



African Development Bank's Eminent Speakers 2018 Lecture Series

"Educating the Girl Child, Empowering Women & Enhancing Female Entrepreneurship in Africa" by Mrs. Graça Machel

Hypothesis of Lecture

The lecture is crafted in a linear lifecycle manner, starting with the benefits of investing in the first 1,000 days of life, early childhood development, the education of the girl child, supporting her development as an adolescent empowered with life skills and decision-making ability, and developing an enabling ecosystem for her as an adult to reach her potential. Mrs. Graça Machel will highlight key success factors and propose innovative approaches to empowering the girl child and career woman, with the end result of these recommendations contributing to the social and economic transformation of the self, family, community, nation and continent.

Good Afternoon, honoured guests and dignitaries--please permit me to say all protocol observed.

I would like to thank Dr. Akinwumi Adesina and the African Development Bank for the opportunity to address this distinguished audience as part of its 2018 Eminent Speakers Lecture Series.

It is encouraging to see so many private sector luminaries and captains of industry in attendance today. I believe it is imperative that the private sector join hands on equal footing with civil society and governments to collectively push forward the aims of empowering girls and women,



as they hold the keys to driving social and economic transformation on the continent. I therefore am thrilled to see we stand together on common ground here today!

It is my honour to speak to you this afternoon about advancing the education of the girl child and women's participation in the economy in Africa, and specifically about ways in which we can work together to better harness the potential of the African female--- half of our population--- to contribute to our collective wellbeing and the prosperity of our nations.

I would like to open by reminding everyone about the ambitious development goals which we Africans have set for ourselves in the AU Agenda 2063 framework. For those of you who are not familiar with Agenda 2063, this is a strategic blueprint for the socio-economic transformation of the continent over 50 years. It builds on and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable developmentⁱ. More importantly, Agenda 2063 was the birth child of our quest to have "African solutions for African challenges".

Couched within the 2063 Agenda is the aspiration to have an Africa whose development is people-driven, relying on the potential offered by its citizens, especially its women and youth. Frameworks such as the AU Agenda 2063 have consolidated a blueprint which could allow us to achieve the development that this continent seeks.



However, this socio-economic transformation will only be realized once we aggressively address gender-specific challenges, prioritize gender equality and women's participation, and firmly entrench women in leadership positions at all levels in society. We have a remainder of 45 years to achieve the goals which we have set out for ourselves in Agenda 2063. Within these 45 years is a lifespan of an entire generation of young girls who will grow to become active citizens whose potential must be unlocked. To ensure that we achieve the goals for our development by 2063 we need to fully invest in the continent's other half which for too long has been neglected: the African female!

<< First 1000 Days/Early Childhood Development >>

With that being said, I would like to challenge conventional norms today, and urge us to begin investing in the girl child from the moment of conception. Studies have shown that proper nutrition received from the first 1000 days is monumentally transformative to developing a child's full potential. Investment in nutrition begins with the pregnant woman, calling for her too to receive adequate food and supplements.

The contribution of nutrition to human capital development and ensuring sustained socio-economic growth is often underestimated. A lack of adequate nutrition is a key contributor to unacceptably high levels of both maternal and child mortality as well as stunting-- and therefore



the loss of human capital for the overall economic, social and political development of the continent.

The neglect we allow African children to experience is criminal. Children in sub-Saharan Africa are 16 times more likely to die before the age of 5 than children in developed countries. And 1 in 5 children under the age of 5 is underweightⁱⁱ. I quote from the 2018 African Report on Child Wellbeing that, “perhaps the single most pressing challenge for Africa’s children is undernutrition more than three-quarters of the world’s 151 million stunted children under 5 live in South Asia and Africaⁱⁱⁱ. Although stunting among children under five years decreased by 8% over the last 16 years, the current average level for the continent remains unacceptably high at 30.4%. However, the percentages hide the actual numbers of stunted children which has risen from 50.4 million to 58.5 million over the last 15 years^{iv}. In West and Central Africa, which carries a disproportionate burden, the number rose from 22.9 million in 2000 to 28.1 million in 2016^v.

The slide showing now indicates the percentage of stunted children for selected countries in 2016.

The data is quite varied with statistics of stunted children in the Seychelles ranging from less than 10% to high levels of 60% in Burundi. In Eritrea, for example, more than half of all children under 5 suffer from stunting, rates in Madagascar remain persistently high, and more than half of African countries have rates above 30%.



Slide 2 illustrates the proportion of children aged 6 – 23 months receiving an acceptable diet. In Kenya, only 22% of children are receiving the minimum of an acceptable diet, whilst the situation is much worse in Liberia with only 4%^{vi}.

Slide 3, shows the difference between the brain of a stunted child and that of a well – nourished child.

The lasting effects on the cognitive and physical development of the African child and their families has led to the **stunted development of societies**. Seeing as we have the highest incidence of undernourishment in the world, the problem has continued to persist as many African governments do not adequately prioritise spending on nutrition despite evidence of its importance to individuals, households, and the national economy.

