

EUROPEAN
MICROFINANCE WEEK 2013

THE FUTURE OF MICROFINANCE:
INVESTING IN INCLUSIVE GROWTH

NEW FACES
NEW VOICES



W O M E N I N F I N A N C E

GIZ Session: “How much Gender does Microfinance need?”

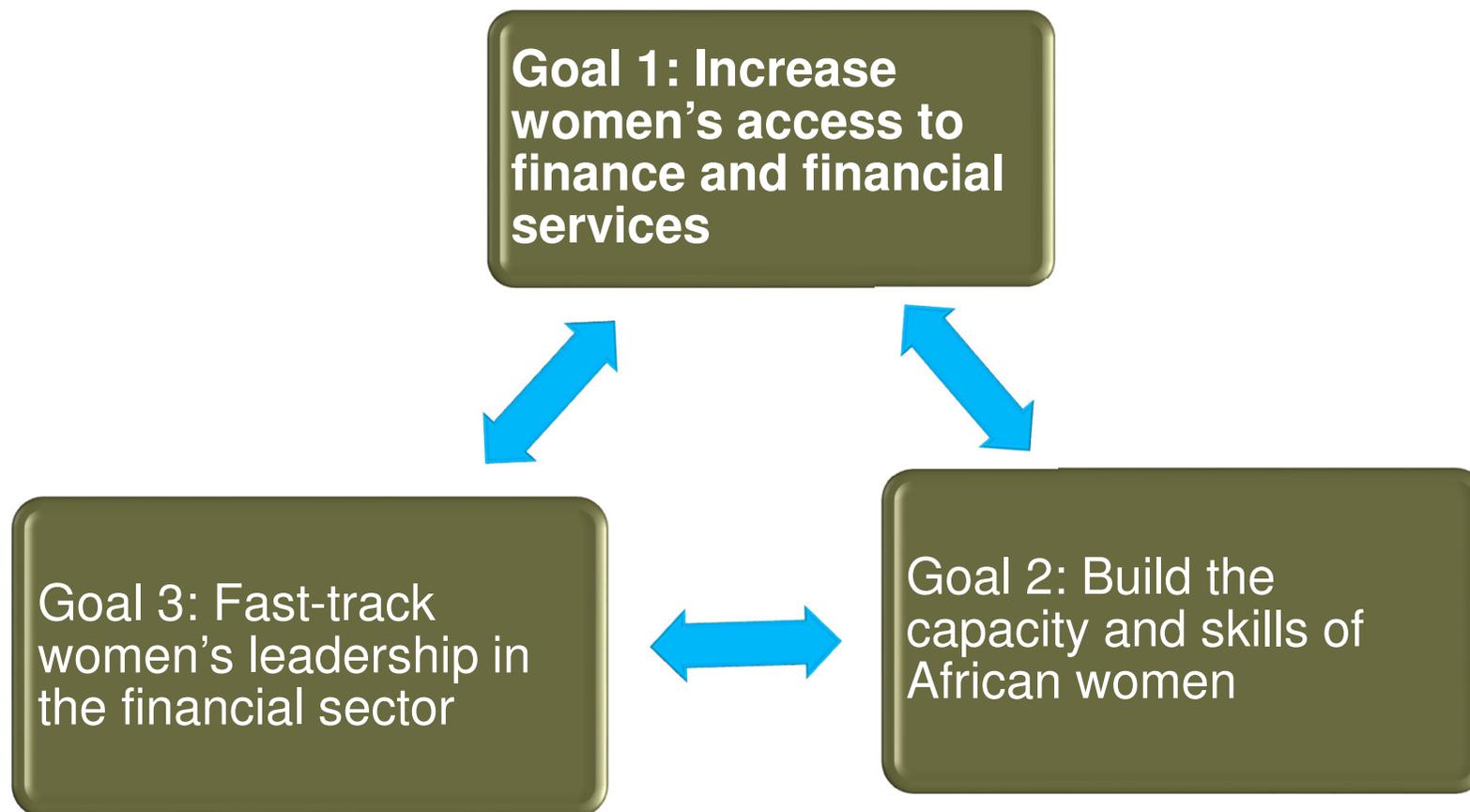
Who Are We?

- A pan-African advocacy group that puts women at the centre-stage of the financial sector and the wider economy in order to harness women's untapped economic potential.

Why Does this Matter?

- Increasing women's inclusiveness in the financial sector is a fundamental imperative to accelerating economic growth and development in Africa.

