



REACH, BENEFIT AND EMPOWER WOMEN WITH FINANCIAL SERVICES

CASE-BASED LEARNING PAPER



COLOPHON

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PREFACE



Women hold up half the sky! However far too often women's contribution, both in the family and the society at large, is made invisible and taken for granted. This report is highlighting the importance of investing in rural women's equal access to economic opportunities to achieve the Sustainable Development Goals.

When ICCO together with NpM, Platform for Inclusive Finance, asked us if we were interested to take part in a research study we responded positively for the following reasons; firstly, the purpose of the study is well in line with Act Church of Sweden's objectives for Fair and Sustainable Livelihood and Gender Justice. The second reason is the willingness to learn from mistakes and contribute to evidence based change.

One starting point of the research study with particular interest for us, was to find out why many of the saving and loan-groups in Ethiopia have not benefitted the women according to our expectations.

The observation was that as soon as these groups become successful, the leadership is taken over by men and the bulk of the loans and larger loans for investments are mainly benefitting men's livelihood occupation.

The research has provided us with insights how to ensure that women are not left behind when it comes to equal access to loans and economic investments.

The core message of the research report can be summarized in three statements:

- 1. Good intentions do not automatically lead to appropriate action.*
- 2. For appropriate actions, knowledge is needed. However, knowledge is not enough.*
- 3. How women and men are valued in the family and society greatly matters, therefore societal*

norms and values need to be addressed for successful implementation!

When the research was completed we realized that the findings and recommendations were too valuable not to reach a broader audience. This is the reason for the popular version of the research report in your hands.

Our hope is that this report will inspire how we with joint forces can contribute even better to Fair and Sustainable Livelihoods and **Reach, benefit and empower women with financial services!**

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1. INTRODUCTION

With the world population projected to reach 9.7 billion people in 2050, the demand for food is growing at high speed. Worldwide, women have always played a key role in agricultural production and they are crucial in supplying the world with sufficient food. Appropriate access to finance will allow them to accelerate essential agricultural growth and to increase food security worldwide. Increasing women's income levels has proven to contribute to the economic empowerment of women, better food security at the household level and better-performing food value chains.

In recent years, the global integration of food markets has brought about important changes in agricultural production systems. Women are not always benefitting from these changes. Women do not have access to agricultural extension and business development services at the same level as men. They also have limited access to finance. Despite the role women play in agriculture, they are constrained by their limited access to finance. Better access to loans, and especially to larger loans, is needed for women to continue to participate in the increasingly commercializing agriculture.

NpM, Platform for Inclusive Finance, analyzed three cases on women's access to financial services in three different countries:

1. Saving and credit cooperatives (SACCOs) in Ethiopia;
2. Services provided by TYM, an MFI in Vietnam;
3. Financial services provided to female farmers in the maize and beans value chains in Rwanda.

KEY FINDINGS ON WOMEN'S ACCESS TO FINANCE ARE:

- ▶ Set explicit goals related to women's economic empowerment;

- ▶ Develop financial products based on a good understanding of the needs and wishes of different categories of women;
- ▶ Develop marketing and distribution systems that are appropriate for women;
- ▶ Put in place monitoring systems to measure outcome and impact on women's economic empowerment.

BY APPLYING THESE RECOMMENDATIONS, THE FINANCIAL SERVICE PROVIDERS WILL:

- ▶ Reach more women and increase their female client base;
- ▶ Ensure that women benefit from the services provided by the financial service providers;
- ▶ Empower more women through financial services which are accessible for women.

With this paper, NpM showcases the importance of appropriate financial services for women to increase female entrepreneurship in agriculture and to secure the highly necessary agricultural growth. NpM aims to encourage the NpM members (inclusive finance investors) and other professionals working in the financial sector to ensure that women are reached by financial services, but also to ensure that women benefit and that they are empowered.

Chapter 2 presents the conceptual framework used for the case studies. Chapter 3 describes the three cases. Chapter 4 lists the key finding of the three case studies. Chapter 5 gives key recommendations for the inclusive finance sector regarding improved access to finance for women based on the cases. ■





2. CONCEPTUAL FRAMEWORK

WOMEN'S ECONOMIC EMPOWERMENT

The concept of women's economic empowerment is used by several international institutions, especially by those active in economic development like the Food and Agriculture Organization of the United Nations (FAO) and the Donor Committee for Enterprise Development (DCED).

They use slightly different wording but stress the complementarity of the two components. According to DCED¹ 'A woman is economically empowered when she has both: (a) access to resources: the options to advance economically; and (b) agency: the power to make and act on economic decisions.'