The benefits of investments in nutrition during the first 1,000 days are overwhelmingly abundant.

From a health and development perspective, it:

- Builds a child's brain and fuels their growth,
- Improves a child's school-readiness and educational achievement,
- Reduces disparities in health, education, and earning potential, and
- Reduces risk of developing chronic diseases such as diabetes and heart disease later in life^{vii}.



A lack of investment in nutrition comes at a huge cost to us -- African nations lose between 1.9% and 16% of the Gross Domestic Product annually to under-nutrition due to increased mortality, absenteeism, chronic illnesses, and lost productivity^{viii}. Clearly there are few better investments we can make to break cycles of poverty and secure the future of our nations, than to ensure our children—particularly girl children—are adequately nourished.

<<Early Childhood Development>>

Following along a continuum of investment, nutrition received during the first 1,000 days of life needs to then be supplemented with an investment in Early Childhood Development. Early Childhood Development, “ECD”, refers to the physical, cognitive, linguistic and socio-emotional development of young children until they transition to primary school^{ix}. This support is particularly critical for the girl child, who is often side-lined by family members in this early stage in favor of educational supports for the boy child, which then translates into gender gaps later on in their academic and professional careers.

Slide 4 demonstrates how a child’s brain development is experience-dependent and the impact of stress and adversity on the young child’s developing brain is vividly illustrated by Computer Tomography (CT) scans which show smaller brain size, enlarged ventricles and cortical atrophy in the brain of 3-year-old children suffering severe deprivation and neglect.



At present, Africa as a whole has no meaningful development of an ECD system and World Bank estimates paint a dire situation for investments in ECD in Sub Saharan Africa. Nations in the region devote just 2% of education budgets to pre-primary education and early childhood development programs. This small percentage is committed in the face of overwhelming World Bank evidence which proves that an additional dollar invested in quality early childhood programs yields a return of between \$6 dollars and \$17 dollars^x.

Research conducted by the African Child Policy Forum is very telling of how education transforms the lives of individuals, communities and nations and is a prerequisite for sustainable development. Education, particularly for girls, is a catalyst for reducing child and maternal deaths and lifting people out of poverty. Investing in education from early childhood has a lasting effect on the **survival, development, protection and active participation of children in social, economic and political activities**. Knowing what we know, we must demand that governments fully meet their commitments to the investment in education.

The next graph, for example, shows that spending commitments vary widely with Zambia and Central African Republic allocated just 1% of GDP to education; for others such as Lesotho and Botswana it was more than 10%. Average spending across Africa has almost stagnated at around 4% of GDP over the past two decades or more – a worrying trend given that most African children and young people are failing to reach minimum standards at all levels.



There is a pressing need for governments to allocate resources for ECD in their budgets at a national and subnational level, and support best practice models that translate into improved ECD services for young children. The African Development Bank, leveraging its might, needs to exert pressure on governments and private sector partners to encourage investment in nutrition and ECD, as well as allocate its own resources to help build these building blocks of Africa's human capital. What good is your power and influence as the AfDB if you are not leveraging your ability to truly impact change on the continent at the most fundamental of levels?

African countries have been making significant investments in education, however, the results are not matching this outlay. This is supported by studies from UNICEF that show that there would be a 13-fold increase in GDP over the lifetime of all children born today in lower-middle income countries if they were educated to a basic level of literacy and numeracy^{xi}. The Africa Child Policy Forum's Report on the Wellbeing of the African Child cites that 2 in every 5 African children leave primary school without learning how to read, write or do simple arithmetic, and many teachers fail to reach minimum standards^{xii}. Such poor quality of education threatens our ability to compete in an increasingly technology-driven global economy. Equally as disturbing, while children have access to schooling and enter at rates of parity, girls are dropping out in alarming numbers along the way and not graduating from secondary schools on par with their fellow male counterparts. There is an urgency for development partners, finance institutions, governments, and businesses to weigh in heavily and invest in impactful initiatives which speak to the needs of the girl child and turn this tide.



<<Education for the Girl Child>>

In sub-Saharan Africa, according to UNESCO estimates, 130 million girls between the age of 6 and 17 are out of school, and 15 million girls of primary-school age will never enter a classroom^{xiii}. These shocking statistics are due to girls being denied access to education through discrimination, violence in schools, poverty, high rates of teenage pregnancies, and harmful traditional practices such as child marriage.

According to UNICEF data, at least 38% of children are married off in Sub-Saharan Africa by the age of 18. This means 1 in 4 girls marry before age 18!^{xiv} Statistics show that **African nations account for 17 of the 20 countries with the highest rates of child marriage globally^{xv}**. The devastation this type of disenfranchisement has on a continent is mind-blowing and unacceptable.

In rural and urban areas alike, conflict ridden zones and countries of stability, African girls face enormous social and economic barriers that

- undermine their rights to education,
- severely impair their ability to make informed decisions over their bodies and their life and
- limit their personal and professional opportunities.



