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**EXECUTIVE COUNCIL**  
**Thirteenth Ordinary Session**  
**24 – 28 June 2008**  
**Sharm El-Sheikh, EGYPT**

**EX.CL/425 (XIII)**

**REPORT OF MALAWI CONTINENTAL CONFERENCE ON  
THE EMPOWERMENT OF AFRICAN WOMEN**

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**AU CONTINENTAL CONFERENCE ON  
ECONOMIC EMPOWERMENT OF AFRICAN  
WOMEN WITHIN THE CONTEXT OF INTEGRATION  
17-19 March 2008  
Lilongwe-Malawi**

**AU/CONF./EEAWCI/ (I) Rev.1**

**REPORT OF THE CONTINENTAL CONFERENCE  
ON THE ECONOMIC EMPOWERMENT  
OF AFRICAN WOMEN WITHIN  
THE CONTEXT OF INTEGRATION**

***ORGANISED BY***

***THE WOMEN, GENDER AND DEVELOPMENT DIRECTORATE***

***AND***

***THE GOVERNMENT OF THE REPUBLIC OF MALAWI***

## **INTRODUCTION**

The AU Assembly adopted Decision AU/Dec.134-164 (VIII), with regard to the implementation of Article 11 of the Solemn Declaration in Gender Equality in Africa (SDGEA), in January 2007. This Decision requested the Commission to urgently organize a Continental Conference on Economic Empowerment of African Women in order to articulate strategies to evaluate the economic status of African Women, including the establishment of the African Trust Fund for Women.

A Continental Conference on Economic Empowerment of African Women, was organized jointly by the AU Commission and the Malawi Government, in Lilongwe, Malawi, on 17-19 March 2008. It was attended by about 120 participants, representing 25 member states, with participants to the Conference drawn from experts in the relevant ministries on Women Affairs, Economic Affairs and Finance in AU Member States, the civil society organizations, academics and the private sector.

The objectives of this conference were:

1. To revisit the status of implementation of action plans at global and continental on the empowerment of African women.
2. To analyse the findings of the study on the creation of Trust Fund
3. To analyse the findings of the AU/NEPAD/ECA/Desk Study on participation of Women in the Economy
4. To propose mechanism for creation and operation of African Woman Trust Fund.
5. To examine critically challenges that the African Union may confront in implementing decision no Assembly/AU/Dec.134-164 (VIII).
6. To share experience and lessons learnt from Presentation on existing Trust Funds for Women in Africa.
7. To explore the Role of ICT in increasing access to financial resources
8. Explore and propose a Roll out framework and Road Map for the establishment of the African Trust Fund for Women

The outcome of the Conference was geared towards identifying key processes, mechanisms and structures necessary for the establishment of the AU Trust Fund for Women and as well developing draft Road map for its operationalization.

### **Session 1: Minutes of the Opening Session**

The conference kick started with introductory remarks and progress, which preceded a colourful opening ceremony. The opening ceremony was attended by 3 Ministers from the host country including the Minister of Foreign Affairs, Women, Tourism, Deputy Minister, Parliamentary, Ambassadors, Diplomats, National representatives of NGOs and the CSO. The AU South Africa Regional Office in Malawi made welcoming remark and invited guest to address the ceremony in his opening remarks the AU S

Opening ceremony started by thanking the organizers and the African ambassadors and drew the attention of the meeting to the importance of the theme of the conference, which is empowerment of the African women.

The representative of Economic Commission for Africa (ECA) conveyed greetings and blessing of the General Secretary of the ECA to the conference and shed light on the cooperation between the AU&ECA. She also outlined the role of the Gender Directorate at the AU in promoting the empowerment of Women in Africa in their various activities and programmes. The ECA Rep briefed the conference on the repositioning of the Women Economic empowerment programmes at the ECA with other partners and supported the ongoing plan of the AU with regard to protection of women's right, poverty reduction and also emphasized on gender statistics as a very important element for better development as well as planning. Also she recalled Beijing Conference and its outcomes.

In her presentation the AU Gender Director also conveyed the greeting of the AUC Chairperson to the conference, then went on to thank the organizers and the government of Malawi for hosting the conference, also thanking the ECA and the Economic Affairs Department for their support. She further went on to recognise increasing number of women entrepreneurs and how it reflects women's contribution to the development process. She also briefed the conference on the challenges that exist and served that these vary due to the variety of government policies that exist and due to lack of funds etc. She concluded her speech by highlighting the mandate of the conference and how the conference will come up with a road map and concrete recommendations on especially on the trust fund.

In her speech, the Minister of foreign Affairs of Malawi started by thanking the AU for putting their trust in the Malawian people and government to organize this conference. She then started by marking how economic empowerment of women is very crucial and the necessity of involving women in decision making level and parliament as the first step towards achieving the MDGs. She also briefed the conference on how African women articulated themselves very well in order to achieve their goals and that women should be involved in the design level of the programmes targeting them especially local women.

The Gender Minister of Women Affairs and Children of Malawi started by welcoming and thanking the AU for honouring Malawi and giving it the opportunity to host and organize the meeting. The minister emphasized that empowerment of women directly impact on the socio-economic development process. She also mentioned that there is a universal recognition for mainstreaming women's role in development and observed that a lot of action is needed to actively implement the recommendation and platform of action of Beijing, AU flagship programmes and (MDGs 3,4,5,6). She then highlighted the protocol of the rights of women as an instrument advocating for women participations in the development process. Furthermore she shed light on creating the proper enabling environment in the formal sector particularly in the rural and other areas for gender mainstreaming and at the decision making level. The Minister briefed the conference on the situation in Malawi and how women were taking their role in the

government and parliament. She said that women constitutes more than 50% of the population of African and by strengthening the economic growth without women's empowerment, no sustainable growth can be achieved. Malawi is working towards that goal with SADC countries and the Trust Fund for African Women were very much appreciated and the outcome of this conference would establish solid rational for empowerment of women through the Trust Fund. She then wished the conference to come with a action oriented recommendation and call upon the AU to strengthen the network of women and concluded by the official opening of the conference.