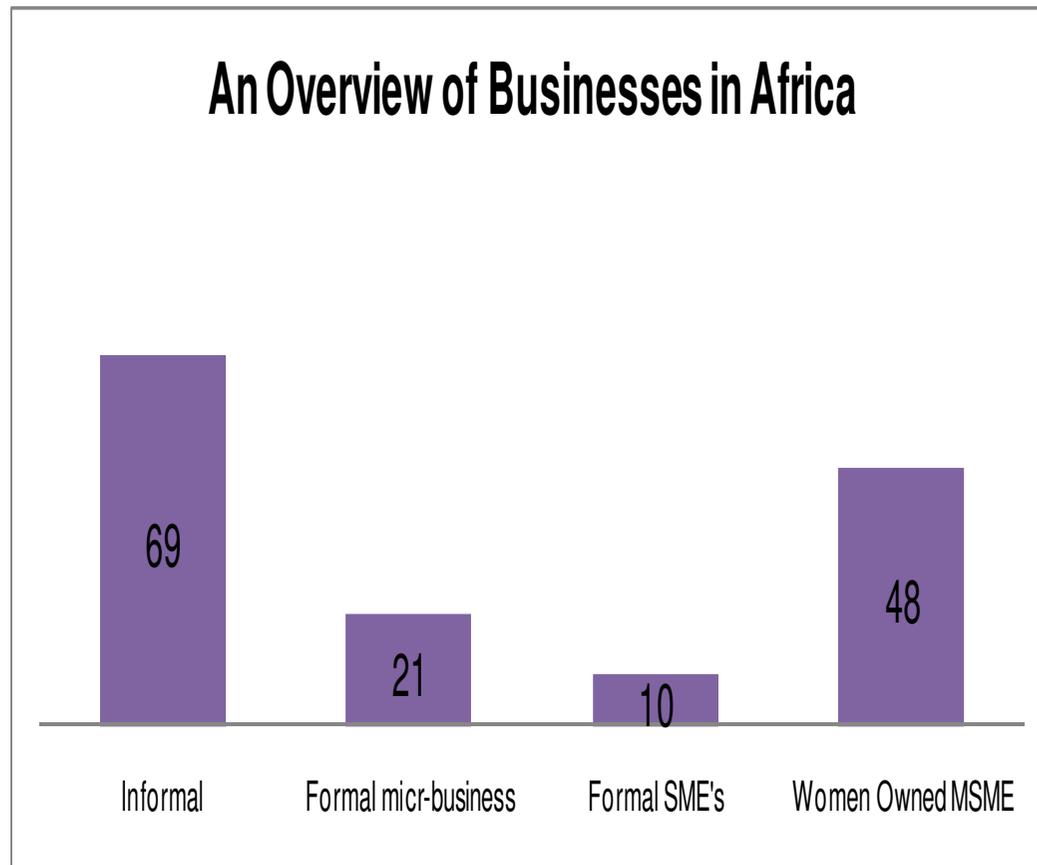
Our Three Goals



Why Women Matter

- Women own an estimated 48% of all MSMEs in SSA and are active contributors to job creation and economic growth, and the majority of these businesses are in the informal sector.
- Women entrepreneurs represent a + \$19 billion dollar business opportunity for financial institutions.
- Women make most household purchasing decisions and the volume of spending they control will grow as the number of African households move from low-income to middle-class
- More women are occupying leadership positions in the financial sector and other arenas which will strengthen their influence.
- Harnessing the economic potential of women will contribute towards solving the development challenges of Africa.

Most African women owned enterprises are micro



- Sub-Saharan Africa has 8-10% of all SMEs globally, about 33-44 million

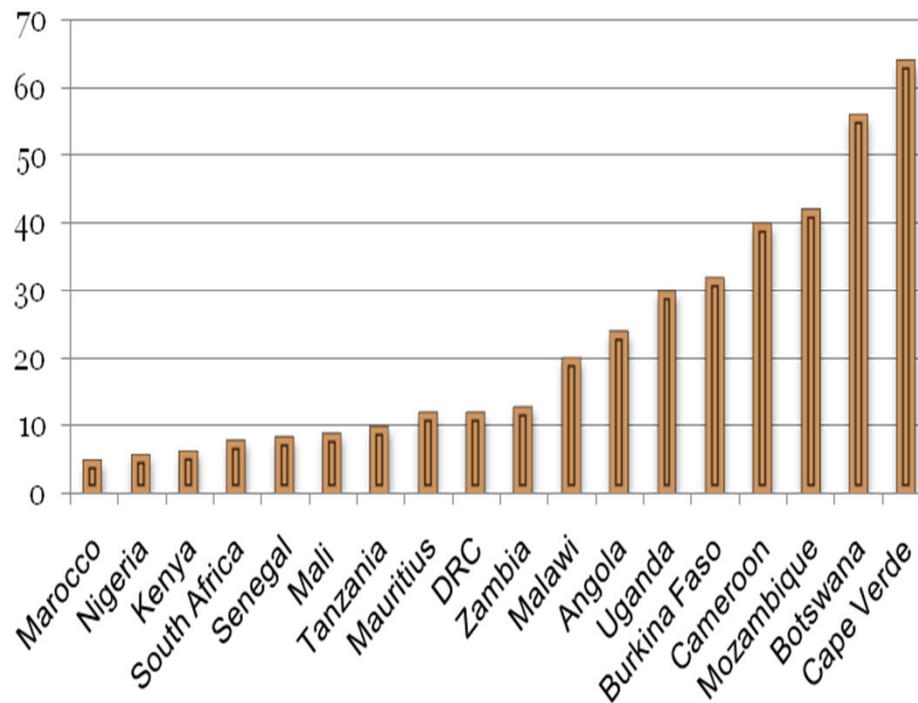
- 69% of these businesses are informal; 21% are formal micro businesses (less than 10 employees) and 10% are formal SMEs