According to FAO² the main components of women's economic empowerment are access to productive resources and power and agency, as visualized in figures 1 and 2. ▶

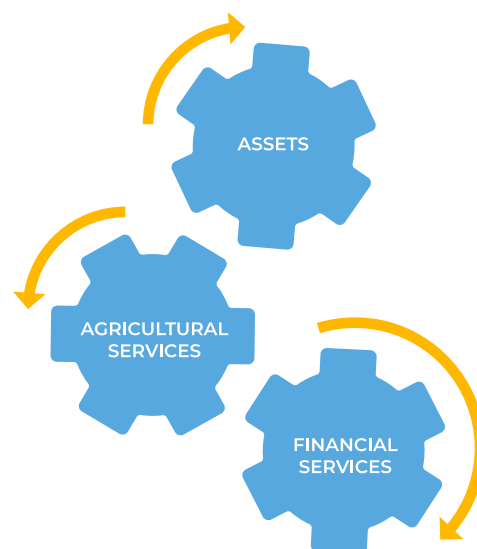


Fig.1 - Access to productive resources

Access to productive resources

includes access to assets such as land and equipment, as well as to, for example, agricultural and financial services. If only access to resources is addressed, women are not yet empowered since women are also confronted with making decisions about the use of these resources, and with norms and traditions that need to be challenged.

Agency is defined as the ability to make autonomous choices and transform those choices into desired outcomes. It includes control over resources and income, but also capabilities and self-confidence. (DCED).

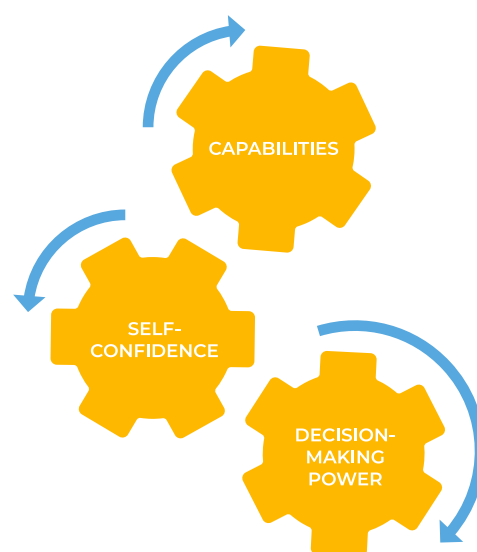


Fig.2 - Power and agency





THE REACH - BENEFIT - EMPOWER FRAMEWORK

For the case studies we used the Reach - Benefit - Empower framework, a framework developed by the International Food Policy Research Institute (IFPRI)³. The framework is meant to be used 1) to formulate **objectives** for programmes aiming at empowerment of women; 2) to design **strategies** to achieve this objective, strategies aiming at women as well as men, at the household level and community levels, but also at (staff of) financial service providers and 3) to **monitor** the results achieved.

The framework makes a distinction between reach, benefit and empower and points out that simply **reaching** women, by including them as clients of financial services, as members of a financial cooperative or in a financial literacy training, does not ensure that they will **benefit** from the financial services in terms of improved (socio-economic) well-being or that they will be **empowered**, that they will have the power to take (financial) decisions. In general, projects should aim to go beyond merely reaching women: they should also strive to empower them, to strengthen their ability to make strategic life choices, including the financial ones, and to put those choices into action. The framework is for general use in the development context.

Table 1 summarizes the Reach - Benefit - Empower framework as adjusted by the authors for the purpose of the here presented case studies on access to financial services of women.

BUSINESS ARGUMENTS FOR PROVIDING MORE SERVICES TO FEMALE CLIENTS

In the case studies, we have also looked for business arguments for financial service providers to provide services to women. The hypothesis is that if financial institutions would provide more services to female clients, this would not only

contribute to increased economic empowerment of women but also to improved profitability of the financial institutions. ►

1. Golla, A.; Malhotra, A.; Nanda, P and Mehra, R. (2011) 'Understanding and Measuring Women's Economic Empowerment: Definition, Framework and Indicators', by the International Center for Research on Women (2011). In: Erin Markel (2014), *Measuring Women's Economic Empowerment in Private Sector Development*, by the Donor Committee for Enterprise Development.

2. FAO (2016) *Developing gender-sensitive value chains. A guiding framework*. P. 16-20.

3. Meinzen-Dick, Ruth, et al. (2017) *Do agricultural development projects reach, benefit, or empower women?* Expert paper prepared by the International Food Policy Research Institute (IFPRI).