## **Session 2: Presentations**

### ***Presentation on AUC-Women, Gender and Development Directorate Mandate, AU Gender Policy by Ms. Litha Musyimi Ogana, Director of WGDD***

The presenter commenced her presentation by saying that WGDD is a focal point that identifies women concerns, and by effective interventions, incorporate them into AU policies, programmes and activities at the level of the AU Commission, the other AU Organs, RECs and Member States. The WGDD encourages and assists AU Member States to implement policies aimed at achieving equality and equity between the sexes by ensuring men and women have equal access to the power structures that control society and determine development process, peace initiatives and adopt measures for the effective implementation of existing agreements, recommendations and decisions on issues affecting women from a gender perspective.

She mentioned that at AU level gender parity was concretized in 2000 by adopting the Constitutive Act of AU, by adopting in 2003 the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa, by adopting the Solemn Declaration on Gender Equality in Africa in 2004.

Talking about the structure of WGDD, the presenter informed the participants that WGDD has 3 divisions namely Gender Analysis and Monitoring Division, Women's Rights Division, Coordination and Outreach Division.

She mentioned that in last three and half years, the focus of the WGDD has been in the five areas namely: Putting the necessary institutional fabric in place, Building internal capacity to mainstream gender, Implementation of AU Head of States Solemn Declaration on Gender Equality in Africa; Building partnership and advocacy and Strengthening women voices in peace processes. The presenter informed the participants that WGDD undertook in 2006 the Gender Audit of the AU Commission's Departments. She added that WGDD is developing AU Gender Policy which will be adopted in July 2008 Summit. She mentioned also the effective participation/support of AUC at the 9<sup>th</sup> Congress of the Pan-African Women's Organization (PAWO) which was held in Johannesburg, South Africa in February 2008.

***Women's participation in the Economy: Desk Study by AU/NEPAD/ECA by Ms. Emelang of ECA***

In her presentation Ms. Emelang informed the meeting about the purpose of the study including to compile and review existing data, to identify challenges and opportunities, to identify change agents and portray actual and potential roles of different development actors.

Concerning the situational analysis the presenter mentioned that the study found that women are more economically active, women's business associations are critical, the global impact of women entrepreneurs is gaining intensity e.g. women produce more than 80 percent of the food for Sub-Saharan Africa. Talking about the challenges the presenter mentioned among others lack of experience, lack of business and market information, lack of access to markets, lack of business development and marketing strategies etc.

The presenter mentioned some positive beneficial trends like job creation and inclusion of women in the formal labour market with improvements in women's material status, improved social status, self-confidence, and awareness of rights, women's employment in the export processing zones (EPZ's) has likely engendered some concerted collective action by women in the EPZ's and increased gender awareness. As negative trends Ms. Emelang mentioned the increasing feminization of employment in export manufacturing and service sectors, low paying and poor benefits, low-skilled jobs which tend to be assigned to women workers with no real transfer of technology happening, deterioration in the status of women workers and danger of downward homogenization of labour conditions. (e.g. 65% of women in EPZ's in Namibia reported that their jobs involved a health risk. Works are exposed to chemical fumes, heat or cold and lack adequate protective equipment).

As recommendations, the presenter mentioned among others to enhance women's entrepreneurial skills through education and training opportunities, to re-assess loan procedures at credit lending institutions that take into account the needs of female entrepreneurs, to build the capacity of business women's organizations to increase their outreach and impact, create market links for and provide market intelligence to women, making visible unpaid reproductive economy, gender desegregation of structures and decisions etc.

***AU Policy on Economic Empowerment of Women and Integration, presented by Mannasseh, Senior officer, Economic Affairs Directorate***

Why Investments in Women's Economic Empowerment is Worthwhile?

- i. Vast body of research evidence spanning many development sectors supports this notion.
- ii. Examples of benefits to women range from their families, communities and at national level, as reflected in (capabilities, resources & security).
- iii. Labour market benefits to educated women (higher levels of education increase probability of formal paid employment).

- iv. Higher levels education increase gains from formal labour force participation more for women than for men.
- v. Women are more likely spend the income they control on food, education and health care for their families.
- vi. Improving women's economic opportunities is key to poverty reduction and economic growth.

#### Barriers to Economic Empowerment of Women

- Legal barriers based on traditions and religious beliefs – undermining labour force participation, property rights and rights to inheritance and access to productive assets (such as land and credit).
- Policy-induced barriers linked to gender imbalances in resource allocation (reflected in under-budgeting for women's programs in national budgets).
- Barriers arising from inadequate education attainment levels (limits their labour force participation in formal sector, where incomes are higher and regular).
- Time-related barriers linked to women's traditional roles.
- Inability to mainstream gender analysis into poverty reduction strategies and other policy frameworks.

#### Categories of Economic Empowerment Strategies

- Financial intervention – to enhance their access to productive assets and affordable credit.
- Enterprise development – through access to skills, business management training & improved production technologies.
- Enhanced market access for goods & services produced by women.
- Increased bargaining power to attain higher wages & better working conditions and employment opportunities.
- Training responsive to skill requirements in the economy.

