

Limitations of Finance-Only Solutions

Social-Related* Gender Challenges Template

*Social-related gender issues include health, education, gender roles, household power distribution, religion, and culture

<p>Presenter:</p>	<p>Delores McLaughlin Senior Policy Advisor Household Economic Security Plan International</p>
<p>Brief Program Description:</p>	<p>Plan is an international non-governmental organization working in 62 countries. The approach to programming is based on the Convention of the Rights of the Child and the organization practices a child-centered community development approach. Programs are multi-disciplinary; Health, Education and Household Economic Security (HES) are primary program themes.</p> <p>Microfinance is part of HES and is delivered through partnerships with local organizations. An extensive process is used for identifying and selecting partners with a ‘shared vision’. Currently Plan is working in 21 countries with 45 partner organizations. Active membership is approximately 400,000; 80% are female.</p> <p>Plan promotes Microfinance ‘Plus’ – a combination of financial services and non-financial services - for increased outreach and impact. The aim is to build inclusive financial systems that achieve the triple bottom line: poverty outreach, sustainability and impact for women and children.</p>
<p>Please explain how your program overcame specific social-related gender issues.</p>	<p>Most programs are operated in rural areas. Initial ‘scanning’ is done to determine environment and identify potential partner organizations. Emphasis is placed on working with poor women and many of the organizations we work with serve primarily or exclusively women. A geographic area is identified where the program can operate on scale sufficient for sustainability. Participatory Wealth Ranking is used to identify very poor households and market research provides additional data to inform about financial product preferences and household circumstances.</p> <p>Details of program design and approach are determined jointly taking into account market research and previous experiences. The range of financial products and non-financial services include but are not limited to:</p> <ul style="list-style-type: none"> • Savings products; • Diversified loan products; • Financial transfers; • Microinsurance; • Education on social issues (e.g., women and child health, children’s rights; household relations; literacy; confidence building and self-esteem, etc.) • Training in financial management (e.g., financial education; managing household finances; business finances; etc.) • Skill training (e.g., vocational skill; sustainable agriculture; computer literacy; etc.) <p>Partners are encouraged to conduct client satisfaction surveys and feed-back</p>

	<p>surveys for departing clients. Plan supports capacity building in systems for social performance monitoring and requires program evaluations.</p>
<p>You may choose to include answers to these questions in your presentation.</p>	<p>How did you design the program? How important was it to understand gender dynamics to design the program? What kind of research was necessary to understand the gender dynamics at work?</p> <p>Market research for product development is critical. In most cases all our data is collected from women and children; however, when surveys and focus groups are based on responses from males and females, the data must be disaggregated. Another challenge is disaggregated data by age and developing opportunities for youth to join microfinance programs.</p> <p>In what concrete ways do you think financial and non-financial services can be offered together to overcome the marginality and disempowerment faced by women?</p> <p>There is a substantial body of evidence that in many cases financial services alone are not enough. Financial services and non-financial services are extremely important for households working their way out of poverty.</p> <p>Most of the world's poor are women who have been systematically been excluded from opportunities. They face additional challenges and barriers and almost always require additional training, education or support to break through the barrier of exclusion and become economically viable. Additionally, women who are at the poorest end of the scale will need far more support for a longer period of time.</p> <p>The Microfinance 'Plus' approach is effective in helping women overcome barriers and increase their capacity. However, it is critical that <u>both</u> the financial service products offered are tailored to the needs and demands of these households.</p> <p>What are some common pitfalls to avoid in offering gender-aware microfinance plus services?</p> <ul style="list-style-type: none"> • Financial services must be sustainable. • Look for partnerships, alliances and other cost effective ways to offer the non-financial services. • Avoid the 'one size fits all' syndrome. Know your clients and identify financial services and non-financial services appropriate for the people the program will be serving. • Don't underestimate the implications of a Microfinance 'Plus' approach. There are implications for both institutions and clients. • Building a sustainable program may take longer; the non-financial services component may – or may not - be financially sustainable on its own. • The impact of the program is directly related to the quality of the 'plus' activity. Too often this is neglected; it must be monitored closely along with the financial services. • Look for organizations that have a commitment to working with very poor women. Often this commitment is demonstrated through

	<p>the services they offer, evidence of client loyalty and the staff they employ.</p>
<p>Please discuss any of the following Key Issues that are relevant to your program/experience.</p>	<p>Women often face particular challenges in moving out of poverty and taking advantage of market opportunities. There are structural and cultural issues that limit a woman at both the social and household level For example, as microentrepreneurs, women have to juggle challenging time constraints and obligations such as childcare and food production. Furthermore, women tend to work in marginal, labor intensive enterprises, and are less likely to access formal financial services to grow their businesses. What kinds of issues do women face as microentrepreneurs and how can we deliver services that best serve them? How do gender issues change the ways in which we conceptualize microfinance plus services? What characteristics do the services that complement microfinance have? What industry trends should be considered (movement from group to individual lending, use of technology, lower –touch microfinance delivery, commercialization) when looking at microfinance and microenterprise development through a gender-aware lens?</p>