- Women own an estimated 48% of all MSMEs in Africa

- The number of MSMEs owned by women is 17-21 million and 10% of SMEs with more than 10 employees are owned by women

But some countries in Africa have higher percentage of women businesses

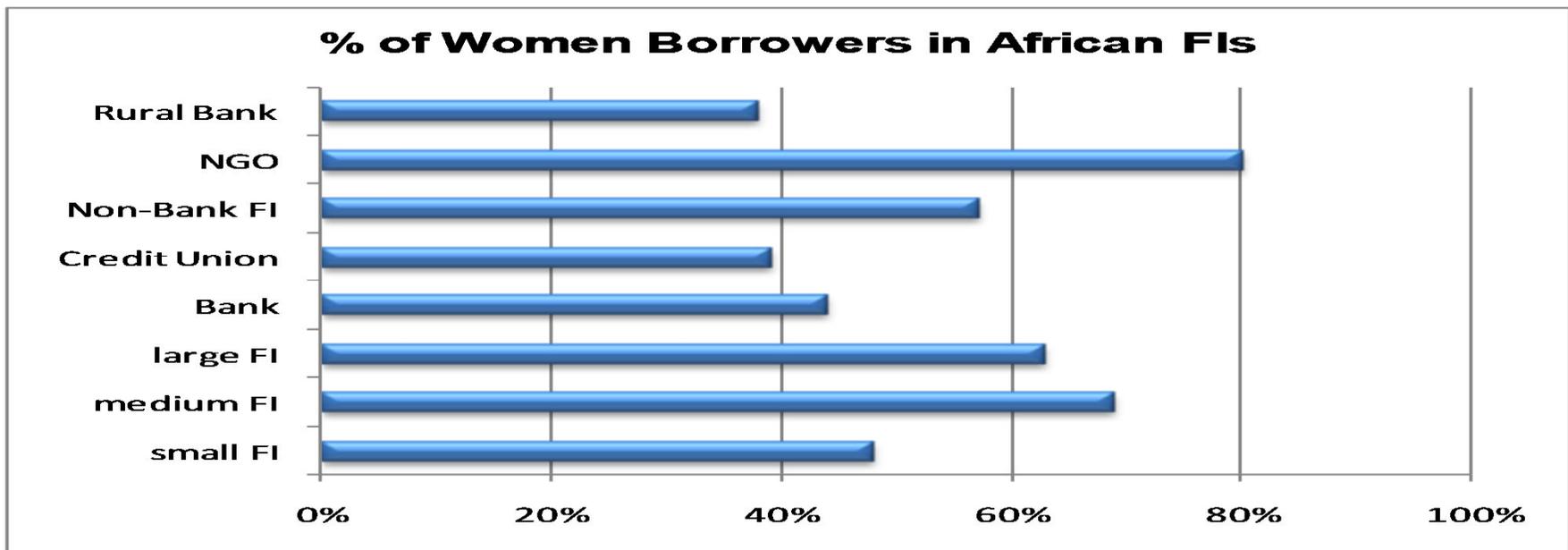
% women owned manufacturing enterprises



- In the top ranked countries, namely Botswana and Cape Verde, women own more than 50% of manufacturing firms
- In order to grow, women owning manufacturing SMEs demand long-term financing and bank financing is the most important source of financing for long-term investments

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Microfinance is has a higher percentage of women served clients



