



An Emergent Model for Economic Inclusion with Women at the Centre

**Impacts and Reflections from FSD Kenya's
Pilot in Marsabit County**



“

I didn't go to school and I don't know how to read and write. The pen you're holding there I have no clue about it... But despite all that, I have been trained, I know how to handle things, I have the knowledge.

—
LINDA



1 Overview

About FSD Kenya

Our Motivation

Marsabit Context

FSD Kenya's Model

Background



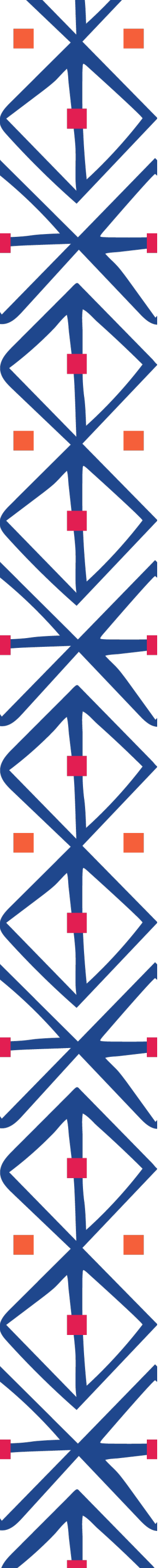
ABOUT

FSD Kenya

FSD Kenya is an independent trust dedicated to the achievement of an inclusive financial system that supports Kenya's long-term development goals.

We work closely with government, the financial services industry and other partners to develop financial solutions that better address the real-world challenges faced by low-income households, enterprises and underserved groups such as women and youth.





OUR MOTIVATION

Catalysing economic inclusion sustainably and at scale

FSD Kenya realized that uptake of financial accounts was not sufficient for meeting people's needs.



FSD Kenya's pilot in Marsabit aimed to improve our understanding of how to catalyse **economic inclusion with women at the centre, sustainably and at scale**, using a market-based approach and leveraging finance.

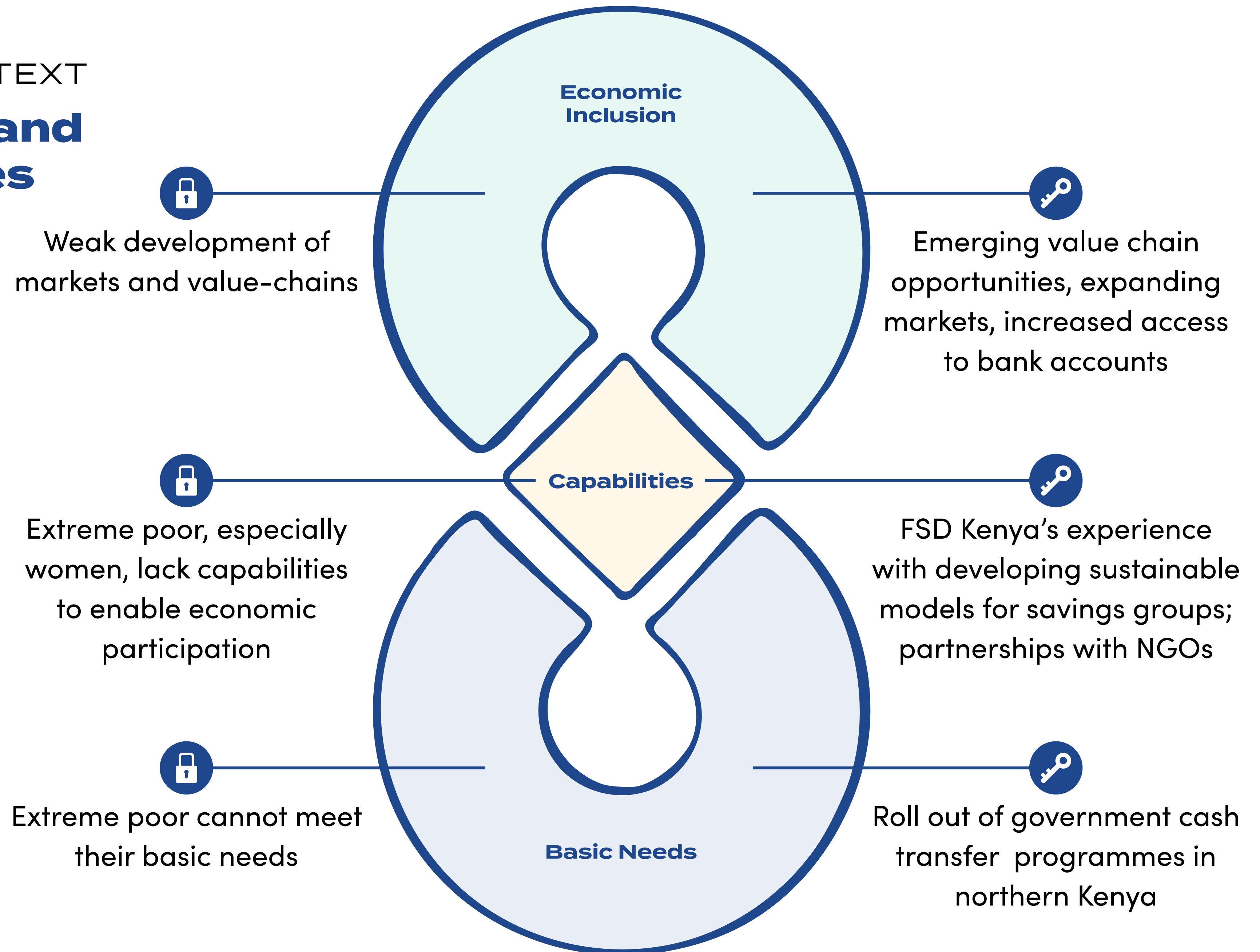
The focus was on the extreme poor, mainly women.