#### Initiatives Spearheaded by AU for the Economic Empowerment of Women

- i. Provision of a legal framework for gender equality and women's empowerment.
- ii. Legal instruments anchored:
- iii. Constitutive Act of the Union;
- iv. African Charter on Human & People's Rights & on the Rights of Women in Africa;
- v. Protocol on the Rights of Women in Africa entered into force in July 2003, (calls for protection of rights of women in reproductive health, violence against women & elimination of all forms of harmful traditional practices);
- vi. African solemn Declaration on Gender Equality in Africa of 2004 (campaigns against violence on gender-based violence & Art. 11 of the Declaration proposes establishment of an African Trust Fund women for Women for purposes of building their productive capacity and enhancing access to economic resources.
- vii. African governments also through Beijing Platform of Action committed themselves to promoting an active, visible policy of gender mainstreaming in all their policies.

- viii. AU Gender Programme aims at ensuring that women and men have equal access to necessary to participate in development.
- ix. Approach taken is two-fold:
  - x. Women-targeted policies premised on fact that they are disadvantaged.
  - xi. Holistic approach encompassing gender-based development focused on mainstreaming women in policy frameworks.

#### Recommendations to Promote Gender Economic Empowerment

- i. Macroeconomic policy-making and implementation needs to take into account gender differential inputs and impacts.
- ii. Employment opportunities and income generating activities should take centre stage in women's economic empowerment programmes and PRSPs.
- iii. Access to education and needs-based training critical to an effective empowerment strategy.
- iv. Target support to support women entrepreneurs managing small and micro-enterprises to expand into the formal sector; creating investment funds for women & promotion of gender-sensitive legislation on women's economic empowerment.
- v. Develop clear legislative frameworks for protecting women regarding inheritance of land & land-based resources.
- vi. Tackle head-on deep-rooted cultural norms and practices underlying of discrimination of women and prolong at the community level.
- vii. Consolidate government capacity in gender budgeting and gender analysis of economic policies.
- viii. Develop policy frameworks that allow women to move away from the informal sector and to encourage them to join formal labour market.
- ix. Include gender perspectives into national budgetary processes.
- x. Increase financial services available to women through advocacy and concrete development programs.

#### Lessons Learned from the African Integration Process

- i. Political commitments have often not been translated into national policies and actions.
- ii. Overlapping memberships of RECs have worked against the objectives of integration.
- iii. African integration challenges are enormous owing to the fact that Africa has many borders and States than any other continent.
- iv. Africa has also one of the lowest levels of GDP, poorest quality of infrastructure and human and financial resources and lowest share of international trade (approx. 2%).
- v. Policy inconsistencies and poor macroeconomic errors remain problematic across Africa.
- vi. Visionary leadership and political will are important ingredients of successful integration efforts (e.g. European integration example). France and Germany represented by some key visionaries is a testimony to this.
- vii. Endemic conflicts and political instability remain a key obstacle.

Recommendations to Accelerate the African Integration Process

- i. Sustained political commitment and visionary leadership is an important ingredient of successful integration initiatives.
- ii. Need to put to an end wasteful duplication of multiple memberships through rationalization process.
- iii. Irrevocable commitment beyond rhetoric by member states critical.
- iv. Strengthening technical capacity for conducting informative cost-benefit analysis needs prioritization as well as sharing equitably costs and benefits associated with integration.
- v. Transparent & effective compensatory financing arrangements reduce the costs of adjustment.
- vi. Prudent macroeconomic policy implementation is critical.
- vii. Private sector and civil society involvement is critical.
- viii. Need for human, institutional capacity as well as physical infrastructure cannot be overemphasized.

***Presentation on Women in Trade, Industry and the Service Sectors by Ms. Soanirenela Tsilimbiza, Director of Trade and Industry***

In her presentation, Ms. Soanirenela mentioned a number of measures taken by the African Union to combat gender-based inequality, with special focus on the adoption of the Constitutive Act which enshrines the principle of gender equality and the Solemn Declaration on Gender Equality in Africa and the principle of parity. As an example, she indicated that currently in the AU, there are five male and five female Commissioners.

Referring to the impact of globalization on Africa's trade in relation to women, the presenter underscored the problems with which women have to contend especially capital constraints, international competition, dumping, lack of information, etc.

With regard to women and the services, Ms. Soanirenela mentioned services such as banking, insurance, transport-related services etc, as well as the constraints faced by women in these sectors.

On women and industry, the presenter recalled the AU Summit of January 2008 on the theme of industrialization and called upon UNIDO to extend assistance to women. She indicated as an example in this regard, that Togolese women received assistance from UNIDO for fish smoking. Concluding, Ms. Soanirenela recommended that strategies should be mapped out to enable women have easy access to funding facilities.

***Presentation on Women and Development in Agriculture: The need for an African Trust Fund, presented by Prof. R. Omotayo.Olaniyan - AU Regional Delegate to SADC***

In his presentation, Prof. R. Omotayo.Olaniyan said that in many developing countries, women are major contributors to food security. Rural women are the pillars in small-scale agriculture. In Africa, it is estimated that women account for between 30% to

80% of the agricultural labour depending on area and socio-economic class. He continued by giving an overview of policies in agriculture. He mentioned that the performance and contribution of women to the development of agriculture in Africa is still fraught with several obstacles and some of the obstacles derive from historical and cultural circumstances and some from the inadequacies of existing national and international policies to effectively mainstream women into agricultural production and marketing.

On issue concerning the credit, the presenter explained that the most important limitation on women's contribution to agricultural development is the lack of credit. Most of women, especially those in the rural areas do not have the money and lack access to formal loans. He added that several other difficulties confronting women in agricultural production are anchored to the paucity of credit.

