses are not getting the funding they need. We must ask what kind of instruments we need. It is not just about credit, we need to enable the women to have equity. AfDB works with banks to offer credit, but also look at other needs that the SMEs would have. Collateral is one of the things that women need.

There needs to be more awareness. This calls for partnerships to raise awareness on the need for innovative instruments. The bank managers know what AfDB looks for. They should help the SMEs to get that right. Critical thinking is necessary in order to determine how to package the information.

Hon. Gladys Wanga

Governor – Homa Bay County

The gender gap in financial access is real. Our markets have more women but they don't have funds. They opt to take financing from loan sharks, which is extremely expensive. For example, women borrow money in the morning and they bring it back by the end of the day with a lot of interest.

There is mutual suspicion between banks and MSMEs. We have to continue having conversations to address this.

There are appropriate policies in place because in the last National Assembly as Chair of Finance Committee, we passed the amendments to create the credit guarantee scheme. It stated that Ksh. 5 billion had been accessed. But the entrepreneurs don't know about this.

A lot more needs to be done to link up the business entrepreneurs with opportunities that are available. The government passed a Ksh. 3 billion Guarantee and hoped that women entrepreneurs would access it, which has not been the case till today. It was entrenched in law that 30% was reserved for women. Women are not aware of these opportunities.

The Homabay county has intervened with a fund of Ksh. 80 million to be accessed by MSMEs over the years to enhance their businesses. We are asking for a matching mechanism to incentivize counties to continue putting money for women. Homabay has prioritized value chains and seeks to enable financing. The prioritized value chains include fish, cotton, edible oils among others.

Dr. Susan Koech

Deputy Governor - Central Bank of Kenya (CBK)

Globally, the gender gap is a real issue. It was exacerbated by COVID-19 and the geopolitics surrounding it. Women are the most vulnerable. The UN's Sustainable Development Goals (SDGs) has noted gender equality as an integral part in attaining gender parity by 2030. We can't have shared prosperity if 50% of the population is left behind.

CBK issued the Kenya Banking Service Charter in 2019, and realized that most women are able to get funds from the digital financial providers.

Having licensed them, women are able to get credit without too much exposure at affordable rates. The Hustler Fund government initiative also helps women to get affordable credit.

On the positive side, Kenyan banks have tailored products that suit women but much more needs to be done. Women are typically good borrowers and will repay their facilities.

Kenya is ahead because of mobile banking. There is an improvement on financial inclusion from a low of 26% in 2006 to 83% currently. The financing gap in 2016 was 8.3% but has reduced to 4.2% between men and women. The financial exclusion gap however went up to 1.6% because of the effects of COVID19. The pandemic affected rural women more because of the restrictive traveling measures that had been put in place. More women were not able to get identity cards and so most of them were not able to register for mobile banking and therefore not financially included.

Financial institutions around the world have come into Kenya to learn about the M-Pesa and what Kenya is doing on more innovations by Kenya's banks. Kenya continues to learn through partnerships of international networks.

Dr. Erick Rutto

President – Kenya National Chamber of Commerce (KNCCI)

At the beginning of my term the President visited 43 counties and noticed two key issues which were the need for capacity building and poor representation of women in the SMEs. There have been efforts to bring more women in the boards of business enterprises.

At KNCCI, we changed our constitution to bring women in business to the national board. The chamber works with committees and 50% of these committee members are women.

KNCCI is not elitist, it represents micro businesses. 96% are micro and small, while the other 4% consists of the big businesses. The chamber has representation in all the 47 counties. For one to be a member they have to be formalized. KNCCI has a micro product that is currently being rolled out. The target is that in the next 5 years, 250,000 businesses will be on board. The program will see the organization advance credit from Kshs 10,000 to Kshs 50,000.

I-Soko is a digital e-commerce platform which was launched in early 2023. Approximately 6000 women are being trained on cross border trade. KNCCI, has opened an office in China and as of mid-November 2023, they had already exported goods worth Kshs 70 million.

