



The Business Case For Financial Inclusion of Female Smallholder Farmers

FINAL REPORT

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ACRONYMS AND ABBREVIATIONS

ACRE	Agriculture and Climate Risk Enterprise
AGRA	Alliance for a Green Revolution in Africa
CGAP	Consultative Group to Assist the Poor
CBA	Cost Benefit Analysis
EAFF	East Africa Farmers Federation
FBO's	Farmer Based Organizations
FISFAP	Financial Inclusion for Smallholder Farmers in Africa Project
FSP	Financial Services Provider
GRN	Good Receipt Note
GSMA	Groupe Spéciale Mobile Association
ICT	Information and communication technology
IFC	International Finance Corporation
KII	Key Informant Interview
ROSCSA	Rotating Savings and Credit Association
SACCO	Savings and Credit Cooperative Organisation
SELF	Small Entrepreneurs Loan Facility
SFP	Success for People
SHF	Smallholder Farmers
SLC	Savings and Loans Company
VBC	Village Based Champions
SG's	Savings Groups
WRS	Warehouse Receipt System

FINAL REPORT: THE BUSINESS CASE FOR FINANCIAL INCLUSION OF FEMALE SMALLHOLDER FARMERS

EXECUTIVE SUMMARY

Through its Financial Inclusion for Smallholder Farmers in Africa Project (FISFAP) funded by the Mastercard Foundation, AGRA is striving to improve the quality, cost-effectiveness, access and impact of financial and agribusiness products and services for smallholder farmers. Despite the predominance of agriculture in sub-Saharan economies, the skyrocketing need for increased agricultural productivity to accommodate population growth, the promising innovations fueled by digital technology, and the growing proportion of women in the smallholder farmer workforce, female farmers remain persistently underbanked, overlooked and underserved by financial service providers, agribusinesses and other key actors in the rural economy. The UNDP estimates that women's economic exclusion costs Sub-Saharan African countries \$95 billion in lost productivity per year, and the FAO asserts that if female farmers had the same access to financial, training and agricultural resources as men, their productivity would increase by 20%-30%. The substantial gap in women's access is a critical hurdle for continued agricultural and financial inclusion progress and the attainment of sustainable development goals across Africa. In the context of its support for improving services for African smallholder farmers, AGRA engaged its partners in an interactive study and a learning event on expanding outreach to and inclusion of women.

AGRA contracted Ayani and its team of experts to conduct a study of five AGRA FISFAP partners, focusing on their current approach to women's inclusion and the business case for enhancing outreach to female smallholder farmers. AGRA selected five partners for the in-depth case studies, drawn from Kenya (ACRE and East African Farmers Federation), Ghana (Success for people and Advans) and Tanzania (SELF /Mucoba). These five partners offer a variety of solutions targeting smallholder farmers, such as warehouse receipting systems, village based crop insurance and nonfinancial awareness-raising services and are at various stages of the product life cycle—primarily in the development and growth stage. Following a literature review, desk study and field research, AGRA convened all of its FISFAP partners for a collaborative review of the results and to engage them in a broader, analytical learning discussion of the rationale, costs and benefits of increasing outreach to women.

The case study research was undertaken in 10 selected locations across the three countries from September to November 2018 and included key informant interviews, focus group discussions and data analysis with AGRA staff, FISFAP partner staff and FISFAP product clients. This report presents the results of the case studies, including Ayani's recommendations for enhancing the engagement of female smallholder farmers by all FISFAP partners, AGRA and the agricultural finance sector more generally. Note that an Inception Report (including a Literature Review) and the Learning Event Report, supplied in annex to this Final Report, were integral components of this assignment and although generally covered in the body of this report, they provide further background, references and context.

Chapter 1 covers the context of this study, including statistical highlights of the current state of smallholder women's financial inclusion and the research methodology. The team's overarching findings and recommendations for enhancing outreach to and successful engagement of female smallholder farmers are presented in Chapter 2. The findings and recommendations fall into the following categories: (1) socio-cultural norms and farming practices, (2) access to and usage of financial services and digital solutions, (3) cross-cutting recommendations, (4) role for AGRA and other technical support, and (5) the business case—and are summarized below.

1. Socio-cultural norms and farming practices: findings and observations among five FISFAP partners
 - Socio-cultural norms constrain women's participation and benefits
 - Access and control of resources is generally in men's hands
 - Land ownership patterns are mostly traditional
 - Women work more, are paid less and are allocated smaller and less fertile land parcels
 - Women are un(der)represented in leadership roles
 - Traditional division of labor invariably limits women
 - Women tend to be excluded from agricultural services
2. Access and usage of financial services, including digital solutions: findings and observations among five FISFAP partners
 - Disparities in access to financial services exist, largely due to gender, age and socio-economic factors
 - Women particularly value proximity, affordability and trust
 - Informal financial services are prevalent, particularly Savings Groups for women
 - Women SHF tend to save small amounts regularly
3. Cross-Cutting Recommendations
 - Capitalize on the early life cycle stages of many of the products to lay the groundwork for gender responsiveness and cost-benefit measurement
 - Focus on moving beyond pilot phases and implement scalable and sustainable digital solutions.
 - getting the products up and running, especially the digital solutions
 - Build on existing structures that women trust and rely on
 - Consider bundling services for added value and addressing women's constraints
 - Augment human touchpoints with training in gender sensitivity, female SHF constraints and needs
 - Implement gender-inclusive communication
4. Role for AGRA and other technical support
 - Apply gender-responsiveness criteria/monitoring indicators
 - Gender responsiveness awareness for senior executives
 - Technical assistance for in-depth cost-benefit analysis
5. Business Case
 - Women represent half of the SHF population but are currently underserved

- The feminization of agriculture makes this segment a growing market opportunity
- Women make good customers (steady deposits, strong repayment, interest in learning and new tools)
- The social impacts of women's inclusion attract outside investment

Chapter 3 delves into the five examples of FISFAP partner agricultural products and services for smallholder farmers. Each case study describes the FISFAP innovation, its current degree of gender responsiveness, the business case for investing in a more proactive outreach to women farmers (as possible based on existing data), and specific recommendations for enhancing the product's and/or the FISFAP partner's gender responsiveness. Finally, with the goal of providing some practical tools for taking action to implement the study's recommendations, Chapter 4 presents a general, introductory "how-to" for enhancing gender responsiveness and analyzing the costs and benefits to further investigate the business case for a more concerted outreach to women.

CHAPTER 1: BACKGROUND AND CONTEXT

I. Purpose

AGRA is implementing a five-year Mastercard-funded ‘Financial Inclusion for Smallholder Farmers in Africa Project’ (FISFAP) with the core objective of reducing the risk and cost of financial services delivery to over 700,000 SHF and agri-SMEs in Ghana, Kenya, and Tanzania. FISFAP provides financial and technical support for product innovation to 15 financial and non-financial service provider partners serving smallholder farmers (SHF) and agribusinesses. In light of the important but often unrecognized role that female farmers play in farm businesses, coupled with women’s frequently low levels of financial and agribusiness services engagement, FISFAP also aims to address gender disparities in the SHF sector. To this end, FISFAP seeks to identify the gender-related social, economic and cultural barriers that women face with regard to financial services access and usage, including digital financial solutions, and to support FISFAP partners in more effective outreach and service to women.

Through this study, AGRA seeks to apply a gender lens to FISFAP products and services and to support FISFAP partners in analyzing why and how to tackle the disparity between women’s and men’s access to and uptake of their services. Through a case analysis method, this report details five (5) FISFAP partner projects, drawn from the three focus countries: Kenya (ACRE and East African Farmers Federation); Ghana (Success for People and Advans SALC); Tanzania (Small Enterprise Loan Facility - SELF Microfinance). These partners offer a variety of solutions targeting SHF, including warehouse receipting systems, weather index insurance distributed via village based champions, access to credit and markets, and a savings and loan account. The solutions were not necessarily designed with a gender lens and are at various stages in the product life cycle—mainly ‘introduction’ and ‘early growth’ stage. The timing of this study thus permits an early analysis of the extent to which certain FISFAP products are reaching (or are positioned to reach) women, and how to calibrate them for maximum outreach and benefit to all SHF.

This report aims to:

- Provide FISFAP and other stakeholders with an overview of the five case studies, focusing on current product offerings and their gender responsiveness;
- Highlight information on the social and business reasons for enhancing outreach to women (drawing on the research team’s desk review, as well as available partner data);
- Suggest case-specific and overarching recommendations for improved integration of women SHF clients;
- Offer toolkits for increasing the gender responsiveness of SHF products and services and for analyzing the costs, benefits and business outcomes of enhanced outreach to women.

The report is organized into four chapters, as follows:

- 1- Background and context: introduction to the study, rationale for increasing outreach to women and the research methodology;
- 2- Cross-cutting findings and recommendations: related to the FISFAP partners’ working context, the specific products under review and recommendations for enhancing their gender responsiveness;
- 3- Individual case studies: more thorough presentations of each of the five FISFAP cases and institution-specific recommendations;

- 4- Gender-responsive tools: practical tools for increasing and measuring gender responsiveness and related business outcomes going forward.

II. Why increase outreach to women SHF

Women play a key role in small holder farming and represent 50% of the potential customer base for financial and other products and services geared toward SHF. Their limited participation in parts of the agricultural supply chain results in lost business opportunities for SHF themselves, as well as for agribusinesses and financial service providers.

As illustrated in Box 1, gender gaps emanate from barriers in access to resources and control that would potentially empower women to be active participants in their value chains. This gender gap comes with substantial opportunity costs. The UNDP estimates that women's economic exclusion costs Sub-Saharan African countries \$95 billion in lost productivity per year. The FAO has stated that if female farmers had same access as men, they would be 20-30% more productive than they are currently. Smallholder agriculture is increasingly dominated by women (due in part to men migrating to urban areas for other employment), and there is a growing need for increased agricultural productivity to meet the needs of a burgeoning population in sub-Saharan Africa. In light of these facts, enhancing the engagement of women SHF in financial and agribusiness services makes sense for both businesses, agricultural and socioeconomic growth. African countries simply can no longer afford to leave half of their human resources out of the picture.

In the last few years, various players have embarked on initiatives aimed at bridging gaps faced by women SHF in rural areas, such as: access to land, equipment, finance, markets and information. Systematically addressing these gaps can generate a ripple effect of benefits in the value chain. Although enhancing women's inclusion has shown noteworthy impacts at the individual, household, community, institutional and market levels, opportunities to design solutions addressing women's needs have yet to be fully maximized.

Prioritizing increased access for women is a strategic move for service providers and the economic development sector. However, studies show that adopting gender neutral approaches to extend the same product or service to everyone in the hopes of also reaching women, or merely "feminizing" existing solutions through "pink marketing" and similar strategies do not succeed in effectively engaging women clients, meeting their demands or maintaining their participation.

Studies carried out by the Global Banking Alliance for Women¹ and GSMA² highlight cultural and behavioral traits that differentiate women's behavior and by extension their needs, wants, interests and modes of engagement with solutions presented to them as detailed below.

BOX 1: Gender Gaps in Agriculture: The Figures

- Only 37% of Sub-Saharan African women have bank accounts (vs. 48% of men) (UNDP)
- This gender gap is growing, especially in Sub-Saharan Africa (World Bank)
- Women make up 43% of the agricultural workforce, but receive only 5% of agricultural extension services (FAO)
- Female farmers in East Africa borrow 13% less than men (One Acre Fund)
- Only 15% of the world's ag extension agents are women (FAO)
- 10% of aid for agriculture, forestry and farming goes to women (FAO)

Common behavioral traits among women

- More keen to learn and adopt new practices and technologies
- Access information mostly via informal channels with “word of mouth’ from peers playing a key role in their decision making
- Higher propensity to share experiences, and to act on the recommendations of peers and friends
- Tendency to build meaningful relationships with others hence their loyalty to services and ability to function in Savings Groups
- Require more information and take longer to reach decisions
- Generally more price sensitive
- Are often more focused on their households; reinvesting an estimated 90% of their income to their families, more than double the amount reinvested by men (30–40%)³
- Not necessarily risk averse, but take a calculated risk approach, often seeking both financial and emotional return on investments
- Less likely to have access to agricultural services and technology due to cultural barriers, lower literacy levels, and less disposable income
- Have limited time due to their often time-intensive and sometimes invisible roles spanning agricultural production and household responsibilities
- Given the opportunity, frequently demonstrate strong leadership skills and are able to advocate for the needs of their households and communities

By proactively considering women’s needs, demands and constraints, and by designing products, services and operational approaches in response, financial service providers and agri-SMEs stand not only to gain market share, but also to contribute to exponential gains in social impact. For example, on the business side, more effective outreach to women can lead to: a larger client base, more stable and loyal savings depositors, higher loan portfolio quality, opportunities for strategic cross-selling, and the opportunity to attract more numerous and better institutional investment. Greater economic inclusion of women has been shown to result in social impacts such as: increased decision making power at household, community and supply chain level; improved household incomes through investments in productive assets such as seeds, tools and livestock, increased yields and productivity, superior product quality, reduced post-harvest losses and a more stable supply chain.⁴

III. Approach and Methodology

This report draws on findings from interviews conducted in Ghana, Kenya and Tanzania with AGRA country teams, five selected FISFAP partners and their project associates, 21 Village based champions (77% women); and 204 farmers (over 60% women). Primary data was collected through semi structured interviews, site visits and solution demos.

Secondary data was collected through a detailed desk review of authoritative and credible literature which guided the data analysis and contextualized the study findings. The findings from primary and secondary data were consistent and displayed a number of recurrent themes. Appendix 1 has more details regarding the study methodology.

IV. Field Work Successes and Limitations

Success factors for the field work phase included:

- i. Active and ongoing AGRA support
- ii. Partner cooperation, strengthened by partner kick-off calls and correspondence prior to commencement of the field work
- iii. Adaptability and rapid response to challenges, such as partner replacement and changes to questions to suit new product solutions and contexts where necessary (e.g. ACRE).

Limitations of the field data collection included:

- i. Most solutions were found to be at early stages in the product life cycle, with some products having not been operational for a full season, making it difficult to analyze their gender responsiveness and efficacy
- ii. Most of the quantitative and financial data necessary to conduct a true cost-benefit analysis was unavailable, and more time and direct technical assistance would be needed to build the partner-level understanding, skills and data sets—including tracking expenses over a period of the product operations—in order to fulfill the objectives of this activity (*see note below)
- iii. The farmers' most pressing challenges, such as delayed input deliveries, low or late yields, dominated the focus group discussions despite attempts to redirect the discussion to the subject at hand

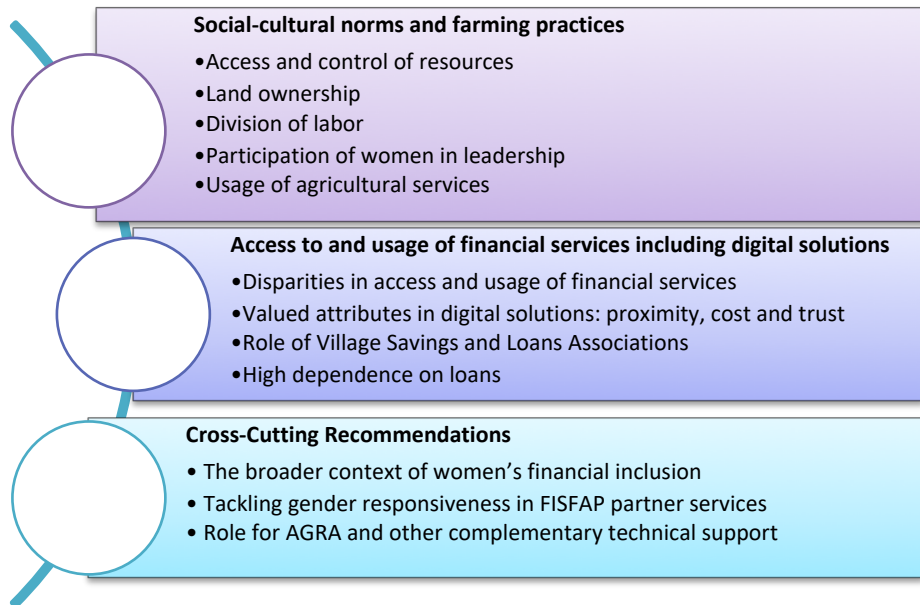
The team found applicable work-arounds for most of the limitations outlined above to strengthen the quality of data gathered. However, the lack of operational data due to incomplete implementation of some products and the incomplete cost-benefit data did impede the team's ability to perform the full quantitative analysis that would underpin a solid business case. In the absence of this data, Ayani instead focused on working with FISFAP partners to analyze current outreach to women and consider practical ways to potentially increase this. The Ayani team also strived to enhance the partners' knowledge of the rationale and approach for conducting such analyses once product performance and financial data becomes available.

CHAPTER 2: FINDINGS AND RECOMMENDATIONS

I. Presentation of findings

The findings of this study have been classified into three as depicted in figure below. This section begins with a situational analysis focused on observations at the first two levels—socio-cultural norms and farming practices, and access to and usage of financial services and digital services. A set of recommendations is then presented, drawing on themes from across the five FISFAP case studies. Finally, we offer an overarching summary of the fundamental business case for these partners and similar actors to invest in specific outreach to female clients. The partner case study findings were generally consistent with those of the literature review and desk research; it is therefore recommended to review both documents for more detailed context (see Inception Report in Appendix 3).