TABLE 1: AUTHORS' ADAPTATION OF THE REACH - BENEFIT - EMPOWER FRAMEWORK

	REACH	BENEFIT	EMPOWER
OBJECTIVES	Include women as clients (of an MFI or bank) or as members of a saving and credit cooperative (SACCO) and complementary non-financial services	Increase women's socio-economic and financial well-being	Strengthen the ability of women to make strategic life choices, including financial decisions, and to put those choices into action in the form of expenditures and investments
STRATEGIES	<ul style="list-style-type: none"> • Invite women as clients and members • Seek to reduce barriers to participation • Implement a quota system for the percentage of female clients and/or their participation in training events 	<ul style="list-style-type: none"> • Design a service considering gendered needs, preferences and constraints to ensure that women benefit from the service • Build capacities of service providers • Ensure the support from husbands as well as community leaders 	<ul style="list-style-type: none"> • Enhance women's decision-making power in households and communities, applying a couples' approach • Address key areas of gender inequality (or disempowerment of women) by sensitizing men and women
INDICATORS	Number or proportion of women <ul style="list-style-type: none"> • using a service e.g. getting a (larger) loan • having a savings account • attending training • joining a saving and credit cooperative (SACCO) • receiving business advice • getting financial literacy training 	Sex-disaggregated data for positive and/or negative outcomes such as <ul style="list-style-type: none"> • productivity • income • assets • nutrition • time use, etc. as a result of the acquired financial services	Women's decision-making power, over e.g. <ul style="list-style-type: none"> • agricultural production • income or household food consumption Reduction of outcomes associated with disempowerment, e.g. <ul style="list-style-type: none"> • gender-based violence • time burden • restricted mobility





3. CASES

3.1 GROUP-BASED SAVING AND LENDING THROUGH SACCOs - ETHIOPIA

The rural population in Ethiopia lacks access to financial services. This is the case for both men and women. The role of cooperatives to reduce poverty and stimulate income is clearly recognized in the new Growth and Transformational Plan of the Ethiopian government (2015-2020). The role of women in agriculture is important but often invisible. Ethiopia scores relatively low on the gender inclusion index, a positive trend is however noticed.

THE PRODUCT: GROUP-BASED SAVING AND LENDING IN SACCOs

Since several decades, smallholder farmers in Ethiopia organise themselves in saving and credit cooperatives, called SACCOs. Via these groups, the farmers can collectively save and receive credit. SACCOs have a proven track record of reaching women, both with loans and saving services. The number of SACCOs increased from 760 (in 1998) to 18,959 (in 2016).

RESULTS FOR WOMEN

In terms of reaching women, the *number* of female SACCO clients has increased considerably in the past years. SACCOs are easily accessible for women, as they are usually located at a central place in the village and open at market days. However, the *percentage* of women has decreased the past years, since many men also need the financial services offered by SACCOs and the SACCO resources are limited. The relative percentage of women in SACCOs has decreased from 53% in 2011 to less than 40% in 2016.

When asked about the benefits, most of the women interviewed appreciated the access to credit. However, they were dissatisfied because their loans were too small.

The size of a SACCO loan depends on the volume of the savings of a member. The findings from the

study showed that in both SACCOs men and women save almost equal amounts. However, only 24% of the loans provided went to women, while men received 76%, almost three times as much. When asked why, the answer was that women are risk-averse and spend most of their money on the household, so they cannot get a loan for a business. This is showing the importance of challenging gender assumptions and values.

Regarding empowerment at the household level, married women stated that the loans give them a better position in the household. Through loans, women are able to contribute to their husbands' investments in agricultural inputs and household assets.

At SACCO level, single women have access to leadership positions. They are free to move around - although this is sometimes accompanied by negative connotations. For married women, leadership positions are considered inappropriate, or not feasible due to family obligations. This reflects the unequal gender norms.

BUSINESS ARGUMENTS FOR DELIVERING FINANCIAL SERVICES TO WOMEN

SACCOs suffer from scarce financial resources, this is an important reason why the business case of serving more women with credit is not addressed by SACCOs. At present, SACCO management does not really see the use of doing an effort to serve the special needs of female clients.

POTENTIAL DEVELOPMENT IMPACT

SACCOs have the potential to reach large numbers of women and men. They create economic benefits for the households concerned, and lead to improved nutrition and increased well-being. They also contribute to women's economic empowerment. ►





TABLE 2: TOTAL AND AVERAGE SAVING AND LOAN SUM AMOUNTS OF MALE AND FEMALE MEMBERS OF LELEWUT ENINESA SACCO IN 2017

<i>N=270 MEN</i> <i>N=252 WOMEN</i>	TOTAL SAVING AMOUNT	AVERAGE SAVING AMOUNT	TOTAL LOAN AMOUNT	AVERAGE LOAN AMOUNT
WOMEN	€ 31,553 (49%)	€ 117	€ 38,003 (24%)	€ 165
MEN	€ 32,437 (51%)	€ 129	€ 117,924 (76%)	€ 468
TOTAL	€ 63,990 (100%)	€ 123	€ 155,927 (100%)	€ 324