Concerning the African Trust Fund for Women, Prof. Omotayo, said that the features of an African Trust Fund for women should, inter alia, embrace the following objectives:

- An important objective of the fund should be to provide adequate financial resources to women in rural areas of African countries to facilitate inputs into agricultural production.
- Provision of resources to facilitate marketing products both locally and internationally
- The fund must aim at empowering African women to enhance their contributions to agricultural and national development for the alleviation of poverty
- The fund should aim at the transforming small-scale women farming into large-scale mechanized farming for higher production in Africa.
- The fund should support women in research and development which is the basis for increased productivity

He concluded by saying that the agricultural sector remains the key sector for sustainable economic growth and development of many countries. Women are the major driving force in this sector, in production and marketing. He mentioned that the lack of rapid advanced in the agricultural sector of many African countries remains a major reason for the failure to ameliorate and eradicate poverty in the continent.

***AU Course on Gender and Economic Decision Making that mainstreams the Special Needs of Women and Men in Africa, presented by Dr Leila Ben Ali, Head, Gender Analysis and Monitoring Division, Women, Gender and Development Directorate.***

The Presenter started by providing a background on the course she went on to state that the African Union Commission (AUC) in concert with UN-IDEP, had organized its first Course in English on Economic Decision Making that mainstreams the Special Needs of Women and Men in Africa in November 2006, the first of its kind in the Continent. The second edition of the course was held in French in November 2007 (from 12 November to 5 December 2007).

African economic policies do not, in most cases, incorporate gender as a variable in macro-economic analysis and policy formulation. Economic policies such as trade liberalization as well as fiscal, monetary and exchange policies identify market-oriented employment and ignore the informal or non-structured sector comprising unpaid subsistence labor and the chores relating to the reproductive role of women in households. Similarly, those responsible for elaboration of economic and trade policies should focus not only on economic growth but also on other social and infrastructural needs of the various groups in the society.

While it is true that most economists are not sensitive to gender issues, it is equally true that gender experts have limited knowledge of economic sciences. It is therefore needful to establish a link and communication between economists and gender experts to enable them to share knowledge of economic and gender issues.

This training course is therefore intended to arm African political leaders, advocacy players and legislators with the conceptual analytical tools needed to understand gender in the context of economic and social development, and provide practical tools to mainstream gender into the poverty reduction process, as well as in political development framework and processes in the Continent. The course also aims at improving African trade negotiators' gender awareness.

### Objectives of the Course

The global objectives are to build the capacities of Africa's economic policy formulators, budget planners, development practitioners and gender policy advocacy players, to enable them design and implement gender sensitive economic policies and programmes.

The specific objectives include:

- \* Better understanding of gender concepts and improved theoretical and practical knowledge of the gender approach;
- \* Acquisition of knowledge and expertise in the formulation, implementation and appraisal of policies, programmes and budgets from gender perspective;
- \* Improved knowledge of international instruments aimed at achieving gender parity;
- \* Arming the participants with the knowledge and expertise to mainstream the gender perspective into national development policy dialogues and in international negotiations;

- \* Building participants' capacities to undertake research and surveys on gender issues at grassroots level;
- \* Afford participants from different countries the opportunity to share experience and facilities.

### Target Population

The Course targets development planners and practitioners, especially high and medium level professionals of the national public sector, African Union including NEPAD staff, the Regional Economic Communities (RECs), staff members of national, regional and international civil society organizations and researchers keen to upgrade their capacities to analyze and mainstream gender issues in economic development.

### Course Modules

These comprise five (5) modules most of which are modules on gender approach and economic policy in Africa.

- \* Module 1: Strengthening gender in development
- \* Module 2: Mainstreaming gender into macro-economic policies.
- \* Module 3: Introduction of the gender perspective in sector policies.
- \* Module 4: Mainstreaming gender into contemporary development systems.
- \* Module 5: Mainstreaming gender into existing macro-economic context.

### ***Economics of ICTs for Women Empowerment, presented by Essam M. Abulkhirat, Senior Officer, Human Resource, Science and Technology***

The presenter started by observing that life is very different for women and men in developing countries like the African countries, with women usually enjoying far fewer rights and resources. These inequalities limit women's abilities, opportunities, and achievements. But in today's knowledge-driven global economy, ICTs offers enormous potential for alleviating poverty and promoting sustainable, gender-equitable development.

### Gender Imbalances in the African Economy

Gender has not been central to the many efforts to establish and institutionalize free and pluralistic media in African societies today. For most African women, the exercise of the fundamental freedoms of expression and information is doubly constrained by patriarchal laws and practice, and by economic and political conflicts whose impact is also gendered. The failure to understand these rights from a gendered perspective compounds the situation, and also poses gender based difficulties.

### Challenges of Engendering ICT for Economic Empowerment

1. Affordability and Availability of ICT Infrastructure
  - o Access to telecommunications infrastructure
  - o Access to ICT
  - o Cost of access and lack of affordable solutions

- Lack of gender awareness in telecommunications and ICT policy
- 2. Legal, Social, cultural and economic factors
  - Legal and regulatory constraints
  - Language and content limitations
  - Education and skills
  - Addressing women in the informal sector
  - Privacy and security

#### Practical Strategies

- Providing community access to ICT
- Advocate for and develop government funded training programs
- Develop special interest content in local languages
- Gender-aware participatory technique to assess the ICT needs and demands of women

#### Recommendations Considering Gender Perspective

In general, there is a need to engender ICT promotion programmes. The inclusion of women and girls as equal partners in socio-economic development and empowerment programmes is very essential in overcoming gender imbalances. The question is how can women, and especially young women who have been marginalized, be mainstreamed into empowerment programmes to ensure that they are beneficiaries? Suggestions has been made by the presenter included among others; affirmative action approaches, develop gender-friendly appropriate, incorporate a women's unit into all development programmes and formulate a national ICT Policy responsive to gender concerns.

