



Bridging the Gender Gap

in Responsible Finance

Philippines pilot May 2017 to April 2018

Final project report May 2018

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Executive Summary

Bridging the Gender Gap in Responsible Finance is a project implemented by Oikocredit and two MFI partners in Philippines: Negros Women for Tomorrow Foundation (NWTF) and Alalay Sa Kaunlaran Sa Gitnang Luzon Inc. (ASKI). It responds to a growing awareness in current debates around Responsible Finance within the MFI sector that client empowerment and improving social outcomes for the poor is not only an ethical responsibility of MFIs, but an essential part of financial sustainability particularly in the medium and longer term. This report brings together experience and lessons from the initial one year pilot project funded by Church of Sweden.

The project adapted and piloted [Financial Action Learning System methodology](#) (FALS) for mainstreaming client empowerment and gender equity in their micro-finance product and service delivery:

- **adaptation of FALS client empowerment tools** from PALS and GALS tools used in NGOs, cooperatives and MFIs in Africa, South Asia and Latin America to the socio-economic and MFI context in Philippines.
- **capacity-building, implementation and support** for an initial core of 41 ‘champions’ including those from very challenging backgrounds to use and share the tools
- **capacity-building for integration** of the client empowerment tools into the MFI loan management process and other client and staff capacity building
- **identifying economic empowerment issues** arising and adaptation of the FALS client empowerment tools to the socio-economics and MFI context in Philippines.
- **identifying the gender and client empowerment** issues emerging, particularly blockages and leverage points in terms of power relations and inequalities at household, market, institutional and macro-levels.
- **drafting a ‘Gender Road Map’** for gender policy at MFI-level to be implemented by ASKI.
- **production of a toolkit and other resources** based on the pilot to guide further upscaling and replication¹.

Activities on the ground began at the end of August 2017 after a lead-in period of preparation and communication with partners. This report presents lessons learned as result of activities in the 6 months September 2017 to March 2018 in the pilot phase tracking progress in terms of business/loan performance, gender changes and peer upscale-sharing from around 20 champions in a small area in each partner MFI.

The FALS Toolkit developed for Philippines consisted of 7 tools as a cumulative process:

- **gender empowerment catalyst tools (2):** Vision Journey and Happy Family Tree
- **economic empowerment advanced tools (3):** Financial Empowerment Map, Business Challenge Action Tree and Financial Management calendar
- **organisational gender review and planning tools (2):** Gender Empowerment Diamond and Empowerment Vision Highway

Clients report significant improvements through using the tools in their planning and businesses, savings and loan repayments and expenditure on house improvements, health and family wellbeing. Most of the clients’ Financial Management Calendar targets are achieved. There have been improvements in gender relations in the household in terms of more equitable division of labour, investment in labour-saving equipment, shared decision-making. Women reported greater confidence in the community. From the original 42 clients by March 2018 peer sharing had reached 1098 clients

¹ The FALS Toolkit Resources can be found on: <http://gamechangenetwork.org/fals-toolkit-oikocredit-aski-nwtf-philippines/> and the Gender Road Map <http://gamechangenetwork.org/gender-road-map-for-microfinance/>

(ASKI 276 and NWTF 822) and community members with one or more of the tools in the targeted barangays. Most champions are willing to continue sharing with others.

There have been significant steps in mainstreaming the methodology. ASKI has now started using the Financial Management Calendar in their loan applications. They have also made initial steps and a plan for their Gender in Responsible Finance Road Map. NWTF have harmonized the FMC with the cash flow analysis that is used in Loan Applications for individual clients.

This is not to say that there have not been challenges. The piloting has led to significant modification of the original tools to respond more closely to client priorities. The client empowerment tools need to be used for at least one loan cycle with time for client peer sharing and upscaling before they can be fully adapted to any one MFI context for integration into SPM and product innovation and service delivery. The tools also need to be used for several cycles by clients as a progressive deepening of learning how to grow their business and make best use of loans for growth and deepening awareness and ability to address gender inequalities not only at individual and household levels, but also linking with others at community and sectoral levels. How the adapted FALS tools and facilitation processes will be finally streamlined and integrated will be decided by the MFIs in participatory consultation with clients their clients following 1-year assessment of what has been achieved - planned for around September 2018. In both MFIs further activities and significant upscaling are anticipated using their own funds.

There remains a lot to be done in terms of using the tools to develop activity-based networks that can start to address more endemic macro constraints to women and men's businesses. BGG aims in the longer term to:

- Further integrate client financial empowerment tools into product and service innovation development, SPM and client protection
- Establish a solid and sustainable basis and skills for scaling up and replication in Philippines and elsewhere.

This report outlines further recommendations to deepen the empowerment process and make client-led scaling up and replication in other areas easier and more cost-effective.

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