



Ghana Microfinance Institutions Network (GHAMFIN) and CapPlus

FIRST + Gender Finance Workshop

on the Theme:

"Gender Finance is a Win-Win-Win"

Remarks

By

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Mensvic Hotel, Accra

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Officials of CapitalPlus Exchange (CapPlus)

Mr. Yaw Gyamfi, Executive Director, Ghana Microfinance Institutions Network (GHAMFIN)

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Chief Executive Officers and Key Management Staff of Banks, Specialised Deposit-Taking Institutions (SDIs), Non-bank Financial Institutions (NBFIs), and Industry Associations

Colleagues from Bank of Ghana

Distinguished guests, Ladies and Gentlemen

1. Good morning. I bring you warm greetings from the leadership of the Bank of Ghana. It is indeed a great pleasure to join you for the FIRST+ gender finance workshop themed "**Gender Finance is a Win-Win-Win**".
2. Before I proceed, permit me to use this moment to thank the leadership of GHAMFIN and CapPlus for organising this important workshop.
3. I am particularly delighted this workshop starts off the First + initiative that will be working with a number of our commercial banks, NBFIs, and rural and community banks, to scale up finance for micro, small, and medium enterprises (MSMEs) with a special focus on increasing women entrepreneurs, with the help of strategic partners such as Mastercard Foundation. I also understand that OikoCredit will be making available funding of US\$20 million to support investment-ready financial institutions to scale up their services for women-owned MSMEs.
4. This is very welcome news indeed. Our MSMEs are the bedrock of our economy, and our women entrepreneurs own a majority of these businesses. Anecdotal data suggests that Ghana's MSME sector accounts for about 92 percent of all businesses and contributes about 70 percent of Ghana's GDP. Ghana's private sector is dominated by women entrepreneurs, second only to Uganda, according to the 2019 MasterCard Index of Women Entrepreneurs. We also know that about 44 percent of MSMEs in Ghana are female-owned. This therefore means that women-owned MSMEs in Ghana are contributing significantly to the growth and well-being of our economy, and have the potential to help grow our economy even more with the right kinds of support.
5. Access to finance for our MSMEs remains a perennial challenge and most surveys of our business environment surveys confirm this. Women-owned MSMEs face an even higher bar to accessing finance. As of 2017, the World Bank's Findex Report suggested

that there was an 8 percent gender gap in access to finance in Ghana, and an average of 9 percent for Africa and the rest of the developing world. Given that the adverse socio-economic impacts of the COVID-19 pandemic were felt disproportionately by women with many of their businesses barely surviving, it is only fair to imagine that the gender gap in access to finance may have widened even further.

6. The First + initiative is therefore timely and urgent, as part of efforts to help our economy recover from the pandemic and make it more resilient going forward.
7. As we deliberate on how to get this initiative off the ground and to make it a success, permit me to share a few quick thoughts with you:
 - A lot has been done already to increase financial access for MSMEs and to promote gender inclusive finance, although it appears a lot more is needed. There is the need to take stock of previous and ongoing initiatives to determine what has worked and what has not and why, so that this initiative is designed effectively.
 - As this initiative focuses on the supply-side of access to finance by aiming to empower financial institutions to provide more products and services for MSMEs in a gender inclusive manner, it is important to understand what the constraints have been for our financial institutions beyond the sources of funding available to them, and how this initiative can address those constraints fully.
 - In addition, we need to also think about what the demand-side constraints have been, so that we can somehow address them to promote effective take-up of gender-inclusive MSME-focused products and services. For example, what specific financial products and services do MSMEs (and women-owned MSMEs in particular) need that they do not currently have access to? What are the constraints that hinder them from accessing existing products and services? What else apart from financial services do they need to start, manage, and grow their businesses so that they can take advantage of the financial services and products that are or will become available to them?
 - Related to the above, is the need for clarity about what we seek to achieve through this initiative. For a start, we need to be clear about definitions – definitions of the MSME market, the initiative is hoping to target, where the gaps exist, and where the most impact could be made. Data availability will be key to target the interventions proposed under the initiative and to help measure impact from the initiative.

- Collaboration with ongoing initiatives aimed at promoting MSME and gender inclusive finance will also be key, to help embed this initiative into the landscape of our financial services industry and to make lasting impact.
 - Last but not least, the inactive should explore ways in which it could promote women's leadership in financial institutions to help foster the mind set of improving gender inclusive finance. A fair representation of women in the shareholding, Boards, and key management of financial institutions will go a long way to help understand the needs of women-owned MSMEs and promote well-designed products and services for their benefit.
8. On its part, Bank of Ghana will continue to help promote access to an inclusive financial system as by extension broad-based macroeconomic growth through its policy, regulatory, and supervisory tools. In particular, we continue to:
- Promote the safety and soundness of financial institutions we regulate so that they are better able to provide finance to economic actors on a sustainable basis. Weak financial institutions are not able to support the private sector through funding.
 - Monitor the implementation of Ghana's Sustainable Banking Principles – a set of seven ESG –related principles launched in November 2019 by the Bank of Ghana, Ghana Association of Banks, and the Environmental Protection Agency – which enjoins banks to among other things, promote financial inclusion and gender equity internally and in relation to their products and services to clients. Banks are currently reporting regularly to us on progress they are making in implementing these principles, and we expect that soon specialised deposit-taking institutions and non-bank financial institutions we regulate and supervise will follow suit.
 - Implement a new online reporting and analytics supervisory tool by which our regulated financial institutions submit their prudential returns to us on a monthly basis. This new online tool, requires reporting on a sex-disaggregated basis, and allows both reporting institutions and our supervision staff to understand not only aggregate numbers in terms of financial products and services but also the gender dynamics of the customer bases and product and service offerings of financial institutions. This should help address current data constraints and provide critical data for evidence-based design of financial services and products and for policy making, regulation, and supervision.
 - Enhance critical credit market infrastructure such as our credit bureaux-based credit reporting system and our collateral register to help to de-risk lending particularly to MSMEs and women-owned businesses.

- Ensure that our regulation of the payments space is supportive of innovation and inclusion by allowing fintechs and other payments system service providers to partner with banks and other licensed financial institutions to provide products and services that promote convenience, cost effectiveness, and inclusion.
9. I call on all stakeholders gathered here to get on board and see how best we can all work together to achieve the intended objectives of the First + initiative.

Thank you again for having me here, and I wish us all fruitful deliberations.

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