

United Nations
Department for Economic and Social Affairs
Division for the Advancement of Women

**Reducing the Gender Dimension of Poverty:
Microfinance: Policies, Processes and Practices**

**Sub Regional Consultation
Accra, Ghana**

24-26 April, 2002

Report of Consultations

3 May, 2002
Edited 24 June, 2002

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Abbreviations

Citi S&L	Citi Savings and Loan Company, Ltd.
DAW	Division for the Advancement of Women
MF	Microfinance
MFI	Microfinance Institution
SEDA	Small Enterprise Development Agency
UN	United Nations

1. Introduction

In the years since the adoption of the Beijing Platform for Action, the gender dimensions of poverty have become increasingly recognized, and available statistics indicate that women constitute over 90 per cent of the poorest globally. The growing consensus that specific programmes and policies are needed to address this “feminization of poverty” has resulted in a focus on micro credit and micro enterprise as one of the means through which to reduce poverty and ensure sustainable livelihoods among women. However, because much of this micro credit and micro enterprise activity takes place outside of the formal financial sector, it has been difficult to accurately assess its effectiveness as a tool for economic development and the empowerment of poor women.

The long-term poverty reduction potential of such micro-level initiatives needs to be examined more rigorously. In particular, micro finance experiences need to be analyzed in terms of key factors in their success or failure in order to determine their suitability for successful replication within institutional frameworks and across cultures and economic systems. It is also necessary to determine “minimum packages” for the support of viable microfinance schemes. In addition, it is necessary to a) target those women who should benefit most from such schemes and ensure that they have input into their development and implementation; and b) determine whether such schemes do, in fact, empower women on a sustainable basis, as distinct from alleviating poverty within households.

To this end, the Division for the Advancement of Women (DAW) of the United Nations (UN) launched a project entitled “Reducing the Gender Dimensions of Poverty” in order to examine microfinance policies, processes and practices in the African region. The project consisted of three components: (a) a desk review that gave an overview of current status of the microfinance debate, (b) an on-line discussion that identified issues that had been less covered so far, and (c) two Consultations inviting practitioners from Francophone and Anglophone regions of Africa, respectively, to further analyse these areas and facilitate a debate with regards to sustainable and effective microfinance, and to

develop a minimum package on support/capacity building for enhancing microfinance as a tool for micro enterprise development and empowerment of poor women.

2. Organization of work

2.1 Attendance

The Consultation was attended by 22 participants from African Member States. They were nominated on the basis of their experience with microfinance for women and represented all stakeholder groups, notably, government departments, such as ministries of planning or women affairs, microfinance providers, users of microfinance, and NGOs. The UN was represented by the DAW. A list of all participants is provided in Annex A.

2.2 Opening statements

The opening of the Consultation was marked by a ceremony at the Ghana International Conference Centre. The panel of speakers consisted of Hon. J.M. Mensah, Senior Minister, Chair of the deliberations, Hon Minister for Women Affairs of Cote d'Ivoire, Hon. Nana Akuffo Addo, Attorney-General and Minister for Justice, Hon. Gladys Asmah, Minister for Women and Children Affairs, Hon. Hajia Alima Mahama, Deputy Minister for Local Government and Rural Development and Ms. Fatiha Serour of the UN/DAW. Hon. Hackman Owusu-Agyeman, Minister of Foreign Affairs and Hon. Kwamen Bartels Minister of Private Sector Development were also present. The invited guests included a number of tribal queens, Government ministry officials, NGO representatives as well as resident representatives of UNDP and WHO. The speakers highlighted the importance of women's contribution towards development and offered their visions on the subject matter. Hon. Gladys Asmah announced that her Ministry had initiated the Women's Development Fund with the aim to provide credit facilities to women entrepreneurs. She expressed appreciation to DAW that Ghana had been chosen as the venue of this Consultation.

The key note address was delivered by Hon. Hajia Alima Mahama who gave a overview of microfinance initiatives underway in Ghana. She emphasized that credit by itself was not enough, but that it had to be delivered along with other services within a framework of appropriate policies, by the right type of agencies and in recognition of the socio-cultural and economic conditions of women and their civil rights. She underlined the role of microfinance in development and as a tool for the empowerment of women. Ms. Serour placed MF within the context of DAW's efforts to address the gender dimension of poverty and its other activities to promote gender equality and empowerment of women. Chief Mrs. Bisi Ogunleye gave the vote of thanks on behalf of the participants.