Panel Two: Bridging the Gap in Gender Financing

- *'Sharia Based Affirmative Support'*
- *'How have you collaborated to bridge the financing gap?'*
- *'Where do you feel we need to invest further?'*
- *'What are the real and perceived risks you have found in your effort to bridge the gap?'*
- *'How ready are we to deal with women?'*

Moderator

Mark Masai

Panelists

Lilian Mramba

Chief Investment Officer-
Grassroots Business Fund

Our organization is an impact investment fund. Funds are invested with dual purposes which is investing for creation of social impact and for profit. The Fund raises capital in two streams: private capital, from commercial seeking capital and public sources which is funding.

We take a wholistic approach to women SMEs and work with SMEs that can't get bank funding to do their work by providing risk sharing capital which is flexible and tailored to them.

We are a niche player and can design according to need. We spend a lot of time with the companies to understand what additional institutional support they may need. It comes down to intentionality. The funding gap exists because the perception of risk that hasn't been dealt with.

We are running a program to support 5,000 businesses by women under 35 years. These women will not go into banks to get capital. The financial sector must design with those they serve in mind. The organization will be working with micro enterprises for young people, as they seek partnerships with other main banks to support them.

Mwangi Githaiga

Managing Director – Kenya Women
Microfinance Bank (KWFT)

KWFT is present in 47 counties in Kenya, with about 800,000 women customers and their families. The bank uses the woman as an entry to the family. The institution is 42 years old and has 245 branches. 80% of the women are in the rural areas. The bank's service is mainly financial inclusion. We offer credit services to women to improve how families operate. We empower women who are excluded in the financial sector with a strong angle on curbing the urban migration. 65% of the bank is owned by women and two thirds of the board members are women. 60% of the top leadership are women, 55% of the employees are women and the chair of the board is a woman.

There is a big difference between banking on women and banking women. When you bank women, you assume they are external and you are offering the services. When you bank on women, you involve them. There is a general assumption that women don't know what they want, but if you put them together they have solutions to their problems. We approach women from their point of views.

The biggest risk for women is competing needs especially those in SMEs. They have a business on one side and have requirements such as school fees and children on the other side; meanwhile the husband is not providing. When you offer them credit they often take the money to meet these needs.

Women have been overburdened in their homes. They are good in business, but when the man feels the business is successful and they step in, the risk increases. There are a lot of societal needs and pressure to bear. Women need to be empowered to face issues on a daily basis. We must educate men to learn to deal with families. Women default as much as men but they are honest about it. They don't run; instead they face up and work with banks to pay up.

The issue relating to gender matters is complicated. At KWFT Bank, we put women at the center of the action, to include the 50% that would otherwise be excluded. Women issues must be mainstreamed. Women don't want pink services especially the young women. They want products they can walk in and buy. We must go for alternative security. The affirmative issues are not needed. We need a 50/50 rule. The two thirds gender rule is a form of discrimination. They want products that can easily be accessed. They don't want different queues.

Elizabeth Wasuna

Director, Business Banking – ABSA Kenya

It is not just a nice thing to provide capital to women, it is the right thing to do. Women are looking for support. The bank changed how we served women. We fashioned a proposition for women that would do three things: avail access to markets; find networking opportunities; offer mentors and coaches who can handhold the women; and access to finance like the unsecured facilities.

We have to be real with how we work with women. We need to be located where rural women are. We need to reach out to them than expecting them to reach out to us. Secondly, the language we speak has jargon. The language used has to be broken down.

Unconscious bias: We have to look internally and deal with these biases. ABSA had to have consultants work with them to deal with it. We worked with International Finance Corporation (IFC) and trained the staff in all our branches to understand how to deal with the women.

There is power in partnerships. Our conversations are not about affirmations but empowerment. The women have been left behind and they need to be at the table.

Anuj Medirrata

Group CEO – Gulf Bank

Gulf Bank is a leading Sharia Compliant Bank as seen in their innovation to bring new products to the markets. We have a policy where at least 20% of our suppliers are women or women owned businesses. Through our Foundation there is funding for women with disabilities. They borrow the principal and pay back the principal.

Women are conservative and risk averse. They start businesses with their own capital then go to friends and family. They borrow when they have grasped the business. They are a safe market. Women own only 3% of land in Kenya. When they come to us for loans, we look for alternative ways to assess their credit worthiness. We look at capital in different forms and go light on collateral. We look at chattered mortgages, logbooks, Mpesa records and different forms of collateral.

Negotiating with AGF took time because it was the first Sharia Compliant Guarantee across Sub-Saharan Africa. We are co-creating with AGF and seeing how it goes across Africa.