Figure 1: Main findings and recommendations framework



A. Socio Cultural Norms and Farming Practices

1. Socio-cultural norms constrain women's participation and benefits

The five FISFAP partners included in the study collectively cover cocoa, rice and maize value chains. Farming is the main source of clients' income, often supplemented by trading of farm produce and livestock keeping. Most farming activities are carried out by the household as a unit. There is a strong sense of community, in which farmers help each other with tasks such as harvesting, packing and transportation of produce to collection centers especially amongst the cocoa farmers. Farm laborers are engaged to supplement efforts where acreage is high. Female farmers, the elderly and those engaging in farming on a part time basis record the highest usage of laborers, for example heavy manual work such as loading produce into lorries.

2. Access and control of resources is generally in men's hands

Men are typically the key decision makers in the household and, by extension, in the broader community. Decisions on what crops to grow, allocation and use of family resources and the role of the women in the household, are usually made by men. For example, some members of the Daagaba women's group indicated they had to seek permission from their husbands before they could receive agricultural services support under the Success for People partnership. Although women are active participants in the production process, their inputs and contributions are often overlooked, even where these are for the betterment of the household.⁵ A few respondents indicated that decisions are made jointly but added that the final decision is made by men.

3. Land ownership patterns are mostly traditional

Land is usually passed down to male members of the family. In the isolated cases of joint ownership, land is registered under male members' names and if underage, women are given limited security of tenure until maturity of the male family member. Additionally, where agricultural services such as inputs and training are delivered based on land ownership titles, women farmers are more likely not to benefit as they are not registered title owners. The three focus countries have legal frameworks promoting equitable access to and ownership of land

by women, but these have not successfully eradicated traditional land ownership patterns that are detrimental to women.⁶ In Ghana and Kenya, most of the land under cultivation in rice value chains is government-owned and leased to farmers; this method is increasingly attracting women farmers who have some financial means. For women with limited income, the option of leasing from individuals and paying via produce is an even more attractive option.

4. Women work more, are paid less and are allocated smaller and less fertile land parcels

Women constitute most of the labour force in production and related activities including planting, irrigating, weeding, harvesting, threshing, winnowing, sorting and market trading. These are labor- and time-intensive activities for which women are unpaid or the compensation is not commensurate with the work done.⁷ Notably, men who engaged in the same activities put in fewer hours than women. Moreover, women typically cultivate less land than men; for example, in the Brong Ahafo region of Ghana, women generally cultivate an average of 2-5 acres, while men cultivate up to 15 acres. In some cases, women are systematically allocated the less fertile parcels of land.⁸

5. Women are un(der)represented in leadership roles

Apart from women-led value chains, participation of women in leadership roles or upper levels of the value chains, such as lead farmers or aggregators is subtly restricted, hence uncommon. In addition to the cultural norms, this was attributed to women lacking the financial capability required to operate at higher levels of the value chain. Typically, men carry out high value trading tasks hence received most of the sales proceeds and are therefore the key financial decision makers. Their majority stake in leadership positions also means that decisions are male oriented and do not always serve the interests of women. However, both genders trust women more with their finances, and as such, the role of treasurer in farmer groups is often accorded to women. Okata Farms is engaged in promoting women to serve as aggregators in order to diversify leaderships of farmer organizations in male dominated value chains.

6. Traditional division of labor invariably limits women

Division of labor is mostly along cultural lines with distinct roles for men and women. Women have the distinct role of managing household chores, assisting with farming, trading and food processing. The combination of these roles results in mobility constraints for women.⁹ For majority of the respondents in the three countries, retailing farm produce is assigned to women while men handle high value sales such as to off-takers and buyers. Considering the typical roles played by women in the value chain, male-led households have the additional benefit of women's contributions in the production process; while women-led households have to supplement their labor at an additional cost. At Mucoba, women SHF leading households decried the lack of support from their communities and low representation in decisions that impact them.

7. Women tend to be excluded from agricultural services

Better seeds, farm tools, equipment, fertilizer and pesticides would enable women farmers to farm sustainably, be more productive, and achieve food security. However, women face greater challenges accessing these tools and services to improve their farming as they are considered to be marginally productive.¹⁰ Although we found women using such services, they were largely targeted at male farmers in terms of eligibility, distribution, cost, and user knowledge.

Furthermore, attendance of training, awareness campaigns and meetings is mostly by men unless explicitly stated that women should attend. As a result, men are more knowledgeable and better equipped than women on farming technology, available services and general information. Where the set up and timings were favorable to their commitments, women turned up in large numbers and demonstrated eagerness to learn. Some attended the sessions with their young children as they did not have childcare and others either closed their market stalls or sought the assistance of trusted friends to hold down the fort in their absence.

B. Access and usage of financial services, including digital solutions

All the five FISFAP partners provide strong support for training and onboarding farmers, easing the process and reducing account inactivity due to incomplete registration processes. Mobile phones are central to all the solutions offered. Over 90% of the respondents own mobile phones—mostly basic or feature phones and use them frequently for communication and (for some) financial services. There is relatively high awareness of the FISFAP partner digital solutions, but not in depth knowledge on the actual features offered and how farmers can use them. This was due to the fact that most of the solutions are at early market entry stages and features are still a work in progress. Partners such as ACRE, Advans Ghana and Success for People have strong on the ground presence. Providers and customers receive regular support, an essential component of their continued engagement with the FISFAP partners.

1. Disparities in access to financial services exist, largely due to gender, age and socio-economic factors

A gap was observed (both in secondary and primary research) between men's and women's usage of formal financial services. Although gender was a strong indicator of these gaps, age, socio economic status and literacy levels also play a substantial role. Although the total number of women registered for partner solutions was lower, those who were registered were mostly active users. Network coverage was unreliable in some parts of Ghana, e.g., the Brong Ahafo region. As a result, in these areas, there was relatively lower usage of mobile money. Women were found to have distinctly lower income and stretch their finances to meet household expenses. Additionally, they seek to keep their finances separate from men and hence value financial services that are discreet—to ensure the continuation of financial support from men for household upkeep.



2. Women particularly value proximity, affordability and trust

- **Proximity:** Given the low-value amounts that women frequently set aside for savings, proximity is a highly valued attribute for financial solutions. Mobility constraints prompt a preference for services within shorter distances, reducing time and transport expenses, as well as avoiding the personal security risk of travelling with cash. Due to their preference for proximate services, women are especially inclined to adopt services that meet their needs where they are,¹¹ whether digital financial services or informal options such as Savings Groups.
- **Affordability:** Affordability of the service emerged as an important attribute, especially given the frequency with which women transact (3-5 times weekly) and the small values (\$2-5 per transaction). Women are particularly price sensitive and in many cases decide based on perception rather than actual

pricing information. Solutions with mandatory deductions, fines and arbitrary or complicated fee structures are considered unattractive.

- **Trust:** In the past few years, farmers have become key targets of fraudsters purporting to offer financial services, inputs, market access and land-leasing services with promises of unusually high returns. Given the low literacy levels of some farmers, group organization which provides easier access to more people, and financial vulnerabilities during lean seasons, many farmers have fallen victim. Consequently, they are skeptical about most services and are also ill equipped to differentiate genuine solutions from fraudulent ones.

Box 2: Trust is a valued attribute

Cocoa farmers in Sunyani opted for a church-based service known as BaxCon, which offers basic individual savings and group lending products. The majority of the women farmers using this service indicated that they trusted it mainly because it is run by a religious entity

As an example, Ghana has experienced an upsurge in the collapse of banks, non-bank financial services and the emergence of pyramid schemes fronting as microfinance banks. As a result, farmers are generally skeptical about agricultural and financial

services. For women, this is compounded by access and control dynamics where they are accountable to their husbands and the communities. Additionally, because women manage the household budget mostly assigned to them by their husbands, losing funds is more likely to impact the household's access to basic necessities such as food and clothing.

3. Informal financial services are prevalent, particularly Savings Groups for women

Savings Groups play an important role in providing financial, social, knowledge and customer networks to members, who would otherwise be unable to access such services.¹² Both the men and women interviewed indicated that women more easily got organized into groups with shared financial goals and were keen on making frequent low value contributions. Majority of women interviewed were members of a Savings Group primarily for savings and credit purposes. However, at least 1 out of 5 women reported losing their funds deposited with Savings Groups to non-contributing members, loan defaulters or officials who made away with the pooled funds—an indicator of the risk associated with this savings method. However, this did not deter their participation in Savings Groups.

Other common savings methods include purchase of easily resalable assets, such as livestock that can be resold at a profit when the need for money arises. This form of saving is considered effective because there is a higher likelihood that once the short term assets are liquidated, funds will be used for the intended purpose. A number of SHF saved via mobile money but this was mostly for values lower than \$5, indicating that mobile money is not always reliable due to lack of liquid agents within proximity.

4. Women tend to save small amounts regularly

Close to 65% of farmers interviewed do not have savings, citing heavy financial pressure on their limited finances and lack of affordable and transparent savings products. Without savings, these farmers are unable to absorb financial shocks and mostly resort to informal loans which are offered at high interest rates with mandatory

requirements for collateral in the form of household assets. Women farmers, though, demonstrate more consistent saving skills, especially through Savings Groups, and often use their savings for financial emergencies. They also tend to be calculated risk takers, often weighing both the financial and emotional impacts of their decisions—hence their preference for group loans, where accountability to group members determines how funds will be utilized. However, those with low incomes, frequently save only small and often insufficient amounts to cover all their additional household needs.

C. Cross-Cutting Recommendations

The following recommendations can bridge the gender gap thus increasing reach for women SHF across all FISFAP partner activities. They cover:

- a. The broader context of women’s financial inclusion
- b. Tackling gender responsiveness in FISFAP partner services

1. The broader context of women’s financial inclusion

a. Build awareness in communities about the benefits of women’s inclusion and the role of men’s support

Socio-cultural norms involve long-standing patterns of doing things and are not easily changed. Where these practices discriminate against women—in terms of access to and control of resources, decision-making, division of labor and participation in leadership roles—partners need to engage the communities to create awareness and sensitize both men and women to the detriments of gender discrimination.¹³ The Gender Action Learning Systems (GALS) approach, advocates for targeted gender inclusivity at the household level as opposed to isolating women. Involving men and community leaders in gender actions ensures support and common understanding of the intended outcomes while minimizing household conflict.¹⁴

b. Design services to address cultural and structural challenges facing women

For example, FISFAP partners can support and facilitate options such as land-leasing, through which women can more easily gain access to land. In addition, partnerships with input providers, buyers and aggregators can alleviate the challenges women face in accessing markets, inputs, mechanization services and other much needed agricultural services.

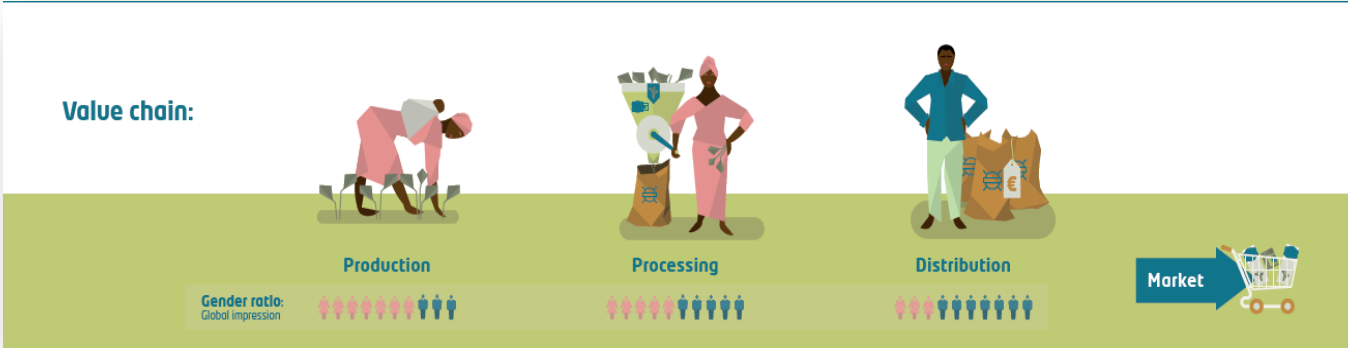
c. Sustenance of Gender responsiveness through economic empowerment of women

Historically, initiatives addressing women SHF barriers have been concentrated at the production phase, with little attention to participation in leadership and value chain activities beyond production. Organizations seeking to empower women should expand their scope in advocacy for women in advanced roles of the value chain for example buyer, seller, farmer organization leader and business owner roles.¹⁵

Economic empowerment of women has yielded positive results in leveling the playing field. When women earn an income, they are more likely to make decisions about how to spend it. Connecting women to market

information and opportunities as well as increasing their participation in other stages of the value chain, can increase their income. The Women’s Economic Empowerment (WEE) framework outlines the heavy participation of women in the production process. Whereas women’s participation at the processing stage equals that of men, it is significantly lower in the distribution stage and on leadership roles. The WEE framework advocates for the provision of power and tools to equalize women’s participation in the value chain while giving the power to make and act on their economic decisions at individual, household, community level; control resources, profits and the decision-making process.¹⁶

Figure 2: Women and Men’s current roles in the value chain



Source: Women’s Economic Empowerment (2018)

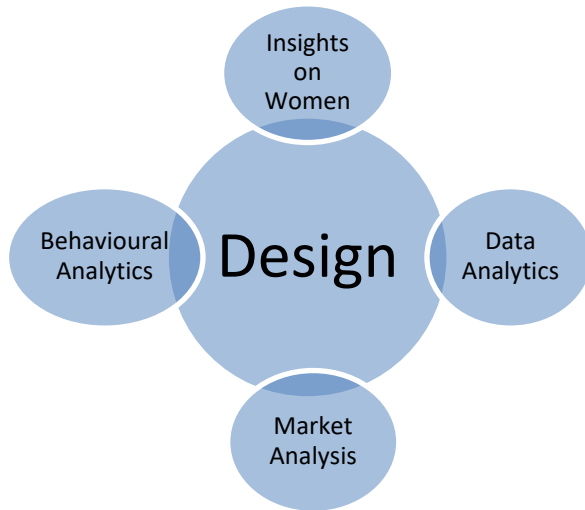
2. Tackling gender responsiveness in FISFAP partner services

The following overarching recommendations draw on themes that emerge from across the five FISFAP case studies.

a. Capitalize on the early life cycle stages of many of the products to lay the groundwork for gender responsiveness and cost-benefit measurement

Most of the five partner solutions under review are still in early product development phases. This presents an opportunity to integrate women’s needs into future enhancements under a gender responsive framework. It is apparent that FISFAP partners have some level of gender responsiveness and an interest in reinforcing this aspect. For those that seek to have a better understanding of how such an investment impacts their double bottom line, integrating simple cost-benefit measures into their MIS and operations from the early stages can also be beneficial, not only for organizational decisions down the road, but also as a contribution to the agricultural development and women’s economic empowerment sectors. The team worked with some individual partners to discuss relevant data to track and explore existing data collection mechanisms with an eye to enhancing them to enable gender inclusion analysis in the future. All partners can apply the gender lens to their data collection, and seek AGRA technical support if necessary, to put this in place.

Figure 3: Gender inclusive design



Chapter 4 contains tools that can guide the development of a gender responsive strategy and cost-benefit measures, which are best launched in the early stages of product development, testing and implementation. For example, service providers can utilize available information sources such as insights from women based on data or gathered through market research and market assessments, data and behavioral analytics, in order to better comprehend women’s needs, behaviors, corresponding solutions and how to increase customer engagement with the solutions. The same process can guide solution enhancements and upgrade to ensure gender inclusivity.

b. Focus on moving beyond pilot phases and implement scalable and sustainable digital solutions

At the same time, in consideration of the given grant periods, partners should endeavor to complete development of their solutions and launch them with a solid scalable plan in order to assess their actual impact on SHF in general and women in particular. One area of particular importance that emerged with some partners is the digitization of products and services, which has the potential to especially impact women SHF. Solutions that are currently being operated manually or launched with incomplete features may not provide a true picture of this impact, due to customer trust and utilization differences, as well as efficiency issues for the implementing organization. Many development projects start off successfully especially when donor funding is present but are unable to remain sustainable. A study conducted by the Technical Centre for Agricultural and Rural Cooperation (CTA) sought to establish why ICT4Ag solutions failed to scale. The findings of the study reinforce the importance of involving all potential users when assessing demand, address literacy, gender and social issues from the outset and developing a viable and scalable and sustainable business model beyond the donor funding phase.¹⁷

c. Build on existing structures that women trust and rely on

Designing solutions with women in mind ensures their specific needs are met and increases uptake. In the FISFAP partner target areas, there already exist networks of women that can be leveraged and reached with more reliable, safe and appropriate services. For example, service providers can leverage the structure of Savings Groups to promote saving members’ use of banks to deposit savings under joint accounts, as well as offering group loans to such members. Additionally, Savings Groups can be contact points for dissemination of financial literacy knowledge. Box 3 illustrates the journey of one savings group in surmounting obstacles and emerging successful.

d. Consider bundling services for added value and addressing women's constraints

FISFAP partners should examine more opportunities for bundling services in order to create more compelling value propositions. These may include labor saving devices; bundling insurance with seed or inputs, or savings, credit and insurance, e-extension and both agricultural and financial information services. Offering products and services that complement one another can achieve several objectives. First, by explicitly incorporating a component that addresses a constraint or need faced by women, both at the household level and in their agricultural activities, female clients are more apt to notice and to participate. Secondly, the bundled package may more successfully meet SHF needs, leading to increased economic and social impact for users. Moreover, bundling services can facilitate cross-subsidization by FSPs that for example cover the cost of seeds with interest income and a shared risk mechanism with the supplier. For Example, East African Farmers Federation provides farmers with access to markets and input credit services that are bundled with weather index and multi- peril insurance as well as information services. In their feedback, the farmers indicate that this has proven to be effective especially where the partners share a common goal of improving the livelihoods of women SHF. Farmers under the ACRE Bima Pima program expressed the need for the weather index insurance to be bundled with seeds, extension services or inputs.

e. Augment human touchpoints with training in gender sensitivity, female SHF constraints and needs

In order to provide gender-responsive products and services, a staff-wide sensitivity to gender issues is important. Agents and employees working with women should be trained and sensitized to gender needs and how to address these effectively. Top to bottom training is particularly beneficial because there are little signals and operational considerations that stem from our understanding and consideration of women's needs and constraints. To illustrate, Tro Tro Tractor noticed an interesting trend upon analyzing their data, over 50% of the tractor orders were coming from women SHF. Further analysis revealed that female SHF were more interested in and willing to pay for labor-saving services because they recognized the high opportunity cost of their time; two hours less in the farm can be spent earning an income that would improve their livelihoods. By providing gender awareness training to staff at all levels, service providers are better equipped to identify both market and social impact opportunities.

f. Implement gender-inclusive communication

One simple but critical step that all agricultural service organizations can take is to communicate in a gender-inclusive manner. This means crafting marketing communication that speaks to women and their needs, by communicating values such as empowerment, nurturing, commitment and time saving.¹⁸ Additionally, extending invitations to farmers meetings that specifically call for female as well as male participants is quite important. Promoting awareness of women's voices and input, and encouraging their participation, can help to address socio-cultural level barriers to women's engagement, thereby leading to greater inclusion and better household, community and institutional business level impacts.