2.3 Format

The work of the Consultation was organized in plenary sessions with presentations and discussion and working group sessions. The Consultation included a field trip, the findings of which were subsequently discussed in working groups and in plenary. Finally, the participants were invited to make recommendations for a minimum package for enhancing microfinance as a tool for micro-enterprise development and empowerment of women. The Consultation adopted a participatory approach in its deliberations. A short, anonymous pre- and post evaluation of the participants' views on and understanding of the subject matter was also conducted. Likewise, the participants carried out a brief evaluation of the Consultation. The programme for the Consultation is attached in Annex B.

2.2 Documentation

The participants received copies of a synopsis of the desk review, a summary report of the on-line discussion as well as the aide memoir. During the Consultation, a series of papers and notes on the various presentations were circulated. A list of all documents distributed appears in Annex C.

3. Summary of proceedings

3.1 Objectives and expectations

The work of the Consultation started by Ms. Fatiha Serour, DAW, presenting the background of the project "Reducing the Gender Dimension of Poverty", its components and objectives. Building on the findings of the previous work, the Consultation specifically aimed to:

1. Analyse the key issues that have emerged from the on-line discussion .
2. Facilitate a dialogue among key stakeholders with regard to sustainable and effective microfinance.
3. Develop a consensus on a "minimum package" of support/capacity building for enhancing microfinance as a tool to reduce poverty among women.

DAW also expected the Consultation to increase the awareness about the role of microfinance in the empowerment of women and to improve collaboration and coordination on the issue.

When invited to indicate their personal expectations to the Consultation, participants expressed similar expectations. In addition, they also wanted to learn more and share experiences about microfinance, identify ways whereby microfinance could become more effective in reaching poor women, discuss how MF could have greater economic impact on women, make it part of a poverty reduction strategy, and to know how microfinance schemes, as well as the projects they helped generate, could become more sustainable. Some expected to find ways of speeding up the process of reducing the gender dimension of poverty, to create a greater recognition of the value of African traditional savings and credit schemes as a foundation for microfinance schemes and popularize their use, and to initiate networking with other practitioners.

3.2 Outcome of the on-line discussion

Ms. Juliet Solomon, DAW, gave a short presentation of the on-line discussion that took place in 2001. The purpose of the on-line discussion had been to bring together stakeholders from Africa and other continents to solicit their views on how microfinance could help reduce the gender dimension of poverty. Importantly, the on-line discussion sought to uncover areas related to microfinance policies and practices that had been less covered in other studies and discussions.

The on-line discussion identified the following themes that merited further exploration:

1. Microfinance as a tool for empowerment of women;
2. Influence of local, cultural and traditional factors on MF;
3. The realities of HIV/AIDS and MF;
4. MF and violence against women – is there a connection?;
5. How poor is poor?;
6. Creating and measuring impact of MF.

Thus the themes of this Consultation¹. A hand-out of the presentation was made available to the participants.

3.3 Definitions of terms and parameters

With the purpose of facilitating the discussions and interactions during the Consultation, this plenary session allowed the participants to identify the concepts and parameters that would be of importance and agree on their definition for the purpose of the Consultation. The agreed list of terms, definitions and parameters is provided in Annex D.

3.4 Microfinance as a tool for empowerment of women

This theme was introduced by two presenters, Mr. Kofi Atta Bronya, Executive Secretary of the Ghana Association of Microfinance Institutions, and Ms. Kebokile Dengu-Zvobgo, Member of the Board of ZAMBUKO Trust, Zimbabwe. Mr. Bronya started by defining

¹ Theme 3 on HIV/AIDS was offered as a Working Group topic, but participants preferred other topics. HIV/AIDS was therefore treated as a cross-cutting theme in within topic 2 and 3.

“empowerment” in general terms as “to invest with legal and economic powers”. He then went on to examine to what degree the traditional and modern micro savings and loan schemes of Ghana had contributed to the economic empowerment of women, which he concluded that it had. Ms. Dengu-Zvobgo for her part, conceived empowerment of women at several levels, namely economic empowerment, social empowerment, and spiritual empowerment. All of them were inter-linked. She also pointed out that usually discussions about microfinance and empowerment leave out the most important group, namely the poor themselves, and she urged that their voices be heard.