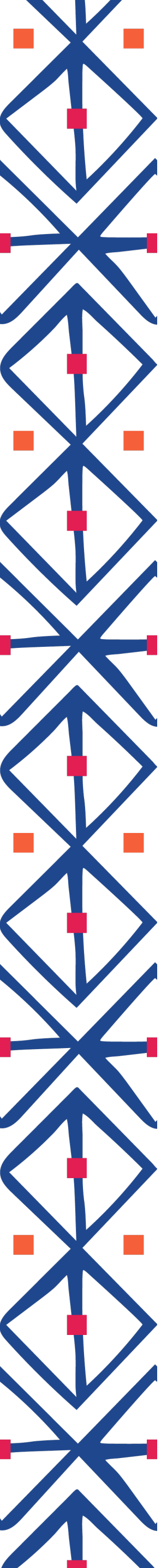


MARSABIT CONTEXT

Constraints and Opportunities


-  Constraints
-  Opportunities

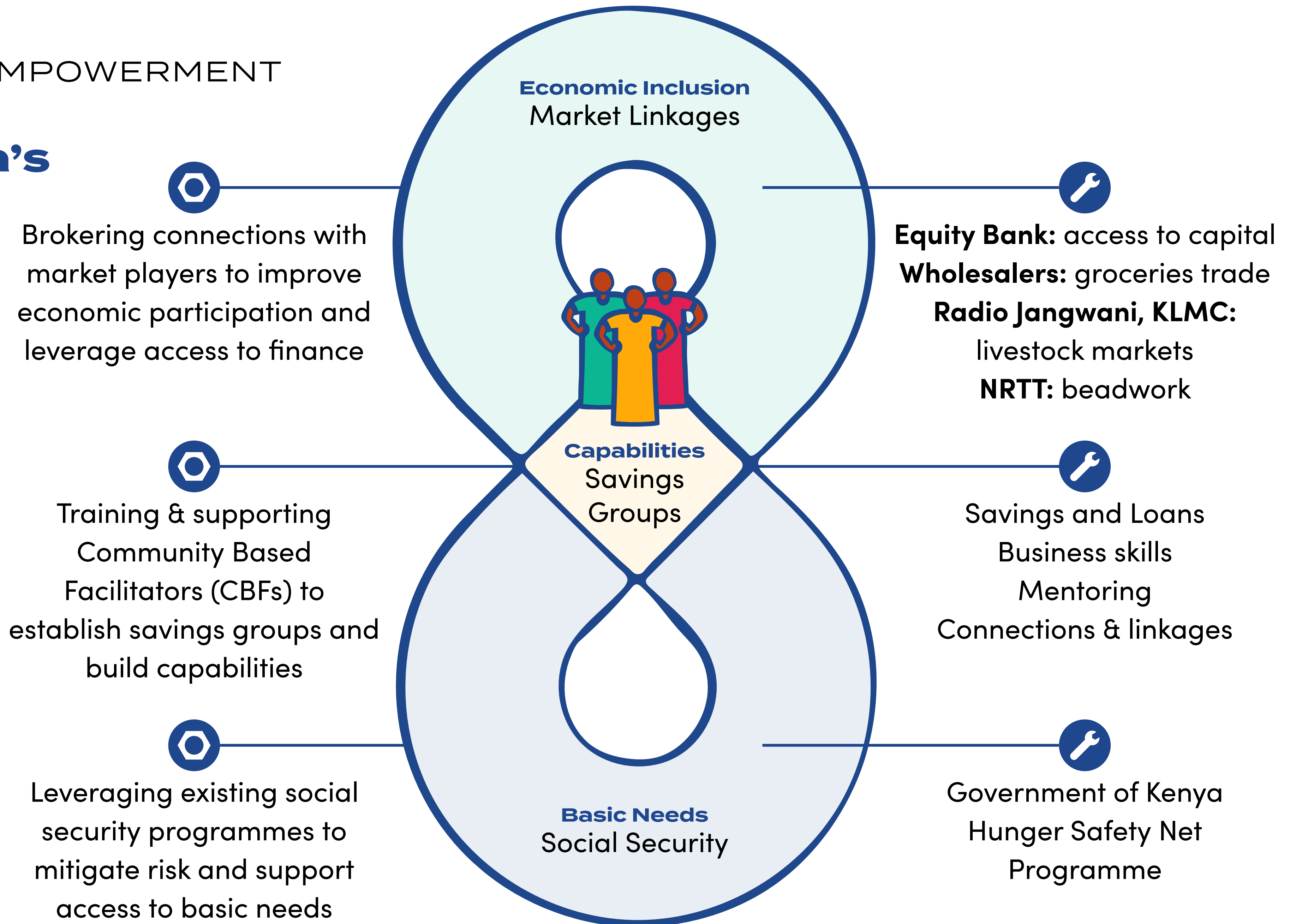




ECONOMIC EMPOWERMENT FOR WOMEN

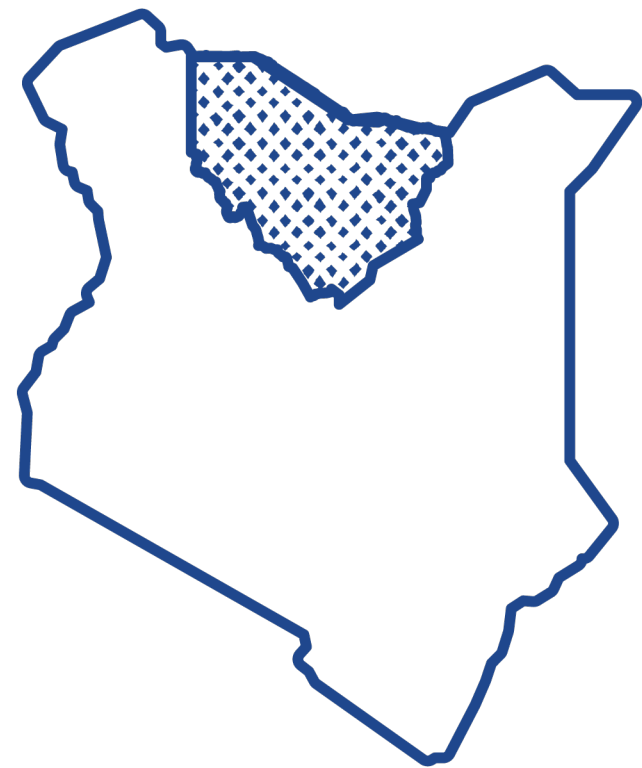
FSD Kenya's Model

-  FSD's model
-  Mechanism



BACKGROUND

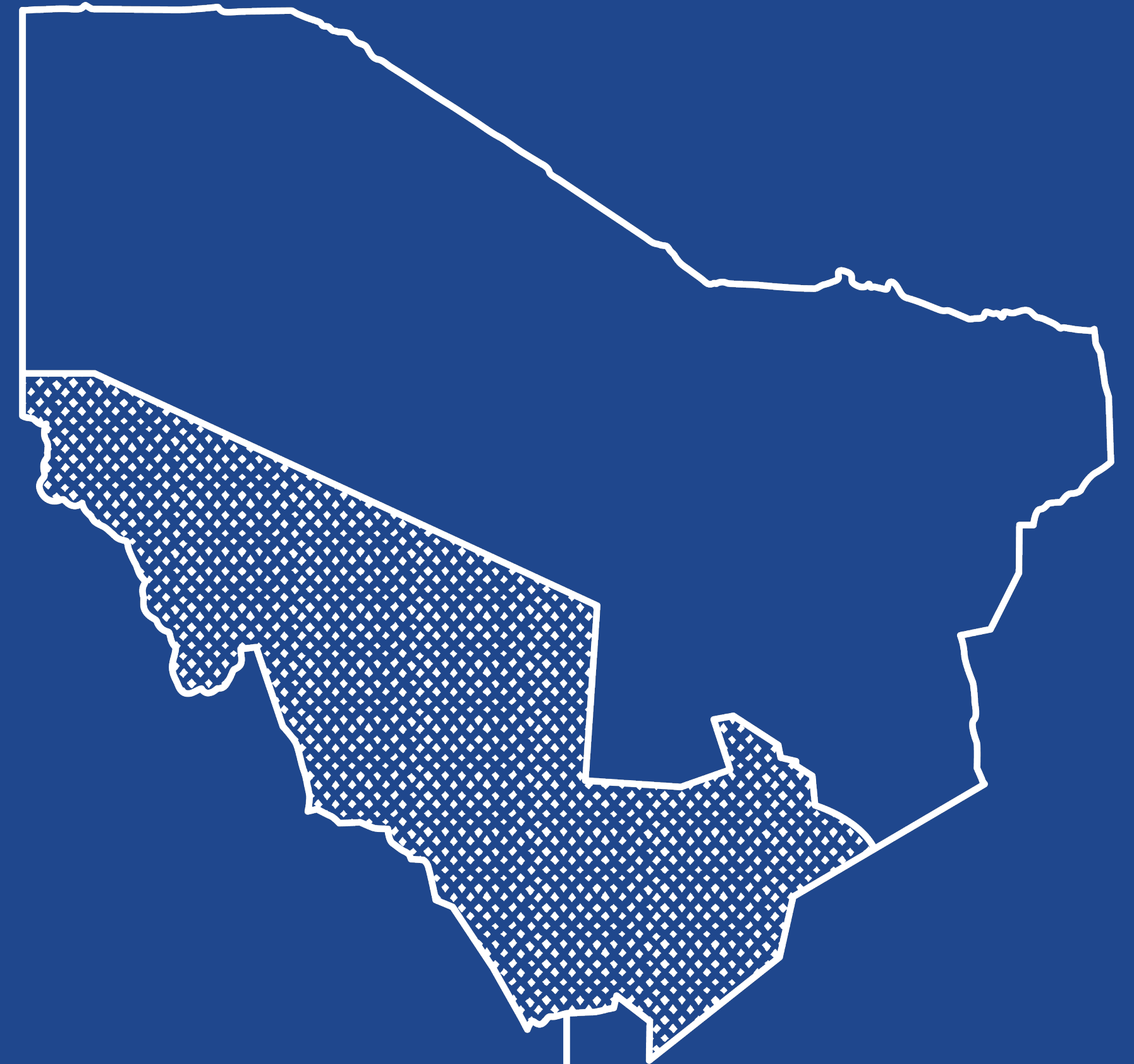
Economic Inclusion with Women at the Centre



Location:
Marsabit county, Kenya

Duration:
2016-2021

No. of beneficiaries:
1,200 (83% women)



Study location in Marsabit county



Economic Inclusion
Market Linkages

Capabilities
Savings
Groups

Basic Needs
Social Security

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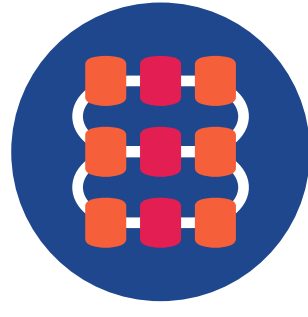
FSD Kenya's Approach



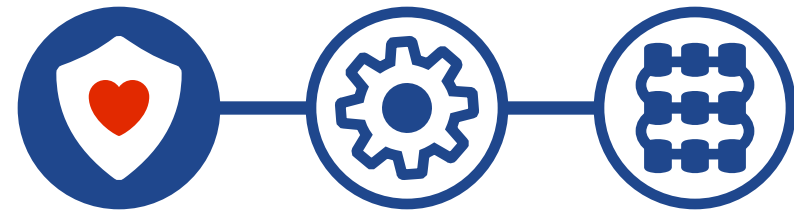
Social security



Capabilities



Market Linkages



SOCIAL SECURITY

“The first step out of poverty”

FSD Kenya Intervention