D. Role for AGRA and other technical support

1. Apply gender-responsiveness criteria/monitoring indicators

AGRA can support FISFAP partners in actualizing gender responsiveness and implementing women's inclusion measures by setting gender-based key performance targets for FISFAP partners and linking these measures to grant disbursement. These targets can be adopted internally, where AGRA reports on the percentage of their FISFAP projects with an operational Gender Responsive Framework. The targets would not need to be numerous or onerous, but by incorporating a few key indicators, AGRA would signal its interest in and commitment to women's inclusion and incentivize partners to track gender measures and take some concrete actions. Although many FISFAP partners already have some awareness and commitment related to gender inclusion, competing priorities and reporting requirements can cause gender to be relegated to lower priority. Furthermore, AGRA's incorporation of gender measures would send a signal and set an example for the broader rural finance and development sub-sector.

2. Gender responsiveness awareness for senior executives

To date, most of the Gender Responsiveness activities have focused on partner employees at the program implementation level. While this is an understandably new initiative, FISFAP partners expressed the need to obtain top to bottom buy-in and support from senior management at their organizations particularly in formulating organization wide Gender responsiveness strategies and following through with implementation. This alignment is essential to the holistic success of any gender focused activities.

3. Technical assistance for in-depth cost-benefit analysis

For follow-up work on the business case with the benefit of more thorough cost-benefit data, engaging a consultant to provide focused partner-level technical assistance on building in regular collection of relevant cost and benefit data, running a data audit, providing partner guidance and support for a full business case analysis would be recommended. This could be provided in two phases: (a) working with the management team and IT staff to develop hypotheses, to consider existing data and collection approaches, and to establish and integrate clear and concrete reporting measures (including staff time) to feed into the cost-benefit model; and (b) after one full product cycle (around 12 months, depending on the program) to work again with IT and management staff in parsing, examining, analyzing and drawing conclusions from the data. See Chapter 3 for more partner-level suggestions on this technical assistance, and chapter 4 for more information about the business case analysis process.

4. Other recommendations and requests raised by Learning Event participants

- **Youth financial access in agriculture overlaps with women's inclusion when it comes to underserved groups and needs addressing.** Financial access for young people is difficult, and some partners requested support from AGRA in increasing outreach to this segment. Youth are interested in agricultural post-production, such as packaging. The initial cost of setting up is high. Youth entrepreneurs may be required to pay two to five years rent in advance, which is prohibitive. TroTro concurred with EAFF that young women and youth in general are a critical segment for AGRA to consider. Youth are disadvantaged when it comes to accessing credit and need business management training.
- **Capitalize on unexpected benefits to women from mechanization and time-saving services.** Interestingly, women are great users of tractor services where they can afford them, due to their need to

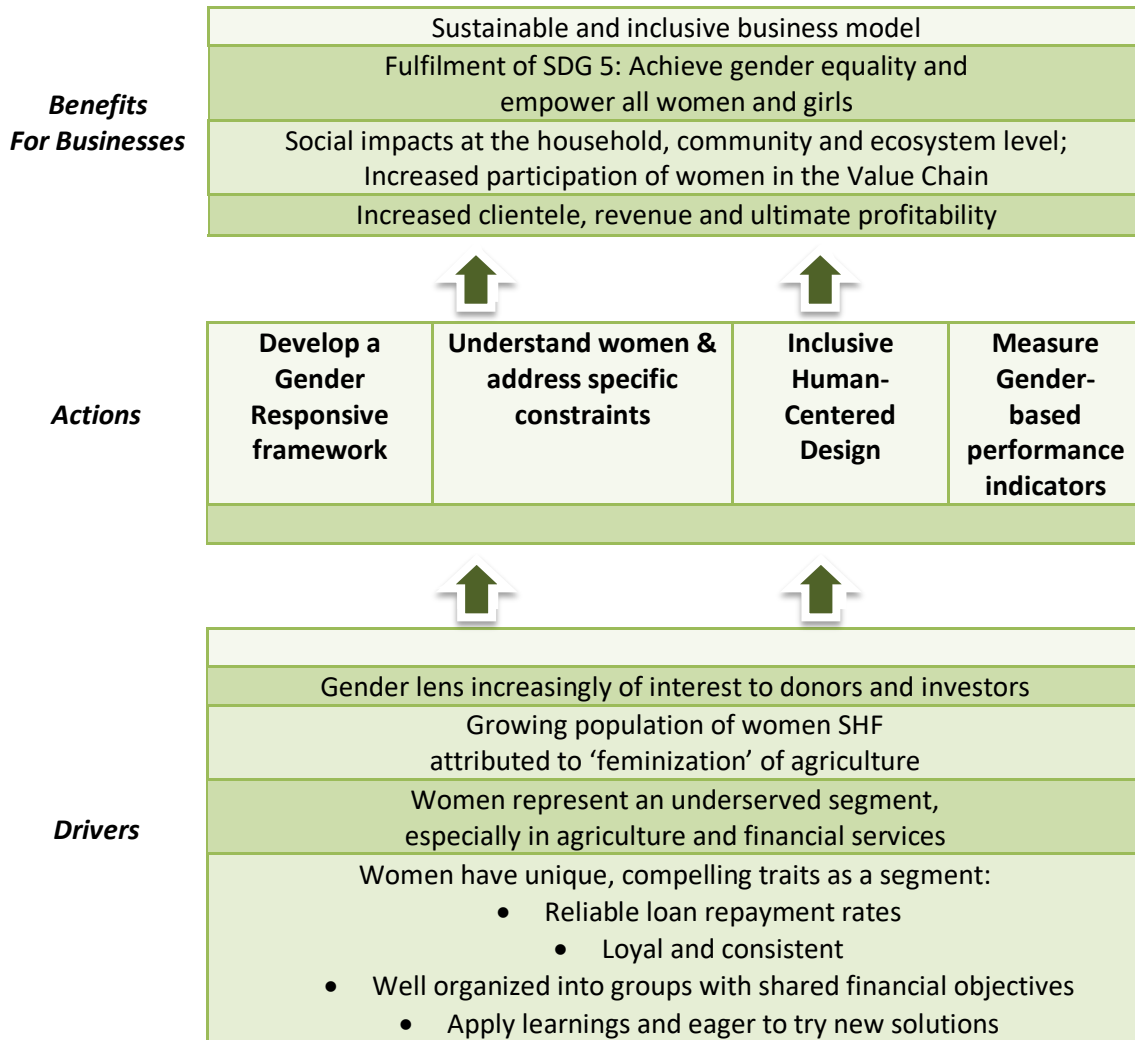
save time and recognition of the opportunity costs of their time. AGRA can support TroTro to reach more women SHF, as well as take into consideration this kind of surprise finding for programming and outreach for women.

- **Technical assistance to Advans Ghana (and other FISFAP partners).** Advans specifically requested technical support to develop the gender framework, design solutions and communication that effectively engage women.
- **Partner with Barclays Bank Business Club to reach more women and sector stakeholders.** Barclays Bank club carries out different activities for its women members. They invite women members for training on financial literacy, good farming practices for SHF etc. They have a number of SHF and see a partnership with AGRA as an opportunity to reach SHF amongst this group of women.
- **Provide fund leveraging support to Agricultural Finance Cooperation.** AFC has a product targeting women and signaled that they would like AGRA's support to develop it further and reach more women. They are also searching for sources of financing since AFC is not a deposit-taking institution; they would be interested in a loan guarantee for example, to leverage more funds.

E. The Business Case for Outreach to Women

All of the FISFAP partners have a business interest in addressing the gender gap when it comes to effectively reaching women, as well as men, with agribusiness-related products and services. There are numerous business reasons to consider investing in specific outreach to and engagement of women clients. Figure 4 summarizes the business case for reaching more female smallholder farmers, which is further detailed below.

Figure 4: Business Case for increasing access to women Small Holder Farmers



Sources: ACDI/VOCA, G4AW, Workplace Gender Equality & Authors Analysis

1. Women represent half of the SHF population

Although men comprise only 50% of the adult population, most agricultural financial and extension services in the FISFAP partner countries are provided to men.¹⁹ The FISFAP partners already operate in specific catchment areas, where they invest staff time and other resources to serve SHF. Where majority of their clients are men, organizations are ignoring a substantial proportion of potential clients, and therefore not realizing potential business revenues and social impact.

Although many SHF operations are family businesses, meaning that a loan or other service to a male client may also lead to benefits for women in his family, this is not always the case. Organizations stand to increase their clientele by specifically addressing women, both through “capturing” completely new farm businesses via female farmers, and by attracting new business from farms already served by one product (perhaps accessed by a man) and that would like to avail of other services directed toward female farmers and their unique needs.

2. The feminization of agriculture makes this segment a growing market opportunity

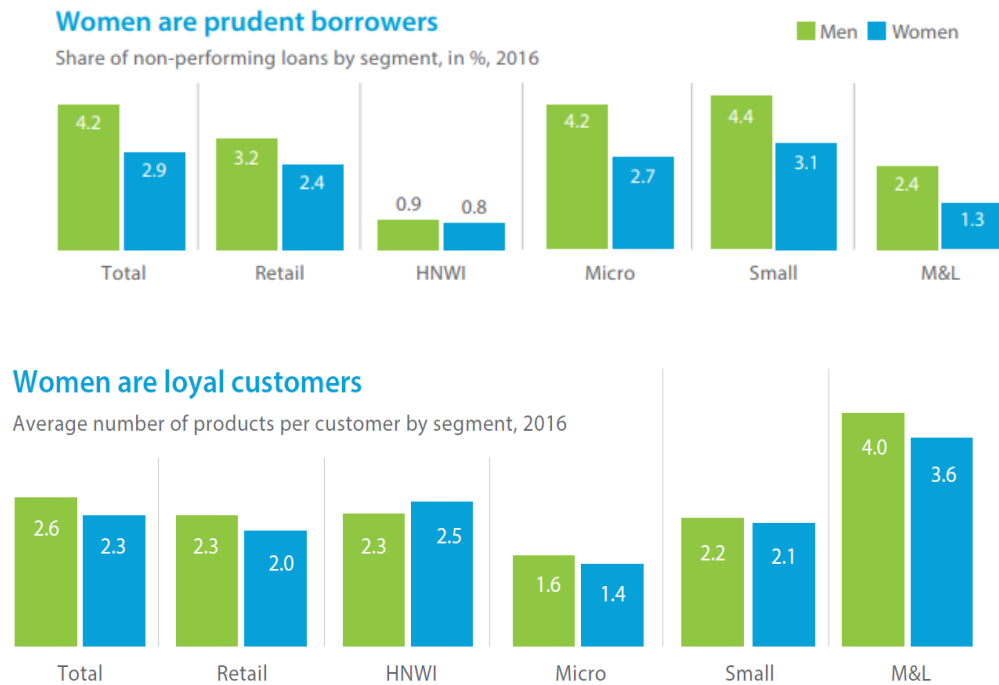
Female representation in smallholder farming is growing. One of the causes of the increasing number of women SHF is the migration of men to seek better economic opportunities, while leaving women behind to farm. Shifting cultural norms and the efforts of development partners in eradicating longstanding barriers such as access to land through leasing, input and credit support are also paving the way for more women to farm sustainably and to expand their farm businesses.²⁰ By directing more attention toward this underserved segment, and focusing on their unique needs and demands, savvy service providers stand to gain market share and build loyalty among this growing population of female SHF.

3. Women make good customers

Women have differentiating traits that are attractive for financial service providers and agribusinesses. These include:

- a. Reliable loan repayment.** Female borrowers tend to be more reliable when it comes to loan repayment, which means that a gender-balanced loan portfolio has a greater chance of being healthy and showing fewer defaults. By investing in the design of products that meet women’s needs and in women-focused marketing and distribution, organizations can recuperate their costs through the benefits of a stronger portfolio: better portfolio at risk, lower defaults, less time spent pursuing repayments and restructuring loans. A study conducted by the Global Banking Alliance for Women in 25 countries amongst 3.2m female customers confirms this.²¹

Figure 5: Women’s loan patterns and average product usage vs. men



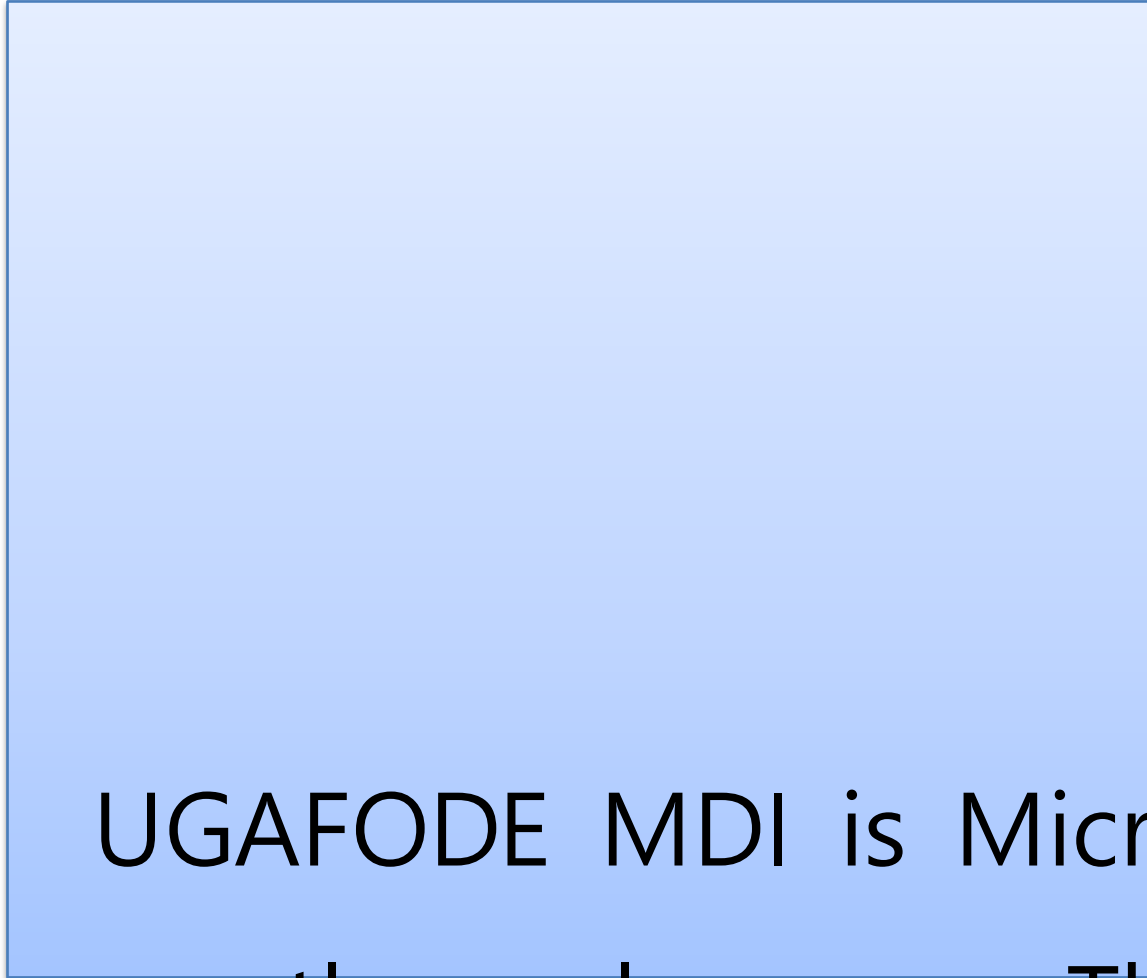
Source: Global Banking Alliance for Women (2018)

- b. More loyal and consistent client base.** Research shows that female clients tend to be more risk calculating and selective in their financing and business decisions, but that they also tend to be highly loyal once they adopt a service or join an organization. As illustrated above, although the number of banked women is lower, they use almost as many products per customer as men, thus presenting cross selling opportunities. This loyalty can pay off for financial service providers and other organizations serving SHF resulting in longer-term business growth. For example, women who continue using an organization’s solutions and gradually branches out to try additional products and client outreach through word of mouth recommendations among women about products that directly address their needs.