The discussion centered on the enabling environment that would allow micro finance to effectively empower women. Referring to the strict banking regulations, several participants advised not to wait but to find ways around these regulations that would allow MFIs to function as semi-formal institutions, e.g. in Nigeria one group had established “banking centres” that did not need the same license as a “bank” but which were able to offer the financial services that members required. Another important part of the environment was the attitudes in society towards women and their perceived roles and responsibilities. If, for example, society continued to expect women to be the main responsible for children’s education, the access to microfinance was an excellent means of keeping her in that role. Thus attitudes also needed to change in order to arrive at an environment that is conducive to women’s empowerment.

3.5 Influences of traditional, cultural and local factors on the effectiveness of microfinance

This theme was discussed in two working groups and subsequently in plenary. All participants first agreed that *traditional factors* refer to customs brought from the past, *cultural factors* to current habits and dealings, and *local factors* to a specific geographical space. Next, the participants considered the positive and negative effects of these factors on the effectiveness of microfinance activities.

The positive effects included such aspects as: i) collectivity of the cultures; ii) solidarity and mutual support, iii) peer presence and support, iv) local government commitment at

policy level, v) notion that women are born natural entrepreneurs, and vi) local support for capacity building.

On the other hand, the negative aspects mentioned were: i) male bias in society, ii) traditional upbringing of girl children is not empowering, iii) the existence of proverbs and myths do not help women in embracing entrepreneurship; iv) colonial legacies and redemption of women's roles have created myths about gender roles, v) regional beliefs.

3.6 Microfinance and violence against women -- is there a connection?

This topic was discussed by a third working group that also presented its findings in plenary for discussion. The group found that in most cases men were proud and welcomed when a female member of their household made use of microfinance services, but they also confirmed that there was a connection between women's access to credit and violence. The group presented a number of possible reasons at the origin of this problem:

- Men want to control resources accessed by women e.g. micro credits, profits etc.;
- Once a woman is empowered economically, men feel insecure;
- When women have money, they become proud and pompous;
- Cultural dimension of our socialization that demands that men be breadwinners; - once the trend reverses there is power imbalance leading to violence;
- When women become more aware of their rights and less dependent on men, men feel threatened;
- Poor communication by women;
- Mistrust by men as women have to be away from home running their businesses.

During the discussion participants furthermore touched upon the changing balance of power within the households as a result of one person obtaining credit. It was also mentioned that while it was generally assumed that men were the household 'breadwinners', this might not necessarily hold true in all households. Empirical research was called for so that this myth could be corrected.

3.7 Field visits and discussion of the findings

The objective of the field visits was to give participants an opportunity to analyse the various steps of the setting up, implementation and evaluation of a project funded through a microfinance scheme. To this end, the Ministry of Women and Children Affairs and City Savings & Loans Co. Ltd. of Ghana, (Citi S&L), a microfinance service provider, arranged for participants to visit two client groups: "Vision Club" with some 60 members located in a rural area just outside Accra, and "Love and Unity Women Club" with about 45 members located in an urban area at the outskirts of Accra. More details on the groups visited and the loan scheme operated by Citi S&L are provided in Annex E.

To guide the participants' interaction with the two user groups, the following set of questions was provided: 1) Analyse the process leading to credit approval and the implementation strategy of the micro-enterprise; 2) Describe the management structure of the group/project, 3) Identify five enabling (positive) factors, 4) Identify five constraining (negative) factors, 5) Assess/determine the project impact and viability, 6) What is your personal conclusion and how does it relate to the objective of the consultation.

Following the visits each team discussed their findings in working groups prior to presenting them in a plenary session. Each team described and analysed the loan application process both for the user groups as a whole and for the individual members. Group management structures were also found to be in place. A range of positive and negative factors were identified and discussed.

A great deal of debate was devoted to the role of a 'group organizer'. In respect to the "Love and Unity Women Club", a husband of one of the group members took care of much of the group's administrative responsibilities. In the case of the "Vision Club", a volunteer contact person located in Accra linked the group to the Citi S&L. While such efforts were appreciated, especially while a group was still learning, questions were raised about the long term sustainability of having a non-group member in a de-facto executive position.

Generally speaking, an “animator” or “facilitator” might be helpful, but the relationship between the “animator”, the executives and the group members could be conditioned by the “animator’s” superior knowledge and insight to the disadvantage of the group. It was concluded that if an ‘animator’ continued to take care of all or a big part of the group’s common responsibilities, the process of empowerment would not take place.