In partnership with the National Drought Management Authority (NDMA), FSD Kenya selected its participants from lists of government cash transfer recipients who were already receiving a bimonthly stipend of Ksh 2,500.

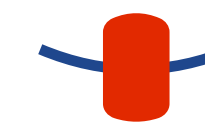
The **surety that basic needs will be covered** enables individuals and households to invest in growth and improvement rather than risk mitigation. Providing social security:



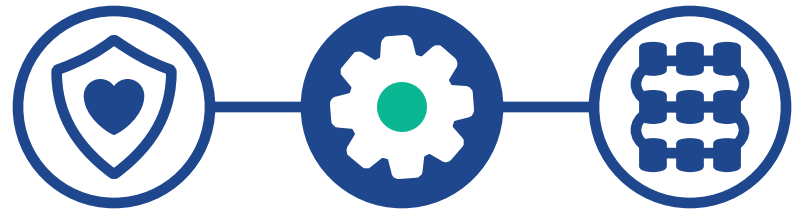
Improved access to basic needs



Developed stronger social and financial capital



Reduced dependence on hard labour and extractive economies



BUILDING CAPABILITIES

Linking social security to women's economic empowerment

FSD Kenya Intervention

Social security alone was not sufficient to enable beneficiaries to grow, invest, and create sustainable livelihoods. In partnership with CARE Kenya, the project trained community facilitators (CBFs) to establish savings groups and build capabilities.