Ladies and gentleman, **we are not only ignoring, but actively destroying the potential of half of our population!**

It is not difficult to predict what the future holds for girls who never go to school. They will join the ranks of the 77 million young women globally who are unable to read or write a single sentence, let alone decipher a legal document or help their children with homework.

Young women make up two-thirds of the global illiterate population with about 29 million living right here in sub-Saharan Africa^{xvi}. And they face a life in poverty and marginalization. It is therefore impossible for us to rise as a continent, to enjoy the promise of prosperity endowed in our soil and in our human capital, when we are actively forfeiting the talent and the potential of African women!

Given its transformative power, education is a fundamental right for all children, but poverty and unequal access still find millions of African children, girls in particular, in a position where they fail to start and complete their education. **Statistics from the African Union show that out of 75% of girls starting school, only 8% finish**^{xvii}. Across sub-Saharan Africa, less than one quarter of secondary school-aged girls are enrolled in secondary school; and rates are nearly one – third lower in conflict – ridden countries, where the gender parity gap is widening. This cannot be allowed to continue. And begs the question—what can be urgently done to reverse this damning trend?



Both private sector and civil society need to partner with government to enable governments to reaffirm and meet their commitments to the Dakar Framework of 2000 and subsequently the Incheon Declaration of 2015. As Africans, we must achieve Sustainable Development Goal 4 to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all,” with a particular emphasis on ensuring the girl child is not left behind in obtaining an education. **Investment in girls’ education is not optional.** And it is not the job of government ministries of education or NGOs alone. **It is a national imperative and the responsibility of all.**

>>Out of School Children<<

The work we do at the Graça Machel Trust within the MARA region of Tanzania is but a small example of a contribution to this cause, which I would like to highlight. This work serves to identify and re-integrate out of school children into the mainstream education system and ensure their retention and success. At the Trust, one of our key focus areas in education is advocating for equal and quality education for the girl child. We devote our time and efforts to ensuring communities recognise the relevance of education for girls and that girls are retained in school. In 2016, we began the Mara Out of School Children Project in 5 districts in the Mara Region of Tanzania to address the high levels of Out of School Children in the region, particularly girls. The program is a partnership between the Graça Machel Trust, the Qatar Foundation, Educate A Child (EAC) and private sector partners, a coalition of organizations in the region, “The Mara Alliance”



and The Republic of Tanzania Ministry of Regional Administration and Local Government Authority. It is aimed at enrolling and retaining 20,000 children in primary schools in the region by end of December 2018.

We commissioned a study through the Economic and Social Research Foundation (ESRF) which profiled more than 22,000 out of school children and their families, and revealed the main reasons for school drop outs in the region as being poverty, child marriage, high teenage pregnancy rates, Female Genital Mutilation (FGM), death of parents, and families placing more value in educating boys than girls.

Through our consortium of partners, our goal is to try and address these barriers and use access to quality education as a medium to nurture and equip girls and young women in the Mara Region with the necessary skills to ensure they are employable on completion of their education. In addition, the programme adopts an all-encompassing approach to education which broadens the range of competencies of girls both to reduce the risks they face during adolescence such as teenage pregnancies and to enhance their social and economic independence as adults, so as to remove dependency on men for their economic survival. To date, over 17,000 out of school children have been enrolled back into school.

I share this example with you to demonstrate that it is possible to tackle the challenges of access to education and retention. It also lends to another critical ingredient in the education of the girl



child, and by extension, her development as a valued contributor to economic and social transformation on the continent: that of her education and skilling as an adolescent.

<<Adolescents>>

As I mentioned at the outset, for us to achieve meaningful gains as a continent and reap benefits of female contributions to society, there needs to be sound foundations laid for her to thrive. And a critical layer to this foundation are the adolescent years. **Adolescence is a sensitive time of various life changes – physical, mental and emotional — that have a profound impact on lives of girls during these years, but also profound implications well into adulthood.** Adolescents often lack the necessary guidance from adult family members, teachers and medical professionals to both seek and access appropriate health services and support. Adolescent girls are particularly vulnerable—to predatory men, commodified sexual exchanges, slut shaming and bullying. It is a critical time where academic supports as well as health interventions are required to equip adolescents with access to relevant information and life-skills training to make informed decisions about their bodies, their sexuality and their reproductive rights.

It is estimated, that an investment of \$22.6 per capita in adolescent health each year will generate economic benefits of about 12 times the costs by 2030, even before considering the broader health and social benefits of such interventions^{xviii}. We know very well the startling statistics that the majority of HIV positive young women ages 15 to 24 in the world live in sub-



Saharan Africa, and girls aged 15 to 19 are five times more likely to be infected with HIV than boys. It is therefore critical that adolescent girls are better educated, better informed and better protected against life risk^{xix}.