Betty Korir

Chief Executive Officer – Credit Bank

To get the women ready for financing, we undertook a baseline study that advised the product offering. It sought to identify the latent needs of women. The survey helped come up with a focused product to fit women. In turn, training assessment helped to cluster women in different groups with different requirements.

The key collaborator has been AGF. They have come through for us in the development of the Risk Assessment Matrix. We mirrored what AGF had. In ten years, only one client defaulted!

Banking institutions are geared towards optimizing on their returns. We are deliberate on trading on the yields. We don't want to be known as an institution that is reporting high returns, but we are keen on impact. Credit Bank is sector agnostic, whereby we have determined the threshold for different sectors and we advise accordingly. If you get the structures of the facilities wrong, women will struggle. Credit Bank is known for lending without security because of the proper assessment we do. This is when you look at structural risk and are able to make an assessment. The clients give security on deferred basis. There is a risk sharing agreement with AGF.

Fireside Chat
Women Entrepreneurs and their experience

'Hear the story of their journey'

Moderator
Dr. Bernard Chitunga.

Panelists

Melanie Keita
Founder, CEO – Melanin Kapital

Melanin Kapital is a unique enabler because we are a fintech platform that uses data to help SMEs to access financing from banks. We work with AFAWA through a partnership with ABSA bank and Africa Guarantee Fund. Our goal is to build a different ecosystem and transform how women can get access to financing by not just training or giving the credit or guaranteeing the loans, but tie them all together. Melanin Kapital start with women who are not bankable to a point of being bankable.

The program started with 300 women of whom we gathered information on their businesses. We match the SMEs with the right mentors to help them grow. Over 400 mentor sessions have so far happened with the support of ABSA and AGF. From this point, ABSA is able to bank the women after 6 months.

Duncan Lumwamu

Africa Enterprise Challenge Fund (AECF)

AECF is a not-for-profit organization which provides catalytic funding. As an organization, we are open to all kinds of businesses. The challenge is that most businesses that were come to us were male-owned. For the women-owned business it took spending more time to understand them, recalibrate them and help them get funds. The catalytic funding helps the companies scale up as they get technical assistance, investment readiness and investment facilitation.

We put in capital and developed products specifically targeted to women-owned businesses. We became partners with AfDB and AGF through their women specific programs to scale women-owned businesses across 9 countries to be investor ready.

Celeste Vogel

Founder and CEO – eWAKA Mobility

eWAKA Mobility started two years ago. We noticed that there was need for agile transportation and to deal with climate change. This is backed by a study, reporting that worldwide, there are 280 million motorbike which produce more CO_2 emissions.

This is a business we felt women would be able to access. eWAKA Mobility operate along the whole value chain. These vehicles are expensive to manage and when they get to Kenya they are too expensive to purchase. When talking to investors, the access to the capital is closed off.

Through enablers like Melanin Kapital and Africa Guarantee Fund, we are able to get access funds. Before, the business was forced to rent their bikes to riders because they couldn’t afford them.

Anita Shah

CEO and Founder – Green Stems Products

The aim of this company is to tackle plastic pollution in the food system. Globally, 36% of all plastic that is produced is used in food packaging. Only 15% is systematically collected and recycled. The rest ends up in landfills and the ocean.

The company only used tree-free materials. We use only plant based, toxic and plastic-free food packaging. We produce, source and manufacture locally, as we minimize waste, maximize value and create green jobs for women. 70% of our staff are women working as machine operators.

The company has interests from buyers asking for funds like $100,000 a month, and it needs funding to meet that demand. The connection with Africa Guarantee Fund helps us with legal and accounting services. Plastic bans are rampant all over the world and it is the future. We wants to access funding and be a global leader in sustainable packaging.

Irene Karuga

Founder – Lemik Lenders

We support MSMEs in financing for their operations. The age of a business has been seen to become a concern to bankers before offering credit. It is not the age of the business that delivers, it is the expertise that does. This should override the risk perspective. We can collaborate with banks and other institutions to go to the ground and make an impact by sharing the risk that is perceived for women with businesses.

Monica Omondi

Director and Co-Founder – Access and Move

Access and Move links clients to manufacturers and financiers, while at the same time introducing them to a more efficient and cheaper power source which is its solar products.