3.7 How poor is poor?

Building on the preliminary definitions of poverty as agreed earlier, this topic was introduced by two presenters, Chief Mrs. Bisi Ongunleye and Ms. Rasha Almahdi. In her statement, Chief Bisi referred to poverty as ‘a state of mind’ and a lack of self recognition and self esteem. Poverty was also reflected in lack of ideas and knowledge and in laziness towards discovering and learning. Moreover, poverty was generated out of people’s selfishness in not passing on or sharing information, hereby ensuring that the poor would stay poor. In fact, poverty could be described as a process_of impoverishment. It would be important for so-called “poor” people to recognize their own wealth and resources and start building on exiting strengths within themselves, their environments, and societies.

Ms. Almahdi offered a more quantitative approach in sharing the strategies and findings of her own country, the Sudan. Poverty was considered in absolute and relative terms. The approach taken had been to establish a poverty line and estimate the portion of the population living below this line. Next, the poverty gab between their actual income and the poverty line was calculated. Ms. Almahdi distinguished between persons who involuntarily had become “unable” (poor in the sense of having an inability) and persons who were poor due to mismanagement of various type and at different levels. Subsistence needs and minimum standard of living had been carefully calculated and defined.

These definitions build on parameters suggested by the World Bank and other agencies and included data on shelter, food, nutrition, infant mortality, life expectancy, school enrollment, access to health services, etc. Basic needs would also include right to participate, freedom of choice, and social justice. According to the definition of these

food, clothes, health services, medicines, and education. It also assessed the empowerment of the users (women) as reflected in their representation in elected institutions and councils, assumption of leadership roles, and participation in decision-making processes. In addition, the actual increase in business income was recorded along with the development of overall household economy. In this specific evaluation the programme had been found to have a positive impact. In conclusion, Ms. Yamat emphasized that it would be imperative to ask “why measure impact” and “impact on whom?”.

In the discussion, participants underlined that impact assessment should be carried out in relation to an assessment of poverty. The creation of employment was also cited as an indicator of impact as was the user’s ability to save. The participants agreed on the importance of advance planning of the impact assessment and monitoring of indicators throughout the period of the provision of MF services.

Regarding the creation of impact, Ms. Olive Kabatalya draw on recent research performed in Uganda which compared the views and opinions of MF providers to those of MF users on a broad range of MF polices. The emerging preferences are summarized in table 1 below:

Table 1. Preferences of MF providers and MF users

Key policy	MF providers preference	MF users preference
Loan period	Shorter	Longer, with grace period
Loan size	Smaller	To depend on type of business, larger
Delivery mechanism	Group lending more cost effective, greater, faster outreach. The bigger the group the better for the MFI	Small groups
Type and location of client	Urban clients– easier to reach. Literate women- easier to serve and better repayment	Large potential in rural areas. Illiterate and poor women.
Type of services	Specialized credits. Minimalist	Need for non-financial

	approach to training	services
Collateral (group coll. / compulsory savings)	Group Guarantee, minimizes costs of repayment risk	Not too large groups
Repayment frequency	Shorter (weekly) minimizes default	Longer reduces stress and generates more profit
Access to savings	Limited access ensures MF more income	Want access to meet risks, crisis and expand business
Type of economic activities	Bias towards trade	Trade generates quick profit. Fear of taking risks in other businesses
Method of interest calculation	Flat rate easy to administer and gives more income	Confusing to clients, clients want to reduce rates
Commission and fees	Results in higher income	Raises effective interest rate. Interest rates to be reduced

The general conclusion was that client involvement in determining policies was crucial. Ms. Kabatalya also pointed to the difficulties in defining impact in relation to a MF provider's perspective and reminded participants not to overlook possible positive and negative side effects of the microfinance services.

In the pursuant discussion, the participants explored the meaning of "savings". From the point of view of the user, his/her savings would serve to cover unforeseen expenditures. However, MF providers preferred to 'block' a certain amount of savings as a minimum guarantee in case of the user's default. It was debated who ought to have access to these savings. Some participants pointed out that "savings" need not only take the form of "cash" but could be in kind like jewelry, stock of produce or goods or represent various assets like buildings, animals, and tools.

In relation to the involvement of the clients, participants added that a balance between user and provider preferences had to be found so as to make the services financially sustainable. Furthermore, one participant recalled how Zambuko Trust, Zimbabwe had tried to include a client on its Board. Due to legal interpretations of statutes and roles of board members and users this had not been possible, but she encouraged other MF

providers to consider how they might include user representatives on their respective boards thus involving them in policy issues.

