

# African Women Rising Initiative

## Empowering Women Entrepreneurs in Sub-Saharan Africa

### FACTSHEET



*The African Women Rising Initiative (AWRI) project demonstrated that there is no “one-size-fits-all” approach to serving women entrepreneurs. The needs and realities of clients and the institutions that serve them differ from one situation to another.*

#### Challenge

Sub-Saharan Africa has the highest proportion of women entrepreneurs in the world, yet the majority are constrained by barriers that limit their growth.

These include restricted access to credit due to cultural and legal barriers that leave them with lower asset ownership than men, less exposure to business management and formal financial services, smaller networks and fewer mentors and role models.

#### Objective

Support women’s economic empowerment in Sub-Saharan Africa by increasing access to finance and capacity-building support for women entrepreneurs in Uganda, Rwanda, Senegal and Côte d’Ivoire.

#### Strategy

Support financial institutions in developing and implementing relevant programming for their target segments of women entrepreneurs. This included:

- Gender-sensitive customer value propositions (CVPs) that integrate a relationship model, tailored credit and business development training.
- Women-centric marketing campaigns to encourage safe, convenient saving.

- Tailored women-focused non-financial services programs.
- Roadmap for gender-sensitive procurement.

Additionally, regularly disseminate information so the industry can benefit from the Project’s lessons learned.

#### Background

The vast majority of women entrepreneurs in Sub-Saharan Africa are under-served financially, representing an enormous opportunity for financial institutions.

The demand for credit and for convenient, affordable savings and payments is high, but banks and microfinance institutions in the region lack the capacity to provide financial services that meet the unique needs and realities of a great many women entrepreneurs.

In this context, a consortium of three technical assistance providers – IPC, ConsumerCentriX, and the African Management Institute – with the support of the European Investment Bank (EIB)’s African Women Rising Initiative, worked to increase women entrepreneurs access to finance and capacity building in Sub-Saharan Africa by partnering with eight financial institutions (FIs) – the Development Bank of Rwanda and Bank of Kigali in Rwanda; Pride Microfinance, Centenary Bank and Housing Finance Bank in Uganda; Ecobank and Baobab in Senegal; and Baobab Côte d’Ivoire.

As a result of this Project, this diverse group of FIs has built the capacity to serve women entrepreneurs with a range of gender-sensitive approaches, from full CVPs to communication campaigns, tailored non-financial services and gender mainstreaming.

# KEY RESULTS

## Developing Customer Value Propositions (CVPs)

► The Consortium worked with Bank of Kigali, Housing Finance Bank and Pride Microfinance to design a comprehensive offer for each FI that combines unsecured working capital credit with non-financial services (NFS) tailored to the needs of each institution's target segment. At the heart of the CVP is a cash-flow appraisal methodology, in which loan officers assess each customer's repayment capacity based on business cash flows. Businesses that have the capacity to repay from cash flows are not required to post collateral to secure the loan. The CVPs were developed following in-depth customer research that identified the most pressing un-met financial and non-financial needs for the target customer segments.



Bank of Kigali and Pride Microfinance piloted their CVPs, disbursing 459 loans to W-MSMEs. In addition, financial management and business skills training helped clients better manage their loans and position themselves for growth. Notably, the non-performing loan rate (NPL >90) for both FIs was <1% - far below the rate of their broader portfolios.

## Optimising and fine tuning the NFS offer

► The Consortium also worked with Ecobank in Senegal and Centenary Bank in Uganda to optimize their existing NFS programming for women. For example, Ecobank customer research revealed that women entrepreneurs' NFS needs differed from one market to the next. In Ghana, clients requested more support from their Relationship Managers, while in Senegal, they desired support with business formalization and networking opportunities.

## Demonstrating the value of women-centric campaigns

► The Consortium worked closely with Baobab Senegal and Baobab Cote d'Ivoire to develop communication campaigns targeted to women. The campaigns focused on encouraging women to save in a safe, affordable manner through Baobab's channels, and combined media with financial literacy trainings. This collaboration built the FIs' capacity to use sex-disaggregated data to identify segments to target, and also to measure campaign results. It also demonstrated the value of such campaigns, through results that

included notable increases in the number of women opening accounts and depositing with Baobab.

The FIs were able to isolate results in the areas that received financial literacy training as part of the campaign, and found an even larger response to the communication in those areas.

## Influencing gender-sensitive policies and processes

► In addition to building internal gender sensitization capacity with all eight partner FIs, the Consortium worked with the Development Bank of Rwanda (BRD) to explicitly incorporate gender into the Bank's strategy, and develop a roadmap to implement gender-sensitive procurement. Gender equality is a priority of the Government of Rwanda, and as a Development Bank, BRD is in the unique position to influence other institutions. A baseline analysis of BRD's vendor pool found that while the contract amounts paid to women- and men-owned vendors were about equal, the percentage of women-owned vendors in the pool had room to improve. Together, BRD and the Consortium laid out the steps required to develop and implement gender-sensitive procurement policy and practice.



# LESSONS LEARNED

The AWRI project revealed that there is no “one-size-fits-all” approach to effectively serve women entrepreneurs across a region as diverse as Sub-Saharan Africa.

- **Sex-disaggregated data tracking** is essential for FIs interested in deepening their relationships with women clients. Reliable data allow an institution to understand its baseline, set targets, and monitor progress.
- Financial inclusion does not automatically lead to product knowledge and understanding. **Clients still need skilled FI representatives** who can understand their businesses and help them choose the products that are right for them.
- **WMSMEs have appetite for learning** (soft skills, record keeping, customer service, savings rationale & habits). Their time is limited, so they must see value in the training offered. AWRI participating clients did see the value, displayed improved skill levels, and were interested in receiving more sessions. The primary constraint appears to be the ability of the FIs to arrange their resources to support on-going, sustained NFS programming.
- **WMSMEs are better clients when they understand the impact of savings & loans on their business.** The combination of solid repayment (PAR >90 1%), better ability to access the right loan amount, and stronger savings habits, in turn, can deepen the client’s relationship with the FI.
- **When implementing a new model, FIs must drive change management throughout the organization.** This includes regular communication from top levels about the importance of the initiative, targets, and progress against targets; alignment of front-line staff targets and incentives; and training and coaching front-line staff training on how to deliver a value proposition.

## AWRI IN A FEW FIGURES

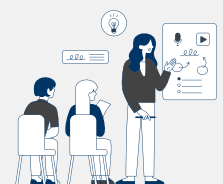
### For women entrepreneurs:

- Over **21,000** women entrepreneurs received fully unsecured loans.
- Over **16,000** women entrepreneurs opened savings accounts across the two Baobab markets due to the gender-intelligent savings campaigns conducted over 3 months.
- **Over 1,000 received NFS** in the form of financial literacy, recordkeeping, customer service business management, soft skills, and/or business skills training.



### Capacity building FIs:

- 200 executives trained on gender finance.
- 905 front line staff trained on relationship management, gender awareness and credit assessment.
- 60 staff trained as trainers to deploy training across FIs.
- 40 staff trained as trainers to deploy NFS.
- Master class in French and English.



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(Codes are available in the  
general description link.)

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