We have solar coolers and freezers which are suitable for MSMEs who deal with beef and poultry. They also reduce the cost of business. The clients are not able to afford the products.

Alex Olum

Director and Co-Founder – Access and Move

Access and Move has eight directors and co-founders. We are a route to market enterprise with manufacturers on one end and business people on the other side.

We noticed several challenges including the difficulty for small businesses to get funding; and that banks have a specific way of doing their KYC (know your customer), which doesn't resonate with the MSMEs, and we are trying to narrow the gap.

Day Two & Three

Gender Finance Training

Trainers and Moderators

Kaidi Eddie-Obiakor
Frankfurt School of Finance & Management

Willemian Libois
Frankfurt School of Finance & Management

Why Gender-smart Investing?

Gender funding is becoming more prominent in discussions concerning global economic development. These financial initiatives introduced by the AFAWA program, which are deliberately geared to solve the region's unique gender-based economic issues, range from providing access to credit and capital to enacting rules that promote gender equality in financial institutions. Gender financing goes beyond individual empowerment to include systemic reforms in financial ecosystems.

Over the last few decades, the conversation on women's economic involvement has changed from just recognizing gender inequities to proactive measures aimed at breaking down barriers. Back in the day, financial systems were frequently created without considering the special problems that women might, or will experience, resulting in exclusion and limited economic agency. Recognizing this mistake has resulted in a more sophisticated understanding of the role finance plays in sustaining or easing gender-based economic inequality.

As more women entered the official labor sector and delved into business, the barriers to financial resources became obvious. As a result, the evolution of gender funding shows a paradigm shift from passive recognition to intentional actions that economically empower women.

The Economic Imperative

Gender funding is more than just a social equity issue; it is a strategic need for long-term economic success. The Frankfurt School of Finance and Management helped the audience recognize how the significant economic contributions women make when given equal opportunities is a crucial argument for gender finance. Women make up a sizable proportion of the workforce in Africa, working in fields ranging from agriculture and industry to services and technology.

However, due to systemic constraints that limit women's access to financial resources, their entire economic potential remains largely untapped.

It can be argued that women who are financially empowered not only contribute to household income but also play an important role in community development.

One of the strongest arguments brought out in the seminar and training by The Frankfurt School of Finance and Management, on the Gender Finance topic, is its ability to interrupt the cycle of intergenerational poverty. When women are given the means to create income and collect assets, they become change agents within their families.

Women who are educated and economically empowered are more willing to invest in their children's education and well-being, generating a positive feedback loop that benefits future generations. Financial inclusion, a pillar of gender financing, extends beyond immediate economic gains. It instills in women a sense of agency and independence, allowing them to make informed financial decisions, save, and invest for the future.

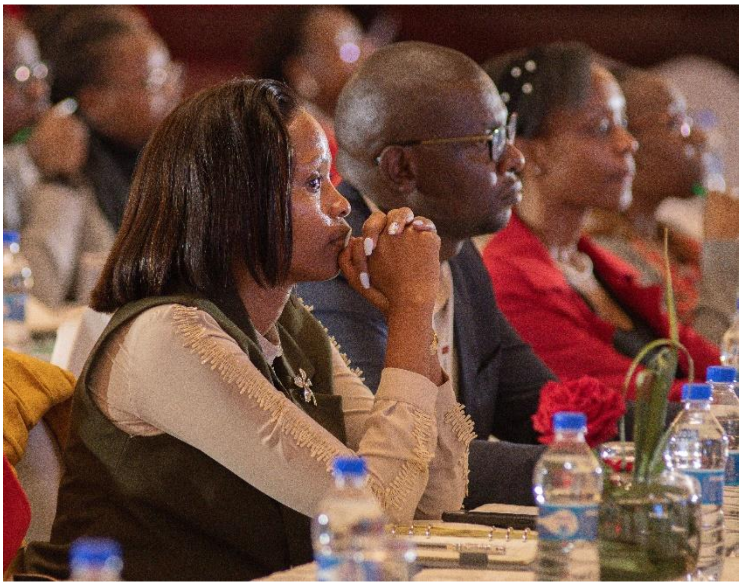
Becoming a Gender-sensitive Financial Institution