Community-based facilitators (CBFs)

CBFs organized beneficiaries into groups and trained them in savings and group-based lending.



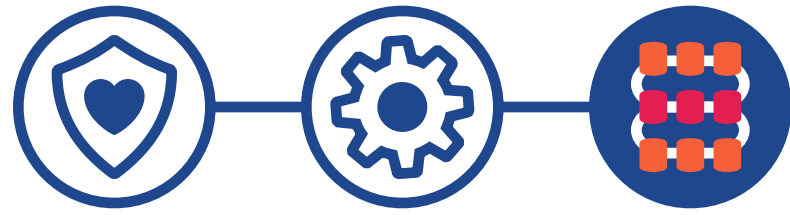
Savings Groups

Savings groups enabled stronger financial capabilities and became a forum for peer learning, enterprise and empowerment for women.



Connections

New contacts were developed through other group members; groups attracted market actors (e.g. Equity Bank) seeking to reach new markets.



MARKET LINKAGES

Increased access to markets and finance

FSD Kenya Intervention

The project also worked with market actors to strengthen market linkages for group members and enhance their participation in markets.

FSD's Partnership with Equity Bank

FSD Kenya worked with Equity Bank to design a loan product tailored to low-income business women, and provided a credit guarantee to derisk the loan fund. Equity is now continuing to lend to this market independently of FSD's support.



600 loans

disbursed totaling
KSh 12 million



Less than KSh 2M

were defaulted on (17%)



50 percent

of project participants had
taken an Equity Bank loan
by the end of the project

Other market linkages



Kenya Livestock Marketing Council



Radio Jangwani



Savers Wholesalers



NRTT



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Impact

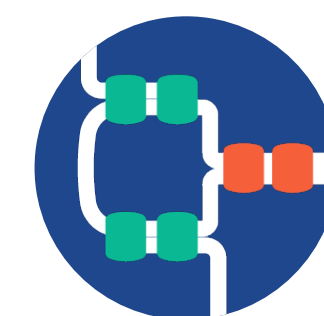
FSD undertook qualitative and quantitative research to assess the impact of the project on:



Capabilities



Economic Resilience



Systemic Change



Capabilities

Capability is the combination of **agency, skills, knowledge, connections and attitudes** needed to make, and act upon, decisions that a person has reason to value, within an enabling environment that offers opportunities to fulfil those decisions.



Capabilities



Agency and Empowerment

New and more empowered identities

Saw themselves as economically independent

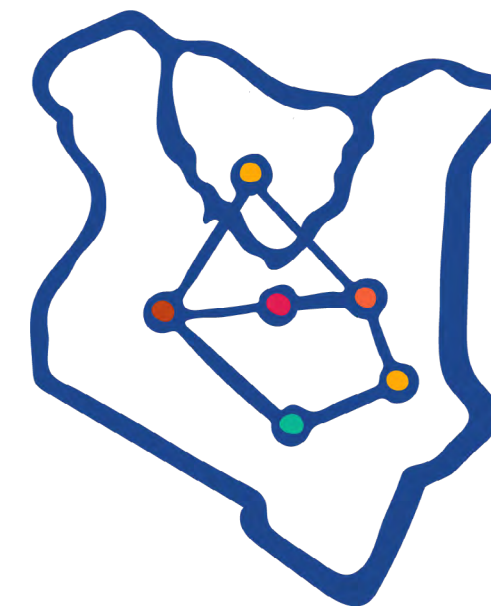
Became leaders and role models for others



'Elimu' - Knowledge and Skills

Saw themselves as 'enlightened', knowledgeable and experienced

Gained skills in finance, business and money management

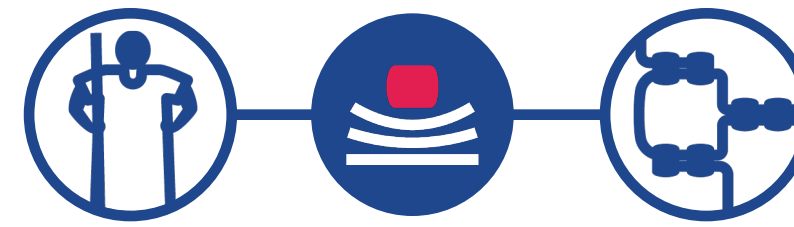


Connections

More confident to trade in new and distant markets

Able to adapt and grow in business through tapping into networks and connections

Leveraged creditworthiness and finance to expand membership of networks and groups



Economic Resilience

The Food Economy Group (FEG) conducted two rounds of data collection using a Household Economy Analysis (HEA) methodology comparing three groups:

HSNP only

Receiving the government HSNP cash transfer only, but not participating in the FSD Kenya project



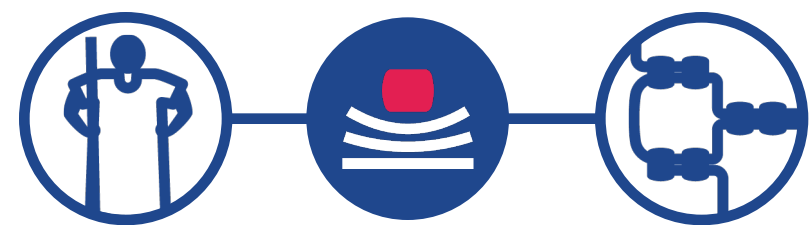
Project participants

Received all project interventions but did not take up Equity loans



Participants with Equity Loans

Project participants who additionally took up Equity bank loans



Economic Resilience



Income

Household income was **30% higher for project participants** than for those receiving HSNP only

80% of household income was contributed by female-owned businesses



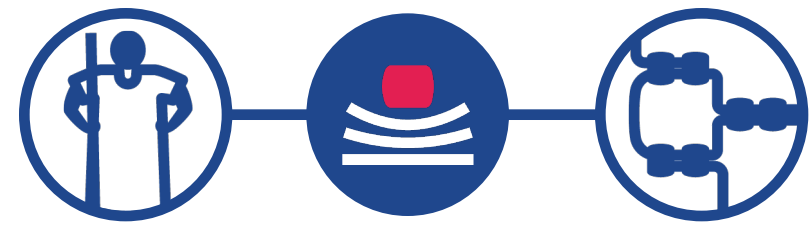
Business Activities

Project participants **invested in higher value businesses** such as livestock and retail trade compared to those receiving HSNP only.



