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Insight Brief

Starring Women

**Towards more inclusive
agricultural services
across Africa**

INTRODUCTION

Strengthening African Rural Smallholders (STARS) is a five-year (2017-2021) project in partnership with Mastercard Foundation. Through a market system development (MSD) approach, STARS puts a focus on access to finance and value chain development with the aim to improve food security and wellbeing of over 200,000 smallholder farmers in Burkina Faso, Ethiopia, Rwanda and Senegal.

From the onset, ICCO and Mastercard Foundation promoted female inclusion. Based on its theory of change, STARS designed interventions tailored to each specific context and value chain.

As the program is coming to an end, overall, 55% of loans supported by STARS were provided to women; both to groups and individual borrowers.

This publication describes some of the challenges women face in STARS' program countries and presents five selected solutions that have made agricultural value chains and access to financial services more inclusive.

THE PROBLEM

According to the 'leaving no one behind' report by FAO and African Union, agriculture is the most important economic sector in many African countries, and employs over 50% of the population¹.

As agricultural producers, processors, traders and (unpaid) laborers, women play

a crucial role. They are also key in ensuring welfare and food security within their families and communities.

However, in agricultural settings women are often overlooked by development actors and financial institutions, while they do a large part of the in-farm activities such as weeding and ensuring soil fertility; as well as post-harvest handling and value adding activities like drying, sorting, grading and processing.

In addition, women have considerably less access to resources needed for agriculture than their male counterparts. This is true for women's access to extension services and information, but also for their access to land, seeds, fertilizers, equipment technologies and credit. As a result of this, women produce 20-30% less than their male counterparts in Sub-Saharan Africa². Closing such gender gaps could increase production and productivity and reduce poverty and food insecurity.



¹ FAO. 2018. Leaving No One Behind: Empowering Africa's Rural Women for Zero Hunger and Shared Prosperity.

² AfDB. 2016. Gender equality in agriculture: What are really the benefits for sub-Saharan Africa?



THE BARRIERS WOMEN FACE

In 2017, STARS first year of implementation, we assessed constraints to womens' inclusion in various value chains and in financial access. This analysis focused on farmers and Producer Organization (PO) level, identifying gender differences in access and control over assets as well as access to services and markets. In summary, the following challenges faced by female smallholder farmers were identified:

- The double burden of income generation and agricultural responsibilities alongside unpaid domestic labour;
- Lower levels of literacy (also financial- & digital literacy) among women;
- Limited time, capacity and resources for travel (for training, access to finance, access to markets, etc.);
- Limited access to, and ownership of, land for agricultural production or collateral;
- Less access than men to information, markets and big buyers;
- Low access to finance and required collateral;
- Low representation of women in key decision-making bodies within POs and other local institutions; low number of women participating in meetings;
- Male control over women (e.g. decision on women's income generating activities, use of income and women's participation in events and meetings).
- Limited decision making power at household or community level;

Many of these constraints are not stand-alone issues, but are interrelated and mutually reinforcing; one constraint can cause or contribute to another. For

example, low literacy levels and limited capacity to travel causes limited participation of women in capacity development activities. This is why STARS has used a variety of approaches to address these constraints, as demonstrated in the country case studies further in this document.

THE STARS APPROACH

STARS uses the *reach-benefit-empower* framework³ to design its interventions and to measure to what extent women have been included in the STARS program as a result of these interventions. This framework highlights three different levels of including women in a project and mandates projects to go beyond merely reaching women: Programs should also strive to empower them, to strengthen their ability to make strategic life choices and to put those choices into action. The image below shows the framework, including the objectives, tactics and indicators for each of the levels.

The framework is applied to the access to finance interventions of the STARS program: we aim to not only reach women, by including them as clients of financial services (as members of a financial cooperative or as participants in a financial literacy training), they should also benefit from the financial services through increased productivity and income. Where possible, STARS worked with partners towards empowerment of women, so they have the power to increase control over financial decisions.