According to the Frankfurt School of Finance & Management, financial institutions face a variety of hurdles when it comes to accepting gender-sensitive finance. Internal capacity building, a knowledge gap in Women-Led Small and Medium Enterprises (WSME) enterprises, a commercial banking mindset based on traditional Key Performance Indicators (KPIs), and the requirement for comprehensive monitoring and evaluation systems are among the hurdles. Poor collateral, insufficient gender segmentation, low financial literacy levels among WSMEs, attitudinal and attitude barriers, and the need for concessional borrowing from Development Finance Institutions (DFIs) all pose challenges. WSMEs have additional challenges due to cultural differences, workplace biases, and a lack of information about accessible financial solutions.

Stages of Becoming a Gender-Sensitive Financial Institution

The first step is **strategic alignment** which according to the trainers, entails an introspective review of the financial institution's readiness to embrace gender-sensitive practices, including an assessment of the existing cultural environment, leadership commitment, and internal regulations. To improve preparation, cultivate an organizational culture that recognizes the strategic importance of gender sensitivity, integrate the mission and values with inclusivity, and ensure that all stakeholders are aware of and supportive of this transformative journey.

Second, **understanding and responding to women's distinct requirements** is the foundation of gender-smart product creation. Financial institutions must delve into demographic insights, considering time restrictions, risk preferences, and financial behaviors. This understanding allows for the personalization of financial solutions that appeal to the interests of women, making banking services more accessible and user-friendly.



Considerations for Addressing WSMEs Needs

Tailored solutions are critical for WSMEs. Recognizing the obstacles that women entrepreneurs experience, such as limited collateral and sociocultural biases, financial institutions can build products and services to solve these issues. Financial institutions help with the empowerment and growth of WSMEs by recognizing and managing these challenges.

Development of Solutions (Financial and Non-Financial Services)

A gender-sensitive financial institution actively builds a holistic array of solutions that goes beyond typical financial offerings. Financial services include customized business loans, flexible overdraft options, and simple transactional banking. Initiatives on the non-financial side include educational programmes, networking opportunities, and mentorship platforms. Institutions establish an atmosphere in which women can thrive beyond financial transactions by providing this full range.

Panel Discussions

Panel One: The Gender Financing Gap

- *'Where are the gaps and opportunities of involvement?*
- *'In terms of business documentation, you have challenges in identifying who is the Women SME?*
- *'How is it the men are accessing more funds than women?*
- *'How do financial institutions appreciate that women businesses are not monolithic?*
- *'What are you doing to deal with the gap?*

Moderator
Kaidi Eddie-Obiakor

Key Takeaways

Kevin Kahuthu
Credit Bank

The gender gap can be brought about by something called 'hunger'. Some people are not hungry enough to take up the available opportunities. Information is also important in this context. The person with the most information is the one that acts first and fast.
We have found that when it comes to signing the contracts, men show up to sign but the person who has been discussing the project is the woman. To address this, women need to have enough hunger to get ahead.

The Government introduced a guarantee credit scheme but many banks are not in the partnership. The Government also introduced a requirement where 30% of the procurement opportunities goes to women, youth and persons with disabilities.

Caroline Omanga
Stanbic Bank

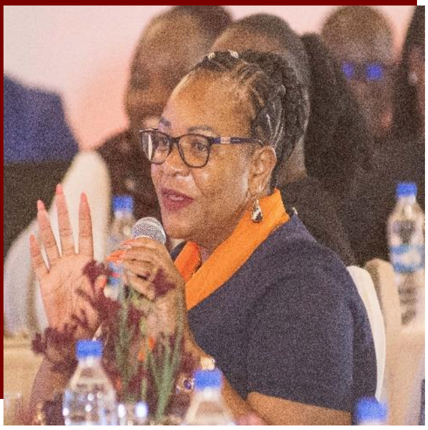
The Dare to Aspire, Dare to Achieve (DADA) program was started by the bank to help women network, showcase their work and get trained. Information shared with the women which helps them borrow comfortably. This merited Stanbic Kenya an award on their work with women on their DADA program.

Rose Kamene
Family Bank

Historically, banks have not dealt with women at this level. The banks can tell who is at the helm of a company through their systems, engagement by the bank's relationship management team with the clients, and how well run the organization is.