CHALLENGES

- ▶ It is not a priority for the management of the SACCOs to develop a strategy to increase access of women to funding. This is caused by a lack of funds in combination with a certain gender-blindness caused by prevailing gender norms.
- ▶ There are deep-rooted cultural values that limit married women to participate in the SACCOs. Not only because women are expected to take care of the household, but also because husbands want to control their spouses' movements and actions.
- ▶ Develop systems to increase the availability of funds at the SACCO level, in order to be able to give larger loans to both women and men.
- ▶ Collect gender-segregated data on the average sizes of savings and loans of men and women, to identify trends in women's participation, and base financial product offerings on the actual participation and needs of women.
- ▶ Sensitize men on the complementary roles of men and women in the household as a family business, on the importance of joint decision-making and on the need to change traditional gender norms. Cooperate with other actors, e.g. NGOs, for this purpose.

RECOMMENDATIONS

- ▶ Train SACCO management in gender awareness and the importance of gender mainstreaming.
- ▶ Raise awareness among SACCO management that women are economic actors who could be good clients for loans of the same size as men.
- ▶ Develop a strategy to increase women's participation in SACCOs. This should be a joint action by government institutions, NGOs and the financial sector through a structured stakeholder collaboration approach.
- ▶ Female leaders are often single women, who are free to move. The sometimes negative connotations accompanying these women should be counteracted by promoting more positive connotations with regard to these women. Also, peer support systems for women in leadership positions could be established. ■





3.2 FAMILY LOANS IN THE NAME OF WOMEN - VIETNAM

Vietnam's economy has changed considerably in the past decades. Growth expectations for 2018 were as high as 6.5%. Vietnam, where 65% of the population lives in rural areas, aims to become a producer and exporter of high standard food products. The country is doing well in terms of gender equality in comparison to other countries at the same level of development, particularly when it comes to economic participation and advancing opportunities for women.

THE PRODUCT: FAMILY LOANS IN THE NAME OF WOMEN

The product studied in the case is a family loan, registered in the wife's name with the husband as the guarantor. These loans are provided by TYM, an MFI established by the Vietnam Women's Union. Thus the whole TYM clientele is female. TYM provides financial services to low-income individuals and their families, with a particular focus on rural poor and disadvantaged women. Of all the financial products, the family loans in the name of women are the most successful.

RESULTS FOR WOMEN

When it comes to reaching women, TYMs impact is big: TYM is closely linked to the Vietnam Women's Union. Most Vietnamese women are member of the union. TYM is experimenting with mobile phone transactions, and vehicles providing banking services in remote areas. This can make their services even more accessible than they already are. The fact that the loan can be repaid in small installments makes this type of loan very attractive to women.

Regarding the benefits, it is generally agreed by respondents that family loans in the name of women lead to more profitable family businesses in which men and women work together and increase the well-being of the family members. Women highly appreciate TYM's services: through

the saving and credit groups, women share experiences and learn from each other. Thanks to TYM's non-financial services, such as business development support, women learn how to make their business grow.

At the household level, women are empowered by the family loans, as they lead to greater equality and mutual appreciation between husband and wife. Women are also given more opportunities to play a leading role in the community. The Vietnam Women's Union provides plenty of role models with her strong female leadership and large female constituency.

BUSINESS ARGUMENTS FOR DELIVERING FAMILY LOANS

- ▶ Family loans in the name of women are an interesting loan product; for financial institutions as well, because of the large market segment.
- ▶ There is little to no risk: women are generally perceived as better bookkeepers than men by Vietnamese financial institutions, with a better loan performance.

POTENTIAL DEVELOPMENT IMPACT

If this model is rolled out across the country, it will contribute to Vietnam's development ambitions to become a high standard food exporter.

CHALLENGES

- ▶ There is a need for larger loans, both for women on family farms and female entrepreneurs. This is especially the case for single women who do not have a husband or other guarantor.
- ▶ Traditional perceptions of the role of women related to their husbands, family, and children are still dominant. Although women manage ▶





finances and play an important role in the family business, they still have to find a balance between care for children and household chores, and the family business. This can block further business development.