3.9 Developing a minimum package

The purpose of the final plenary session was to discuss and develop recommendations for a minimum package for capacity building to improve microfinance as a tool for reducing the gender dimension of poverty. Participants contributed their recommendations on components and content of such a package starting with listing of all suggestions, then clustering them, refining them and prioritizing them. The discussions centered on how to enhance the capacity building for MF providers and users, promote enabling policy frameworks, support networking, research and documentation, introduce HIV/AIDS insurance and, finally, how to encourage role modeling of successful MF users. The recommendations are presented below.

4. Recommendations

The Consultation resulted in the following recommendations for a minimum package in the order of ranking done by the participants:

1. Improved policy framework:
 - Initiatives that would help improve the enabling environment for MFIs;
 - Closer collaboration between governments and MFIs;
 - Better regulatory frameworks, preferably building on 'self-regulation',

2. Capacity Building:
 - a) Capacity building targeted at MF users including such areas as:
 - Leadership and management training;
 - Training in entrepreneurial skills including marketing;
 - Improved access to technical information related to their areas of activities and needs;

parameters in the Sudan, the government had found the following grouping among the population: i) the “poorest” (cannot meet daily needs) accounted for 24% of population, ii) the “poor” (cannot meet annual subsistence needs) accounted for 23%, iii) the “middle” (can satisfy subsistence needs) accounted for 21%, iv) the “non-poor” (able to meet subsistence and basic needs), accounted for 17%, and v) the “rich” (can satisfy all welfare needs), accounted for 15.0%.

Against this background the question for policy makers would be: “Which group do we want to target”? The selection of target group would determine the appropriate policies and strategies.

In discussing how to select a target group, the participants came to a broad agreement that from the point of view of the microfinance provider, the target group and the selection criteria would depend on the mission of the microfinance provider in question. The pertinent considerations would also relate to how the microfinance provider perceived and defined its own services and the operational cost of reaching the target group. The sustainability of the operation was also an important factor. Finally, the need to learn from past lessons would be paramount.

3.8 Creating and measuring impact

In this plenary session, presentations were made by Ms. Esther Petro Yamat and Ms. Olive Kabatalya. As a starting point, Ms. Yamat explained that measuring impact of microfinance should be seen within the overall national poverty reduction policies and microfinance policies. The impact of MF could be positive or negative and it would be important to select the appropriate criteria linked to the mission of the microfinance provider. Referring the Small Enterprise Development Agency (SEDA) in Tanzania, Ms. Yamat, went on to describe a recently completed evaluation study. Here, the impact of a certain project had been measured after five years on the basis a baseline survey at the start of the period, a mid-term survey, and a final evaluation. SEDA had used a series of tools such as impact survey tool, exit survey, empowerment tool, and client satisfaction tool. Furthermore, the evaluation examined household expenditures on such items as

Importance of training to be tailor-made to the needs of users and developed with their full participation and involvement.

b) Capacity building targeted at MF providers including such areas as:

- Gender mainstreaming in project design and implementation;
- Gender balance at all institutional levels including management and board;
- Project design, implementation, monitoring and evaluation;
- Participatory approaches and methodologies to enhance communication;
- Logistical support and staff training in general;
- Consideration of subsidy for MF providers to reach the poorest women in rural areas, where the operational cost is greatest.

3. Support for networking activities among MF stakeholders, including:

Create and support a network among MF users and MF providers. Such a network should be pro-active in helping to improve the advocacy and lobbying abilities among MF users, and help MF providers share and exchange information and experience.

The networking could take place via a facility on the Internet or through regional and/or in-country meetings. Networking might also be used to help popularize the African traditional savings and credit methods.

4. Research and Documentation, in particular:

Support for research and dissemination of research results.

5. HIV/AIDS 'Insurance' schemes:

Support for 'insurance-schemes' that would protect MF users as well as providers.

5. Closing and Evaluation

The Consultation was closed by Hon. Gladys Asmah, who thanked the participants for their active and inspiring deliberations. She noted that as women make up the majority of the poorest in society MF is crucial in enhancing their prosperity and emancipation. She recognized that many other factors worked against this process such as the conflicts in many African countries that tend to affect women and children the most. Until such conflicts cease women will remain poor. At the household level, she suggested that men need to be sensitized to support women and announced that her ministry was organizing workshops to this effect. Having experienced, many years ago, how women in rural areas had benefited from a very small start capital, she had made it her first action as a minister to establish the Women's Development Fund. She was hopeful that this Fund would help women become self-sufficient and independent. Hon. Asmah then presented a 'kente', strips of traditional Ghanaian cloth, or a little book mark with similar pattern to each participant in a gesture of appreciation for their contribution to the workshop.