*In Figure 2, the distribution of new HIV infections between women aged 15 to 19 years, 20 to 24 years and 25 to 29 years varies between countries. In most countries, the number of new HIV infections is highest among young adult women aged 20 to 24 years. **In Kenya, South Africa and Swaziland, a large number of new HIV infections also are estimated to occur among adolescent girls aged 15 to 19 years**, while in other countries (such as Nigeria, Uganda and Zimbabwe), larger numbers of new infections are estimated to happen among women aged 25–29 years^{xx}.*

As alarming as they are, what the conventional statistics are not showing, and what is incredibly disturbing, is that those working at the grassroots level are finding that girls aged 10-14 in what we term the “window of hope” are starting their sexual debuts earlier and earlier, and sexually transmitted infection rates in that group are climbing.

These data points tell us why it is so critical to design, finance and implement initiatives that improve secondary school enrolment and quality of education which are central to health, wellbeing, and human capital, and have long-lasting benefits on health and welfare over the life-course. Programming incorporating life skills education and aimed at ensuring girls enrol and finish their studies—up to at least the secondary level are critically important.



I applaud the Government of Ghana who increased its budget to \$1.9 billion for all levels of education in 2018, an increase of more than two-fifths since 2016, and just recently announced it is raising \$500M in loans to ensure free secondary education in public schools.^{xxi} They are proof that it is possible to implement creative financing schemes to fund education—and I urge the Bank to take bolder initiatives and follow suit.

The more investments are made in education, the more equipped adolescents are to engage in health-seeking behaviours. Studies have shown that girls who complete their secondary education are less likely to fall prey to child marriage or experience early pregnancies. They are better equipped to make more informed choices around:

- Their professional careers
- Their marital lives regarding when, and to whom, to get married
- How many children they will have, if any, and
- When they want to have these children.

Adolescent health and well-being are not driven by only one sector. It is underpinned by collaboration between health, education, water and sanitation, empowerment and social justice to name a few. Partnerships between civil society, governments and private sector are needed to holistically address the unique needs of adolescents and ensure they are given a solid foundation to be healthy, engaged citizens. We need a synergised multi-sectoral action—and



those of us convened in this room have the power to make a difference. We can do more together than we can do alone as singular sector programs are too small and limited to address the scope of need. And the scope is large indeed!

<<Demographic Dividend>>

The continent has the fastest growing population in the world. The stark reality of this demographic trend is that now, more than ever, it is of critical importance to invest in children and adolescents today to create a more prosperous and stable tomorrow for all. The rapidly increasing youth population in Africa is predicted to reach 750 million by 2030, and one billion by 2050^{xxii}. The African Report on Child Wellbeing 2018 reveals a deeply worrying lack of progress on children's nutrition, education, gender discrimination, law reform and budgets. I encourage the African Development Bank, government officials, private sector, and concerned citizens alike here today to take a look at this report's Child-Friendliness Index, which ranks 52 African governments according to progress towards realizing the rights and wellbeing of children, and shows some African governments are meeting their obligations-- but many do not.

We are all aware of the fact that we have moved into the 4th industrial revolution and unlike massive societal, political and economic shifts in the past, we cannot allow ourselves to leave women behind as we are catapulted into the tech age of the 21st Century. As we enter the 4th industrial revolution the unfortunate reality for many living in rural Africa is that they have not



even experienced the first, second, or third revolutions that the world has undergone. Africa cannot expect to jump straight into the 4th industrial revolution when it still has a backlog of the majority of its people still lacking in basics like food and nutrition, running water and electricity—fundamentals that previous revolutions have provided to the rest of humanity. This means that only a minority of Africans will experience the full benefit of this 4th industrial revolution.

In the face of all the development challenges that confronted us as a continent, technology has provided us with a second chance to play a bit of catch up and ensuring that women are not only seating at the table but more importantly are at the frontline of the development agenda. It is imperative that we are equipping young girls and adolescents with the appropriate skills to bridge the digital divide, compete for jobs, and contribute to a tech driven economy.

Mentoring girls and women in Science, Technology, Engineering and Mathematics, known as the “STEM” fields is, no doubt, one of the most central pillars for an equitable, sustainable future for Africa. The global ratio of male and female professionals in STEM careers is currently heavily in favor of men. Data released by the UNESCO Institute for Statistics puts the number of women around the world pursuing a career in science and technology at 28%. The data further reveals that only 30% of STEM professionals in Sub-Saharan Africa are women^{xxiii}.

According to UNESCO statistics, in Africa, the country with the lowest percentage of female scientists is Guinea at 5.8%, and only Lesotho and Cape Verde have over 50% female



researchers^{xxiv}. STEM-related programs and initiatives stand to play a huge role in helping sub-Saharan Africa achieve its Sustainable Development Goals of creating employment for 2.5 million new engineers and technicians^{xxv}.

We need to get creative around how we educate and equip our youngest generation today to set them up for success. Please take the time and think: how within the institutions represented here today can you ensure that we are adequately equipping young women in your underrepresented industries and taking steps to ensure better female representation around your own decision-making tables?