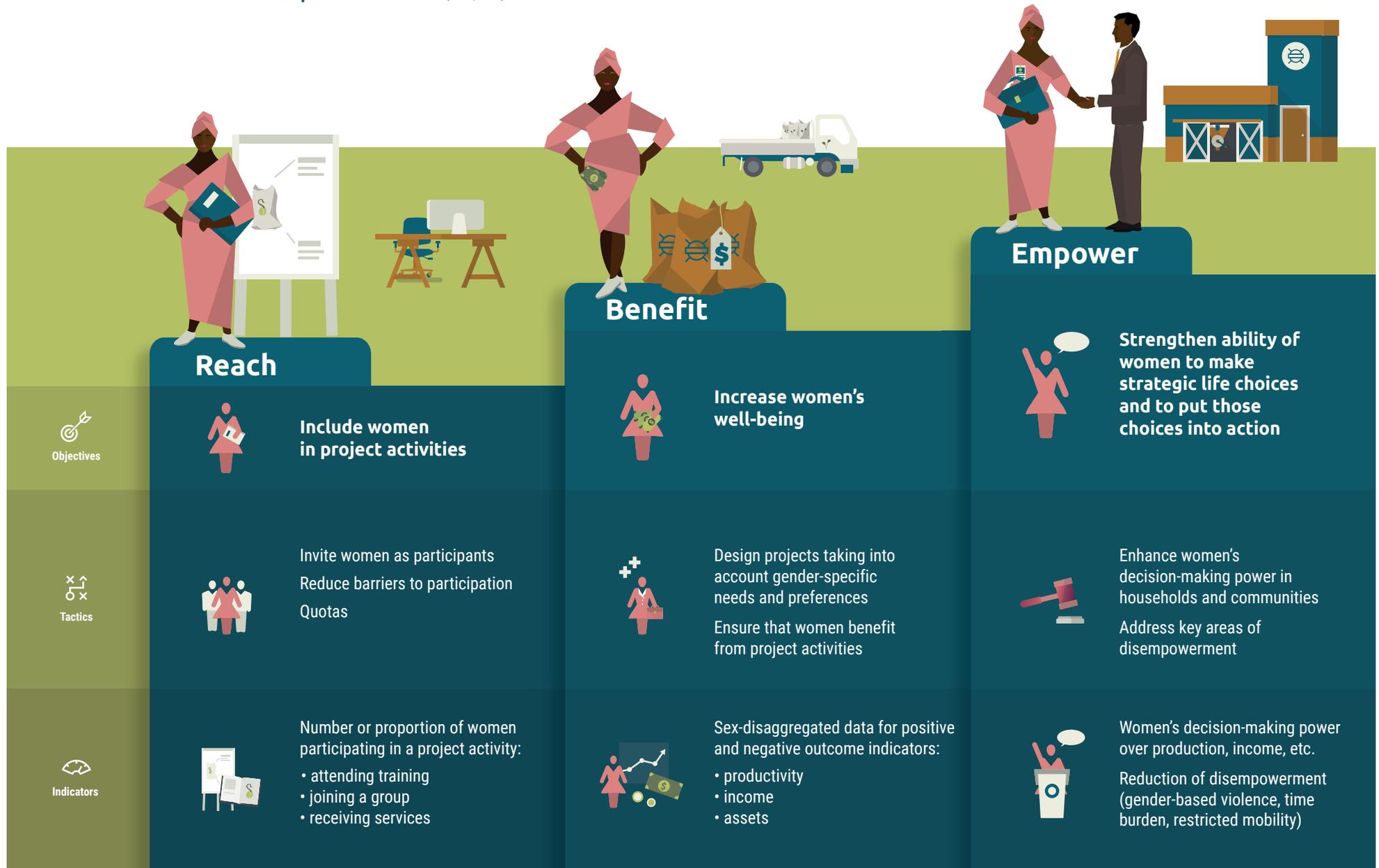
Working in four countries has its challenges. To share experiences and promote best practices internally, STARS created a gender task force with representatives from each of the four countries. Next to the benefits mentioned, it helped to maintain ownership for the gender gap in a program team that consisted predominantly of men.