RECOMMENDATIONS

- ▶ Collect and analyse nationwide gender-disaggregated data on the use of financial services, for credit as well as for savings. Financial service providers can use this data to develop appropriate services for women, tuned to the needs of the different types of female clients.
- ▶ Other financial service providers should replicate this approach of family loans in the name of women.
- ▶ Mainstream the use of mobile phone transactions and banking services provided by vehicles in remote areas. Thus the financial services will become more easily accessible for women.
- ▶ Invest in training bank staff on gender issues and opportunities to raise awareness and better serve women.
- ▶ Develop a gradual path for larger loans for both women in family businesses and female

entrepreneurs. This can, for example, be done by establishing a link with another financial institution for larger loans.

- ▶ Especially for women without a husband as a guarantor: lobby for other types of collateral (e.g. based on digital proof of recent/past business performance).
- ▶ Sensitize men on the need to change traditional gender norms.





3.3 VALUE CHAIN FINANCE THROUGH SOLIDARITY GROUPS IN COOPERATIVES - RWANDA

Rwanda aims to make its agriculture more market-oriented. In this way, Rwanda can realise the full growth potential for food and cash crop production in the future. Both men and women are involved in the process. Rwanda is internationally recognized as a world leader in promoting women's empowerment. While the overall policies and strategies in Rwanda are very positive towards gender mainstreaming, many issues still need to be addressed, such as the access to finance for women.

THE PRODUCT: VALUE CHAIN FINANCE THROUGH SOLIDARITY GROUP LOANS IN COOPERATIVES

This financial product is provided by MFIs in the context of the Farmer to Market program (FtMA) in Rwanda, together with ICCO Cooperation. It has been developed for producer organisations involved in formalized maize value chains. The producer organisations have a contract with a large buyer on a high-value market, instead of just selling their maize on a local market where the prices are usually lower and fluctuate more. In the contract the buyer stipulates conditions in terms of quality and quantity; the seller gets the guarantee that the harvest will be purchased at an agreed price.

Cooperatives that want to benefit from the special group solidarity loan product from an MFI for their members, have to organize the members in solidarity groups of 5-15 people. Ultimately this allows a member to access three types of loans, which can be used to buy inputs, for costs related to the harvest, or for both.

1. **Internal group loans:** The members of the solidarity group start saving in the group and even give small loans to each other. These loans are usually modest. Repayment should be done in a period not exceeding 3 months and with an interest rate varying between 5% to 10% per month, defined by the regulations

of the group. The members of the group jointly decide on the maximum loan size and other conditions.

2. **Group loan from the MFI:** As soon as the solidarity groups have acquired a certain level of self-governance, they can acquire a loan from the MFI for individual group members. This is based on mutual guarantee and approval of the cooperative. The cooperative supports the credit applications of the solidarity groups and agrees to repay from sales of produce from the group members through the cooperative.
3. **Individual loans from the MFI:** Individual members of the solidarity group eventually open accounts at the MFI and can access individual, larger loans from the MFI directly. This provides a pathway for rural women to move into larger loan sizes.

The system is explained in figure 3.

RESULTS FOR WOMEN

This loan product brings larger loans from MFIs within reach of women. This model works particularly well for women because women greatly appreciate the small groups in which they know and trust everyone. One of the benefits of the link with the value chain is that there is a guaranteed purchase of their harvest at an agreed price.

The larger loans allow women to benefit from participation in the maize value chain resulting in a higher income. According to the women, the bulk income from selling to a large buyer during harvest time can be more easily used to build up household assets, e.g. for buying land and small animals (If the income is accumulated in small quantities, it 'leaks' more easily to home consumption). The remaining income is spent on health care, food, housing, and school fees. However, selling in bulk to a large buyer has a ►





downside when husband and wife don't trust each other. Women stated that in these cases they must have their own small businesses, such as keeping chickens or growing vegetables, and generate their own income, to avoid negotiating with their husbands.

Regarding empowerment at the household level, women have a say on the use of the income from maize, either independently, or together with their husbands. They experience more appreciation and an equal consultation in the household on the use of resources.

Women stated that their participation in formalized value chains opened the door to their economic empowerment. They were able to explore new economic opportunities and engage in membership and leadership positions. Currently, women are well represented in the leadership of cooperatives in the maize value chain.

BUSINESS ARGUMENTS FOR SOLIDARITY GROUP LOANS THROUGH MFIs

- ▶ MFIs can provide larger loans to farmers, with reduced risk because of the associated group guarantee and the cooperative approval and monitoring of the loan to groups.

- ▶ Large buyers are ensured that the farmers have enough funds available to buy the necessary inputs for a specific crop, in the required quality, and in the right quantity.

POTENTIAL DEVELOPMENT IMPACT

With this loan product, many farmers can produce for a high-value market (with the corresponding better price), generating considerably more revenue. This is also valid for women, contributing to their social and economic empowerment. The integration of farmers in formalized value chains leads to a higher production of staple food - which is needed to feed the urban population.