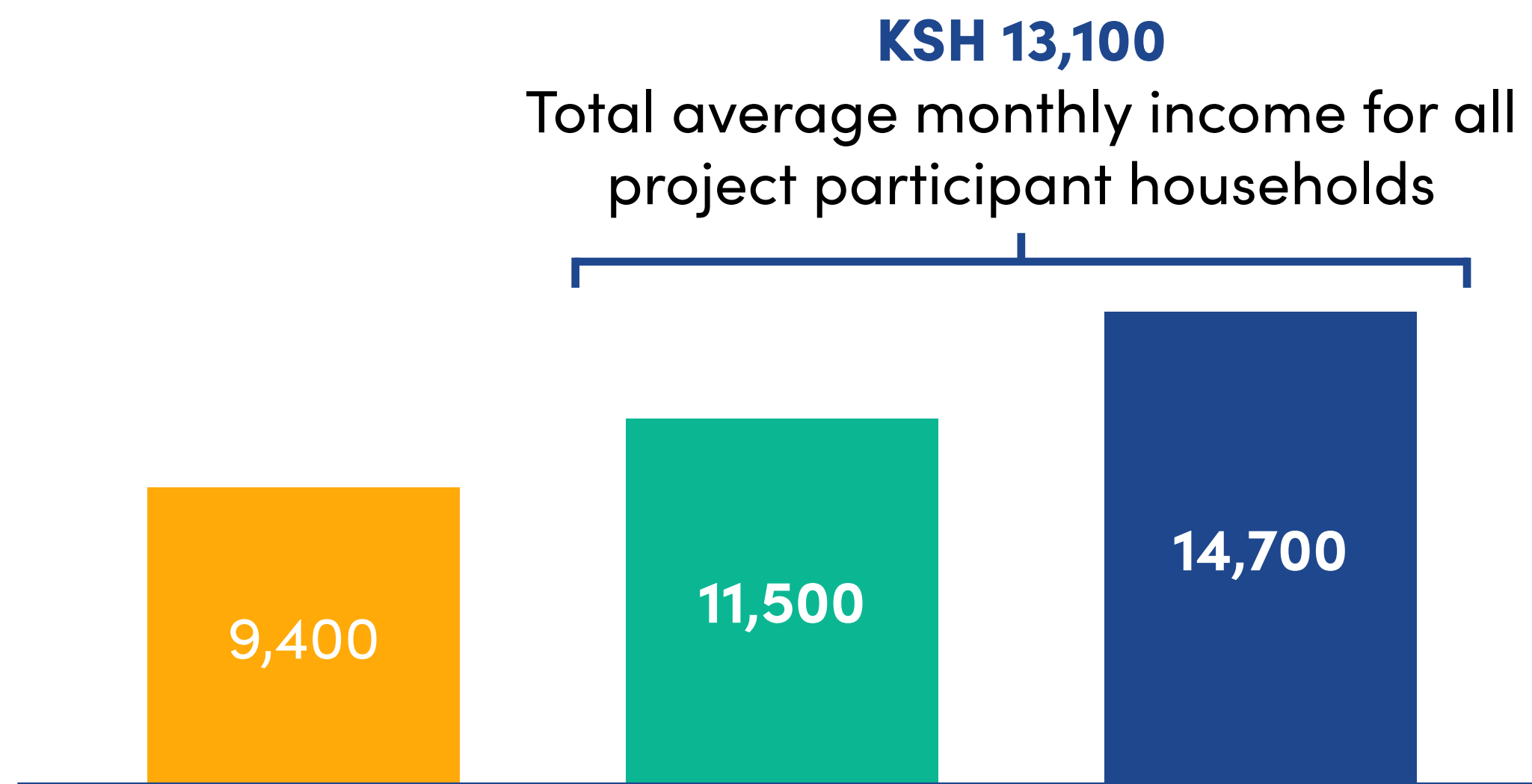
Spending

Project participants **spent more on non-food items** which is associated with **higher quality of life and status for women.**