³- Source: IFPRI & <https://agriprofocus.com/post/5e2700e426b72a09b579d8ba>

Empower women

Reach Benefit Empower framework (IFPRI, 2017)



FIVE IMPACTFUL GENDER INTERVENTIONS

1. ACCESS TO AGRI-LOANS IN RWANDA SENEGAL, BURKINA-FASO AND ETHIOPIA

STARS has worked with 19 MFIs to improve access to finance for male and female farmers in rural areas by developing agri-loan products. By the end of 2020, over 300,000 new loans have been disbursed, increasing farmers' production and income.

As a female farmer in Rwanda explained: *"Before the STARS program, I was fearing being rejected by financial institutions. However, I was lacking capital to invest in farming. When I decided to work with them, I was able to get inputs, to grow on time, to increase my production and this has allowed me to invest more in farming and to extend my land from 25 to 37 are."*

Figure 1 below presents the data on the percentage of female clients of STARS partner MFIs, demonstrating how the participation of women in the program has consistently increased throughout the

implementation period in Ethiopia, Rwanda and Senegal, with mixed results in Burkina Faso. From the data presented, it emerges that no less than 55% of all loans disbursed were provided to female farmers and that women have become increasingly important clients for the MFIs in all STARS countries, with the exception of Burkina Faso.

The decrease in the proportion of women as MFI clients in Burkina Faso between 2017 and 2019 can be explained by the reduced disbursement of loans in the (female-dominated) shea value chain, due to reduced capacity among MFIs (particularly ASIENA) financing shea producers. In addition, some shea butter buyers pre-financed shea POs to collect shea almonds, which reduced demand for loans from MFIs. The sudden increase in the percentage of female MFI clients in 2020 is due to the performance of new MFI RCPB, which entered the market in 2019 and increased the reach of agricultural loans for women.

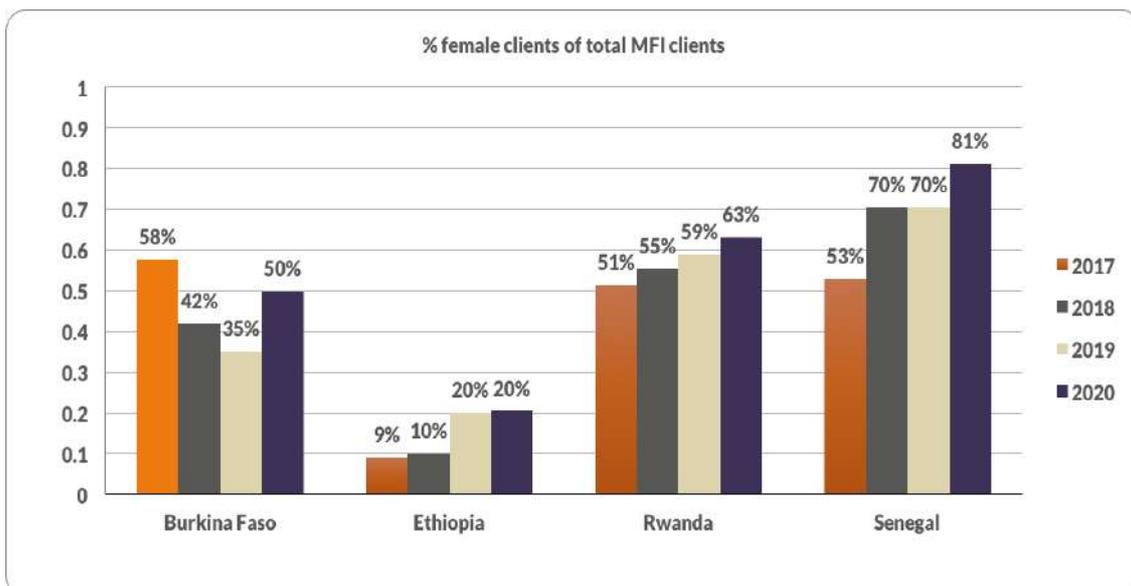


Figure 1. % of female clients of total clients of STARS partner MFIs over the period 2017-2021