- c. Well organized into Savings Groups with shared financial objectives.** The majority of women in the FISFAP catchment areas are currently using informal services such as Savings Groups and Table banking. Savings Groups offer basic financial services to members- mostly savings and loans- in market segments where participation in the formal financial sector is limited. Over the last few years, there has been growing interest in leveraging their structure as a pathway to financial inclusion. Considering that about 80% of Savings Groups members are women, interventions to bridge the gender gap in financial services are increasingly being channeled through Savings Groups digital products with positive outcomes. Examples include: Fidelity Bank Ghana, Access

Bank Tanzania, Equity Bank Kenya, Matontine in Senegal, PostBank and UGAFODE Uganda (depicted below).

Box 3: UGAFODE Uganda Savings group solution targeting women



UGAFODE MDI is Microfinance mostly rural women. There's i

Source: UNCDF Microlead (2018)

Savings Groups composed of smallholder farmers can be leveraged for the delivery of agricultural and other extension services. Development organizations can create linkages with financial service providers to extend product offerings to include individual and group based savings, credit and insurance for women (SIF, 2)

d. Deposit mobilization to increase liquidity. Along with the loyalty that women often demonstrate once they find an organization or product that meets their demands, it has also been shown that women tend to save more regularly and committedly than men. The prevalence of Savings Groups in the FISFAP countries, combined with reports of savings risk and loss through these informal mechanisms, demonstrates a strong demand by women for safe and reliable places to save. While women tend to save smaller amounts than men, they are more frequent depositors who often incrementally build their savings, rather than withdraw large sums all at once. For organizations

especially by savings groups seek opportunities to build re

GroupSave –Is a savings pr

that can offer savings products and perhaps accessible digital savings in particular, there exists a solid market opportunity, especially among women, and this savings segment can help reinforce organizations' liquidity base.

- e. **Interest in learning and applying new tools.** Several studies have shown that women make good use of the training they receive and are open to using new technologies if these will ease their responsibilities. Simple interfaces and human touchpoints for support ensure higher uptake of tools such as digital financial services. A study carried out amongst Smallholders in Paraguay found women SHF were more likely than male SHF to apply what they learnt in trainings and adopt new farming techniques. This was mainly attributed to gender norms placing men in positions of authority hence they were less likely to take instructions. Additionally, women did not always have learning opportunities and were therefore more eager to learn.²³

4. The social impacts of women's inclusion attract outside investment

For organizations seeking external investment and donor funds, a demonstrable commitment to serving women can be an added advantage. As investor and donor communities become increasingly aware of the potential social benefits to women, families and communities when women are more economically empowered and engaged, they increasingly seek investments in organizations that are ahead of the curve in bridging the gender gap. By taking action to specifically analyze and expand women-focused product offerings, social impacts and business outcomes, organizations can position themselves for greater investment and hence business growth. The 2017 CGAP analysis of key funding trends found that gender-focused initiatives were a priority for donors, and 18 out of 23 funded projects had a prominent gender component. Increasingly, development donors and investors are seeking projects with demonstrable gender inclusive social and business impact.²⁴

In conclusion, it is crucial to ensure female SHF's participate in and benefit from their farming activities as this not only contributes to their well-being and households but also benefits agribusinesses.²⁵ When women receive training, extension support, market linkages, safe savings and financing options, the business and social impacts are overwhelmingly positive not only for the participants themselves, but also for their families, their farm businesses and their broader communities. By proactively designing products and mechanisms to reach women more effectively, financial and agricultural service providers stand to gain not only with regard to their social mission, but also in terms of increased clientele, liquidity, revenues and investments. Extending relevant services to women makes good business sense. FISFAP partners and other stakeholders require support to identify where and how to address the gender gap in an effective and sustainable manner.

The following chapter examines five FISFAP partners and their product offerings in more detail. Chapter 4 presents tools for enhancing gender responsiveness of FISFAP products and services, as well as a guide for systematically measuring and assessing how a concerted outreach to female clients impacts such organizations in terms of the double bottom line.

CHAPTER 3: FISFAP PARTNER CASE STUDIES

This chapter presents five case studies drawn from FISFAP. The case studies were developed with select FISFAP partners offering a variety of digital solutions for SHF in the three practice countries. The table below provides a summary of the partners' status.

Table 1: FISFAP Partner profile and Gender Responsiveness

FISFAP Partner	Country	Solution		Gender Responsiveness				CBA Data
		Solution Offering	Product Life Cycle Phase	Gender Resp. Phase	Gender Responsive Strategy	Collection & usage of Sex disaggregated Data	Gender Based KPI's	Availability of Cost Benefit Data
Success for People	Ghana	Input Finance & Warehouse receipting	Development	Aware-Strategic				
Advans Savings & Loans		Financial Services provider: Savings & Loans	Introduction	Aware-compliance				
East African Farmers Federation	Kenya	e-Granary input, output trading financing platform	Introduction/Development	Aware-Compliance				
ACRE		Weather index insurance	Introduction	Aware Strategic				
SELF/MuCoBa	Tanzania	Wholesale loans for Income Smoothing	Introduction	Aware-Compliant				

Source: Partner interviews (2018)

The case studies were reviewed and are presented according to the framework outlined below:

- A. Solution features and model
- B. Gender responsiveness
 - Institutional Capacity-Gender mapping, gender responsiveness strategy, Gender Based KPI's, collection and usage of sex disaggregated data
 - Suitability of the solution for women SHF
- C. Recommendations for increasing outreach to women SHF
- D. Business case and cost-benefit analysis

I. Success for People

Success for People (SFP), a FISFAP partner based in Ghana, is implementing a 22-month project aimed at increasing agricultural productivity and improving incomes of 15,000 smallholder farmers through increased access to financial products and services. This will be achieved through a supply chain financing product, "Goods Receipt Note" (GRN), with Warehouse Operators at the community level. The program targets SHF in the Volta, Brong-Ahafo, Northern, Upper East and Upper West Regions of Ghana and provides pre-harvest and post-harvest credit to these farmers through. SFP hopes to extend a cost effective agency model to these farmers after a successful

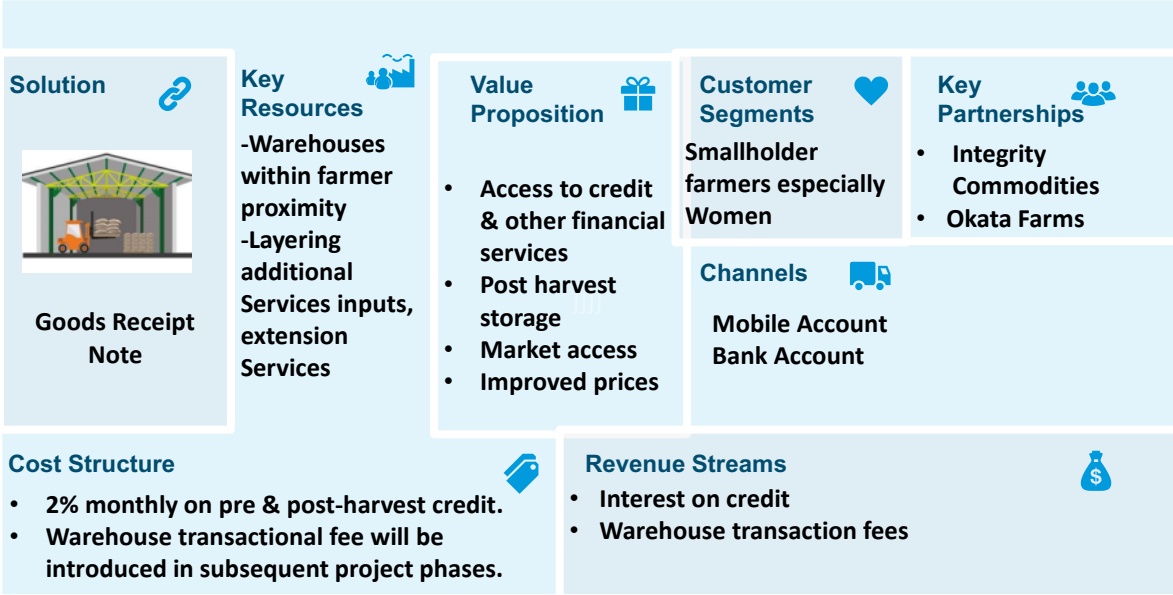
implementation of its Goods Receipt Notes Concept by close of 2018 to provide a tailor-made financial services in the SFP target communities.

SFP has partnered with two agribusinesses: Integrity Commodities in the Brong-Ahafo Region and Okata Farms and Processing Company in the Volta Region, which provides quality seeds, inputs, mechanization services and off taker services to Farmer Based Organizations (FBOs) in these regions. Through a USAID-FinGAP initiative, Okata smallholder farmers received access to mechanization services, certified seeds and agrochemicals which resulted in 70% increase in the quality of rice produced and sold to Okata Farms. Okata extended its services to the northern districts where over 1,800 out growers including 875 women and 571 youth produced and sold a total of 600,000 tons of rice to Okata Farms.

A. Good Receipt Note Business Model and Features

The Goods receipt note is offered against Pre and Post- harvest credit for Farm working capital with produce as collateral. Other value-adds include access to guaranteed markets, training in good agricultural practices and facilitating better pricing of produce. To be eligible, smallholder farmers self-select groups of not less 5 members under a designated nucleus farmer/aggregator. They must have cultivated a specific crop for at least two (2) planting seasons in at least one (1) acre land.

Figure 6: Success for People Goods Received Note Business Model Canvas



SFP is still in the process of developing, pilot-testing and implementing its multifaceted service package under FISFAP. The following observations were made during field research:

- SFP has not gone through the entire product cycle, which limits conclusions that can be drawn from the assessment. Additionally, the digital platform and money transfer application are in design phase.

However, most of the farmers interviewed have mobile phones or can access one through a family member.

- Farmers feel short-changed due to a lack of standardization of bag sizes and weights, especially for maize in the Brong-Ahafo Region.
- Lack of sufficient dryers for drying maize effectively and preserving quality are in short supply particularly during the rainy season.
- Financial institutions are unwilling to extend credit to farmers because agriculture is generally regarded as risky; this makes the SFP intervention highly relevant for the FBOs being reached through Okata Farms and Integrity Commodities.
- A critical requirement for the success of the SFP product is the availability of warehouses for storing their grains. This is currently insufficient, in part because high value cocoa cash crop takes precedence over rice in places like the Volta region, so farmers store their produce in inappropriate storage facilities where their products are exposed to unsuitable elements. Women are especially impacted by the discrepancy in available warehouse space for lower value crops.

B. Gender Responsiveness

According to SFP, the major obstacles to becoming fully gender responsive are the prevailing socio-cultural norms commonly found in rural communities that discriminate against women SHF in accessing and using agricultural and financial services. Their participation in some aspects of the value chain such as leadership is limited, and their roles are mostly restricted to the home and market place, hence their high levels of participation in programs that drive gender based economic empowerment. For example, Integrity Commodities engages settler farmers in his locality, for cultural reasons, he works mostly with male farmers because female SHF's need permission from their husbands to participate, and often, this is not granted as they have also household responsibilities.

Success for People deliberately targets women SHF in order to address their farming production needs by engaging nucleus farmers working with SHF's who have been constituted into women only or mixed Farmer Based Organisations (FBOs). Of the 8,000 farmers that SFP works with, 66% are women. In the Volta region, Okata Farms is a woman-led agribusiness that has leased 500 acres of land to ease access for women SHF under the SFP program.

Although SFP has progressed through some stages of the Gender Responsiveness Framework (Figure 13), these activities have not been strategically structured nor documented. In order to fully integrate the targeting of women into its implementation approaches, SFP is drafting a Gender Responsiveness Framework and has defined the following objectives:

- To increase women's income in order to help them invest in education and healthcare of their children to keep them out of poverty

- To help address the negative social norms and socio-economic barriers that prevent women from fully exploiting their potential
- To expand women's access to land and affordable financial services
- Link women to agricultural value chains
- Improve rural women's access to training and information

Client facing employees are generally gender aware in their interactions with SHF although they have not received formal training which is recommended for improved engagement with women SHF.

SFP maintains gender-disaggregated data and sets gender based KPI's in order to track and evaluate its performance in supporting women small holder farmers. Even though the data is readily available, it is fairly basic and limited to reporting purposes. This is mainly because of the lack of internal capacity to define and apply parameters for data that allows prescriptive and predictive analytical decision making.

Suitability of the GRN solution for women SHF

All the women groups interviewed regarded the GRN product as promising for enabling them to store their produce at harvest in order to take advantage of increased prices during the lean season. At 2% monthly interest on pre and post- harvest credit and upcoming warehouse transaction fees, the women SHF consider the fees affordable. Inclusion of storage and handling fees in the disbursed loan ensures that recipients are not compelled to seek additional financing to cater for these items; it also maintains simplicity of the fee structure. As mentioned above, though, SFP has not yet gone through a full cycle of the GRN product implementation (the GRNs were not due to kick in until harvesting stage beginning in late November 2018). As such, it is difficult to fully assess the gaps and performance to date with regard to women.

Women play a critical role in the aggregation and drying of maize of storage. In the Volta Region Okata Farms uses a female broker as one of her key rice paddy aggregators. All women groups interviewed in the Volta Region indicated that the production, storage and selling of rice paddy is their mainstay and source of income. As stated by a woman at Lolobi – Kumasi in the Volta Region; *"I store some rice paddy at harvest so that I can sell some for urgent household expenses and my children's school fees when needed"*. Based on interview findings, women are likely to use the advance to cover the following expenses: crop production costs, working capital for their food processing and other businesses, children's school fees and household expenses.

Women store their products and sell it mostly at retail markets; hence they particularly value the added benefit of accessing wholesale markets via the GRN. Previously, they encountered numerous obstacles when sourcing markets for their produce, including: lack of market access and information, poor transport networks, brokers undercutting market prices and inability to negotiate good prices. The GRN product has potential to help women and all smallholder farmers address these issues. On the other hand, there is increasing evidence that GRNs can extend the duration of the lean season and this particularly impacts women who need an income to maintain household needs.²⁶ With this in mind, SFP's timing of the loan advance is particularly critical for women as they are actively responsible for the daily provision of food in the household.

Note that the GRN mobile and web solutions are also at the design phase, with planned key delivery channels being bank branch and Mobile Money. SFP has an ongoing initiative to encourage women to acquire mobile phones and register for mobile money given the lower rate of mobile phone ownership for women SFH (60%) compared to men (95%).

C. Recommendations for increasing engagement with women SHF

The following recommendations would enable SFP increase its engagement with women farmers and improve uptake FBOs as well.

1. Short-term recommendations

a. Train and equip field agents to address gender issues and to improve client understanding, adoption and usage.

The GRN is in early phases hence SFP needs to closely monitor progress through their field teams especially in areas where they do not have branch presence. Given that women value human touch points, SFP field teams should be visible and knowledgeable on how to address common issues faced by women SHF. This should also extend to acquisition efforts where women should receive simple and accurate messaging to enhance buy-in.

Recruiting additional female loan officers not only demonstrates SFP's commitment to women but also ensures their needs are well understood and actioned.

b. Prioritize the identification of appropriate warehouses.

Provision of warehouses is critical for the maintenance of quality post-harvest produce. Additionally, it lends to the accuracy and efficient functionality of the proposed solution. Okata farms in Volta region can enter into lease agreements (jointly with SFP) with suitable warehouse managed by the Cocoa Board for use. To ensure these adequately serve the needs of women SHF, locations should be strategic and within proximity or areas that are served by a reliable transport network.

c. Accelerate digitization of the GRN platform to improve efficiency, accuracy and client experience.

The value proposition of the GRN solution is hinged on the digitization of functions such as onboarding farmers and validation, loan application by farmers, loan disbursements, loan repayments, information and notifications. Given that the digital platform is incomplete, these functions are being carried out manually, which significantly impacts the customer experience and anticipated benefits. This should motivate SFP to prioritize the completion and subsequent deployment of the platform.

d. Address discrepancies in weights and measures to ensure accuracy and reinforce trust.

In order to avoid the exploitation of farmers, especially in the Brong Ahafo Region, there is a need for stakeholder consultations and commitment to the standardization of weights and measures for the offtake and purchase of maize. Fully digitized weighing scales integrated into a receipting system will eliminate human intervention and could address the issue as farmers receive SMS notifications of the produce weight. This solution will also improve the quantities and recorded values of maize stored by the farmers against warehouse receipts and therefore the profit margins earned by the farmers from this product.

e. Offer labor-saving and quality-enhancing equipment to increase both value to the client and client loyalty.

Women farmers are largely responsible for post-harvest drying of maize. Providing access to labor-saving equipment, such as dryers would improve the quality of grains for storage while freeing up some time that could be dedicated to other responsibilities.

2. Medium-term recommendations

SFP can support women SHF by working around the traditional land ownership patterns to expand women's access to land for example through leasing. Okata Farms has demonstrated the impact of easing access to land for women.

As a stakeholder in the sector, SFP can advocate for more targeted inclusion of women farmers in Ghana's national policies and strategy. These can include enforcement of existing policies and laws for protection of women's land rights such as equal rights for women in all household and community land decisions, equitable land redistribution or resettlement, special grants and loan products for women to invest in land for farming, and increased representation of women at various decision making levels to ensure women's land rights.²⁷

D. Business Case

SFP already has a strong commitment and integrated approach to women's inclusion. The organization strives to continue improving its product and service offerings to meet women's needs to fulfill its social mission and purpose. In addition to this, There are a number of business reasons for continuing to build on SFP's gender efforts, including:

- Diversification of portfolio to include products and services in support of crops that are traditionally raised by women or those they seek to cultivate in greater quantity. By providing warehousing, financing and/or other services to women, SFP may be able to capture and even help expand a market segment that is under-tapped.
- Improvement of portfolio volume and quality due to women's increased representation and involvement in crop warehousing and financing. Because of women's traditional role in marketing farm products, their increased involvement in other stages of the farm business may bring valuable new insights and ideas to decisions about which crops to cultivate and warehouse, how to market their products and how to gain market share and fair prices. This in turn not only addresses SFP's social mission but also has the potential to improve volume, revenues and profit for greater organizational sustainability.