#### Conclusion

In general women can use such technology to:

- Obtain information that enhances their productive, reproductive, and community roles.
- Run businesses and work in the information technology industry.
- Secure resources for themselves, their families, their careers, and their communities.
- Have a voice in their lives, communities, and governments.

Gain the skills required for equal participation in the knowledge economy.

#### ***Development of Female Entrepreneurship in Africa: Role of the Stakeholders – presented by Mr Mandekor Djimadoum, Senior Economist, Economic Affairs Directorate***

In the drive to achieve gender parity and implement poverty reduction strategies, female entrepreneurship in Africa has become a vital focus of the global development programmes in most African countries as well as in the African Union. Apart from the States and the African Union, other economic and social players (association of female entrepreneurs, the private sector, the civil society, micro-finance and banking institutions, the Regional Economic Communities, regional and continental financial

institutions) and international institutions, have a role to play to attain this objective. To develop the substantial reserve of economic growth and sustainable development represented by women, the conditions for creation, management and development of economic activities should be eased and specific measures expeditiously adopted, particularly in the field of land ownership, training and access to credit and to markets. The creation of a development fund for female entrepreneurship is clearly an effective tool that deserves to be encouraged.

***The Establishment of a Trust Fund for African Women's Economic Empowerment: A Case Study of the African Women's Development Fund and Options for the African Union-Presented by Ms Bisi Adeleye-Fayemi, African Women's Development Fund***

The presenter commenced her presentation by saying that the creation of a Trust Fund for African Women's economic empowerment was one of the bold commitments made in the AU Solemn Declaration on Gender Equality in Africa adopted in 2004. She shared the experiences of the African Women's Development Fund (AWDF) as Africa-wide women's Fund and suggested ways in which the proposed AU Trust Fund can become a reality.

She highlighted the women's funds and their role in supporting women's movements. She said that women's funds could play a key role in promoting links and good will between governments, the private sector, NGOs and Community-base initiatives. These connections can add value to grant making.

Ms Bisi Adeleye presented the African Women's Development Fund. She said that it is the first Africa-wide Women's Fund in Africa. AWDF is not a women's NGO, it is a grant making foundation for women's NGOs and women's programs. The vision of AWDF is for African women to live in a world in which there is social justice, equality and respect for women's human rights. They mobilize financial resources to support initiatives for transformation led by African women at local, national and international levels. AWDF's objectives are to raise money and make grants for the support of non-profit African women's organizations working for social justice, equality and peace.

On issue concerning the creation of a trust fund for African Women's Economic Empowerment: option s for the African Union, the presenter pointed out that the proposal to establish a trust fund for African women should be seen as a significant opportunity to inject much needed resources into this critical area of concern. She indicated that the need for a Trust Fund is certainly not in doubt. The pertinent issues are the various options for the creation of such a Fund and the specific operationalisation mechanisms it will use to reach its various target groups. She mentioned several options open to the African Union in the pursuit of the goal of the establishing the Trust Fund:

- Establishment of the Trust Fund as a Programmatic Fund
- Establishment of the Trust Fund as both a Programmatic Fund and a Permanently Endowed Fund

- Establishment of the Trust Fund with a Permanently Endowed Fund
- Establishment of the Trust Fund as an Operational Fund

The presenter suggested that the AU consider option 2, so the trust Fund can support the following target groups with grants, loans and, technical assistance:

- AU Member States
- RECs
- African Women Entrepreneurs
- African Women's CSOs

Talking about the sustainability of the Trust Fund, the presenter pointed out that this Trust Fund has to be sustainable from day 1 and envisaged this Trust Fund as being supported by the following: Significant contributions from AU Member States, Contributions from the African Private Sector, contributions from African philanthropists, contributions from international donors, support from the African Diaspora, returns on the endowment fund.

As recommendation, the participants pointed out that a Trust Fund Working Group be established to begin the operationalization process.

***Presentation on NEPAD-Spanish Fund for Empowerment of Women in Africa, by Ms. Litha Musyimi Ogana, Director of WGDD***

The presenter commenced her presentation by giving a historical background of NEPAD-Spanish Fund for Empowerment of Women in Africa. She informed the meeting that the in 2005 Spanish Ministry of Foreign Affairs organized a biannual encounter of their Ambassadors in Africa. In 2005, the theme of the Encounter was "the Role of African in Development". During the meeting the representative of NEPAD, Ms Litha Musyimi-Ogana, made a presentation on Role of African Women in Development which was the basis for working relationship between the Spanish government and NEPAD Secretariat. This meeting gave birth to the Spanish African Women Economy. At the first encounter 5 themes were chosen including the Economic Empowerment. NEPAD and later secretariat developed a framework project for 10 Million Euro, which later gave birth to NEPAD Spanish fund and technical guidelines to operationalize the implementation of this project. This project was designed with an overall objective of empowering African women economically by providing inclusive funding mechanisms that reach women striving to empower themselves in the informal sector in both rural and urban areas as well as supporting interventions that can close the existing gender gaps as well as address gender inequality. It has three main thrusts which including working with RECs and AU Organs at the Regional level, working with Gender and Women machineries in government as well as NEPAS Country structures on the government side and with women networks and NGOs at the National level.