STARS supported group loans tailored to suit the needs and overcome the constraints facing women MFI clients; enabling the group to function as collateral. This is appreciated by women because they often lack assets that are needed as collateral for individual loans. Nonetheless, Graph 2 also shows that towards the end of the program, more women received individual agri-loans than group loans, especially in Senegal and Rwanda. Individual loans were mostly provided to women in vegetable production in Ethiopia and in potato production in Rwanda, but also in the cowpea value chain in Senegal (78% of loans provided to women). Individual solar equipment loans were also provided for onion farmers in Senegal, of which 60-100% of clients were women, depending on MFI, and resulting in 23% increased profits, on average. Individual loans to women have increased in both number and size.

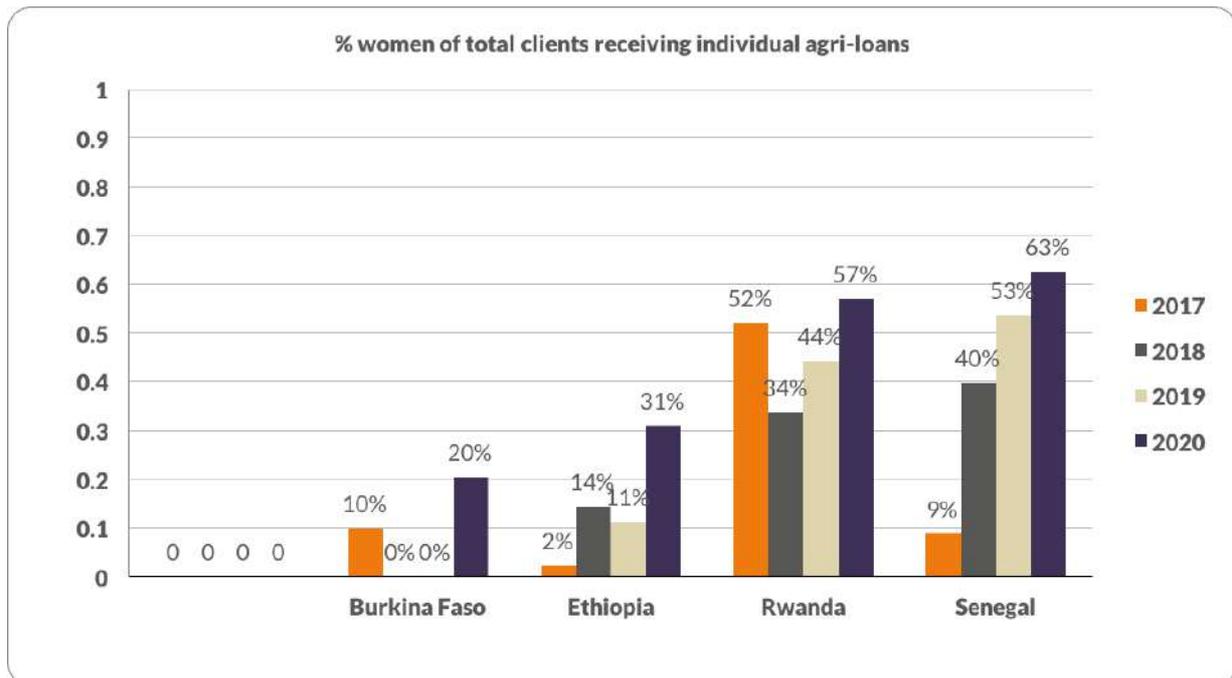


Figure 2. % women of total clients receiving individual agri-loans

2. VALUE CHAIN DEVELOPMENT FOR A FEMALE-LED VALUE CHAIN IN BURKINA FASO

In Burkina Faso, STARS is involved in the female-dominated value chain 'shea' (Karite). Shea nuts are exclusively collected and sold by women, although men are sometimes involved in technical aspects of processing into shea butter. The POs in which these women are organized fail to maximize their profit due to a lack of experience in adding value to their product, for example through improved processing but also quality control and trading large volumes. Enhancing this value chain provides benefits to women.