Ms. Serour of DAW thanked the Ghanaian Government for its hosting of the Consultation, and Mrs. Chief Bisi Ogunleye gave the vote of thanks on behalf of the participants.

The participants evaluation of the Consultation showed that they thought that the Consultation had deepened their understanding of MF and that they appreciated the opportunity to exchange experiences with colleagues. They noted that facilitation had been good but not enough time had been allocated to the discussion some topics. The field visits were found to be particularly educational and useful.

ANNEX A: List of Participants

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Annex B: Programme of Consultation

Tuesday 23 April

5:30- 6:30 *Registration of participants*

Wednesday, 24 April

8:00-9:30 Introduction and background to the project

- Objectives and procedure of the meeting
- Participants' introduction and expectations

9:30-10:00 Presentation – brief visual and oral presentation on the process and outcomes of the On-line Discussion and issues which emerged from it.

10:00 Departure for Opening Ceremony

10:30 Opening Ceremony at International Conference Centre

10:30-10:35 Opening Prayer

10:35-10:40 Introduction of Chairperson

10:40-10:45 Chairperson's response Hon. J.H Mensah Senior Minister

10:45-11:00 Welcome Address by Hon. Gladys Asmah, Minister for Women and Children's Affairs

11:00- 11:15 Address by Mrs. Fatiha Serour, Division for the Advancement of Women, UN

11:15-11:25 Cultural performance

11:20-12:00 Keynote Address by Hon Hajia Alima Mahama, Deputy Minister for Local Government and Rural Development

12:00-12:10 Chairman's closing remarks: Hon. J.H. Mensah, Senior Minister

12:10-12:20 Vote of thanks, Chief Mrs. Bisi Ongunleye

12:20-12:45 Refreshments

12:45-2:30 Return to Sanaa Lodge and Lunch Break

3:00 Plenary Session I:
"Agreeing on terms, definitions and parameters"
 Roundtable discussion to agree on working definitions of such terms as microfinance, micro-credit, the gender dimensions of poverty, etc. which will define the parameters for the work of the consultation thereafter.

3:30 **"MF as a tool of empowerment for women"**

Presentation and discussion on the definition of empowerment, whether it can be achieved through MF and whether MF is an appropriate response to the needs of poor women.

Presenters: Mr Kofi Atta Bronya, Ghana Microfinance Institutions Network and Ms. Kebokile Dengu-Zvobgo, Zambuko Trust, Zimbabwe.

- 4-4:15pm Formation of working groups and appointment of rapporteurs for each working group to prepare and present findings.
- 4:15 – 5:45 **Working Groups Session:**
- WG 1: Influence of local, traditional and cultural factors on the effectiveness of MF
 - WG 2: Same topic
 - WG 3: MF and violence against women – is there a connection?
- 5:45 – 6:50 Presentations by Working Groups and discussion
- 6:50 – 7:00 Facilitator's summary and closing

Thursday, 25 April

- 8:00 Formation and departure of two teams for field visits to two groups having obtained loans from Citi Saving & Loans Co.
- 9:00-12:30 Field visits
- 12:30-3:00 Lunch break
- 3:00-4:30 Working Groups: Case study of morning trip based on guidelines provided
- 4:30-5:30 Presentation by Groups, Q&A, discussion and closing.

Friday, 26 April

- 8:00 – 8:15 Introduction and evaluation of second day
- 9:15 – 10:45 Plenary Session II:
“How Poor is Poor?”
 Roundtable discussion addressing the following questions: Are MF schemes targeting the poorest of the poor? What level of client is it most realistic to target? How can outreach and servicing to the poorest be improved?

Presenters: Chief Mrs. Bisi Ogunleye, Country Women's Association of Nigeria, African Traditional Responsive Banking approach (ATRBA), and Ms. Rasha Almahdi, Ministry of Welfare and Social Development.

10:15 – 11:00

Press Conference and Coffee Break

11:00 – 12:30

“Creating and measuring impact through MF”

Presentation and discussion on whether MF can break the cycle of poverty or merely act as a cash management tool for poor people and how to measure whether MF programmes are contributing to the reduction of the gender dimensions of poverty.

Presenters: Ms. Esther Petro Yamat, SEDA, Tanzania and Ms. Olive Kabatalya, SPEED, Uganda.

12:30 – 13:30

Lunch Break

13:30 – 15:00

Plenary Session:

Determining and proposing recommendations for the development of a “minimum package” for capacity building

15:30 – 16:00

Participatory evaluation of the consultation.