A preliminary, high-level analysis of the costs and benefits of SFP's operations related to the warehousing product yielded the results below.

Table 2: Cost Benefit Analysis- Success for People

Quantitative Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Cumulative To Date
BENEFITS						
Cost Savings	95,868	95,868	0	0	0	191,736
Cost Avoidance	0	0	0	0	0	0
Revenue	360,000	360,000	0	0	0	720,000
Other	0	0	0	0	0	0
Total Benefits	455,868	455,868	0	0	0	911,736
COSTS						
Non-Recurring	372,000	74,000	0	0	0	446,000
Recurring	464,000	222,500	0	0	0	686,500
Total Costs	836,000	296,500	0	0	0	1,132,500
Net Benefit or Cost	-380,132	159,368	0	0	0	-220,764

All figures in USD.

Because SFP already collects gender-disaggregated data, the organization is well positioned to analyze the performance and trends of women vs. men farmers, as well as (with care to account for differences unrelated to gender) compare products, regions and areas where there is a higher proportion of women, as compared to those where women are under-represented to detect differences that may inform product development or business decisions.

Ayani would recommend providing sustained technical assistance to SFP to undertake a thorough cost-benefit analysis process. This could be undertaken perhaps via a short-term technical consultant providing periodic strategic guidance, in combination with a longer-term intern or data analyst based at SFP for several months. The process would begin in collaboration with the senior management team and managerial staff directly involved in the warehouse receipt product to clarify the strategic management questions to be answered, determine a relevant timeframe for the study, and identify together the marginal cost drivers and key benefits to monitor (for example: SFP's warehouse receipt interest income, changes in quality/price for clients' products, changes in clients' savings or other transactional behavior with SFP). Next, SFP's IT and staff responsible for monitoring would be engaged to examine existing data collection mechanisms and data sets, identify efficient ways to integrate additional key indicators, and to set up a process. Some ongoing support may be needed to collect, parse and analyze the cost and benefit data (for example encouraging time sheet completion if staff time will be monitored as a cost driver for a period and if activity-based costing

will be applied, consolidating the time sheet data and troubleshooting any questions or anomalies, consolidating and examining all monitoring data on a regular basis to ensure relevance, consistency and usability). At the end of the data collection period, the technical consultant, intern/data analyst, IT and monitoring staff would work together to analyze the data, share preliminary findings with the management team, refine the analysis from a strategic perspective, and document results. This process would need to be carried out in advance of a seasonal cycle and throughout the course of a full season, in order to accurately track costs and benefits.

II. Advans Ghana

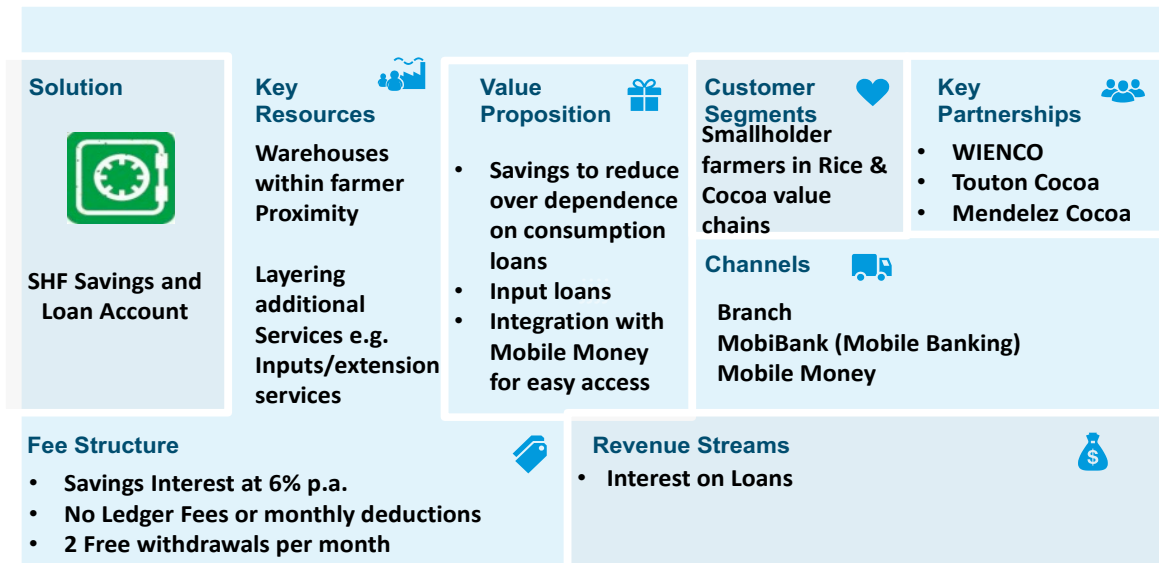
Advans Ghana Savings and Loans is a microfinance institution that offers a wide range of savings and loan products to suit a variety of client segments, including: micro and SME loans; small group lending products; deposit products such as current and savings accounts, children's accounts and term deposits to SMEs, micro entrepreneurs and individuals in Ghana. This is to enable them to grow their businesses and improve their standards of living. Advans Ghana is part of the wider Advans group with presence in eight other countries: Cambodia, Cameroon, Democratic Republic of Congo, Cote d'Ivoire, Pakistan, Nigeria, Tunisia and Myanmar.

In partnership with Touton Cocoa, Mondelez Cocoa and Wienco Agriculture, Advans has been providing inputs, access to markets, training, savings and loans to SH farmers in the cocoa and rice value chains in Ghana. The demand for input and loans has been high, yet majority of these farmers do not have savings. With this in mind, Advans Ghana with funding from AGRA, is pilot testing an agricultural savings and lending product aimed at providing a reliable, safe and affordable saving option for SHF while balancing the dependence on loans with a savings culture to strengthen the resilience of these farmers.

A. Savings and Loan Solution

The savings account opening process is simple and farmers are assisted by Advans Ghana field officers. To date, **2,080 savings accounts** have been opened and **809 input loans** advanced with over 95% repayment rate. Through the partnership with WIENCO, rice farmers receive input loans and access to markets. Repayments are deducted when their produce is sold, and balances paid into the Advans savings accounts. Rice farmers typically withdraw the full amount following payment while cocoa farmers who are paid via rural banks do not save, as a result, Advans savings accounts have high dormancy rates-over 80% for cocoa farmers, and 52% for rice farmers.

Figure 7: Advans Savings Account & Loans account Business Model canvas



B. Gender Responsiveness

Advans Ghana notes the client's gender for each account opened. Forty-two percent (42%) of the savings accounts are held by women and of these, 40% have a positive balance. The organization is gender aware mostly for compliance purposes but does not have a gender responsiveness strategy in place. Notwithstanding this, Advans has noted an increase in the number of women SHF in the rice value chain, owing to the rising opportunities to lease land from government or other land owners where payment is by cash or farm produce. The inputs and access to market services provided by WIENCO have positively contributed to the success of these upcoming women SHF.

Advans has yet to carry out gender sensitization among its client facing workforce and this has been recommended as part of development of the Gender Responsiveness framework. In addition, the bank does not collect nor use sex-disaggregated data to generate insights beyond gender based usage patterns.

Suitability of Advans Savings and Loans for women smallholders

The savings and loan account features are gender neutral and not particularly designed for women SHF. Proximity is a valued attribute by women SHF who typically face mobility constraints. The savings account is integrated to Mobile money and majority of the women SHF in the rice value chain, use this option as there is adequate network coverage coupled with a good number of liquid agents in the Volta Region, however, Brong Ahafo region is not adequately served by the existing delivery channels- branch, mobile banking and mobile money due to poor network coverage and lack of infrastructure. Women SHF who wish to save rely on Advans loan officers to physically collect cash from them.

The fee structure is simple and most women SHF farmers found it affordable. Over time, Advans has overcome the skepticism which is prevalent amongst farmers in Ghana, this is essential in drawing more women SHF to use its services.

Advans plans to develop and roll out a full suite of agricultural products in order to expand its subscriber base and widen its product portfolio and in recognition of the untapped potential of women SHF, intends to strategically target them with suitable solutions. As a first step, the bank has rolled out a group loan product for farmers with requirements for the group to have at least four women out of 10 members.

C. Recommendations for increasing engagement with women SHF

Based on the foregoing findings and observations, the following recommendations may assist Advans in furthering its gender responsiveness.

1. Short term recommendations:

a. Apply gender-inclusive communication.

Currently, Advans Ghana's communication to SHF mostly reaches men. For example, during account opening sessions, the Advans field officers called for a farmers' meeting and over 90% of the attendees were men, even though women's participation would have been valuable. Ultimately, most of the account holders are men, and while the women are aware of the Advans account, they do not perceive it as targeting them. Invitations for training and farmer activities should instead target and encourage the participation of both men and women SHF so all can benefit from information disseminated in equal measure. Taking the training close to women also ensures their participation. Advans' communication regarding the savings account product should be in language that also appeals to women and demonstrates inclusivity; for example, illustrations with messages that acknowledge the roles and contribution of women in the household or community.

b. Develop a Gender Responsiveness framework.

As a first step, Advans Ghana can consider developing an organization-wide gender responsiveness framework to guide its gender-focused activities towards a common objective and align this across various levels of the organization. Chapter 4 of this report outlines actionable guidelines for FISFAP partners seeking to embark on developing gender responsiveness frameworks for their organizations.

c. Emphasize last-mile agents as human touchpoints.

Although Advans Bank has a wide network of branches within Ghana, coverage in rural areas is limited. Yet farmers favor a savings solution where depositing funds is quick and cost effective. Most farmers indicated that whenever they have funds dedicated for savings, they have to make a quick decision, or else the funds get easily diverted for other purposes. Currently, field officers collect deposits from farmers in areas that are not covered by branches, and although this method has worked to a certain extent, the size of the officers' territories does not permit them to adequately make frequent visits and is not sustainable with growth of the customer base. Proximity is vital to farmers and particularly women SHF, as it enables frequent small value savings, low to no transport cost and reduces safety risks.

Advans Ghana plans to deploy an Agency Banking network. Such a network would be a significant driver for the savings and planned credit products as well as customer education and issue resolution. Financial Service Providers have realized gains by supplementing mobile solutions with agency banking networks, specifically in expanding reach to rural communities and where agents are members of the community, such as shop owners or religious leaders.²⁸ Advans Ghana can consider prioritizing the deployment of its Agent Banking solution focusing on areas with high farmer activities and limited branch presence. Agents should be well equipped to facilitate transactions, educate farmers on the solution and provide information where needed. Although First Allied Savings and Loans (FASL), a fellow FISFAP partner is a direct competitor, Advans can identify areas of synergy with the existing FASL Agent network such as Liquidity management.

In line with the gender responsiveness agenda, Advans Ghana can also encourage eligible business women from the community to become agents. Notably, liquidity management presents a great challenge particularly for rural agents, because service points for accessing cash such as bank branches are not within proximity. Women agents are likely to be constrained in their ability to travel long distances to access cash. Advans can develop a geo spatial map of agents and their proximity to bank branches and establish cash delivery options such as roving super agents for such locations. This action would also be a selling point when recruiting potential women agents as it would demonstrate that their specific needs have been considered.

Box 4:
Agent Network in Jordan Leads to Increased Engagement of Women

Dinarak, a mobile payment services company in Jordan launched the first authorised female agent network and significantly attracted women to its customer base because women agents were considered to be more helpful and trustworthy.

2. Medium-Term recommendations

a. Incentivize mid- to long-term savings.

Studies point to women being better savers with a 16% likelihood of saving for future expenses.²⁹ Simply by reviewing and revising its savings product and marketing with women’s needs, constraints and preferences in mind, and effectively applying these to attract more women savers, Advans is likely to realize an improvement in savings account usage. For example, some women may prefer fixed term or locked savings which are accessible only after the expiry of a specified term. Others may opt for targeted savings for specific purposes such as school fees.

To further reduce dormancy and ‘zero balances’, Advans Ghana can consider a low-cost method of incentivizing farmers to maintain their savings by awarding progress badges, bonus airtime and other promotional items to farmers who maintain positive balances within a specified threshold. Educational campaigns detailing account features especially regarding fees can be carried out to eliminate the common misconception of hidden deductions eating into their account balances.

b. Leverage existing informal methods of savings and lending.

In the Volta regions the women who sell rice in the markets have better cash flow than men who initially sold the rice to them in bulk. The women then advance credit to farmers at a 50% seasonal interest rate payable

in cash or through produce. Advans can target these women partner with a Fintech solutions provider to formalize this service as a peer to peer lending solution. For the women lenders, this would increase reach and provide additional income. Expanding reach would justify reductions in interest rates charged and increased premiums for mutual benefit of the lenders and borrowers.

c. Design loan products suited to women’s credit behavior.

Based on the findings of this study, women are more prone to organize themselves into groups with shared financial goals. Group loans would be an ideal offering for women SHF as it eliminates the need for collateral and enforces peer to peer accountability. Advans can bundle value-add services such as seed, input and machinery to these loans to enrich the value proposition for women who would otherwise not be able to access these services. Since these would be collateral-free loans (other than the group solidarity), it is advisable to remove any requirements for approval of loan applications by husbands or other male community leaders. This will ensure women are empowered to make financial decisions that are beneficial to them.

d. Increase collection and use of sex-disaggregated data, including behavioral insights to better understand women’s needs and preferences.

To guide communication, training, product enhancements and new product development, Advans Ghana has an opportunity to strategically intensify the collection, analysis and usage of sex-disaggregated data. This can be combined with behavioral analytics to more adequately address specific needs of women SHF while guiding the targeted development of planned agricultural products. The current data demonstrates lower savings account ownership and activity rates for women. Advans Ghana has an opportunity to study this segment and address present barriers, and then to track progress as women-focused products and approaches are introduced.

D. Business case

Based on evidence that women tend on average to have higher loan repayment rates, Advans stands to enhance portfolio quality by specifically engaging female borrowers. But in addition, due to women’s strong demand and often higher propensity for savings products, a greater focus on women may help with Advans’ savings account dormancy issues, leading to better liquidity, more regular client engagement (via savings deposits and withdrawals) and more opportunities for cross-selling of other products and services (digital and other).

Advans was unable to provide revenue data, since the product is not yet fully operational; recurring product costs to date have been approximately \$20,000. Nevertheless, Advans is well positioned to conduct a cost-benefit analysis and to supply evidence to inform a business case for engaging more women. First off, Advans is already collecting gender-disaggregated data and is tracking a number of basic data points regarding the performance of female versus male clients. This data could potentially be further utilized to pinpoint and document differences in women’s loan repayment, client loyalty, savings rates and contribution to liquidity, etc. This information could be extrapolated to show the relative financial benefit of female clients compared to male clients (i.e., if the lifetime value of an Advans client is \$X, then the Y% higher retention rate of women indicates a net benefit to Advans of \$Z with regard to female clients and \$A with regard to male clients). This could also be overlaid with an analysis of the marginal costs of specific outreach to women. Moreover, with the FISFAP product fully up and running, a

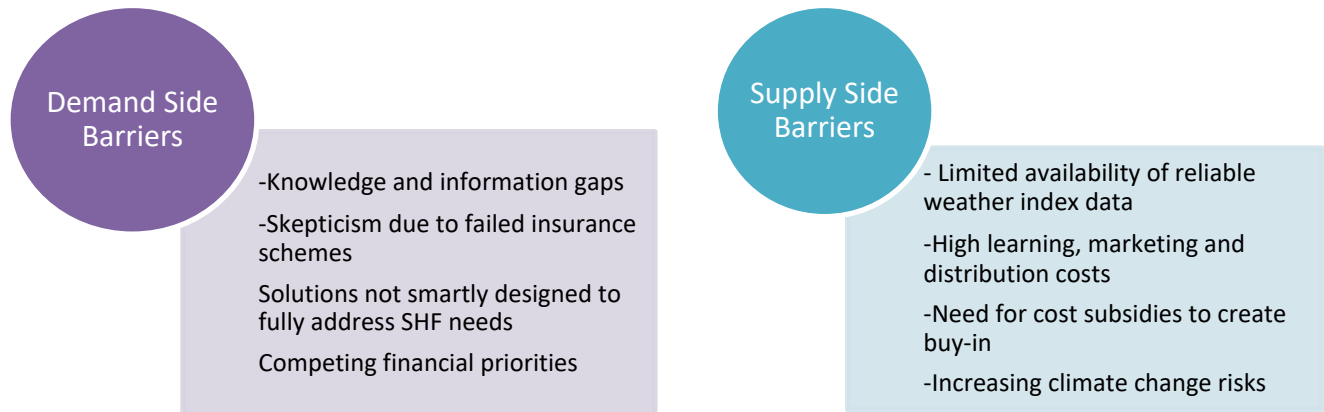
relatively simple analysis could be conducted comparing the overall performance of branches/areas where the FISFAP product is offered with comparable branches/areas where it is not offered. Ideally comparable treatment and control branches would be identified in advance of full roll-out in order to facilitate this analysis.