STARS has supported the professionalization of 11 POs in the shea chain (and 8 in the sesame VC) by providing

them with technical and financial management skills and by supporting them to develop new business plans that focus on diversifying their activities. Once POs improved their operational capacities, they were linked to private sector partners to access markets and financial institutions for access to credit. The shea POs also received training in the production of cosmetic products such as ointments and soap to help them increase their processing capacities and add value.

STARS sensitized POs Leaders to engage their members to aggregate kernels at POs level; and then to aggregate production from POs to Union or Federation level to standardize pricing, increase volumes, and access bigger buyers. This aggregation of produce also empowers women to

negotiate with buyers from a stronger position. This has been particularly successful in the cases of UCPPK-Houet and OUEZENA; due in part to the strength and vision of their leadership, although challenges remain due to limited liquidity within the POs.

For the past ten years, STARS PO 'Ouezena Federation' has made the production of shea kernels and shea butter its main activity. This allows the 1,200 female members of Ouezena to diversify their sources of income next to their agricultural activities. However, the POs did not put any products on the market, other than shea kernels and shea butter. In 2018 and 2019, the STARS team organized a training in the production of laundry soap and hand soap for the female members of the POs. In 2020, more training followed; members learned how to produce body ointments and lip creams. All trainings were facilitated by women from another PO which had specialized in production of

cosmetic products already. Through the advanced skills training and increased processing capacities, combined with improved marketing skills, participating women increased and diversified their income and were even able to train women from other POs; extending the benefits into other communities.

Ouezena's female manager emphasized the importance of such training: *"This support through training has enabled us to acquire skills and to set up a team of 15 women who are working on the production of soap and ointments continuously. In addition, with the skills acquired, we even train women from other organizations who request our services. Our products are well appreciated in the market, but we keep on working on improving the products."*



A producer from Ouezena with the trainer from Nununa (Two STARS POs)

3. DIGITIZING GROUP LENDING AND SAVING IN SENEGAL

For rural women in Senegal, who are often organized in grassroots solidarity groups, accessing group loans through MFIs is a time-consuming process. MFIs deploy loan officers to the field on a monthly basis to disburse loans and collect client savings, loan payments and interest. A credit cycle for a group requires on average seven meetings. This forces women to spend seven entire mornings in this same activity, which often pushes women to resign from the group. This traditional approach is also costly and complex for MFIs because it requires a high investment in time and resources.

STARS first supported its partner MFIs to digitize their group-loans, making the process more efficient. Thanks to this, the operations for Caurie Microfinance - one of STARS' partner MFIs - are now done with an application called Caurie Mobile. Loan officers meet with the women's groups on a monthly basis to record all credit operations (reimbursement, disbursement), savings (deposit, withdrawal) and customer membership details (account opening). These meetings are now more efficient, enabling the loan officers to gather the required data and facilitate disbursements at the loan level, and reducing the time burden for the women involved.

Thereafter, the 'Bank to Wallet' feature was introduced, which allows customers to do transactions remotely; e.g. deposit, withdrawal, loan disbursement and repayment. The feature transfers funds to and from the mobile wallet account on their phone to the bank system of Caurie MFI, overcoming the need for women as well as MFI staff to travel to attend the group meetings.

Similar innovations have been implemented for two other partner MFIs from STARS, enabling customers to transfer money between their accounts at their convenience. This innovation empowers women to overcome challenges related to constrained mobility, and reduces the time and money spent on travel. Women benefit from increased freedom over their credit payments, savings withdrawals and deposits. This improves their financial autonomy, without incurring penalties in case of absence during the reimbursement meetings. In the first two years of implementation (by December 2020), more than 200,000 women from three MFIs have started using the digital saving application. These savings help the women increase their resilience and their access to credit. During the COVID-19 pandemic, these digital solutions have been critical, as mobility has been a major constraint.