Economic Resilience

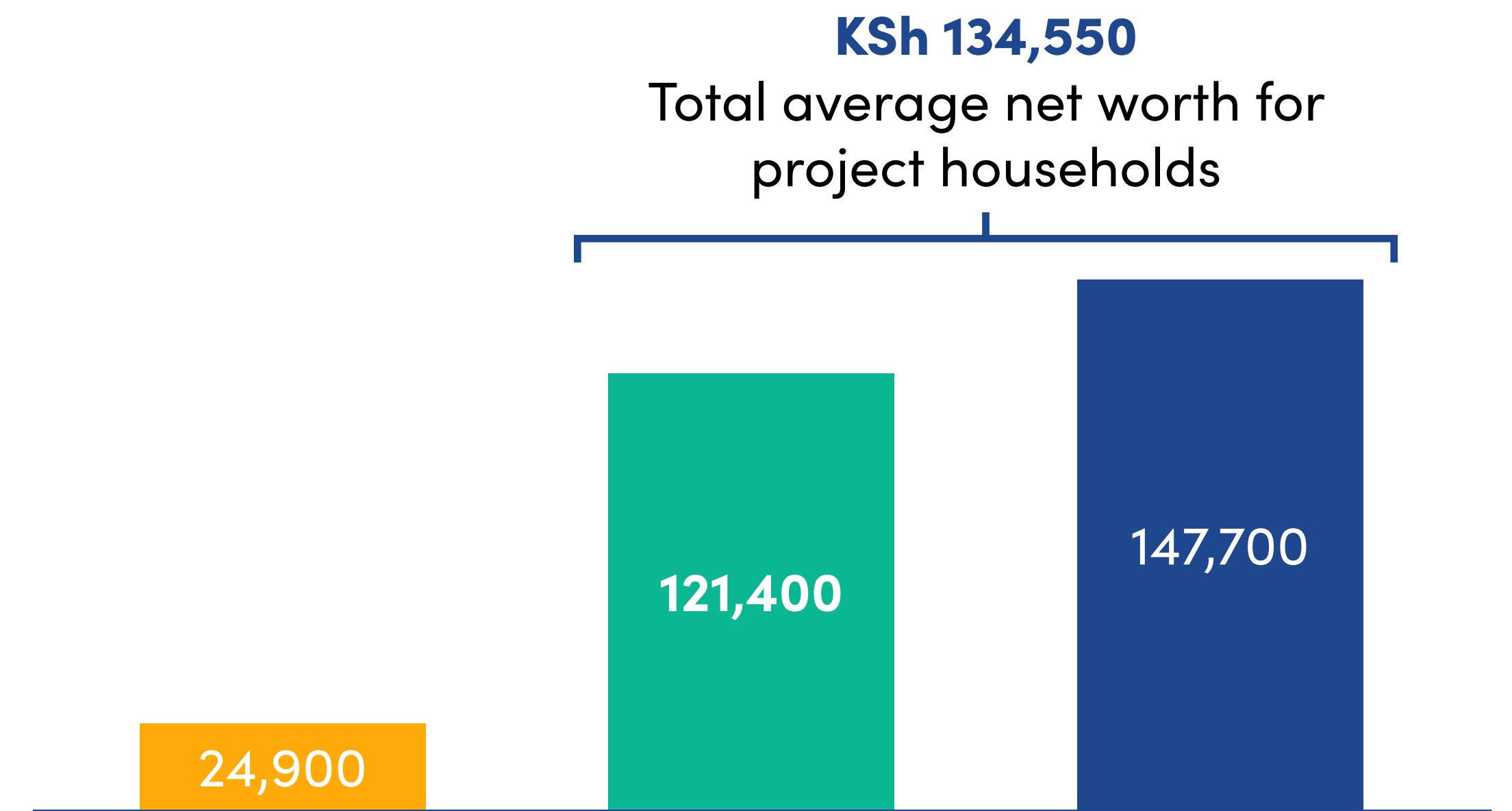
Average Monthly Household Income (KSh) in 2020



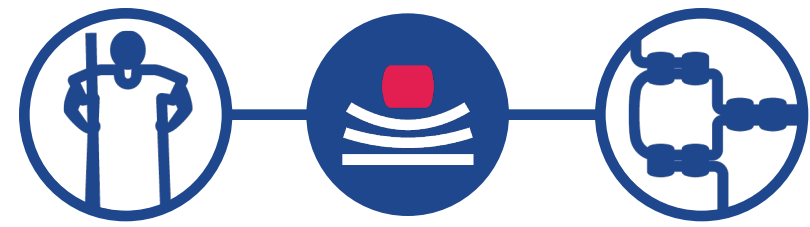
Household income was **30% higher for project participants** than for those receiving HSNP only.

- HSNP only
- Project participants
- Participants with Equity loans

Average Household Net Worth (KSh) in 2020



Project participants invested in assets, with an average net worth of KSh 135,000, over **5X higher than HSNP only households**.