Closing remarks by Hon. Mrs. Gladys Asmah, Minister for Women and Children's Affairs and Ms. Fatiha Serour UN-DAW.
Vote of thanks by Chief Bisi Ogunleye.

Annex C: List of documents and papers distributed

1. UN-DAW: Aide-Memoire : Regional consultation on Reducing the Gender Dimension of Poverty; Microfinance Policies, Processes and Practices, Accra, Ghana, 24-26 April 2002.
2. UN-DAW: Synopsis of a Desk Review on Reducing the Gender Dimension of Poverty: Microfinance Policies, Processes and Practices.
3. UN-DAW: Summary of On-line Discussion on Gender, Poverty and Microfinance, 12 June – 31 July, 2001.
4. Hon. Mrs. Gladys Asmah, Minister for Women and Children Affairs: “Welcome statement at the regional consultation on reducing gender dimension of poverty. Microfinance: policies, processes and practices, 24-26 April, 2002.
5. Hon. Mrs. Gladys Asmah, Minister for Women and Children Affairs: “Statement at a press Conference held in conjunction with the regional consultation on reducing the gender dimension of poverty”.
6. UN-DAW: Hand-outs of PowerPoint presentation: “How can Microfinance Reduce the Gender Dimension of Poverty?- On-line Discussion, 12 June –31 July”.
7. Kofi Atta-Bronya, Ghana Microfinance Institutions Network: “Microfinance as a Tool for the Empowerment of Women”.
8. Esther PetroYamat, Small Enterprise Development Agency (SEDA), Tanzania: “Creating and measuring impact through microfinance – the case of the small enterprise development agency, SEDA”.
9. Small Enterprise Development Agency (SEDA): Profile, April 2002.
10. Olive Kabatalay, Support for Enterprise Expansion and Development, SPEED project, Uganda: Excerpts from “CEESA baseline study on lending methodologies of Micro-finance Institutions, Table 1: Policies and procedures that influence MFI sustainability versus client demands”, 1999.
11. Ministry of Women and Children’s Affairs, Ghana: “Framework for Providing Micro-financial Services to Women in Ghana – MOWAC Women Development Fund”, March 2001.
12. Background information on field visits provided by Citi Savings & Loan Co.:
 - a) “Sketch on European Union/Citi Savings & Loans Co. Micro Credit for Women project”

- b) Paper entitled: "Credit delivery process for micro loans at Citi Savings & Loans Co, Ltd."
 - c) EU/CITI Micro-Credit for Women – Love & Unity Women Club – Tsuibleoo, Group credit appraisal;
 - d) Micro-Credit for Women: Vision Club, Dodowa-Ayikuma, Credit appraisal.
12. Terms, definition and parameters related to microfinance as defined by the participants in he consultation.
 13. English summary of paper contributed by Mme Fatoumata BARRY: " Yètèmalì - The Popular Savings and Credit Scheme of Conakry, Guinea". 25 April, 2002.
 14. Excerpts from Chief Bisi Ogunleye: "African Traditional Responsive Banking (ATRBA) African Innovation for Poverty Eradication".

Annex D: Working Definitions of Terms and Parameters

MICRO FINANCE

- facility to make funds accessible/recoverable
- savings, making loans available to clients, and insurance
- ability to draw income in a systematic & sustainable way
- strategy of redistribution of wealth/income
- redistribution of wealth and decision-making power (by people themselves)

POVERTY

- lack of good health
- lack of physical strength
- inability to be aware of one's rights (women's rights)
- state of incapacitation to cover basic needs
- lack of decision – making ability

COMMUNITY BASED/PARTICIPATORY APPROACHES/PARTICIPATORY ACTION DEVELOPMENT

- traditional systems (new in MF and traditional in practice)
- using existing social frameworks
- communal spirit (pooling or pulling resources together; efficient use of resources; resource sharing)

WEALTH

- inner talents
- ability of African women to be role models
- collective social structure where offspring are also collective responsibility
- sense of ownership

GOOD GOVERNANCE

- unity (togetherness) conflict prevention
- accountability
- transparency
- influencing/participating in political processes
- equal access to benefit from economic growth + decentralisation

ECONOMIC GROWTH

POLITICAL STABILITY

- security at the community level
- security at the national level
- Security (conflict prevention)

GIRL CHILD – harmful traditional practices – a girl cannot grow in an unhealthy environment

WHO ARE THE POOR?- (POOREST OF THE POOR)

- anyone unable to meet his/her basic needs (food, shelter, healthcare, basic knowledge, skills)
- anyone living below \$ 1 dollar a day
- lack of opportunities(micro credit; good governance)

Welfare poor (non able bodied?)