Financial Inclusion in SADC

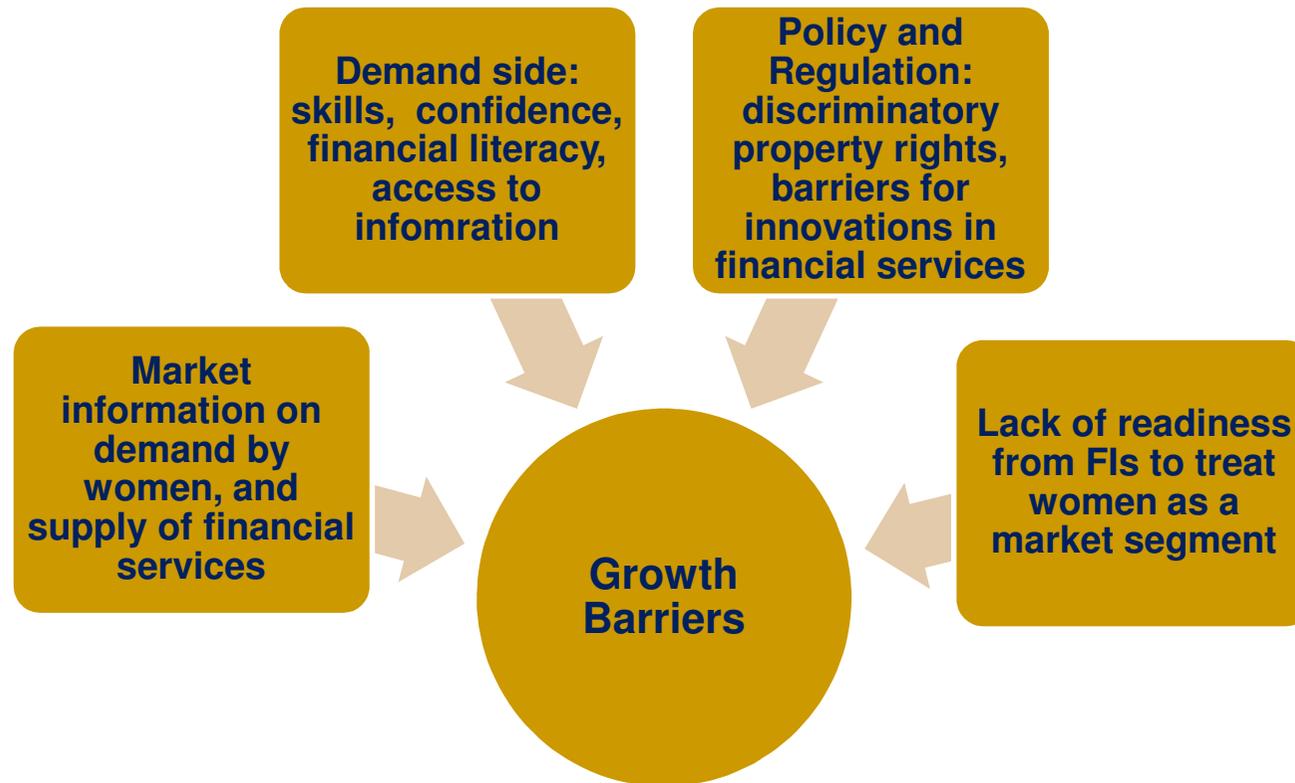
SADC Member Countries	Account at a formal institution		Loan from a financial institution in the past year	
	Women %	Men %	Women %	Men %
Angola	39	39	7	9
Botswana	28	32	5	6
DRC	3	5	2	1
Lesotho	17	20	3	3
Madagascar	5	6	2	3
Malawi	17	16	12	6
Mauritius	75	86	9	20
Mozambique	35	45	5	6
South Africa	51	56	6	11
Swaziland	27	30	10	13
Tanzania	14	21	7	6
Zambia	23	19	8	4
Zimbabwe	37	43	4	6

In SSA, only 21.5% of women hold accounts at formal financial institutions compared to 26.5% of men.

Gender Indicators in SADC

- ✓ The representation of women in Parliament has increased from an average of 21% in 2005 to 25% in 2011
- ✓ The proportion of women in economic decision-making has increased from 18% in 2009 to 24% in 2011
- ✓ Women have a lower literacy rates than men with 7 SADC countries having a gap of 10% or more in favor of men
- ✓ Land ownership for women ranges from 11% in the Seychelles to 25% in the DRC and Tanzania
- ✓ Women's labour force participation ranges from a low 43% in Mauritius to almost 90% in Tanzania
- ✓ Women's economic activity is concentrated in informal trade and small businesses
- ✓ In Botswana it is estimated that 67.6% of informal businesses are run by women, compared to 32.4% by men.
- ✓ Very little gender disaggregated on the role of women in the economy.

African women entrepreneurs face a \$20 billion funding gap that financial institutions are failing to meet (G20). WHY?



Some ideas on how do we scale up services to women?

- Mobile banking:
 - Are MFIs embracing mobile banking - 34% of women in Tanzania and 13% of women in Kenya want to use mobile money but don't have mobile phones.
 - Women will likely make up much of the future growth in cellular access in Africa (and elsewhere), with 2/3 of new subscribers globally
- Data on this market segment – FinScope
- Value proposition to MFIs and other financial institutions
- Consumer financial literacy to address demand side constraints
- Regulatory and policy environment – SADC has made this an agenda item