CHALLENGES

- ▶ The double burden and unequal division of labour in the household are still prevailing. Women have considerably longer working days and most of the caring tasks are their responsibility. It is frequently mentioned that women could benefit from labour-saving technologies.
- ▶ Moreover, women are paid lower than men for seasonal work, which means that women have to work more hours to earn the same amounts as men.





- ▶ In the absence of a husband, single women face difficulties with farming activities that require heavy manual labour. They would need larger loans to be able to hire people for this.

RECOMMENDATIONS

- ▶ Replicate this model to other value chains, such as the beans value chain.
- ▶ Ensure that women participate equally in the producer organisations, so that they can equally benefit from participating in the value chain and from the accompanying services.
- ▶ Sensitize men on the double workload of women, and on the importance of joint decision-making in the households.
- ▶ Stimulate financial service providers to offer a variety of services to women in a profitable value chain, so that they can benefit and grow their businesses.
- ▶ Women require labour-saving equipment for agricultural production and for (post-) harvest activities. Financial service providers should develop loan products for this purpose, see the box below for an example. ■

Example of a women-friendly loan product

The IMF Duterimbere offers a pre-harvest loan for women, on top of the regular input loans, the Tekana credit product. Women do not need any collateral for this loan, they only have to save 25% of the total loan amount. Women highly appreciate this loan, since they do not have to resort to informal expensive loans to cover the costs of harvesting and storage.

4. This program is part of an international program to stimulate market linkages for smallholder farmers. It is operational in Tanzania, Kenya, Rwanda and Uganda and steered by the World Food Program (WFP) in Rwanda.

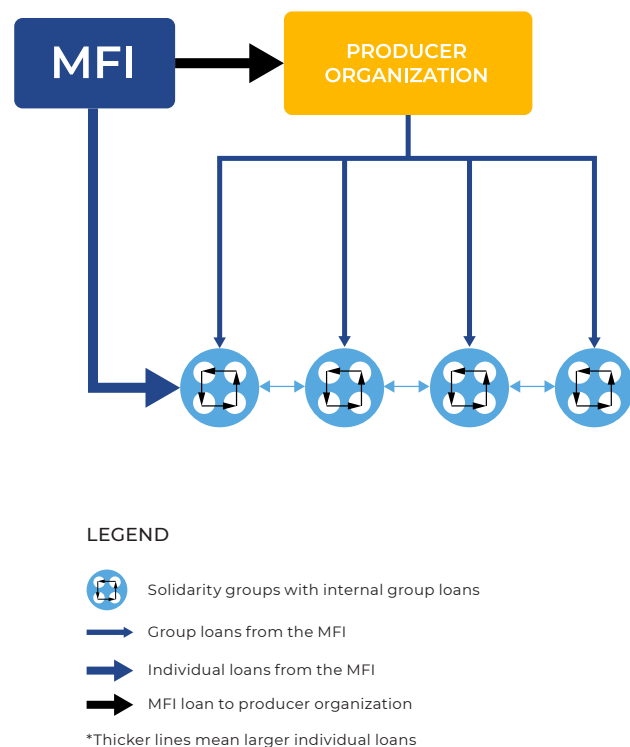


Fig. 3 - Value chain finance through solidarity group loans in cooperatives



4. LESSONS FROM THE CASES

The studies in Rwanda, Vietnam, and Ethiopia provided the following insights related to how women are reached by, benefit from and are empowered by access to financial services.

REACH

We found that financial service providers have several ways at their disposal to *reach* more women and increase the number of female clients that have access to financial services. The Ethiopia case shows that it is very important to provide financial services close to home. In Vietnam experience learned that using a network of (female) fieldworkers or agents - with whom women are familiar - is helpful to make services accessible for women. Mobile banking facilities are also mentioned as a way to bring saving and loans closer to home.

Financial services are often used as a synonym for loans. However, for many women, saving facilities are as important as loans. Saving and credit groups are still the major source of credit for most women. In general, the cases showed that women appreciate being a member of a group of women whom they know and trust. In these groups, they can solve their financial problems, and share their experiences and learn at the same time.

Women appreciate the services of MFIs but mention that the larger individual agricultural credits from MFIs are often not accessible for women. Linking saving and lending groups to an MFI can bridge that gap, as has been seen in Rwanda. Women often stress the need for loans without fixed collateral. They prefer loans based on business-or repayment track record as in the example of Duterimbere in Rwanda. If women have a loan, they appreciate smaller, more frequent repayment installments.

Other services also appreciated by women are in-kind loans for inputs, to be reimbursed at harvest; asset loans for tools and equipment, including loans for post-harvest equipment and labour-saving tools; and agriculture insurances.