Banks also need to train their teams so that at the point of onboarding clients, they will establish the character and ownership of the organization. At Family Bank, we have women who raise money informally to the tune of millions but they will not take loans. There is need to change the mindset of banking staff to stop the bias when women ask for huge loans.

Additionally, banks need to have realistic expectations of their women clients. They should give women entrepreneurs opportunities that make sense to them, and with this, they will be able to take up and pay up credit facilities.



Jacky Bitutu
EcoBank

There is a hunger for business that the Kenyan women have. They desire to grow their businesses without necessarily borrowing. They are able to win tenders but not funding to deliver the same. The banks still look at women as a high risk to invest in.

Banks must therefore begin to understand the woman holistically. They have noted that women are hardworking and to serve them better, financial institutions must also endeavour to understand the relationships they have with money. Ecobank is keen on data integration into the system as it helps them understand women entrepreneurs at the onboarding level.

Dr. Silpah Owich
Equity Bank

According to the recently announced financial results, 54% of Equity Bank's customers are women and so far, we have lent Ksh 392 billion to them.

Financial literacy is a strong component within the bank as seen in our intensive 13-week training programme on the same. The women get both financial and digital literacy training. The bank has so far trained 2.5 million of 10 million targeted women. On the same, Kshs.3 billion of credit is disbursed to women on a monthly basis.

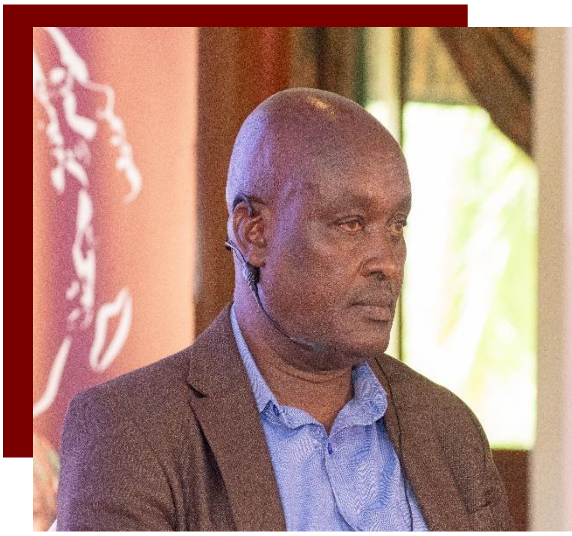
The Fanikisha product by the bank starts from as low as Kshs 1,000. Most customers borrow upwards once they start on this product. We move women from one level to another.

Carol Kigome

Gulf Bank

Gulf Bank is Sharia compliant. We have outlets that offer women-only banking whereby they borrow and return the principal.

Training of entrepreneurs has been undertaken in collaboration with United Nations, that has seen over 1000 women trained to be tender-ready.



John Ndungu

Kenya Development Cooperation (KDC)

Kenya Development Cooperation (KDC) is a government-owned organization, formed in 2020, and its mandate aligns with the government's agenda on development.

The women and youth start off at a lower rate of Kshs 2 million. The collateral for women and youth is set at 10%, while for men at 20%. Unless these kinds of concessions are made, women and youth find it difficult to take up the loans. The biggest handicap they have witnessed is the collateral.

KDC is currently in discussions with AGF for a possible partnership.

Gender Finance Training contd.

Non-Financial Offering

A gender-conscious institution understands that empowerment extends beyond monetary transactions. As a result, non-monetary donations become essential. Initiatives to give information, education, and networking opportunities may fall into this category. Consultation on business feasibility, instruction on banking products, and technical training all contribute to a well-rounded non-financial offering that promotes women entrepreneurs' holistic development.

1. Marketing and Positioning

Marketing and positioning activities are critical for promoting the institution's gender sensitivity commitment. Refining communication methods to resonate with the desired audience is what adjustments entail. Using many channels, such as digital platforms and community outreach, ensures that the messaging is accessible and consistent with the ideals of the organization. Effective marketing depicts the institution as more than just a financial service provider, but also as a partner in the journey to economic empowerment for women.

2. Institutional Alignment

Achieving institutional alignment requires a thorough examination and restructuring of internal policies and processes. This includes a cultural realignment that fosters diversity and inclusion. Establishing structures like a dedicated women banking desk facilitates specialized support. Mainstreaming gender considerations into risk management and credit policies ensures that these practices are ingrained in the institution's DNA, translating values into actions.