4. LEADERSHIP IN PRODUCER ORGANIZATIONS IN RWANDA

While women are instrumental agricultural production, they are predominantly active in agricultural activities like planting, weeding and harvesting and are less involved in the post-harvest activities, such as processing and marketing their products. Women are also underrepresented in leadership roles in most maize and rice POs in Rwanda. Consequently, they are less involved in negotiating prices and the sale of produce. Ultimately that means that they are often forced to rely on receiving payment through their husbands, lending women little agency over their income. As a value chain consultant of STARS explains:

“Women do not participate sufficiently in sales and marketing of the crops, because they lack market negotiation skills. Also, household activities are limiting them to search for market information. Therefore, empowering women with such skills will help them become more involved in the market aspects of the value chain.”

Through improving women’s representation in PO leadership, STARS aimed to increase the appreciation of how women contribute to agriculture. STARS strategically encouraged its partner POs to put in place internal rules and bylaws to recognize and establish gender committees. These committees were trained on the rules, regulations and management of the PO, as well as gender

equity, equality and gender conflict management. As a consequence, these gender committees became active advocates for female members to participate in PO management; sensitizing members on the importance of having women in their leadership. As a result, POs organized elections, and more women were elected to be part of the PO management (from 20% up to 40%).

“Thanks to the newly acquired skills as part of the gender committee, I was confident enough to campaign in the following election and I am now the secretary in my PO. I have a word in the management of the Cooperative.” explained a maize farmer in Impabaruta PO.

As more women started to participate in PO leadership roles, STARS conducted a series of trainings to improve their skills in leadership, management, access to market information, negotiation and the management of buyer’s contracts to improve profits and sustain business for the PO. This helped the women to become involved in the decision making on marketing, price negotiations and sales. Since women are now involved in these processes, they also advocate for female farmers to receive payments for the sales of their produce directly, instead of through their husbands. Moreover, some women have become more confident to participate in local governance in their sectors and districts.



5. CATALYZING SYSTEMIC SHIFTS IN MFI ATTITUDES TO FEMALE CLIENTS IN ETHIOPIA

Women in Ethiopia experience significantly more challenges in accessing finance than men. In part that is due to the nature of their work; they engage in petty trading of agricultural produce more than production or processing of crops. While for the latter, financing modalities are accessible, it is more difficult to access loans that facilitate petty trading. STARS, aiming to make finance more accessible for women, planned to co-design and introduce a loan product for female traders in the vegetable value chain with partner MFIs.

However, pitching this idea in a workshop with STARS' five MFI partners, did not result in buy-in but rather illuminated the widespread reluctance to develop a new credit product for female clients. Instead of a loan product specifically for women, MFIs proposed to promote women's financial inclusion by addressing existing prejudice towards women amongst MFI staff. In response, STARS developed a training module for MFI staff and management on gender awareness. After completion, participants were expected to:

- Understand key concepts related to gender; including empowerment, unequal access to opportunities and social norms;
- Differentiate between norm aware and norm transformative approaches;
- Understand the relevance of a gender-sensitive approach to agricultural interventions, including a better understanding of the importance of inclusive finance;
- Understand what actions can be taken by institutions to integrate gender;
- Understand demand- and supply-side constraints to providing finance for women;

The training was delivered to management and staff of OCSSCO MFI, the largest among the partner MFIs, resulting in the establishment of a gender focal team. Staff,

meanwhile, argued for institutionalizing the training so that all MFI staff are capacitated to provide better services to female clients.

One frontline staff member provided the following quote that illustrates how the training was valued;

"The way I was looking at women clients was that they only take the loan to just spend for other purposes - household consumption. Then, I was thinking, this might lead the institution into default since they can't pay back as they are not good enough in making businesses and savings. But now I acquired the knowledge on how they are trustworthy and if they are opportune to access a proper loan they can change the livelihood of their family as well as how they could be a good source for saving mobilization as well."