BENEFIT

For women to *benefit* from the loans, these must be large enough to cover all costs of the agricultural season, including the costs related to harvesting. Single women in particular also need cash to hire labourers. The cases showed that women frequently use other sources of income (selling goats, chicken or vegetables) to repay the loan. In this way, they are not forced to sell their crop immediately after harvest. For this reason, they stress the importance of a loan period that is long enough to cover costs for the harvesting and marketing of crops as well. In all cases, women asked for larger loans. A gradual path for larger loans is needed to allow women to get larger loans based on the development of their businesses. The example of family loans in Vietnam, with the woman as the applicant, indicates that also married women have become successful clients.

Women benefit more if additional services are provided to develop their businesses, alongside with the loan. This can range from financial literacy courses to business development support. Gender norms and values and the work burden of women still hinder women to optimally benefit of loans, even if they are available.

EMPOWER

The cases showed that women are *empowered* by access to financial services. In all three countries, women stated that their husbands appreciated their contribution to the household budget and that joint decision-making had become common practice. The Rwanda case showed that value chain participation, where organised farmers sell to a secured large buyer, is very interesting also for women. To ensure that also women benefit from this opportunity, they have to be integrated into producer cooperatives from the start.

The producer organisation is the gateway to all kinds of services, including financial services. Women are known to be good in managing money





and very experienced in organising their own groups in the villages. Their qualities as leaders of cooperatives become increasingly clear. Especially the Rwanda case shows that MFIs responded positively by providing direct loans and saving services to female members of cooperatives through the groups. ■



Photo: Rod Waddington





5. RECOMMENDATIONS FOR THE INCLUSIVE FINANCE SECTOR

GOAL AND ORGANISATIONAL CAPACITIES

SERVING FEMALE CLIENTS

We recommend that financial service providers explicitly express that they believe in a world in which businesses of women flourish and that they want to serve the market of female clients with financial services that meet their needs and business interests. We recommend as well that financial service providers include in their mission statement that they will contribute to the economic empowerment of women.

GENDER MAINSTREAMING

In order to achieve this objective, gender must be mainstreamed⁶ in all business processes of the financial service providers. Staff at all levels must understand the importance of this. Organisational capacities need to be built through training and coaching of staff. In addition, the financial service providers need to ensure the visibility of female employees at all levels in the organisation and encourage diversity at the workforce.

PRODUCT DEVELOPMENT

FINANCIAL PRODUCTS FOR FEMALE CLIENTS

Develop a focus on female clients⁷, starting with a proper market analysis of the different female client segments, the size of the market and the type of services each segment needs. The analysis implies a profound understanding of the needs and wishes of different categories of women -



Fig. 4 - Key business strategies⁵

including rural and urban women, very poor women, women in family farms, female entrepreneurs, married and single women.

ENSURE THAT SERVICES REACH WOMEN

To reach more female clients, financial service providers should adjust their product design to overcome barriers for women and to ensure that the service actually reaches women. The proximity of services is very important for women, so services should be developed that are close to women's homes. Also, digital services are very much appreciated by women, as these services are accessible at home. ▶





CLIENT SATISFACTION SURVEYS

Develop a routine of regular client satisfaction surveys. The feedback of clients should be used to design new or additional products or to improve existing products that really benefit women.

MARKETING AND DISTRIBUTION

WOMEN-FOCUSED BRANDING AND MARKETING

For the marketing of financial products, it is recommendable for financial service providers to use communication channels that women are familiar with. Female staff may contribute to making services better accessible for women.

THE DEMAND SIDE

Develop strategies not only on the supply side but also on the capacities of female customers to use the financial services. FAO⁸ distinguishes two important strategies: on the one hand to enhance rural women's financial literacy and education and on the other hand to encourage joint financial decision-making at the household level. For these strategies, cooperation with non-governmental organisations and development programmes might be necessary.

INVOLVING MEN

Involving men at different levels is very important in order to contribute to women's economic empowerment. Consider the training of male staff and leaders of financial service providers and cooperatives. For change at the level of the family household, household methodologies working towards joint planning and decision-making of husband and wife have proven to be successful⁹.

INSTITUTIONAL COOPERATION

Especially for capacity development at the demand side, financial service providers should cooperate with other actors. The private sector, government actors and NGOs can play a role in financial education, agricultural transformation, and women's economic empowerment.

Regular reflection on strategies can be enriched through multi-stakeholder dialogue, and if available, participation in fora to discuss and share lessons to improve practices.

MONITORING AND EVALUATION

GENDER-SEGREGATED DATA COLLECTION

An effective focus on women requires collecting and analysing gender-segregated data, not only on loan and service uptake by men and women but also on risk profiles and saving behaviour of men and women.