Creating accessible and affordable delivery channels ensures that the benefits of gender-sensitive practices reach a broader audience. Leveraging technology to provide convenient and cost-effective banking services, including user-friendly mobile applications and online platforms, enhances accessibility. Establishing physical branches in underserved areas further extends the reach, making financial services available to a wider demographic.

Clear targets are imperative for gauging the success of gender-sensitive initiatives. Setting specific, measurable, achievable, relevant, and time-bound (SMART) objectives allows institutions to track progress effectively. Robust performance monitoring mechanisms, regularly assessing key performance indicators, provide the data needed to measure the institution's impact and make informed adjustments to strategies.

3. Monitoring and Evaluation / Impact Assessment

Implementing robust monitoring and evaluation mechanisms ensures the ongoing success of gender-sensitive initiatives. Regular impact assessments provide insights into the effectiveness of strategies, while feedback loops facilitate continuous improvement. By making necessary adjustments based on results, institutions remain agile and responsive to the evolving needs of their diverse clientele, perpetuating a culture of continuous improvement.

2X Challenge: Understanding the eligibility criteria

The Affirmative Finance Action for Women in Africa (AFAWA) project initiated the 2X Challenge concept as the benchmark for reporting on women entrepreneurs within its scope. The 2X Challenge, announced at the G7 Summit in 2018, is a significant commitment by Development Finance Institutions (DFIs) to catalyze investments in women-led initiatives. The 2X Challenge has been gaining significant traction since its beginning, with a total investment of **$27.7 billion**. The programme has evolved, serving as a hub for DFIs to channel resources towards women's economic development globally.

The International Development Finance Corporation of the United States, the International Investment Corporation of the United Kingdom, FinDev Canada, the Japan Bank for International Cooperation, the European Investment Bank, and other prominent institutions are among the members of this program. This collaborative endeavor has evolved over time, with seven additional DFI members, including the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), joining in 2021.

Criteria for Financing for Women

1. Entrepreneurship

The 2X Challenge's approach to entrepreneurship is built on the ownership criteria. To be eligible for financing, businesses must have a strong female ownership proportion of at least 51%. This tight ownership requirement ensures that women play an important and decisive role in decision-making processes, allowing them to use their skills and gain economic independence. Businesses created by women are included, regardless of ownership proportion, to recognize the different paths women take to build and lead businesses. This is to increase opportunities for female entrepreneurs by providing equal access to finance, thereby creating a company landscape that is gender diverse.

2. Leadership

The leadership criterion is a critical component of the 2X Challenge, emphasizing the significance of female representation in important decision-making roles. Businesses seeking finance must show that women hold at least 30% of senior management roles or seats on the board/investment committee. This need guarantees that gender diversity is not just a surface commitment, but is ingrained throughout the organization's strategic and governance structures. This, in turn, promotes gender equality in leadership roles, recognizing that various perspectives at the decision-making level contribute to business innovation and long-term growth.

3. Employment

Recognizing the importance of women's labor force participation, the 2X Challenge requires enterprises seeking financing to have a gender-balanced workforce. The proportion of women in the workforce should be between 30% and 50%, establishing an atmosphere in which women can contribute meaningfully across various jobs and functions.

The 2X Challenge goes beyond simple number representation by emphasizing qualitative employment characteristics. Implementing gender-sensitive recruitment practices to reduce biases, fostering inclusive work cultures that support all women, and aggressively promoting career advancement possibilities for female employees are all part of this. This, in turn, fosters workplaces that not only reflect gender balance but also ensure that women thrive by providing equal chances, fair treatment, and prospects for professional progress.

4. Consumption

The 2X Challenge acknowledges that the influence on women's lives goes beyond the workplace. Products or services must demonstrate a special or disproportionate advantage to women in order to be eligible for financing. This can be accomplished by creating solutions that are suited to women's specific needs, addressing issues that disproportionately affect women, or catering to a customer or beneficiary base that is largely made up of women. As a result, it promotes economic and societal growth by assisting enterprises that actively contribute to the well-being of women through their products or services.