The African Leadership University, for example, is an innovative model of higher education that is preparing the African continent's leaders of today and tomorrow. They employ a unique pedagogy incorporating both online and in-person learning and curricula relevant to the 21st Century market to empower leaders that will be prominent in global and national organizations as well as at the grassroots. Theirs is a low-cost model to higher education which we would be well served to see how we can replicate and scale continent wide.

There is evidence of how powerful the tool of education is in empowering women to hold leaders to account and becoming leaders in their own right. In Rwanda, for example, where female literacy rates actually surpass that of their male counterparts, we have seen women dominate in the nation's governing structures. In fact, just this month, this small East African nation broke its



own world record and now has 68% of its parliament comprised of women! In a fantastic example of a society's ability to regenerate and reconstitute itself and reap the benefits of concerted efforts in education. Rwandese women are claiming their right to sit where the decisions are made and shaping the policies, plans and strategies for their futures and those of generations to come. There can be no question that a woman who has received a solid foundation as a child and adolescent, is far better equipped to make a meaningful contribution to the world as an adult.

<<Reimagining Social Dynamics>>

Issues of inheritance rights and access to land ownership by women are crucial especially when you consider the fact that Africa is home to the largest percentage of arable land in the world. However, this may not be the case for much longer as climate change comes with never-before-experienced impacts and challenges.

For example, crop yields and growing seasons will decrease even as changing rain patterns will worsen people's access to water. Hunger already affects about 240 million Africans daily. Recent estimates indicate that by 2050, even a change of approximately 1.2 to 1.9 degrees Celsius will have increased the number of the continent's undernourished from 25% to 95%. Decreasing crop yields and increasing population will put additional pressure on an already fragile food production system. If the current situation persists, Africa will be fulfilling only 13% of its food needs by 2050. This situation will further threaten about 65% of African workers who depend on



agriculture for their livelihoods including children and the elderly, who are particularly vulnerable to food insecurity^{xxvi}. We know this fate is upon us—what innovative development finance instruments and climate smart policies are we putting in place now to avert this impending crisis?

The ever-growing youth population coupled with the strenuous effects of climate change will mean that Africa needs to be innovative in how we plan for our future. Moreover, we need to rid ourselves of the traditional, social and legislative shackles which limit women from exercising their right to land ownership. The issues of inheritance and rights are also made that much more important when we consider that a large percentage of Africa's employment comes from the agricultural sector. Land in Africa is mostly worked by women, but owned by men. Moreover, where women hold land, their plots are generally smaller, of an inferior quality, and with less secure rights than those held by men.

As a continent we need to move from talk to action! There have been lengthy discussions on the importance of having women at the centre of economic development, however, there has been timid action taken to:

- ensure women are influential actors in the agriculture sector,
- equipped with the support to upscale their SMEs as entrepreneurs, and
- valued for their contributions to the informal economy.



This lack of movement illustrates weak commitment to truly have women at the core of the development agenda. It is utterly difficult to comprehend that we have not grasped the fact that we place a stranglehold on our own growth by limiting the potential of half our population. Our agriculture sector is one obvious industry where we would be well advised to capitalize on the vital role women play.

<<Agribusiness>>

It is time to reinvent our agriculture systems. Clearly, they are not working—definitely not serving the interests of its main actors: women. And not meeting the needs of our citizenry as a whole. It is embarrassing that as a continent with such rich natural resources, we are importing food and grappling daily with food insecurity. Our people are malnourished when we have all the indigenous seeds and livestock, as well as the traditional know-how to keep us healthy and thriving. It is an affront to our dignity as Africans not to be able to feed ourselves and to have to beg for food and be at the whim of Western governments, donor agencies and foreign companies for our very existence. As a main development institution on the continent, the African Development Bank is well placed to lead the charge in this effort and rally both the private sector and governments to be more innovative within the agriculture industry.

Truly, President Adesina was correct in questioning the rationale behind Africa importing \$35 billion in food annually. I am encouraged by the commitment of \$24 billion made by the Bank



towards agriculture in the next 10 years. However, as the Bank prioritizes Africa's transition from the food import chain to self-sufficiency in food production, it needs to be it has to be innovative with how it will transform the role of women within the sector.

Women are the backbone of the rural economy, especially on the continent. Yet, they receive only a fraction of the land, credit, inputs such as improved seeds and fertilizers, agricultural training and information compared to men.

Data from the UN's FAO "The Female Face of Farming" cite overwhelming evidence that empowering and investing in rural women has been shown to significantly increase productivity, reduce hunger and malnutrition and improve rural livelihoods. And not only for women, but for everyone. Women farmers globally typically achieve yields that are 20-30% lower than men. However, the vast majority of studies suggest that women are just as efficient as men, and would achieve the same yields if they had equal access to productive resources and services. Bridging this gender yield gap will boost food and nutrition security globally. Given equal access to resources as men, women would achieve the same yield levels. Thus, boosting total agricultural output in developing countries by 25 – 4%. The additional yield could reduce the number of undernourished people in the world by 100 – 105 million or 12 – 17%^{xxvii}



Because women are such central players in the food chain and key to agricultural output on the continent, it is imperative that institutions focus on innovative ways to advance women's contributions in this sector. For example:

- Women need to be in the forefront of agricultural industrialization as the large majority of agricultural work is performed by them.
- Many women on the continent are still using a farming hoe, even when there is new, tech-savvy farming equipment easing the physical burden of farming in other parts of the world. It is time we make this equipment accessible for use here on the continent!
- Targets need to be put in place to ensure that African are focused and determined in the task of developing better farming technologies.
- The value of indigenous seeds and cultivation of nutrient-rich crops need to increase.
- The securing of land and land rights for women need to have a set time period in which they will be realized.