BUSINESS ARGUMENTS FOR SERVING WOMEN

Analyse the gender-segregated data to see if there is a business case for serving female clients with specific financial products or services. Several studies have confirmed that targeting women results in higher profitability and lower credit risks.

Data available on the analytics platform MIX Market demonstrate that financial institutions that reach more than 70% female clients are just as profitable as those that reach less than 40% women, as measured by return on assets. In addition, those serving more than 70% of women have lower non-performing loans, reinforcing previous evidence that women offer lower credit risk¹⁰. ►





IMPACT ON WOMEN

To monitor the impact on women, financial service providers have to monitor how women are reached by, benefit from and are empowered by the financial services. This can be part of regular client satisfaction surveys. Indicators should relate to both increased access to productive resources as well as power and agency. Empowerment can be observed both at the household level and at the producer organisation or the community level. To measure the actual impact on female clients is challenging, especially when we want to measure economic impact and income increase. Budget and time need to be reserved for this. Listening to female clients is an important aspect of this monitoring process.

DEVELOPMENT IMPACT

Women are more likely than men to invest the increased income in family well-being, improved food security and children's education, thus creating development impact. Appropriate monitoring systems need to be in place to measure the impact of financial services on food security and family well-being. The regular social performance monitoring systems, as used by many financial service providers worldwide¹¹, usually already measure client focus and institutional embeddedness. ■

5. Women's World Banking formulates four similar key strategies to ensure that women are truly served: 1. Leadership and change management: train leaders and build capacities to drive change; 2. Customer centricity: gather women-centred insights to drive innovation; 3. Branding and marketing: design branding, marketing and consumer information to drive uptake and engagement; 4. Data collection: collect and analyse data with a gender lens to truly understand customer behaviour. See: Women's World Banking (2017) *Best practices in serving low-income women*, and (2013) *Gender performance indicators manual: How well are we serving women?*, available at <https://www.womensworldbanking.org/insights-and-impact>

6. Gender mainstreaming has been embraced internationally as a strategy towards realising gender equality. It involves the integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and spending programmes, with a view to promoting equality between women and men, and combating discrimination. Source: <https://eige.europa.eu/>, the website of the European institute for gender equality.

7. Women's World Banking (2017) *Best practices in serving low-income women*, and (2013) *Gender performance indicators manual: How well are we serving women?* Available at: <https://www.womensworldbanking.org/insights-and-impact> and as a short film on YouTube, https://www.youtube.com/watch?v=0_gea_WKj_o&t=65s

8. FAO (2018) *Developing gender-sensitive value chains. Guidelines for practitioners*. Chapter 3, p. 72-79. Available at: <http://www.fao.org/3/i9212en/i9212EN.pdf>

9. IFAD (2018) *Household methodologies*. Available at: <https://www.ifad.org/en/web/knowledge/publication/asset/40253899>

10. Camilla Nestor, MIX Market, *Using Data to Bridge the Gender Gap in Financial Services*. Blog at Multipliers of Prosperity, at <https://partners.wsj.com/metlife/multipliers/articles/using-data-bridge-gender-gap-financial-services/>

11. See the website of the Social Performance Task Force, at <https://sptf.info/working-groups/gender>



6. FURTHER READING

FAO (2016) *Developing gender-sensitive value chains. A guiding framework*. Rome. Available at: <http://www.fao.org/3/a-i6462e.pdf> ↗

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IFAD (2018) *Household methodologies*. Available at: <https://www.ifad.org/en/web/knowledge/publication/asset/40253899> ↗

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Meinzen-Dick, Ruth, et al. (2017) *Do agricultural development projects reach, benefit, or empower women?* Expert paper prepared by the International Food Policy Research Institute (IFPRI) for the UN Women, IFAD, FAO, WFP Expert Group Meeting 'Challenges and opportunities in achieving gender equality and the empowerment of rural women and girls'. Rome.

Nestor, Camilla, MIX Market, *Using Data to Bridge the Gender Gap in Financial Services*. Blog at Multipliers of Prosperity, at <https://partners.wsj.com/metlife/multipliers/articles/using-data-bridge-gender-gap-financial-services/> ↗

Women's World Banking (2013) *Gender performance indicators manual: How well are we serving women?* Available at: <https://www.womensworldbanking.org/insights-and-impact/gender-performance-indicators-how-well-are-we-serving-women/> and as a short film on YouTube: https://www.youtube.com/watch?v=0_gea_WKj_o&t=65s ↗

Women's World Banking (2017) *Best practices in serving low-income women*. Available at: <https://www.womensworldbanking.org/tag/publication/> ↗