Conclusion

The **6th AFAWA Finance Series**, Kenya edition, provided its audience a tender reminder of the problems and opportunities associated with gender funding in the pursuit of women's economic empowerment. The different viewpoints given by the speakers and participants throughout the conference highlighted the critical need for collaborative efforts to address current barriers and foster the growth of women-led businesses.

From the enlightening conversations on African women's economic involvement to the essential role of financial institutions in redesigning their services, there was a loud call to action. The dedication of vital parties such as Africa Guarantee Fund (AGF), African Development Bank (AfDB), and the financial institutions was palpable, setting the groundwork for urgent change.

The panel talks presented a complete overview of the barriers that women experience in accessing financial resources, strategies for overcoming these barriers, and ongoing projects that are having a practical impact.

It became evident that gender funding is also a driver for societal reform. The recommendations presented a blueprint for stakeholders to navigate the way towards a more inclusive and equitable financial landscape, ranging from transparent financial guarantees to innovative credit practices.

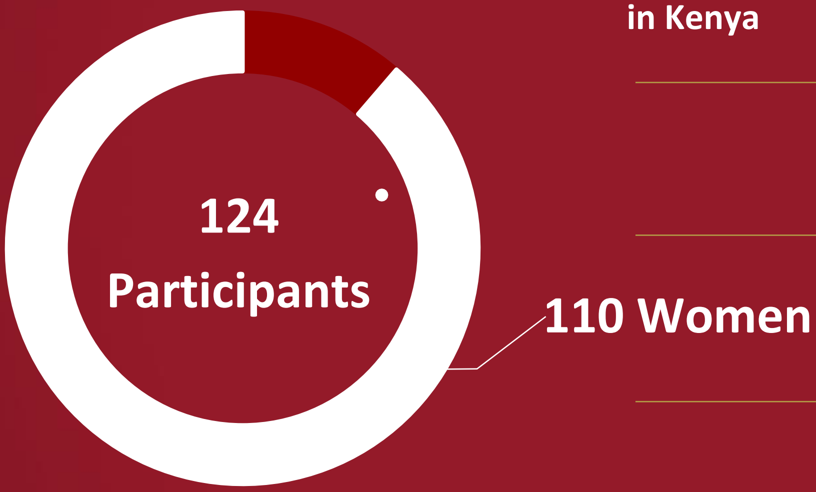
In the spirit of the event's theme of addressing the Gender Finance Gap, the participants left with a shared commitment to translate words into action. The AFAWA Finance series conference represented a watershed moment in the ongoing quest for gender equality and economic development. The collective resolve voiced by the Government of Kenya, financial institutions, and organizations alike, lays the groundwork for a future in which women are more than just participants, but leaders in designing vibrant and sustainable economies.

Training

Attendee Analysis

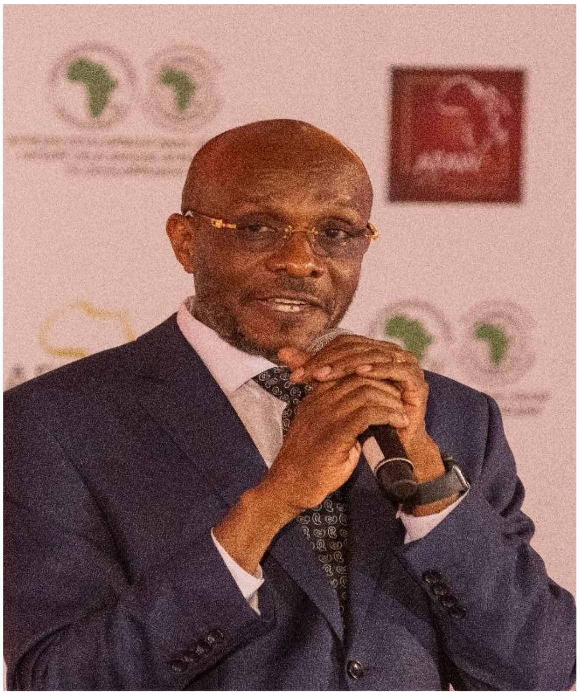
34 Financial Institutions in Kenya

88% from commercial banks




in women to build
Africa's economy


OR
hare of women on the Board or Investment Committee 30%
hare of women in the workforce 30% - 50%
AND
One "quality" indicator beyond compliance Yes/No
Yes/No
30%
OR



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