We can do it!

I share with you a modest way in which The Graça Machel Trust empowers women in the agricultural sector through our African Women in Agribusiness Network. This network is operational in 8 African countries and addresses issues of food security and aims to propel women's agricultural activities beyond subsistence farming into viable businesses that



participate equitably in the agricultural value chain. One of the projects the network focuses on is the Food Basket Project.

The Food Basket Project offers an innovative, sustainable and home-grown solution to resolve a number of agribusiness challenges, particularly addressing the increasing need for **seed** in the continent. The project has been specifically designed to raise the productivity levels of women smallholder farmers using climate-smart agricultural techniques. It strategically focuses on seed production with 20 small-seed women owned companies driving this initiative, and legume value chains to ultimately improve nutrition outcomes and household food security in countries where it operates. A fundamental aim of this program is to have a multiplier effect take hold and advance women in the sector. For example, these 20 female seed company owners will initially invest in 2,000 smallholder female farmers. This intentional investment in women across the agriculture supply chain will accelerate the empowerment of women within the industry. The program is currently being rolled out in Malawi and Zambia, with plans to expand next year to Mozambique, Tanzania and Zimbabwe.

<<Empowering Women in the Labor Force>>

The increased integration of women in the formal economy has a knock-on effect which elevates the status of women and her perceived value in society at large. The ability to be in the driving seat and at the helm of decision-making processes shifts patriarchal power dynamics. A quick scan of societies with high percentages of female participation in the economy reveals that the



more influence women hold in the workplace and the more authority their voices hold, the more esteem and respect women tend to be given as a collective outside of the boardroom as well. This clearly indicates that women must assume decision making roles, and equally as important, remunerated at the same levels as their male counterparts. When women's contributions are recognized and valued from an economic perspective, a profound social shift and elevation of their status often transpires as a result. This transformation is what is sorely needed on this continent.

There is a growing body of evidence which demonstrates that when women do not reach their economic potential, the economies of their countries are stunted. A recent McKinsey Global Institute report found that \$12 trillion could be added to global GDP by 2025 by advancing women's equality^{xxviii}. The numbers here do not lie: without women participating in the formal economy, our economies do not grow to the extent they could or need to grow. There are untold benefits for our continent should we really begin to seriously invest in our female workers and women entrepreneurs.

Empowering and educating women is a critical driver to social and economic development on the continent. There is untold benefit for employers to bringing on more women as a part of their workforce. Studies have shown greater access to education and participation by women in male-dominated occupations in Africa could increase worker productivity by up to 25%^{xxix}.



Additionally, a number of studies on teamwork and business strategy reflect that diversity in gender, race, and age of staff result in better decision-making processes and better outcomes. Women have a unique way of humanizing the cold dynamics of business, and in addition to their core competencies, often bring much-needed “soft skills”, emotional intelligence and empathy to the workplace. It simply makes good business sense to employ women at all levels of the organizational structure.

Women who are vibrantly engaged in the formal economy not only positively impact the financial situation and well-being of their families, but make better use of reproductive health and family planning information and services in achieving their desired family size and tend to have smaller, healthier families.

I am in a room full of number-crunchers and economists so I give you statistics for your benefit! Numerous studies have now shown that over the next decade, the global incomes of women will grow from US\$13 trillion to US\$18 trillion which is more than twice the GDP growth of China and India combined. McKinsey’s “Power of Parity Study” also confirmed that women’s economic contribution to global is around 37% GDP with African women contributing 39% to GDP which is slightly above the average^{xxx}. These figures strongly suggest that in every corner of the world, when women are players in the economy, their families and their livelihoods are better off. This is encouraging, and we need more data points such as these, particularly for Africa.



<<Enhancing Female Entrepreneurship>>

The economic development of the continent hinges on the sustained participation of women in socio-economic activity at all levels and across all sectors. As such, accelerating the economic advancement of women is an urgent imperative. And strengthening the existing participation of businesswomen in the business sector is a non-negotiable. Moreover, we must create an economic environment which will drastically up scale, foster and encourage the growth of female entrepreneurs on the continent.