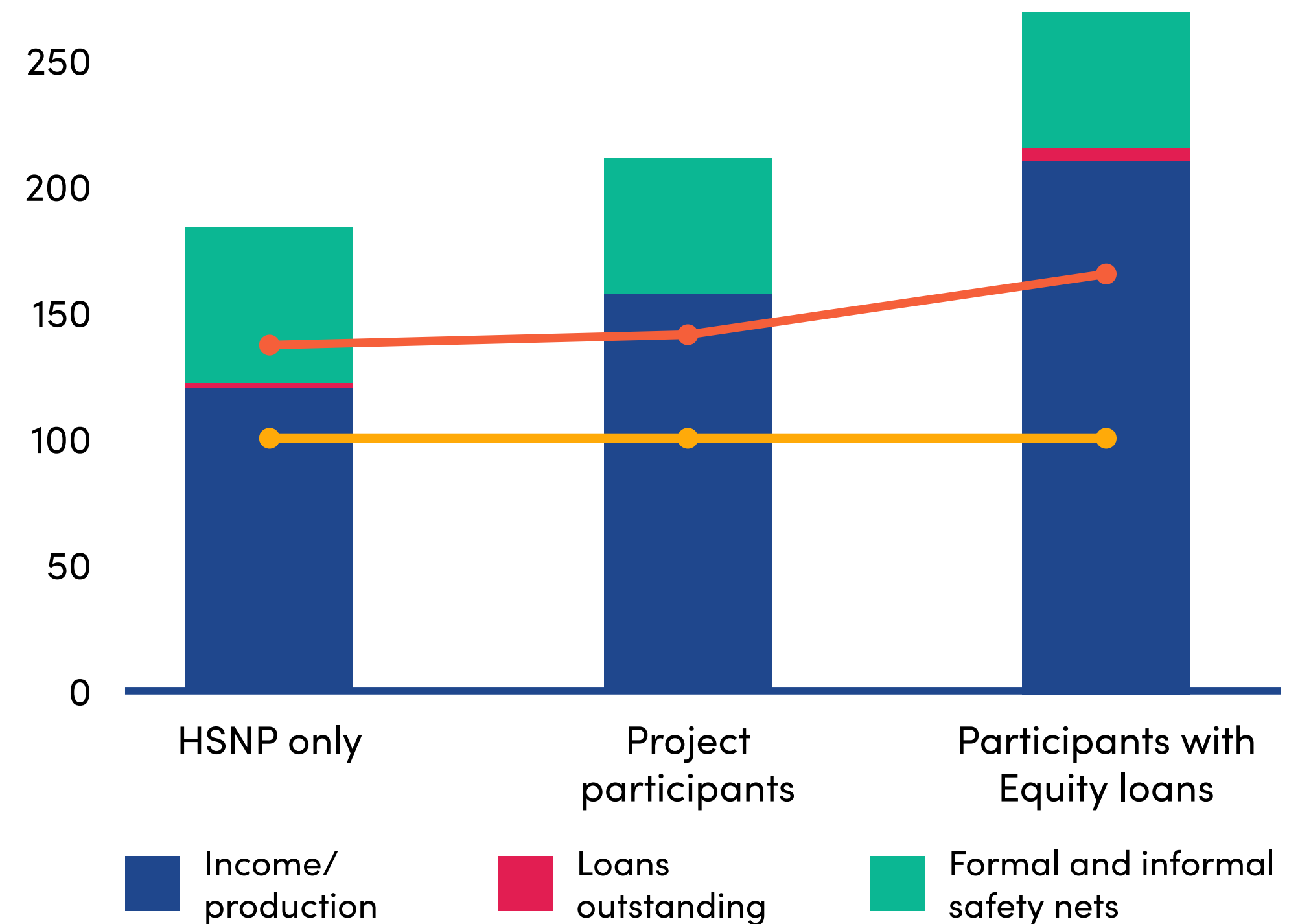


Economic Resilience

The HSNP cash transfer and the capabilities built by the project enabled project participants to maintain and grow their livelihoods, even during the COVID-19 pandemic

NOVEMBER 2020

Resilience: Ability to Meet Minimum Calories and Maintain Livelihoods



Survival Threshold: Households able to cover minimum annual food needs, (standard measure of 2100 Kcal per person per day)

Livelihood Protection Threshold: Households able to cover 100% of calorific needs plus health/education and other essential expenditure and maintain livelihoods (some livelihoods are more capital intensive than others)

Source: FEG 2022



Systemic Change



Gender Norms

Increase in decision-making power by women.



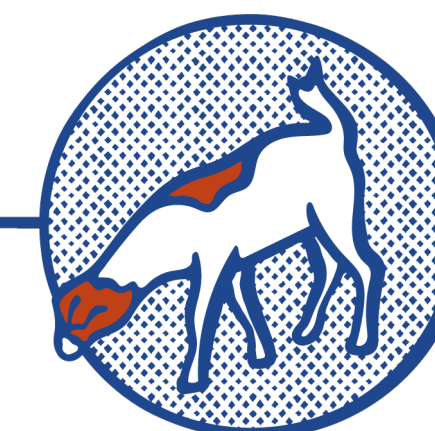
Climate Adaptation

Women **reduced their dependence on extractive businesses** such as firewood, and diversified their livelihoods, improving their resilience to climate change.



Community Resilience

As individual resilience increased, so did **community resilience**.



Market Development

New business models emerged **expanding local markets** (retail trade, livestock markets, financial markets).



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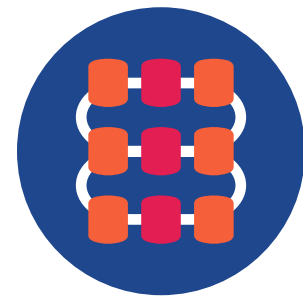
Catalysing economic inclusion with women at the centre, sustainably and at scale



What we have learned



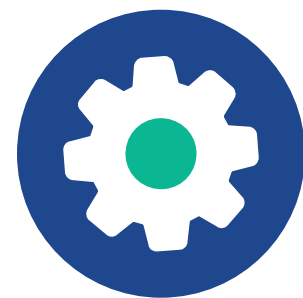
What We Have Learned



Market Linkages

Stronger market linkages are important for economic inclusion; but wider investments are needed to catalyse inclusive growth

Growth-oriented value chains
Access to finance



Capabilities

Strengthening capabilities is a cornerstone of women's economic empowerment

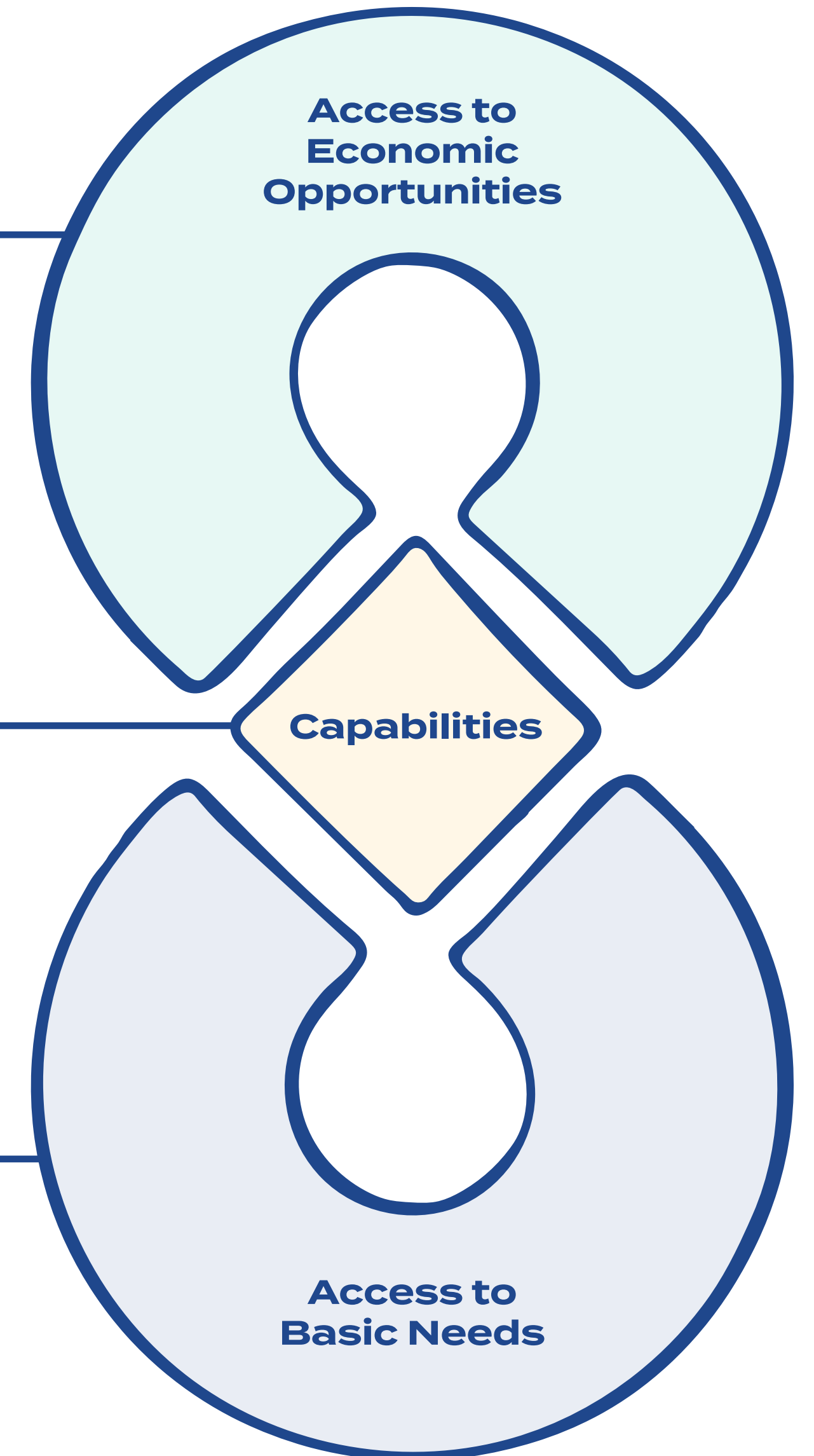
Agency
Bargaining power
Knowledge
Connections