The quote illustrates that there is a long way to go before men and women are considered and treated equally in access to finance. The shift from a specific and dedicated credit package for women traders, to catalyze more systemic shifts by capacitating MFI staff to improve service provision to women, should probably be characterized as shifting from an intervention to benefit women, to one that aims to reach women. However, since the training was provided recently, it is too soon to demonstrate the outcomes for women in the longer term.

A widow in Walmera described her experience with taking out a loan quite positively. She said, *"I have benefited, I was able to take out a 3000 birr loan and I bought the best seed of potato - it is called 'Rumba' and I bought fertilizer for that then finally I was able to profit from [my business]. 'Making money has given me a sense of control over my life. Before I was part of this program I was at home feeling helpless"*.

CONCLUSIONS

The STARS program recognized that women’s contributions in, and access to, agricultural finance and the fruits of their agricultural labor are often constrained by complex and mutually reinforcing dynamics of power, inequalities and exclusion. To address these challenges, the program adopted a range of mechanisms aiming to reach, benefit and empower women

smallholder farmers across the eight target value chains in the four countries. The table below summarizes the good practices introduced in this paper, and aligns these case studies with the underpinning theoretical reach-benefit-empower framework.

Reach	Benefit	Empower
Providing childcare during training for PO members, allowing mothers to participate fully in the training without managing simultaneous childcare responsibilities.	Digitizing savings accounts. Recognizing women’s restricted mobility and time, digitization empowers women to access and remotely manage their own savings accounts.	Training female farmers on negotiation and marketing skills empowers women to negotiate with bigger buyers, improve access to markets and increase their profits.
Development of agri-loans tailored to women’s needs and capacities. The group loans are particularly accessible for women because the group functions as collateral, overcoming barriers around access to land.	Development of solar pump loans through collaboration between POs, MFs and private sector. Harnessing solar power enables producers to replace expensive petrol pumps, facilitating more affordable and sustainable access to water. This increases production productivity, reduces costs, and increases income and food security.	Financial literacy training for women, allowing women to make better financial decisions and increase their confidence to engage in household and PO level financial decision-making.
	Training on processing and value addition. Supporting women to process produce (such as shea) adds value, improving income generation and supporting women to move beyond primary production	Gender inclusion training for MFIs and POs, increasing awareness of gender constraints and highlighting the benefits of women's inclusion at all levels. Overcoming prejudice and systematic gender bias increases the representation of women in decision-making bodies, and improves rates of lending to women.

Table 1. Interventions implemented by STARS to reach, benefit and empower women

The program aims not only to reach women to enhance their financial inclusion, but to simultaneously ensure they access the benefits from this enhanced inclusion; for example, through increased productivity, income and food security. Where possible, STARS worked with partners towards the empowerment of women; to increase their

power at the household and community’s levels, and to empower them to contribute to financial decision-making.

To increase the engagement of women, STARS introduced new agri-loans for individuals and groups which were tailored

to the identified needs and constraints of women farmers; for example, reduced access to land for collateral. Supporting mothers through providing child care assistance also ensured they were able to participate in training equally alongside male participants. To enhance access to the benefits of financial inclusion, STARS worked with MFIs to provide remote, digital access to financial services to overcome mobility challenges; provided solar loans to reduce production costs; and provided training on value addition. Empowerment initiatives aimed to tackle deep-rooted power imbalances; supporting women to develop their skills and capacities in financial literacy, negotiation

and marketing; while also training MFI staff to help to mitigate and overcome underlying prejudices against women clients.

While each intervention has contributed to women's inclusion, engagement and, to some extent, empowerment; STARS recognizes that gender barriers to financial inclusion remain pervasive across the financial and agricultural sectors. It is a continuous struggle, not just in developing countries but all over the world, to achieve equality.



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