Productive poor = resource poor

WHAT IS MICRO?

- family based projects
- go to a lower level?

Annex E. Background on Field Visits

The objective of the field visit was to give participants an opportunity to analyse the various steps of the setting up, implementation and evaluation of a project funded through a microfinance scheme. To this end, the Ministry of Women and Children Affairs in collaboration with the Citi Savings & Loans Co. of Ghana arranged for the participants to visit two groups that had benefited from savings and loan services from Citi Savings & Loans Co.

Citi Savings & Loans Co. had obtained funding for a project entitled: "Micro-credits for women's informal sector" in the tune of Euro. 196,000 over three years from the Delegation of the European Commission to Ghana. The objective of the project was to improve women's access to credit towards increasing their participation in economic activities leading to their economic empowerment. The project would provide small loans and credit facilities to low-income women for informal and micro business activities. Furthermore, the project would provide information and training in entrepreneurship and business management skills. The goal was to reach 600 women. As of end March 2002, 753 women entrepreneurs had received credits and training, a revolving fund was in place and loan repayments were on schedule. The default rate was 2.3% due to the disintegration of one group among the 12 groups participating in the scheme².

A summary profile of each group visited is presented below on the basis of the credit appraisal carried out by Citi Savings & Loans Co.

Located at Dodowa in a rural area just outside Accra, the "Vision Club" was formed in 1998. It had about 60 members who were all married, mostly Christian, most had children who were in school. In addition to farming, their main activity, they also engaged in trading activities. A few cooked and sold food. The group held weekly

² The information presented in this note is based on background information provided by the Citi Savings & Loans Co. as listed in Annex B reference no 12.

meetings to discuss welfare issues and contribute help to members in need. The current loan was the Groups first experience in taking a loan.

The “Love and Unity Women’s Group” was located at Tsuibleoo-Teshie in an urban area at the outskirts of Accra and had some 45 members made up of members of two original groups. Most of the group members were married with at least one child in school. Their activities spanned over trading to cooking and selling food and dress making. Prior to applying for a loan with Citi Savings & Loans Co. the group had been making rotating savings among members. The group meet once a week to make payments and discuss welfare matters. The contact to Citi Savings & Loans Co. was initiated by Mr. Felix Amartefio, whose wife was a member. He had been instrumental in getting the group together and he also offered his premises as a venue for the groups’ meetings. Since the inception of the group he had taken care of book keeping, collection of savings and loan repayments and their deposit to the bank. The current loan was the group’s first experience with taking a loan. The group members could be considered as “productive poor” as most of them were already engaged in productive activities before taking the loan. The loan scheme had allowed them to expand and diversify their activities. Some of them had even engaged employees. Several group members testified that the loan scheme had allowed them a better cash flow, which was helpful in managing the house hold expenditures.

Annex F. Evaluation

The participants were invited to evaluate the Consultations in a final session that was conducted by themselves with none of the organizers being present. The below is the text of the evaluation as recorded and submitted by the participants.

Quote: "Evaluation of the workshop was based on the participants' perception of the workshop. Participants were given the opportunity to evaluate the workshop based on their assessment of the workshop in terms of pre-conference, deliberation and discussion and general comment.

Pre-conference Arrangement

Some participants argued that the method for participation in the Regional Consultation was not clear enough; their invitation letters did not contain venue and time for the program.

Facilitation

The facilitators were considered very good by the participants. They were patient and accommodating enough to all the issues raised by the participants. A participant expressed her appreciation of the format of the workshop especially the workshop sessions where individuals did express their candid opinion.

Discussion and Deliberation

Participants considered the times allotted for discussion to be very short and did not allow meaningful discussion resulting in sessions being rushed through without addressing all their concerns. They however considered the discussion as participatory, which kept them alert and productive. The workshop has been good – it created the opportunity and

forum for sharing experiences and consensus building especially in the areas of minimum package of support.

General Comments

Some participants wanted more time to enable them to explore Ghana as a country since it was their first visit to Ghana. Some participants were not happy about the distinction made between observers and participants. Although they were participants, special treatments were given to participants. Participants' knowledge of the concept of micro-finance/ credit had deepened after the workshop. The exposure trips to some micro-finance projects were considered very successful and educating according to the participants." Unquote.