Ayani would suggest that AGRA provide some sustained technical support to Advans to undertake this analysis over the course of a full loan cycle. This could be undertaken perhaps via a short-term technical consultant providing periodic strategic guidance, in combination with a longer-term intern or data analyst based at SFP for several months. The process would begin in collaboration with the senior management team and managerial staff directly involved in FISFAP product to clarify the strategic management questions to be answered, determine a relevant timeframe for the study, and identify together the marginal cost drivers and key benefits to monitor. Next, Advans' IT and staff responsible for monitoring would be engaged to examine existing data collection mechanisms and data sets, identify efficient ways to integrate additional key indicators, and to set up a process. Some ongoing support may be needed to collect, parse and analyze the cost and benefit data (for example encouraging time sheet completion if staff time will be monitored as a cost driver for a period and if activity-based costing will be applied, consolidating the time sheet data and troubleshooting any questions or anomalies, consolidating and examining all monitoring data on a regular basis to ensure relevance, consistency and usability). At the end of the data collection period, the technical consultant, intern/data analyst, IT and monitoring staff would work together to analyze the data, share preliminary findings with the management team, refine the analysis from a strategic perspective, and document results. This process would need to be carried out in advance of a seasonal cycle and throughout the course of a full season, in order to accurately track costs and benefits.

III. ACRE AFRICA

ACRE Africa is an insurance service provider that works with local insurers and other agriculture stakeholders to provide tailored insurance products, initiating and promoting insurance awareness and uptake as a sustainable risk mitigation measure and ensuring income stability. Despite SHF continual exposure to severe weather and pest risks that potentially threaten their incomes, agricultural insurance awareness and uptake is low, 20% globally and less than 3% in Sub-Saharan Africa¹. As depicted below, demand and supply side barriers to constrain awareness and adoption.

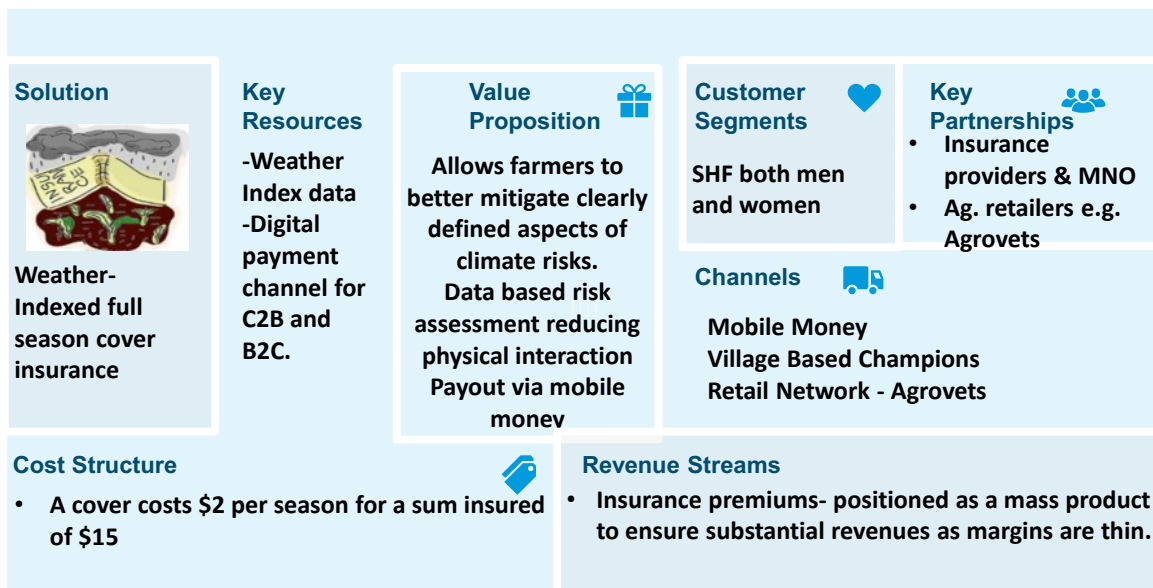
Figure 8: Barriers to Crop Insurance uptake



A. Bima Pima weather based index insurance solution

ACRE offers an insurance product called “Bima Pima,” distributed via village-based champions. Bima Pima is a new weather-indexed insurance full season cover addressing low farmer resilience to climate change shocks which significantly affect crop yields and subsequently incomes. It is currently on pilot phase in seven counties of Kenya. The business model is outlined below.

Figure 9: ACRE Bima Pima Business Model



Village Based Champions

Low financial literacy levels and information gaps in crop insurance necessitate high-touch engagement with farmers. ACRE uses the community oriented Village Based Champions (VBC) model to accomplish this. VBCs are

literate and articulate farmers, who are recruited into the program by ACRE to create awareness, provide training and on-board farmers to ACRE solutions. To ensure motivation and retention, VBCs are compensated through a commission structure—a marginal percentage of the insurance covers sold to farmers.

- Onboarding process initiated and completed via USSD
- Preregistration activates information via SMS push
- Currently not bundled with any other product
- Pilot to include retail distribution such as Agrovets, etc.
- Weather- Indexed full season cover insurance
- Succeeded the freemium Replanting Guarantee product (RPG) which was a germination cover
- Training and registration performed by Village Based Champions (VBC)

B. Gender Responsiveness

Over 2,200 Bima Pima policy cards have been purchased in the short (September-November) and long rain seasons (April-May) this year, 40% by women. Given that women SHF are the primary undertakers of farming activities, they are at the forefront of receiving the training offered. Although women SHF have responded well to Bima Pima training and information services, their uptake remains low, because they are not the key decision makers in the household. VBCs report that final insurance purchase decisions are usually made by men.

Having recognized the existing gender gaps in the adoption of crop insurance, ACRE is developing a gender responsiveness framework with three broad objectives each addressing a set of gender gaps with proposed interventions and responsibilities assigned, to complement this initiative (Table 3). ACRE has provided gender awareness training for its client facing workforce.

Additionally, ACRE collects sex disaggregated data which will provide insights into the behavioral patterns of women insured farmers. Available data is only for one season and has not yet been analyzed for any gender insights. This data will also enable a gender based analysis of the activities of VBCs (for example, are female VBCs selling more weather index covers and do they reach more women SHF than men?).

Although the implementation of ACRE's gender responsiveness framework is still nascent, this is an important step from which to build a comprehensive organization-wide gender framework which can then be drilled down to the VBC model and used to more effectively target female SHF.

Table 3: ACRE Africa Gender framework

	Gender Issue	Proposed Intervention	Frequency of Measurement
Specific Objective 1:			
Increased financial literacy levels, including ag-insurance, of village champions and SHFs	Women are not able to attend trainings due to their home based activities	Trainings will be undertaken in the villages, nearer homes, as well as through groups, so that women can be available	Per Season
	Preference of one gender of the other in employment	We shall ensure that there will be 50 % women recruiters	
	Cultural beliefs regarding finances, women largely do not trust financial institutions	Use of existing community structures and partners like women/farmer groups, churches, markets etc. where many women could be found, to sensitize them on the available products	
Specific Objective 2:			
Promote uptake of agricultural insurance products and related financial services	Many women do not have a good understanding of the available products, or lack access to these services	Identify institutions with visibility on the ground near the villages for ease of access	Per Season
	Poor farming practices	Providing homestead digital based agronomic information - this will entail moving from household to household assessing the training needs required	
	Inadequate resources to access and available resources like agri-insurance, credit and technology	Promote use of technology to access services; identify institutions that have favourable products and those with credible reputation on the ground	
Specific Objective 3:			
To enhance SHFs capacity in GAP's	Inadequate access to trainings and information on GAPs	Empowering communities to take initiatives for their own socioeconomic development; enable community-level organizations to work with financial institutions in designing products suitable for them; women groups shall be used as agricultural extension field schools/farmer/research groups for extension advocacy; Farmers shall identify constraints and work only with technologies they are really interested in, integrated rural resource management to use the available technologies in the community, capacity building through participation of women in multi-stakeholder workshops to give women voice, contests among women farmers to recognize and induce innovativeness and to improve the sustainability of impacts and benefits of improved practices, Facilitating spread of technologies from farmer trial plots to the entire farm holdings of individuals farmers	Per Season

Source: ACRE Africa (2018)

Suitability of Bima Pima and VBC to women smallholders

While women SHF are not the main decision makers in the purchase of crop insurance, the VBC's have identified them as key influencers in the purchase decision. For the women SHF who onboard, crop insurance appeals to their nature of taking calculated risks. The registration, training and claims processes are gender responsive as they are mostly facilitated through the VBC's.

Over time, ACRE has found that women are more committed to empowering their communities with knowledge. As a result, majority (57%) of the VBCs are women. ACRE plans to analyze available data to establish whether women VBCs reached more women or recruited more farmers in general. The model is proving to be an asset for ACRE, as VBCs can train and on-board customers for new or existing products within its portfolio or outsource to other non –competing providers. For example, the Government of Kenya used the VBC's to provide community education on the army worm scourge that affected crops in some parts of the country last year.

The VBC role has a high mobility requirement in order to reach farmers. Most female VBCs indicate that they have to carefully balance this with their other farm and household responsibilities. Others added that they sometimes have to hire laborers to fill in for them on the farm, so they can carry on with their VBC work.

C. Recommendation for increasing engagement with women SHF

Based on ACRE's product offerings and efforts so far to enhance gender responsiveness, the following recommendation can be made.

1. Short-term recommendations

a. Strategic collection and use of sex-disaggregated data

A valuable addition to the gender responsiveness framework would be a specific objective on the collection and use of sex-disaggregated data for decision making and measurable gender based key performance indicators linked to the objectives. **Chapter 4** of this report outlines an actionable guideline for FISFAP partners to embark on developing gender responsiveness frameworks for their organizations.

b. Improvements to the recruitment of village based champions

Although a majority of current VBCs are women, a number of capable women decline the opportunity due to low self-esteem and confidence. ACRE identifies potential VBCs and sends them a brief of the job description, asking whether they would be able to deliver on the objectives. Considering that women often under estimate their abilities, this step in the recruitment can be approached differently by offering to provide preparatory training for potential women VBCs who may be interested and motivated but not immediately feel capable. This action would build women's confidence in their ability to perform the role, would increase the number of qualified VBCs and could have positive spillover effects in terms of ACRE's profile in the community and women's confidence to lead in other arenas.

c. Purchasing decisions made by men

One of the barriers to reaching more women with insurance is that they are not the decision makers and need approval from their husbands for the purchasing decision, yet they are more willing and eager to learn about crop insurance. VBCs reported that fewer men are willing to receive training, yet they are the

key decision makers. VBC can target individual or joint sessions with the underlying message emphasizing that purchase of crop insurance is best approached as a household decision requiring the input of both husband and wife. This would suggest that information campaigns and training designed to raise awareness about Bima Pima should include and engage both men and women whenever possible, and that crop insurance should be presented as requiring the input of both husband and wife. Such a joint approach would draw on women's interest in new solutions, and engage men as the traditional decision makers, while also stimulating household-level conversation about agricultural finance and business choices, and potentially enhancing women's ability to participate in other kinds of household decision-making.

d. Payouts to early adopters

Most farmers are skeptical about insurance and adopt a 'wait and see' attitude. A key driver to uptake is creating awareness around payouts for early adopters in the initial phases of the program. This can be through inviting the community to an event where SHF recipients eligible for payouts give testimonials to their peers, which then culminates with a call to action.

2. Medium-term recommendations

a. Bundling to include services most needed by SHF

While SHF appreciate the need for crop insurance, they do not prioritize it as an expenditure, as there are more pressing needs such as obtaining genuine seeds and inputs. For these farmers, bundling crop insurance with seeds, inputs or credit would present a more compelling value proposition. Agricultural insurance schemes that are bundled, subsidized or offered alongside credit, inputs or information services typically have higher uptake.³⁰ Similarly, partnerships with other agribusinesses such as the current partnership with e-Granary enrich the bundle of products that farmers receive.

b. Additional distribution channels to increase reach

The Village Based Champion distribution model is an effective way of creating awareness for large groups, providing information to individual farmers and assisting them with the on-boarding process. However, selling a policy is then dependent on the local presence of a VBC. Supplementary, lower-touch marketing channels such as retail agrovet and aggregators would extend the availability of the insurance cover.

D. Business Case

Revenue is earned from sales of insurance cover. Partnerships with agribusiness service providers will facilitate bundling and price subsidies to increase outreach and satisfaction with ACRE's value proposition. The VBC's reported that women were eager to learn about new farming technologies such as Bima Pima insurance and often made purchase recommendations to men or purchased directly. The crop insurance cover appeals to women's calculated risk approach. Training provided through VBCs created awareness and is ideal because women can learn in a conducive environment, ask questions, seek views from their peers and those with the cover can increase awareness through word of mouth (if positive), thus increasing sales.

Thus, by fully implementing its gender framework and the above recommendations to more effectively engage women, ACRE will be able to achieve broader sales of its policies. This will make for a stronger insurance pool with less covariant risk, higher revenues from more policy sales and strong social benefits not only from better farm

risk management and resilience, but also from the empowerment and inclusion of women in household and agribusiness decision-making.

ACRE’s preliminary cost-benefit analysis shows that the product was operationally self-sufficient by its second year. Table 4 below shows a preliminary Cost Benefit analysis that is ongoing in liaison with ACRE Kenya.

Table 4: ACRE Profitability Analysis

Quantitative Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BENEFITS						
Cost Savings	-	-	-	-	-	-
Cost Avoidance	-	-	-	-	-	-
Revenue	4,461	9,559	18,750	-	-	32,770
Other	-	-	-	-	-	-
Total Benefits	4,461	9,559	18,750	-	-	32,770
COSTS						
Non-Recurring	-	-	-	-	-	-
Recurring	74,608	9,020	9,020	-	-	92,647
Total Costs	74,608	9,020	9,020	-	-	92,647
Net Benefit or Cost	(70,147)	539	9,730	-	-	(59,877)

The cost-benefit analysis above indicates that ACRE’s operating costs are high, particularly in remuneration for Village Based Champions, Field staff, system maintenance, and marketing. This is expected for solutions at the introductory phase. Given that Bima Pima solution is modeled on a small margin of profit, mass marketing is essential to ensure volumes and ultimately profits. ACRE has a relatively good reach to women SHF via the VBC model, and the above picture reinforces the need to continue targeted reach to women as an underserved segment that has the potential to purchase or influence the purchase of Bima Pima.

ACRE has anecdotally observed that the female VBCs are more effective in broadcasting information about the Bima Pima product, including--crucially--what insurance is and how it works. ACRE finds that the female VBCs are better networked and more committed to customer education and acquisition than the male VBCs. Some female VBC indicated that they have to excel in this role to prove to their husbands and communities that it is worthwhile especially because the households often have to spend additional funds on labor to fill in for the women.

ACRE can adopt a more systematic approach to analyzing the gender aggregated data for various purposes. For example, it would be useful to analyze the comparative performance and success rates of male and female VBCs in terms of general outreach and uptake, as well as the specific value chain dynamics. It may indeed be more cost-effective for ACRE to continue expanding its network of VBCs with a particular emphasis on women champions,

and this would be worth examining, confirming and documenting--for ACRE as well as similar outreach utilizing networks of village-based champions.

A key metric to assess will be the benefit of having women VBC's and whether they attract more women to use Bima Pima. In order to assess the efficacy of female VBCs, ACRE can be tracking the performance of all VBCs, disaggregated by gender, in terms of enrollment rates and the profile of the clients they enroll (male/female, new or existing clients, whether they utilize another ACRE product and their performance). Some punctual technical assistance from AGRA may be desired and warranted to set up appropriate data collection mechanisms, periodically clean and analyze this data, and document findings and conclusions at the end of an agreed review period.

Furthermore, a closer investigation of who in the family decides to enroll in the insurance product could yield helpful results for ACRE and its hypothesis that women more readily embrace the concept of risk pooling offered by crop insurance. Such an examination of whether women influence men's decisions to purchase Bima Pima could help ACRE determine whether marketing the solution more explicitly with women's interests and information sources in mind would increase product uptake, along with business revenues and resilience-related social impacts.

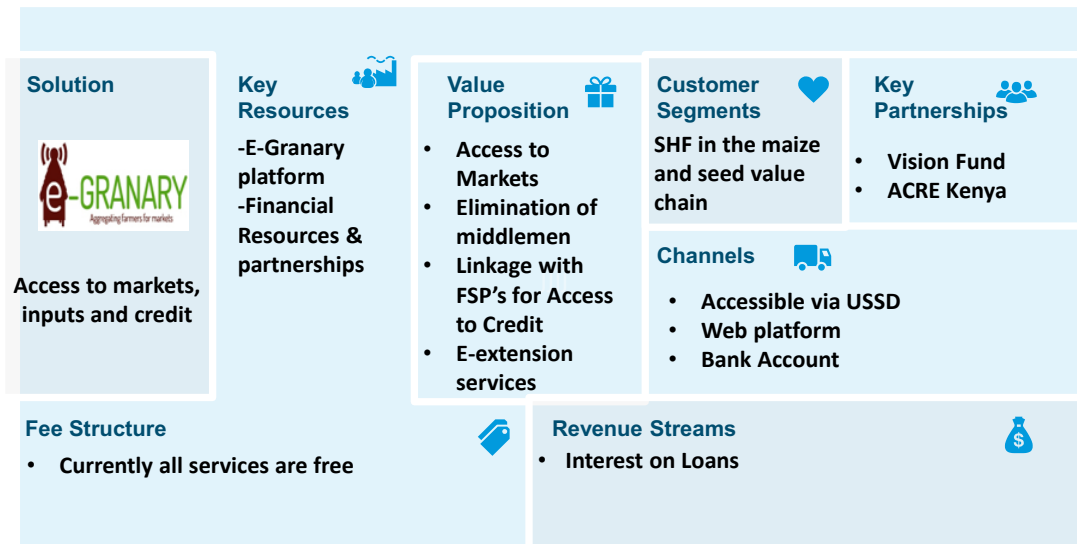
IV. East Africa Farmer Federation

A. E-Granary digital solution

The East Africa Farmer Federation (EAFF) e-Granary is a farmer solution that provides access to predictable markets and input credit. Currently, there are 103,000 farmers registered on the service, of these, less than 1% are active. Activity is defined by the usage of at least one e-granary service in a month.