Social Security

Social security is an essential foundation for economic inclusion and growth

Basic income
Health & Education
WASH
Digital connectivity



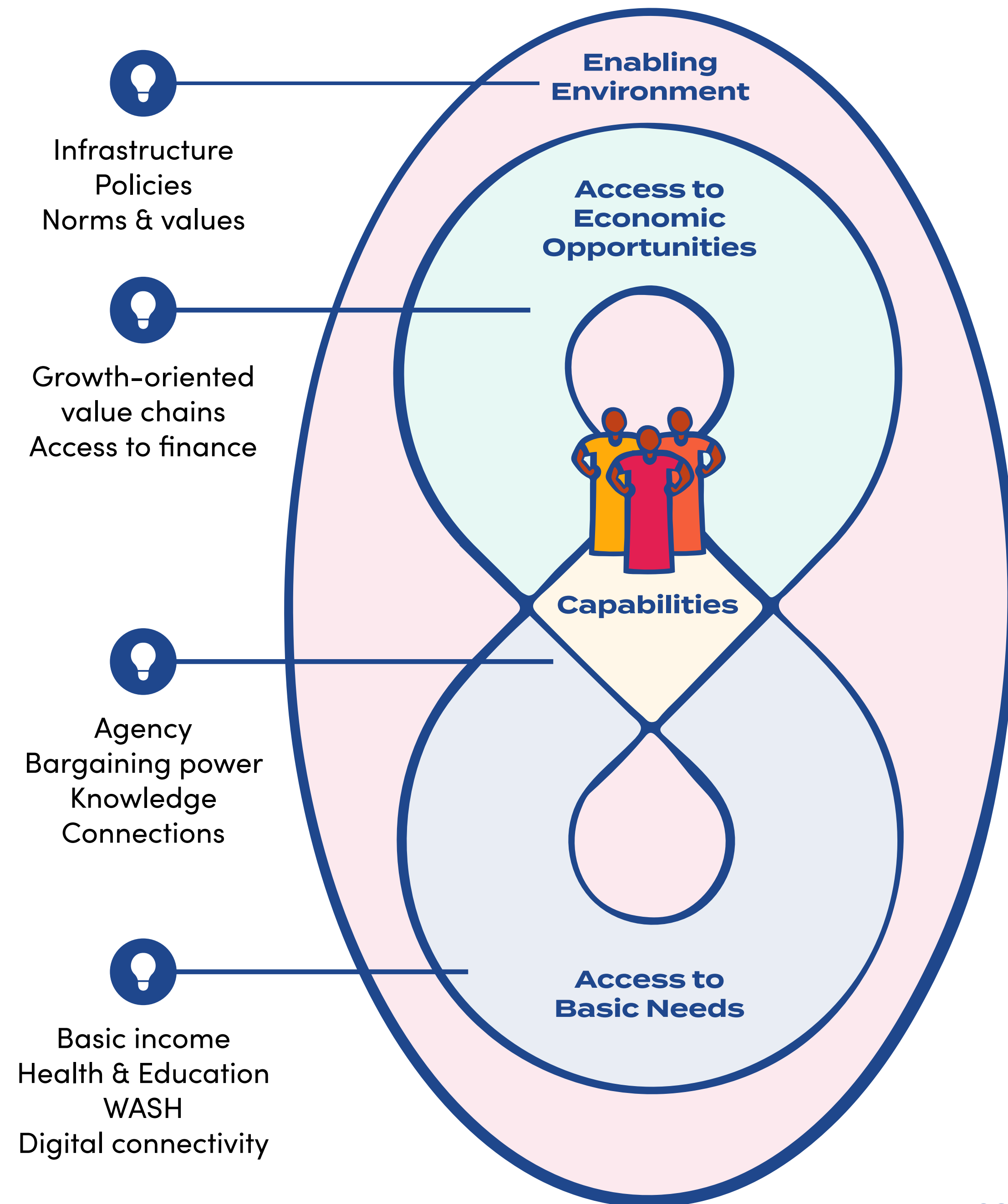


What We Have Learned

An Integrated Approach

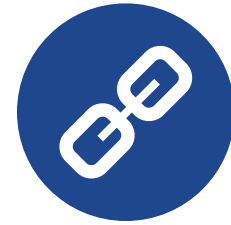
Connecting access to social security with building capabilities and market linkages provides the building blocks for economic inclusion.

Designing programmes to create synergies between these different components within a supportive enabling environment, can kick start a virtuous spiral for inclusive growth with women at the centre.





Learn More



READ OUR FULL REPORT

An Emergent Model for Economic Inclusion with Women at the Centre

Impacts and Reflections from FSD Kenya's Pilot in Marsabit County



WATCH OUR ANIMATION:

Can Market-led Approaches Promote Economic Inclusion?

Lessons from Marsabit, Kenya



“

We are not as we used to be before, we were just waiting for the husband to bring the food and now we don't wait for him. One just does her things and business.

—
NAKURU