



Ethiopia

Changing the face of finance

FACT BOX

Investment name	Implementation Support of the Home-Grown Economic Reform (HGER 2.0) & Financial Services for the Poor (FSP)
Investment number	INV-056721
Investment owner	Abebe Chekol
Grantee	BKP Economic Advisors
Size of investment	\$ 1.7 million
Duration	14 months: June 1, 2023 - July 31, 2024
Themes	Financial inclusion; Women's leadership and economic empowerment
Gender mark	Gender intentional
Most significant results	<ul style="list-style-type: none"> • Launch and operationalisation of the Network of Ethiopia's Women in Finance (NEWFin)ⁱ • Regulatory changes by the National Bank of Ethiopia (NBE) requiring at least two women on Ethiopian banks' boards of directorsⁱⁱ
Date of case study	June 21, 2024
Financial inclusion video: https://www.youtube.com/watch?v=b6ZgVz7GIJA	

This investment addresses women's financial inclusion as part of supporting the National Bank of Ethiopia (NBE).

Context

Ethiopia's second *National Financial Inclusion Strategy (NFIS 2) 2021-2025*ⁱⁱⁱ makes explicit reference to enhancing financial inclusion for women and commits to gender sensitive financial and digital literacy; equitable representation in leadership roles and women targeted financial services; products, services, and access channels (across savings, credit, and insurance) that are designed with women in mind.

In line with the NFIS 2, the NBE requested gender integration support on the supply side of the financial industry, i.e. by strengthening the role of women within financial institutions in line with the findings of a World Bank study on *The Leadership Gender Gap in Banking: Insights from Ethiopia*. This found that "the substantial gender gap in the higher echelons of Ethiopian financial institutions is concerning" because "greater representation of women in leadership positions has positive impacts on both the inclusivity and stability of the financial sector."^{iv}

Key objectives

NBE's ultimate objective is to contribute to an increase in women's financial inclusion

and access to finance in Ethiopia through strengthening the career opportunities for women in the industry and making finance available to women.

Network of Ethiopia's Women in Finance (NEWFin)

The specific objectives of NEWFin are to:

- Facilitate networking.
- Encourage professional development of women in the sector.
- Advocate for gender equality including gender-inclusive policies, regulations and practices.



NEWFin event, 26 April 2024.

Photo: Ace Yilma

Originally not assessed against the **gender marker**, the investment was marked as gender intentional at the stage of requesting a supplementary grant in May 2024.

Approach and activities

The investment's key actions to enhance women's financial inclusion comprised four main workflows:

1. **Needs assessment:** established the need for enhancing women's career paths in the financial industry through a two-pronged approach: establishment of a network of women working in Ethiopia's financial sector and drafting of regulatory changes to ensure a strengthened participation of women in financial institutions' key decision-making bodies. The National Bank agreed to host the Network for its first year of operation.
2. **NEWFin preparation and launch:** This included a concept note for NEWFin; work on the more formal strategy and business plan; practical preparations for the official launch of the Network at the National Conference on Making the Financial Sector Work for Women, jointly organised by the NBE and the World Bank on 28 March 2024.
3. **Communication and branding:** NEWFin's communication strategy, branding, website and social media pages, e.g. on [LinkedIn](#) and [X/Twitter](#), were prepared in parallel with the launch preparation. The [website](#) both presents NEWFin to the public and provides various services to members on its intranet.
4. **Institutionalisation:** The finalisation of the strategy and business plan as well as partnership development, including with funding organisations are currently ongoing. At the same time, the first events and other activities of the Network have been completed.



NEWFin Board with H.E. Mamo E. Mihretu, Governor of the NBE, on 28 March 2024.

Photo: Ace Yilma

Results

- The appointment of one of NEWFin's board members, Dr. Emebet Melese Zeleke, as the second female CEO to an Ethiopian bank.
- The NBE's decision to include a requirement in the revised Corporate Governance Directives issued in June 2024 that Ethiopian Banks appoint at least two female members to their boards of directors.
- An increased awareness of gender issues has already been noted in Ethiopia's financial services sector.

Lessons learnt and key success factors

- The importance of **gender champions** at senior managerial levels both at the NBE and in Ethiopian financial institutions.
- **Buy-in by the NBE** has ensured that NEWFin obtained the necessary visibility and traction across financial institutions.
- A **strong and experienced project manager** at the NBE has been pivotal for the fast operationalization of the Network and coordinating the various activities across the project team and with partners.
- **Rigorous planning and monitoring of progress** ensured that activities were implemented on time in a coordinated manner.

- **Open communication and outreach**, highlighting early successes such as the launch of the Network and the initial events it has organized, have contributed to the rapid uptake of NEWFin by partners and members.
- The need for **partnership building** including the training and mentoring activities, reaching out to similar networks for cross-country experience sharing.

Next steps

1. Developing the service portfolio and partnerships with other organizations.
2. Diversifying the funding base.

References

- <https://newfin.org/>
- Art. 7.4, Licensing and Supervision of Banking Business Bank Corporate Governance Directive No. SBB/91/2024, 12 June 2024, available at <https://nbe.gov.et/wp-content/uploads/2024/06/SBB912024-BANK-CORPORATE-GOVERNANCE-.pdf>
- National Bank of Ethiopia (2021): National Financial Inclusion Strategy-II 2021-2025, Addis Ababa: NBE, September 2012.
- Weis, T, M Rawlins, K Itana and R Coleman (2022): The Leadership Gender Gap in Banking: Insights from Ethiopia, Washington, DC: World Bank Group, p. 16.