

The Affirmative Finance Action for Women in Africa (AFAWA) – Bridging the gap in access to finance for women in Africa

The Affirmative Finance Action for Women in Africa (AFAWA) program is a pan-African initiative of the African Development Bank Group to bridge the \$42 billion gap in access to finance for women businesses in Africa, promote gender-inclusive financing and fully unlock women's entrepreneurial potential.

The African Development Bank Group recognizes that women are the backbone of African economies. 58% of women start or manage a business³ on the continent. 50% of Africa's working women are active in the agricultural sector and produce 80% of all food.⁴ However, women entrepreneurs face multiple challenges to access finance, partly due to their inability to provide immovable collateral, and due to their limited skills and access to mentoring to successfully grow their businesses and fully participate in the economic development of the continent.

A Bank wide initiative, AFAWA aims to unlock up to USD 5 billion of financing for Women Businesses by 2026. To achieve this goal, the African Development Bank Group has developed a holistic approach based on 3 pillars: increasing access to finance through its traditional financial instruments such as lines of credit, trade finance and equity investments as well as innovative financial instruments such as the AFAWA Guarantee for Growth (G4G); technical assistance for financial institutions and women businesses; and the enabling environment through which it works with governments and other related agencies to address regulatory policies that are an obstacle to the growth of women entrepreneurs.

With support from France, Canada, Germany, the United Kingdom, Italy, the European Commission, the Netherlands and Sweden, the G4G is the first pan-African guarantee mechanism to enhance women entrepreneurs' access to finance by lowering their collateral requirements as well as increasing their business and financial management skills. Through G4G, the African Development Bank Group aims to unlock up to \$3 billion in financing to an estimated 27,000 women businesses within the next 5 years. Financial institutions in 6 countries including Cameroon, the Democratic Republic of the Congo, Kenya, Rwanda, Tanzania, and Uganda have already signed up to the program, which is expected to unlock up to USD 210 million for women businesses in Africa in 2021.

³ Africa Gender Innovation Lab (GIL) 2020 [Report](#)

⁴ World Bank [Gender Study](#) 2019