Ms Litha Musyimi Ogana mentioned that the governance of the project is on two levels namely political level (joint steering committee) and technical level (NEPAD Technical Team).

The presenter said that the Steering Committee is the highest political decision making forum involving the NEPAS secretariat and the Spanish Government. The Joint Steering Committee performs this function and is composed of High ranking and technical officials both at the NEPAD secretariat/African Union and from the Spanish Government.

It is the Steering Committee which has the overall powers at the political level to guide, decide and approve funds. At the technical level the NEPAD technical team provides technical back up for all funds disbursements.

She informed the meeting that the project was designed with an overall objective of empowering African women economically by providing inclusive funding mechanisms that reach women striving to empower themselves in the informal sector in both rural and urban areas as well as supporting interventions that can close the existing gender gaps as well as address gender inequality. It has three main thrusts which including working with RECs and AU Organs at the Regional level, working with Gender and Women agencies in government as well as NEPAS Country structures on the government side and with women networks and NGOs at the National level. The third thrust endeavours to reach women groups through working with African Women's Funds, women owned micro-credit and established women's regional networks at the regional and sub-regional and national levels. She added that the RECs will be the vehicle used to channel funds to women entrepreneurs at the Regional level and also for facilitation the establishment of the Business Incubators in each of the 5 regions of the continent. At the national level gender and women agencies in government and women's networks and NGOs have been identified as the vehicle to channel funds to women's groups, community cooperatives and women in the informal sector.

***Presentation on Regional practices regarding Women Economic Empowerment by Ms. Elisabeth Kakukurim, Program Officer at SADC***

The presenter started her presentation by saying that SADC comprises 14 members states of Angola, Botswana, DRC, Lesotho, Malawi, Mauritius, Madagascar, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. She mentioned that the SADC Secretariat's Gender Unit's role is to facilitate, coordinate and monitor the implementation of the Gender Programme in SADC with a focus on key areas of policy development and harmonization, capacity building and research, monitoring and evaluation. The SADC empowerment objectives have short term and long-term strategies that address the economic empowerment of women.

On long term objectives, Ms Elizabeth said that its a fact that the economic empowerment of women is multifaceted and not only an issue of funding but for women to be empowered economically, their socio-economic aspects of their lives need to be addressed in totality. Hence the SADC secretariat has facilitated the drafting of the draft protocol on gender and development, where member states are urged to develop and implement policies that are gender sensitive and women focussed in the areas of constitutional and legal rights, governance; education and training, productive resources

and employment, gender based violence, health ad HIV/Aids, peace building and conflict resolution, media, information and communication.

On short term strategies, she mentioned that strategies used for RECs secretariat investment was to implement activities on the establishment of a Women business incubators that would serve as capacity building centres for women entrepreneurs that would have women in Business participating in Trade Fairs in order to provide an opportunity for women to exhibit and showcase their product, share experiences and learn from each other on how to improve on the operations of their business.

***Promotion of Female Entrepreneurship through Access to Financing and Capacity Building : the Case of Senegal, presented by Ms Awa Paye Gueye***

The representative of Senegal stated that her country had defined a wide-ranging programme to combat poverty. In 2004, the Senegalese government established a National Fund for Promotion of Female Entrepreneurship (FNPEF) and released 20 billion CFA Francs towards the launch of the Fund which gives credit to women in need. The presenter further stated that the objective of the FNPEF was to facilitate the promotion of female entrepreneurship through training and building the capacities of potential or real enterprises by facilitating access to resources. The objective is to promote training, enhance the capacities of female entrepreneurs, backstop preparation of project documents, finance female entrepreneurs' projects and women who run projects and guarantee the loans contracted with savings and credit societies.

She pointed out that monitoring of credits is the responsibility of both the FNPEF and Micro Finance Institutions (MFI). This monitoring mechanism helps to verify the level of implementation of activities and the effective application of repayment measures in accordance with the mechanisms defined in conjunction with the micro-finance institutions. She added that the monitoring mechanisms facilitate speedy information circulation so that feedbacks could be received and corrective measures taken, if need be. The representative of Senegal informed participants that in 2007, over 2,000 jobs were created thanks to this Fund.

***Presentation on Economic Empowerment of Women by Prof. Ben Kaluwa, University of Malawi***

Prof. Ben Kaluwa started his presentation by saying that for Economic Empowerment of women, there is a need to integrate women's effort into economic activity and to protect market entitlements. He mentioned some constraints like the gender delineation of tasks and access to credit, which will not be adequate for women. He recommended that we have to do time saving, labour-saving and lower cost of credit.

He concluded his presentation by identifying major problems with Economic Empowerment Programmes for women:

- Host ministries need empowering
- Key inputs such as credit are implemented by independent stakeholder for whom gender may be incidental

- Labour saving is not usually given adequate attention.

***Women Development Fund of Tanzania, presented by Debora Nyakiranga***

In her presentation, the representative of Tanzania said that in Tanzania they have a Women Development Fund established during the financial year 1992/1993 by the Government of Tanzania and executed by the Ministry of Community Development Gender and Children.

She mentioned that the government injected about TZS 500 m. initial capital and promised the same every year and 10% contributions from local councils. She noted that the purpose of the fund is to provide loans and entrepreneurial training to women groups at the ground level through 121 local councils in the country. She informed the meeting about the endorsement of a Cabinet Paper for the establishment of a Women's Commercial Bank in March 2008.