While we intuitively know how important it is for women to be active contributors to the economy, **there is very little empirical evidence quantifying contributions of women in the African economy and a dearth of reliable demographic data as well.** We have a severe knowledge gap when it comes to reliable data sets providing information on female entrepreneurship geographically and sectoral. I challenge the Bank's researchers, in partnership with ECA, with your continent wide reach to develop a process in which we are well equipped with information to inform strategies that will promote the growth of female entrepreneurs and the ecosystem in which they operate. Apply your minds and resources to find answers to critical questions we desperately need answers to, like:

- Which regions of the continent have the most enabling environment for female entrepreneurs and what key ingredients to this success can we share across our borders?



- What specific challenges are women facing in sectors where they are underrepresented and why?
- Where are women making significant contributions and how can we better quantify this output?
- And where are they remaining marginalized and why?

Armed with reliable data and thoughtful analysis, we will be better informed to answer questions such as these and create strategies to increase the power and presence of women, support them more appropriately, and benefit as a continent from their vibrancy.

I would like to share a few findings from a small research study that my Trust completed last year entitled “A Study to Explore Growth Barriers Faced by Female Entrepreneurs in East Africa”. Over 660 female entrepreneurs were surveyed across Tanzania, Kenya, Rwanda and Uganda.

The aim of the study was to bridge a bit of the data gap I mentioned earlier and reveal the growth barriers faced by East African female entrepreneurs that hinder them growing from micro and small enterprises to medium and large sized businesses, and to inform interventions which will unleash their potential. The data gathered from this study has helped to inform our own program at the Trust, “The Women Creating Wealth Entrepreneurship Development Programme”. This program is aimed at building a powerful cadre of African women entrepreneurs. As of today, 300



women in Malawi, Zambia and Tanzania have been provided with mentorship and coaching, and equipped with the skills, resources and tools to help them grow their business.

Women in Africa encounter numerous challenges in trying to start a business, but have among the world's highest rates of female entrepreneurship. A recent global study by Mastercard showed Ugandan entrepreneurs to have the highest number of women entrepreneurs at 34.8 % despite receiving lower scores on index indicators such as women's advancement in leadership, knowledge assets, financial access and supporting entrepreneurial conditions^{xxxii}.

Access to economic opportunities and financing are major constraints. With 70% of African women excluded from formal financial markets, there is little available research on the benefits of female financial inclusion to encourage more financial institutions to extend SME finance to women^{xxxii}. Having realised this, the Graça Machel Trust through our "New Faces, New Voices" network which is present in 17 countries advocates for increasing women's access to finance and financial services with the aim of advancing the inclusion of women in the formal financial system.

Through our network we have come to learn of how financial institutions do not treat and service women as an individual client segment with unique and different interests as compared to men. There are limited options for businesses seeking financing larger than microfinance loans, but smaller than commercial bank small business loans or typical equity investments. This gap applies



to small and growing businesses led by men and women; however, women face particular challenges in accessing financing of this size for reasons related to culture, collateral and capacity.

To obtain financing, many women have resorted to utilizing their own funding mechanisms. They have organized themselves into informal groups or savings clubs and loan money to one another. They are also heavily reliant on their own network of family and friends. Whilst this has kept their businesses running, it affects their ability to grow and scale. Women entrepreneurs often finance their expansion using their own resources despite nearly 70% admitting that their current mode of financing is inadequate to meet their growth needs. The decision to self-finance is based on a belief that they do not have the requirements to access funding from traditional financial institutions. As a result, 62% have never applied for a bank loan^{xxxiii}. For you lending institutions in the room—what a missed opportunity this is!

The two biggest financial constraints that hamper female entrepreneurs when it comes to accessing finance are collateral requirements and prohibitive interest rates. Even when women have title deeds, collateral amounts required are often twice or three times the size of the loan amount. A re-engineering of our financial systems is needed to ensure products and services are more responsive and relevant to the needs of the female entrepreneur. I urge the AfDB and other institutions in the room to be forward-thinking enough to turn these barriers into opportunities, and support and capitalize on the potential of the female entrepreneur.



On the demand side, women entrepreneurs cited limitations such as fluctuating cash flows, unsatisfactory financial records and audited financials for their business, and inadequate paperwork such as incomplete business plans to access finance. 67% do not have a board of directors or advisors and a similar number do not have a business industry mentor for guidance. 54% of entrepreneurs advise themselves on their finances and a third of women entrepreneurs have not participated in any training for their business. More than half consider the current information they have to run their business as inadequate^{xxxiv}.

Mentorship, coaching and training is required. These findings demonstrate that unless a different approach is followed, women entrepreneurs will continue to run small businesses that do not fully reach their growth potential. They will continue to be viewed as risky and unviable investment targets for financial institutions. The good news here is that we can leverage our personal resources of time and expertise to help bridge this gap. I encourage us all here today to make a personal commitment:

- Mentor woman entrepreneurs,
- Sit on and meaningfully contribute to the board of women-owned companies,
- Invest in companies whose products and services benefit women and girl children,
- Bring in female-owned businesses into your supply chain, and
- Offer career development trainings for your female employees.



These are just a few practical ways that we can each do our part to meet this collective challenge.