EAFF works with farmers organized into groups, for this reason, recent system upgrades now enable management of farmer groups. The e-extension module is expected to increase farmer activity rates on the platform, as extension services have historically been difficult to access. EAFF partnered with VisionFund, a financial service provider who offers lump sums to be advanced to farmer groups and individuals, based on acreage under production. E-Granary is bundled with weather index and multi- peril insurance, Training and registration performed by field officers.

Figure 10: e-Granary Business Model



B. Gender Responsiveness

EAFF has a Gender strategy which is not evident in its e-Granary operations, the organization is gender aware and its engagements are mostly for compliance purposes. Women comprise 52% of its client base; mainly because of a number of women-dominated value chains specifically cereals, pulses and maize in Meru, Kenya.

For most women, accessing extension services is a challenge, and they do not typically hold leadership positions. The women do table banking—an informal, group-based funding system where members contribute weekly or monthly towards a kitty from which members can borrow.³¹

EAFF has not carried out gender responsiveness awareness amongst its client facing workforce and this recommendation has been made. EAFF collects sex-disaggregated data from the e-Granary platform, but this data is currently not analyzed for decision-making.

Suitability of e-Granary to women smallholders

For female SHF, access to reliable markets, the elimination of brokers and provision of input credit are priority needs that can be addressed through e-Granary upon scaling and rollout of full features. Currently, e-Granary offers SHF services such as access to markets without requiring the provision of title deeds, as a means of encouraging the participation of women. With the exception of loans where interest is charged, e-Granary presently offers its services for free; this is useful for women SHF who have an opportunity to test the suitability of the service to meet their needs with no immediate investment required.

However, payments are paid mostly through bank accounts and the women SHF have to travel long distances to access the funds. Majority of the women align their spending to the crop seasons, saving when they have received payments for their harvest and requiring various levels of credit for inputs during the preparation and planting stages.

C. Recommendations for increasing engagement with women SHF

- Given that women farmers are a majority, develop a gender responsiveness strategy for improving the quality of products offered to women to ensure retention by addressing pain points faced by women SHF.
- Tailor digital information service and field trainings to bridge the information gap typically faced by women. These can be forums addressing topics of interest to women
- Community sensitization on the need for women to articulate their own issues and be involved in brainstorming solutions that work for them. Eliminate discriminatory practices such as cultural beliefs stating that only men can attend 'barazas' (informal community meetings) during which decisions affecting the whole community are made.
- As previously established, women are price sensitive, price notifications via SMS, suitably priced inputs and extension services would potentially increase usage and allay their reservations regarding expected prices.
- E-Granary can also consider hiring women champions who are conversant with the plight of women SHF, to onboard and train them.
- The maize value chain in Kenya is fraught with challenges ranging from such as lack of markets, fluctuating prices and unfair competitive practices, as a result, most women farmers shift to growing cereals and pulses. While most of the challenges are complex, scaling e-Granary service will go a long way towards alleviating some for instance by improving access to markets, credit, extension services and inputs that women SHF often access with great difficulty.

D. Business case

Use of the e-Granary service is currently free. The source of revenue for e-Granary is interest generated from the loan. Addressing the access to markets constraint will also address the issue of brokers who capitalize on lean seasons to offer prices below market rates. When women SHF have reliable access to markets and good prices, loans will be well utilized for production with improved repayment rates. There is an opportunity to design loan products that specifically address women's needs and adapt it to their repayment patterns. E-Granary can consider offering a savings product for SHF.

A cost-benefit analysis was not conducted for e-Granary due to unavailability of data within the timeline. During the Learning Event, EAFF indicated an interest in developing a gender responsiveness strategy and analyzing the costs and benefits of a more explicit outreach to women.

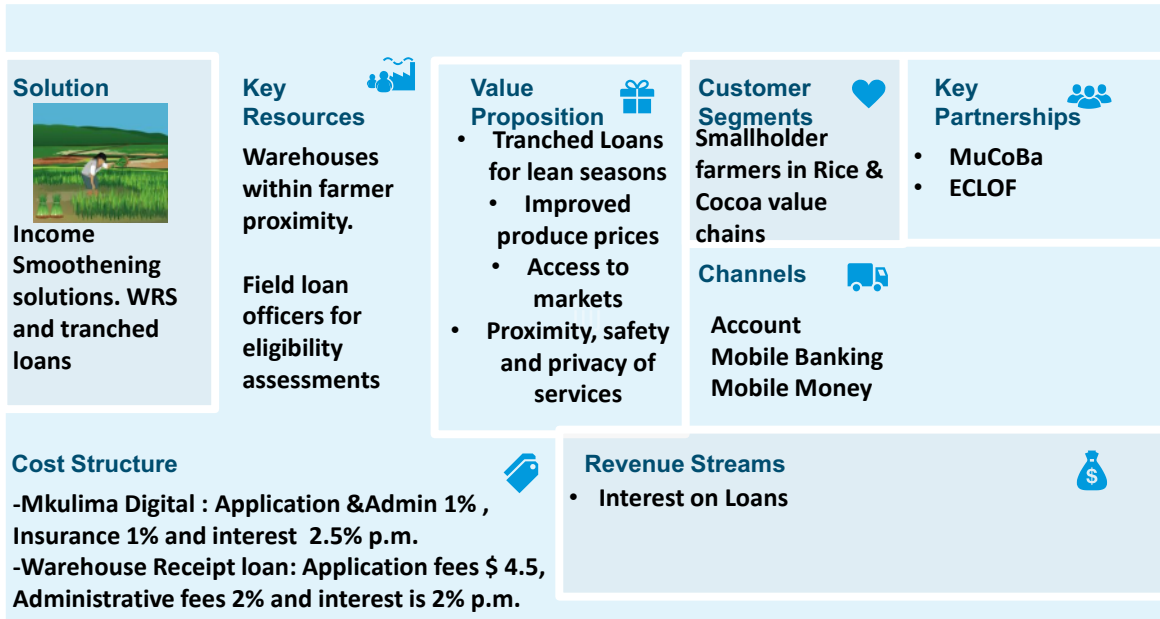
V. SELF Tanzania (MuCoBa)

SELF is reaching out to un-served and under-served communities with financial services especially those in rural areas and enhancing the capacity of Microfinance Institutions (MFIs) to render better services to the targeted clients. The MFIs borrowing from SELF MF include: SACCOS, Community Banks, Microfinance Companies, and NGOs with microfinance windows. While the case study sought an overview of the roles of SELF as the wholesale FSP and Mucoba (formerly Mufindi Community Bank) as the retail service provider, Mucoba interacts with women SHF more directly, and hence was selected by SELF as the focus for this study.

A. Mkulima Digital and Warehouse Receipt Loans solutions

MuCoBa serves farmers mainly in the maize and Rice Paddy value chains. The MFI has an active warehouse receipt system (WRS) that was launched in June 2018. Awareness campaigns of the WRS are ongoing, 45 local leaders and 2,566 farmers have since participated. MUCOBA Bank disbursed the second tranche of income smoothing loan of USD 944.00 to 26 SHFs.

Figure 11: SELF/MUCOBA Key Features



MuCoBa Mkulima Digital Application

- Tranching income smoothing loan product to encourage usage on production process and improve previously low repayment rates as farmers can invest loan funds into agricultural production instead of diverting it to other non- income generating activities.
- Interest rate of 2% monthly for groups and 2% for individuals. Other costs include insurance and administration fees
- Three disbursement schedules according to farmers production periods

MuCoBa Warehouse receipt Loans

- This solution helps farmers to have some income cushion and not sell their crops when ripening in the field at very low prices to meet household expenses.
- Eligibility is cleaned rice, usage of a certified warehouse and payment of \$4.5 application fees which include interest and administrative fees

- Once Warehouse receipt is processed by bank, loan is disbursed at 2% monthly interest
- Produce harvest is the collateral

B. Gender Responsiveness

MuCoBa does not yet have a gender strategy. A social audit conducted in 2018 showed that the FSP is lagging behind where gender is concerned and is working on a strategic business plan. There is no collection or usage of sex disaggregated data. Women-led households feel overburdened with household and farming responsibilities, yet unsupported by the community. They also do not have representation in community 'barazas' where decision making is mostly done by men, even on issues relating to women or the household.

Suitability of the Income smoothening products to women SHF

Majority of Mucoba's customers are women, however, men are more active users of the services. SHF, especially women value the proximity offered by the Mkulima digital app and the warehouse receipt loans, grace period provided for repayments depending on crop maturity and timeliness of loan disbursement which cushions them during the lean season. The relaunch of the Mkulima Digital loan took the timeliness of loan disbursement into consideration, to avoid elongating the lean season.

The fee structure of the two offerings is not simple and has several components e.g. application and administrative fees and interest. Additionally, women SHF were of the opinion that these additional costs reduced the net amounts they would invest in their farms.

The available channels: Account and Mobile are favorable and accessible to women SHF who previously had to walk long distances to reach FSP's. Recommendation for increasing engagement with women SHF

C. Recommendations for improving reach to women smallholder farmers

The women are already organized into savings groups known as 'ujirani mwema' (good neighborliness) and MuCoBa can target these groups to promote savings and as an avenue for deposit mobilization. Keeping elements of the 'ujirani mwema' concept such as networking is key as it is a valued attribute by the women. The farmers decried long distances to access financial services; this can be addressed by last mile agents with presence in areas with SHF concentration. This is particularly useful for women who have multiple responsibilities and greater safety risks when travelling long distances to carry out financial transactions. Community sensitization on including women led households in the decision making process and assistance with farming responsibilities would be valuable in easing the burden for these household types.

Currently, the loan products are not designed with any gender responsiveness, there's an opportunity to capitalize on the behavioral traits that enable women to manage credit better by offering loan products tailored to them. For example, culturally, men prefer to have individual loans as they have collateral while women prefer group loans where group members act as guarantors in lieu of collateral. The Vicoba savings product can be tailored to meet the savings needs of women SHF with an additional Savings group element. While this has been launched, Mucoba has not actively incentivized women to use it.

To address the preference for simple fees for women, the loan fee structure—which currently has three components—should be simplified to ensure it does not create any confusion for price sensitive women SHF. Prioritizing the deployment of an Agency Banking network would go a long way towards supplementing the existing branchless banking channels with an additional benefit of a human touch which is greatly valued by women SHF.

D. Business case

By increasing access to women SHF, MuCoBa stands to benefit as a business through increased clientele who are active savers and manage credit well, therefore increased deposit mobilization and reduced rates of non-performing loans. By developing a customer outreach program that is sensitive and responsive to the needs of women, MuCoBa can grow a loyal customer base that transacts consistently. A partial cost and benefit analysis for MuCoBa is provided below.

Table 5: MuCoBa Profitability Analysis

Quantitative Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BENEFITS						
Cost Savings	186	40,000	0	0	0	40,186
Cost Avoidance	0	0	0	0	0	0
Revenue	8,370	274,666	0	0	0	283,037
Other	0	0	0	0	0	0
Total Benefits	8,557	314,666	0	0	0	323,224
COSTS						
Non-Recurring	28,916	17,824	0	0	0	46,740
Recurring	48,030	53,586	0	0	0	101,616
Total Costs	76,946	71,410	0	0	0	148,356
Net Benefit or Cost	-68,388	243,256	0	0	0	174,867

All figures in USD (XR: \$1=2,250 TZs)

The preliminary SELF/Mucoba cost-benefit analysis shows that the business is on a sustainable growth path. The product’s break-even point was realized within the 2nd year of operation. Although the solution is in its early phases, and data available is only for a two-year span, this analysis indicates that the partner has managed to keep costs—especially non-recurrent ones such as platform development—low, while generating revenues on a steep growth path including tangible cost savings. This has been done without significant additional costs resulting in a net benefit of over \$170,000, although this position may be altered with the staff time dedicated to the project increasing from 5% to 50% in 2019. There is an expectation that this increased staff time will result in additional revenue, mostly due to NPL and increased female SHF clientele. If this bears out, then net benefits will be realized.

This signifies a solid business with potentially growing returns upon increasing reach to women SHF, an initiative that has been prioritized by the two partner organizations.

Furthermore, in addition to financial costs and benefits accruing to Mucoba, there is anecdotal evidence that clients who are now using the digital solution are realizing important savings in previously regular transport costs to access financial services. Further analysis of such client-level impacts is warranted and could yield compelling information about the product's net benefits for SHF.

As is the case with other partner organizations, SELF and Mucoba also stand to benefit from the technical support to build on the above and conduct a more detailed cost-benefit analysis with additional data items and analysis of women SHF trends. This could be undertaken for example via a short-term technical consultant providing periodic strategic guidance, in combination with a longer-term intern or data analyst based at SFP for several months.

The process could begin in collaboration with the senior management team and managerial staff directly involved in the FISFAP product(s) under review, to clarify the strategic management questions to be answered, determine a relevant timeframe for the study, and identify together the marginal cost drivers and key benefits to monitor. Next, SELF and Mucoba IT and staff responsible for monitoring would be engaged to examine existing data collection mechanisms and data sets, identify efficient ways to integrate additional key indicators, and to set up a process. Some ongoing support may be needed to collect, parse and analyze the cost and benefit data (for example encouraging time sheet completion if staff time will be monitored as a cost driver for a period and if activity-based costing will be applied, consolidating the time sheet data and troubleshooting any questions or anomalies, consolidating and examining all monitoring data on a regular basis to ensure relevance, consistency and usability). At the end of the data collection period, the technical consultant, intern/data analyst, IT and monitoring staff would work together to analyze the data, share preliminary findings with the management team, refine the analysis from a strategic perspective, and document results. This process would need to be carried out in advance of a seasonal cycle and throughout the course of a full season, in order to accurately track costs and benefits.

CHAPTER 4: GETTING STARTED—TOOLS AND APPROACHES FOR GENDER RESPONSIVENESS AND COST-BENEFIT ANALYSIS

The foregoing report presents five examples of agricultural products and services destined for SHF, their current degree of gender responsiveness, the business case (as possible based on existing data) for investing in a more proactive outreach to women farmers, and recommendations for more effectively engaging women. In order to take action on the findings and recommendations presented, FISFAP partners, their peer organizations and other stakeholders can benefit from a set of simple guidelines. This chapter presents a general, introductory “how-to” for enhancing gender responsiveness and analyzing the business case for more concerted outreach to women SHF.

I. Gender Responsiveness Framework

The partner solution recommendations made in this report are best implemented within a wider gender responsiveness framework to ensure buy in and alignment of all stakeholders towards a common goal.

A sustainable way of delivering solutions that suitably address women’s needs is for organizations to develop and adopt Gender Responsiveness Strategies.

The purpose of this toolkit is to provide a simple and structured method of developing a Gender Responsiveness strategy across the organization, specifically relating to the AGRA partnership solutions. **While there is no “one size fits all” strategy, this toolkit can be adapted to each partner with steps interchanged and suitable approaches integrated to ensure it adequately addresses the gender needs of each organization.**

The toolkit has five phases: 1) Understand the gender context 2) Set clear gender objectives; 3) Human-centered design; 4) Implementation; 5) Monitoring and Evaluation. Each phase has a key question which frames the objectives for the action phase and there are key actions to be carried out to achieve the desired output. ³²

Preparation Phase

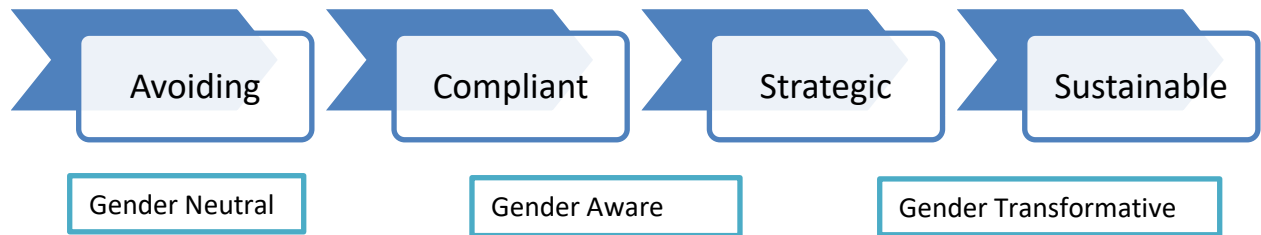
From an organizational perspective, developing a gender responsiveness strategy is a major undertaking. Consensus should be reached across the organization and human, technical and financial resources earmarked. It is crucial to identify a gender responsiveness champion and set up a core team that will facilitate the change from start to finish. Set timelines and develop a RACI matrix to define roles and responsibilities. A review of successful strategies, interventions, and promising approaches can provide best practice insight.

Step 1: Understand the Gender Context

To answer the question of ‘where are we now’ a simple gender mapping tool can be used to identify the gender responsiveness approach as well as progress. The analysis conducted for the 5 FISFAP partners in this study answers this question in detail including the CBA, which provides a preliminary analysis and set-up of the data collection necessary to examine the costs and benefits of this investment.

The Bill and Melinda Gates Foundation advocate three levels of mapping gender responsiveness in organizations.³³ This categorization can be used to determine the depth of the Gender Responsive approach and the role it plays in the overall business strategy and culture.

Figure 12: Gender mapping tool



Sources: Bill and Melinda Gates Foundation (2012) and Workplace Gender Equality Agency (2018)

- **Gender Neutral:** These are generic strategies that do not account for the differences between men and women’s needs or levels of access and inclusivity.
- **Gender Aware:** With these solutions, partners are aware of the gender breakdown of their clients and create programs that address both women’s and men’s needs for mutual benefit.
- **Gender Transformative:** Gender differences and inequalities are identified early on, and a sound strategy for proactively transforming the relationships between women and men is developed with an emphasis on equity.