***Micro Credit to the poorest people – a revolutionary tool against poverty : the Case of Benin***

Following the observation that there was lack of the minimum subvention for some of the needs of the people, a Fund was created in 2007 to meet these needs including the granting of micro credit. This Fund has had 30,000 beneficiaries for a total amount of 15 billion CFA Francs. The weakness of this product is mostly the problem of sustainability since it is the State that finances the Fund.

Alongside this Fund is another – the Fund for youth and women enterprises and employment - designed to assist young people to be self-employed by creating their own businesses. Young people could receive financing to the tune of 1 to 30 million CFA Francs, with one year grace period.

***Chad's Micro Credit Experience, presented by Dionadji Topinanty Brigitte***

The representative of Chad stated that women in the country had no access to the credit made available by the relevant institutions either because the interest rate is too high, or because the women are unaware of these institutions since most of the women are illiterate.

At the level of the Ministry of Social Action, National Solidarity and the Family, the UNFPA supported the project by establishing a credit fund for rural women's groups. 378 such groups have received credit since 2000. The unstable situation in Chad has destabilized credit recovery and even disrupted its activities. The social burden of women increases in times of war and they are unable to make ends meet to refund credit in time.

Chad's concerns are reflected particularly in its search for an African Union or international mechanism that can be created to help the women in war situation to access credit or repay and take fresh credit.

### ***Women's Access to Credit: Congolese Experience.***

According to the presenter from Congo access to credit remains one of the major constraints to the development of women's economic activities. This is because the Congolese banking system witnessed a huge crisis which was marked by the closure of the commercial bank and the national development bank of Congo, and the liquidity difficulties of those that survived. The great majority of women do not have easy access to the resources of the financial institutions. The reasons relate to absence of adequate policy, poor presentation of credit dossiers, excessive demand for personal input, high cost of credit, lack of information on credit and on the banking system and insufficient guarantees for loan repayment. To address these difficulties, some NGOs have gone into micro finance activities with government and UNDP support.

### **Session 3: Group Discussion**

Four working groups were constituted to consider the following issues:

- The various national funds for economic empowerment of women in Africa ;
- The mechanisms and strategies for operationalization of the trust funds for women in Africa ;
- Road map for establishment of a trust fund for women in Africa; and
- Role of ICTs in facilitating women's access to financial resources.

The conclusions of the working groups centered mainly on the need to finalize the study on creating a fund by November 2008, for submission to the policy organs of the African Union through the Conference of Gender Ministers. The mechanisms and strategies for operationalizing the Fund were also identified. The experts drew up a summary table of the existing national funds for economic empowerment women in Africa. They also identified the ways and means to facilitate women's access to ICTs.

### **Session 4: Comments and Recommendations**

In the ensuing debate after the presentation, the following points were raised:

- Need to build the capacities of African States to analyze and mainstream gender into their development policies;
- Need to uphold and guarantee the fundamental rights of women in all areas, especially in the economy thus enabling them to meaningfully contribute to the development process in their countries;
- It is recommended that a fund be created for development of female entrepreneurship;
- Resolution of the conflicts in Africa would make it possible to allocate the resources thus saved, to development, particularly in favor of women and integration of the Continent;
- African Union Commission should undertake efforts and advocacy measures for empowerment of women and eliminate all doubts over possible social impact of women's promotion;

- Economic and social development planning in Africa should mainstream gender perspectives throughout the process, from policy design, formulation to impact assessment stage;
- Access of women to markets poses the problem of control of international standards with respect to goods export and international competitiveness. To integrate this dimension, it is needful to enhance scientific and technical training for women;
- The instruments issued by African certification structures are rarely recognized outside the Continent, especially in Western markets;
- There is lack of awareness of regional trade rules in the various regions. It is therefore necessary to disseminate these rules amongst women;
- Enhancing the capacities of women offers them choices for management of their economic and social life;
- In view of the fact that most women have no access to information and are unaware of the markets, governments should create systems to enable women to access information;
- In view of the fact that most women especially in the rural areas are illiterate, it is needful to build women's capacities in the field of education. They should be assisted to tackle the problems of globalization.
- It is highly important to build uniformity into trade standards;
- Draw from NEPAD's experience to standardize and undertake advocacy measures to empower women;
- Carry out advocacy actions vis-à-vis our governments to build the economic capacities of women;
- Involve rural women in meetings;
- To reach a greater number of rural women, civil society organizations should be taken on board;
- Given the fact that women, especially rural women are very poor, they should be accorded donations, rather than credit, to enable them resolve their solvency problems;
- Measures should be put in place to reduce women's burdens to enable them address constraints of time and access ICTs;
- Rural women should be assisted in accessing information and dismantling existing barriers in this area;
- Advocacy actions should be undertaken vis-à-vis governments to facilitate women's access to land.

### **Session 5: Draft Declaration**

The Draft Declaration focuses on:

- The urgent need to establish and operationalize the Trust Fund for Women in Africa;
- Setting an experts' group to prepare an operational framework for the Trust for Women in the next ten years;
- Launching the Trust Fund for Women in Africa by July 2009.

## **Session 6: Minutes of the Closing Session**

### ***Closing statement by Ms. Litha Musyimi-Ogana***

On behalf of AUC Ms Litha Musyimi-Ogana, Director of Women, Gender and Development Directorate thanked the Government of Malawi for having hosted the Conference and their support. She further thanked everyone who, in one way or the other contributed to the success of the conference. She conveyed thanks to the Capital Hotel and the interpreters.

She concluded her closing statement by saying that the Women, Gender and Development Directorate would do its part in making sure that the African Fund for women becomes a reality.

