

Realizing the Potential of Women Entrepreneurs: the Global Banking Alliance for Women

The underserved women's market in access to finance is becoming a bigger focus of banking executives around the world. While the spotlight is currently on the role microfinance has played in lifting poor women out of poverty in countries like Bangladesh, where 2006 Nobel Peace Prize Winner Muhammad Yunus started Grameen Bank 30 years ago, women's access to SME financing is also gaining increasing attention.

In 2000, four banks which had been recognized by the Organization for Economic Cooperation and Development (OECD) as best practice banks in reaching the women's market in their countries, formed a consortium they named the [Global Banking Alliance for Women \(GBA\)](#). Members would collaborate on identifying and sharing global best practices in financial services delivery to women to accelerate the growth of women in business and women's wealth creation. All this would be done to also generate superior business outcomes for members. As of March 2005, IFC has been mandated to host the GBA Secretariat. Since then, the GBA has grown to include 15 members from Africa, the Middle East, Latin America, Australasia and North America.

The GBA held its fifth summit 6-10 November 2006 in Edinburgh, Scotland. And for the first time, banks from developing countries participated.

Cherie Booth QC, who opened the summit, said: "Women all over the world share a common struggle against inequality. We have a duty to help women less fortunate than ourselves whether at home or overseas." Ms Booth called on members of the alliance and other financial institutions to extend outreach to women not of duty but enlightened self-interest.

The International Finance Corporation has invested and continues to invest in a number of banks in developing countries to open credit lines specifically earmarked for women entrepreneurs. In Nigeria, for example, IFC collaborated with Access Bank, the 7th largest Nigerian bank to implement Access Bank's Gender Empowerment Program. [IFC's Gender Entrepreneurship Markets \(GEM\)](#) hosts the secretariat of the Global Banking Alliance for Women.

At this year's summit, Bank of Scotland, the conference's host, announced the launch of the United Kingdom's first equity fund for women entrepreneurs. The fund is called Trapezia and the Bank of Scotland is one of its investors. Rachel Kyte, IFC Director of Environment and Social Development, called on members of the alliance to replicate this model in their own countries.

Also at the summit, IFC presented the first research study on Access to Finance for women entrepreneurs in South Africa since apartheid. The study, entitled "Access to Finance for Women Entrepreneurs in South Africa: Challenges and Opportunities", was commissioned by the South Africa Department of Trade and Industry (dti) and undertaken by the GEM program. For the first time in South Africa, sex disaggregated data reveals that black women are the most entrepreneurial segment of the population, yet the least likely to be banked – currently only 38% of them are banked, compared to 96% of white women. The study also shatters the myth that women are less likely to repay their debts, revealing in fact the opposite. At the summit, in reaction to the study, Ms. Elizabeth Tabethe, South Africa's Deputy Minister for Trade, announced that 2007 would be the Year for Access to Finance for Women in South Africa.