<<Gender Lens Investing in Africa >>

The findings and insights of numerous landscape analyses done across the continent, make it incumbent upon us to think more creatively around how we unlock the potential of the female entrepreneur. My belief is that there is a need apply a more rigorous gender-lens investing approach in Africa.

Gender-lens investing can be a powerful lever in the use of finance as a tool for social and economic transformation, as it requires investments which are mindful of tangible benefits for women. Whether it is investing in women-owned businesses, supporting businesses with a strong track record of employing women, or meaningfully engaging with companies that improve the lives of women and girls with their products and services, gender -lens investing has multifaceted entry points to advancing women in the formal and informal economy. It gives an opportunity to deploy capital meaningfully in the search of better outcomes for women and girls.

In this spirit, over the past 2 years, the Graca Machel Trust has been laying the groundwork for what we hope will be a transformative initiative—a woman’s focused investment fund. Our investment vehicle meets a gaping hole in the financial services sector as it relates to female



entrepreneurship. It is unique in that it is for women and by women: women owned, women managed, and women focused. It seeks to reshape the narrative of Africa as a role model that is successful in business, an equal opportunity employer, an impact investor, a solution innovator capable of designing products and services targeted at the female segment, and a knowledge sharer through peer mentoring networks. We intend the fund to be at least \$50 million across sectors where we can identify an investable pipeline and welcome partnerships with financial institutions to help bring this vision to reality.

By adopting a gender-focused, socially conscious approach to hard economics, we all can:

- **Generate more innovation in the financial sector** that can create more customized solutions for the un-served and under-served marginalized segments and create a new breed of finance professionals to counter the traditional private equity model which has had limited success in fuelling the growth of African and women-owned SMEs.
- Through targeted gender lens investments, we can help **businesses increase in size** and **shift reductive narratives** about women owned enterprises. Larger, profitable businesses founded, owned and managed by female entrepreneurs engaging in regional and or international trade will contribute to changing the perception that women businesses are small and only for subsistence purposes.



- Investing in women owned SMEs **supports job creation** on the continent. Estimates state that African small and medium enterprises provide jobs to close to 80% of the workforce and they contribute 20% to the gross domestic product^{xxxv}.
- Gender-lens investing **accelerates financial inclusion** and translates into an increased number of businesses qualifying for traditional forms of capital available: moving up from being the under financed missing middle into successfully obtaining debt and equity capital from external capital providers and co investors.
- We can grow a new generation of women leaders in enterprises that cater to and provide an organization culture that nurtures success and raises successful role models for the next generation of entrepreneurs to emulate. This approach to gender sensitive investing enables **higher gender parity** by focusing on entities that are biased on women as a market segment, have equitable supplier practices with diverse and inclusive ownership, governance and management structures.

Finally, an increase in meaningful female employment and entrepreneurial skill translates into improved livelihoods for themselves, their families and their communities.

As I close, I leave one final challenge to us here not ignore the informal sector or discount its micro-entrepreneurs. Women in particular are the backbone of the informal sector—street



vendors, shopkeepers, domestic workers, waste collectors, and home care givers. The sector is a massive employer accounting for approximately 72% of total employment in sub-Saharan Africa. Strangely, those in the informal sector are seemingly invisible to macroeconomic forces and formal indicators. Their economic vibrancy is left out of GNP or GDP calculations rendering their contributions officially unquantified, but their economic outputs are invaluable nonetheless. The International Labour Organisation estimates that the average size of the informal economy as a percentage of gross domestic product in sub-Saharan Africa is 41%.^{xxxvi} This ranges from under 30% in South Africa to 60% in Nigeria, Tanzania and Zimbabwe^{xxxvii}. We must find more creative ways to support this enormous economic engine. The informal sector provides stability for our families together and communities afloat and its contributions should be more optimally leveraged.

<<Conclusion>>

In conclusion, as you have heard this afternoon, I am here to demand a fundamental shift in the way in which the private sector and governments engage with gender issues! Matters of gender equity and human development must go beyond mere tokenism. If we are to lift ourselves out of the cycles of

- disenfranchisement
- marginalization and
- underperformance,



then women need to be at the center of development efforts with their potential fully leveraged, particularly in the sectors which I highlighted earlier.

One of the most powerful weapons in our arsenal of transforming this continent is that of

- nourishing and educating the girl child,
- equipping her as an empowered adolescent,
- supporting her as a productive adult in an environment which maximizes her success, and indeed the prosperity of the entire continent.

We cannot continue in a “business as usual” manner. When it comes to development, women must be included, valued and prioritized! It is crucial that the African Development Bank takes the lead in this effort, as you have the power to influence:

- Heads of State,
- Prime Ministers,
- Government ministries,
- Captains of industry and,
- Private sector players.

Without significant investment to accelerate the advancement of girls and women, we cannot speak of any meaningful development. The Bank needs to consider this when brokering partnerships and funding programmes. If we fail to do this now, we shall never see the day



when Africa achieves the development that it has so desperately been seeking, but most importantly, the prosperity that its people deserve!

I thank you!



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