### ***Closing Statement by Hon. Anna Andrew Namathanga Kachikho***

Hon. Anna Namathanga Kachikho, MP Minister of Women and Child Development of the Republic of Malawi thanked the AU Commission for the excellent work they did in organizing the conference which was a success and for choosing Malawi as a host country.

She mentioned that the topics discussed during the conference, in particular, the establishment of the Trust Fund for African Women were quite relevant. She added that poverty reduction and economic growth can not be realize if we continue to exclude women who are the majority of the poor. She called upon the African Union Commission, through the Gender Directorate to speed up the operationalization of this Fund and ensure that it will benefit the poor woman of Africa.

Hon. Anna Namathanga Kachikho once again thanked everyone who, in one way or the other contributed to the success of this very important conference.

**EX.CL/425(XIII)**  
**Annex I**

## **DECLARATION**

AFRICAN UNION  
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UNION AFRICAINE  
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**AU CONTINENTAL CONFERENCE ON  
ECONOMIC EMPOWERMENT OF AFRICAN  
WOMEN WITHIN THE CONTEXT OF INTEGRATION  
17-19 March 2008  
Lilongwe. Malawi**

**AU/CONF/EEAWCI/ Decl. I**

**DECLARATION**

## DECLARATION

**WE**, delegates responsible for Women/Gender Affairs attending the First African Union *Continental Conference on the Economic Empowerment of African Women* between 17-19 March 2008, at the Capital Hotel, Lilongwe in the Republic of Malawi;

**RECALLING** the commitments of the African Heads of State and Government on women, among others, the establishment of an African Women Trust Fund and call upon the AUC to ensure its operationalization (Assembly Decision AU/Dec.134-164 (VIII) of January 2007);

**RECOGNIZING** the important role of the African women reducing poverty levels and the attainment of the Millennium Development Goals (MDGs);

**COMMENDING**, in that regard, the efforts being made by the African Union Commission in close collaboration with the Republic of the Malawi in holding the First African Union Continental Conference on the Economic Empowerment of African Women;

**HAVING DELIBERATED** on the Economic Empowerment of African Women particularly focusing on the establishment of African Women Trust Fund.

### HEREBY:

**Welcome** the initiative of holding this three-day conference to discuss important issues on Economic Empowerment of African Women, including the need for the establishment of an African Women Trust Fund;

**Invite** the establishment of the AU Trust Fund for Africa Women as both a Programmatic and Endowment Fund;

**Emphasize** the need for the Trust Fund to support the following target groups with grants, revolving funds, loans and various forms of technical assistance from among others:

- i. AU Member States;
- ii. Regional Economic Commissions;
- iii. African Women Entrepreneurs; and
- iv. African Women's Civil Society Organizations.

**Recommend** that the following principles be seriously considered as the AU embarks on the establishment of the Trust Fund:

- i. **Leadership:** The AU Member States should take leadership in making upfront and continuous commitments of substantive financial resources to the Trust Fund.

- ii. **Sustainability and Ownership:** The Trust Fund should be sustained by annual contributions from AU Member States, the African Private Sector, African Diaspora, African Philanthropists and a significant investment portfolio
- iii. **Accessibility:** There should be mechanisms in place to target marginalized African women's organizations, particularly small, community based grassroots initiatives, through grant-making procedures that are flexible and accessible as possible to diverse group of women to ensure they benefit from the fund.
- iv. **Strengthening existing mechanisms:** The AU to work with and strengthen existing initiatives with a proven track record rather than reinvent the wheel.

**Further recommend** that a **Working Group** be established to prepare an operationalisation framework for the Trust Fund over the next ten (10) months.

**Further Request** the AUC to come up with the terms of reference for the Trust Fund Working Group taking into consideration the following issues:

- i. Consult with AU Member States, Regional Economic Commissions, the private sector, and African women's civil society organizations to establish specific commitments to the Fund;
- ii. Consult with experts in the field of philanthropy within and outside Africa as well as African Women's Funds and other funding mechanisms for African women;
- iii. Convene a donor round table;
- iv. Propose a Governance and Administrative structure for the Trust Fund;
- v. Criteria for grant-making, loans and other forms of financial support;
- vi. Identify key themes that the Trust Fund will focus on;
- vii. Identify the key partners to work with the AU on the operationalization of the Trust Fund;
- viii. Examine strategies for ensuring that the Trust Fund is accessible to African women;
- ix. Agree on modalities for the sustainability of the Trust Fund; and
- x. Determine a realistic timeframe for the development, launch and roll-out of the Trust Fund.

**Suggest** that the composition of the Trust Fund Working Group should not exceed 20 including AU Secretariat members and should include:

- i. Regional representation, one (1) each drawn from government officials from each Region;
- ii. African women's civil society representatives;
- iii. African women entrepreneurs and business women representatives;
- iv. Private sector representatives;
- v. African women's funds;
- vi. Philanthropy experts;
- vii. Resource mobilization experts;
- viii. Investment managers; and
- ix. African Diaspora (with expertise in Women Economic Empowerment issues).

**Express** the urgency for the operationalization of this fund and call on AUC to report to the January Assembly for 2009 on the progress made in implementing Decision AU/Dec. 134-164 (viii) and that the Fund should be launched by July 2009 at the latest.

**Acknowledges** the partnership from the Economic Commission for Africa (ECA) and for co-sponsoring this conference;

**Commend** and thank His Excellency Dr. Bingu wa Mutharika, President of the Republic of Malawi and the Government and the People of Malawi for hosting the Conference and for their traditional warm hospitality accorded to all the delegations.

**Done in Lilongwe, Malawi, on 19<sup>th</sup> day of March 2008**

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