Step 2: Set Clear Gender Objectives

Define a strategy, build a vision then set specific goals and priorities. This step ensures that the goals, actors and approach are well aligned, specific and measurable. This is also the moment to examine and lay the groundwork for an effective monitoring and evaluation approach by identifying and selecting implementation tools for tracking progress and determining costs, benefits and impact.

Step 3: Human Centered Design/Redesign

Develop smart design principles that support men and women's roles as informed by the outcomes of the gender diagnostics. Allocate sufficient resources to especially reach previously unreached women and their organizations. For existing products, identify features that can be modified to reach more women.

Step 4: Implementation

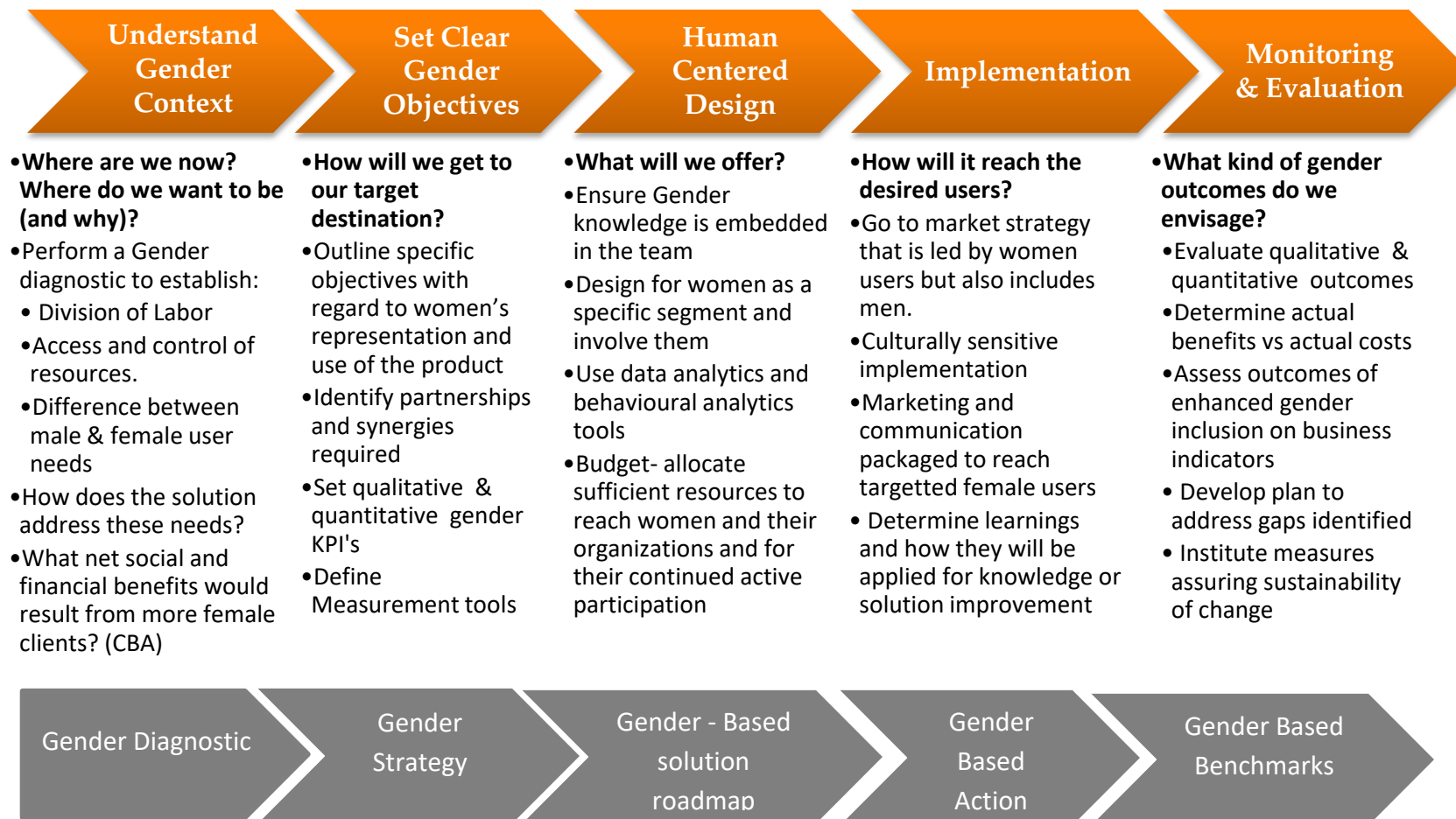
Gender based strategy in action. An inclusive strategy detailing: Acceptability, Affordability, Accessibility and Awareness. The support of men is essential in the success and uptake of a gender responsive solution. Documenting learnings from start to finish provides a framework for identifying phases of the project requiring more attention. Include other enablers that can increase uptake amongst women SHF.

Step 5: Monitoring and evaluation

There is an evident gap in the documentation of learnings on solutions that have been designed to successfully attract women SHF. Monitoring and evaluation outcomes should form a basis for decision-making; for example, what improvements are needed in a solution and the timelines within which these will be accomplished. Monitoring and evaluation indicators and data collection mechanisms should be determined early on in the design and preparatory phases (see Step 2) so that they are ready to be used when implementation commences. Monitoring and evaluation then continues throughout the life of the product or service innovation with ongoing data collection, monitoring, troubleshooting and management analysis.

The organization's Gender responsiveness strategy should be regularly reviewed to ensure alignment with the overall strategies of the organization.

Figure 13: Gender Responsiveness Toolkit



II. Cost-Benefit Analysis Framework

For many organizations, decisions about whether to invest time, energy and funds in a new market segment or operational approach depend upon the cost of such investment relative to the expected return on that investment. In the case of addressing gender responsiveness, the key question that can be answered through cost-benefit analysis is:

→ What is the net impact of our increased outreach to and engagement of women SHF on our institution's double bottom line?

The impacts of gender inclusion occur on several dimensions, including the costs to the institution of implementing the gender strategy, the change in institutional revenues (or other business measures) resulting from greater outreach to women, and the social impacts that may accrue to the clients themselves, their families and their communities, as well as sometimes the organization's own human resources.

This document provides an overview of setting up the necessary data collection and then analyzing the relevant costs and benefits to establish whether the investment in gender responsive products and services leads to: (a) a financial upside (increased profits or attraction of investment) for the organization, and/or (b) quantifiable social impacts that are compelling and affordable enough for the organization and/or outside donors are willing to cover. Analysis of the business case for proactive outreach to women can be beneficial not only to FISFAP partners and other implementing organizations, but also to the broader agricultural development sector.

Figure 14: Cost-Benefit Analysis Framework

Cost-Benefit Analysis Framework	
Costs	Benefits
a. How much more does it cost to reach women smallholder farmers with products and services that they effectively access and utilize?	What are the effects of the increased proportion and engagement of female clients? These include financial benefits and social benefits.
b. How much did/will it cost to develop a gender-responsive product or service and to operate it on an ongoing basis?	To answer this question, we need to gather and analyze data and develop ways to quantify the financial as well as the social benefits accruing from the product or service.

To answer these questions, we need to compile the **marginal costs** of the following elements. Marginal costs are those associated uniquely with the products or effort specifically related to women, broken down by upfront investment and recurring, operational expenses:

- Market research
- Product design
- Distribution (e.g., investment: tablets for tracking; ongoing: SMS messaging service to clients)
- Staff dedicated to this product (e.g., investment: initial product development, testing and training; ongoing: salaries of female agents, periodic refresher trainings), % of staff time spent on the women-focused products or services)
- Management and administrative time (e.g., investment: upfront product development time; ongoing: supervision and monitoring, including an allocation of overhead based on actual time/activity or on the relative size of the product’s contribution to the overall portfolio)
- Vehicles, equipment and other assets (e.g., investment: agent motorcycles; ongoing: fuel, maintenance and depreciation)
- Other direct product expenses

Financial benefits:

- How does the performance of our female and male clients directly compare to one another within the same product/service and the same or comparable geographic context(s)?
- How does the performance of portfolios, branches or areas with a substantially greater proportion of women compare to the overall portfolio or to comparable areas where the portfolio is male-dominated?
- How has/will the implementation of the female-focused product or service affect(ed) our institution’s overall client outreach, savings volume, loan volume, portfolio quality, etc. (according to product and type of organization)? (i.e., what are the financial “spillover” effects and how can we quantify them?)

Social impact:

- What social outcomes and impacts (positive and negative) can we project, or have we observed among women who have used the product, as well as their families and their communities? How can we quantify those social impacts?
- What social impacts (positive and negative) has the intentional engagement of female clients had on our staff and institution (e.g., increased staff retention, improved morale, increased work load and fatigue)? How can we quantify these impacts?

ANALYSIS

How do these marginal costs and benefits compare?

Financial

- Where is the “break-even point” in the product’s trajectory—the point at which the total financial benefits outweigh the total financial costs? Have we reached it, and if not, when can we expect to reach it?
- If/once we have reached financial break-even, how much can we expect to earn on an ongoing basis as a result of this product? How much per client?

- If the product does not appear to be financially viable, what is the ongoing net cost of the product (on a quarterly or annual basis, for example)? What is the net cost per client served, per year or other period?
- Isolating the upfront investment costs, how much is/was the upfront investment? Is this a cost that the institution and/or donors are willing to bear to reach implementation and set the product in motion, either for this product/FSP or for replicators?
- Does engaging new clients via this product lead to any indirect financial impacts that we can document and quantify? For example, do these clients also save or take out another loan product, do they remain more loyal to the FSP thereby boosting retention, do they provide informal and effective word-of-mouth marketing, etc.? (We may need to assess this in indirect ways, such as by comparing overall profitability, client retention, savings, etc. in similar branches with and without the product under review.)

Financial + Social

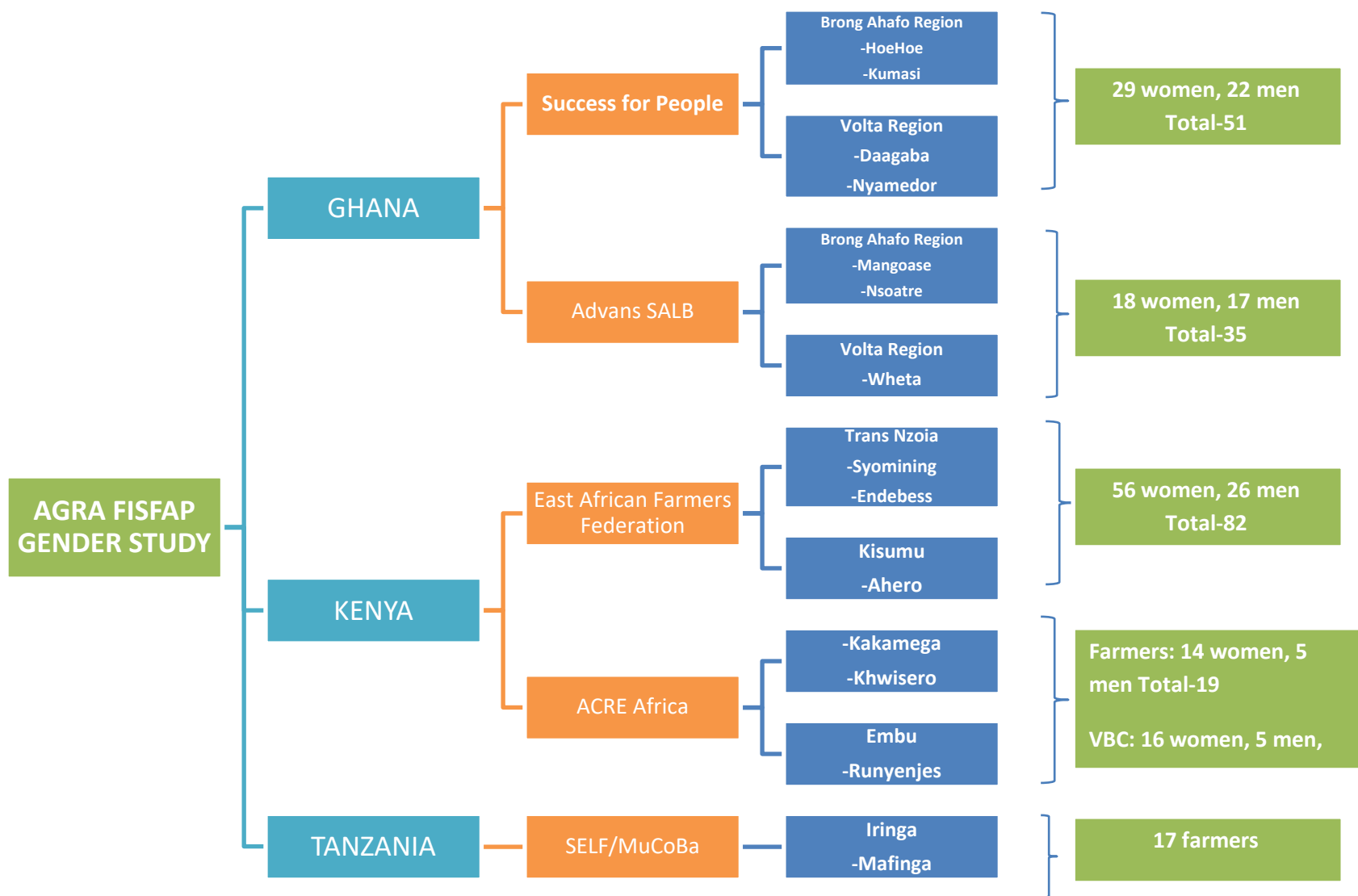
- What occurs to the break-even point and operational net benefit or cost if we consider the quantified social impact of this product on the women, their families and communities, as well as the social impact on the institution itself?
- If the product entails a net cost, how does the cost compare to the net social benefits? Is this marginal per client expense warranted, given the social benefits either to clients, to the institution, or both? Is the institution or are donors willing to absorb or cover the marginal cost on an ongoing basis in order to achieve the social benefit?
- If the product results in a net financial benefit, how much more per client and per period is generated when we take into account the social benefits, as well?

The result of this analysis is a clear view of the investment and operational costs of a specific product line or innovation on the one hand, and its marginal financial and social benefits on the other. This permits informed planning, strategic management decisions, sound budgeting and more compelling fundraising. Cost-benefit analysis can greatly enhance inclusive finance programming at the institutional level, while also informing the broader sector on cost-effective ways to maximize sustainability and social impact. Its application to products, services and approaches specifically designed to engage more women could yield valuable results for FISFAP partners, AGRA and the broader rural development sector.

Although the limits of available partner data, timeframe and scope of work of this assignment did not permit the level of cost-benefit analysis necessary to inform a solid business case for engaging more women SHF, as indicated in the individual case studies, there are a number of specific measures that the FISFAP partners and AGRA could take in order to collect data and undertake a thorough analysis. As a result of Ayani's engagement with five individual FISFAP partners and the broader FISFAP community at the Learning Event, there is a deeper understanding of the usefulness and methodology of Cost-Benefit Analysis and a strong interest among numerous FISFAP stakeholders in undertaking such research over the coming year.

APPENDICES

APPENDIX 1: STUDY LOCATIONS AND PARTICIPANTS



- 3 AGRA country interviews
- 12 KII FISFAP partner Interviews (see list below)
- 204 farmers (users and non-users), over 60% women
- 21 Village Based Champions (ACRE) 77% women

APPENDIX 2: LIST OF KEY INFORMANT INTERVIEWEES

	NAME	ORGANIZATION	COUNTRY	DESIGNATION	CONTACT
1	Hedwig Siewertsen	AGRA	Kenya	Head- Inclusive Finance	HSiewertsen@agra.org
2	Reuben Gicheha	AGRA	Kenya	Assistant Program Officer- Inclusive Finance. Kenya	RGicheha@agra.org
3	Paa Kwesi Awuku-Darko	AGRA	Ghana	Assistant Program Officer – Inclusive Finance. Ghana	PKAwuku-Darko@agra.org
4	Lillian Mwamdanga	AGRA	Tanzania	Program Coordinator - Tanzania	LMwamdanga@agra.org
5	Victoria Antwi	Success for People	Ghana	CEO	arabavickie@hotmail.com
6	Ebenezer Egyir Tetteh	Success for People	Ghana	Program Officer	eegyietetteh@gmail.com
7	Mabel-Ann Akoto-Kwudzo	Okata Farms	Ghana	CEO	Tel: +233 24 581 2957
8	Gideon Quay	Integrity Commodities	Ghana	CEO	Tel: +233 24 644 0275
9	Alhassan Salley	Advans SAL	Ghana	Product Manager, Rural and Agriculture	alhassan.salley@gmail.com
10	Eugene Zori	WIENCO	Ghana	Extension Supervisor	zori.eugene@gmail.com
11	Antony Kanyoko	EAFF	Kenya	Chief Operations Officer	Kanyoko@gmail.com
12	Robert Kubai	EAFF	Kenya	Field Coordinator	kubairm@gmail.com
13	Muthithi Kinyanjui	ACRE	Kenya	Business Development Manager	MKinyanjui@acreafrica.com
14	Christopher Illomo	SELF	Tanzania	AGRA Project Coordinator	cilomo@yahoo.co.uk
15	Yoely Sangana	MUCOBA	Tanzania	Credit Officer	ysangana2@gmail.com

APPENDIX 3: INCEPTION REPORT AND LITERATURE REVIEW

Please see separate attachment.

APPENDIX 4: LEARNING EVENT REPORT

Please see separate attachment.

APPENDIX 5: REFERENCES

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