



# **An Emergent Model for Economic Inclusion with Women at the Centre**

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



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**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

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Our Motivation

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Marsabit Context

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FSD Kenya's Model

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Background



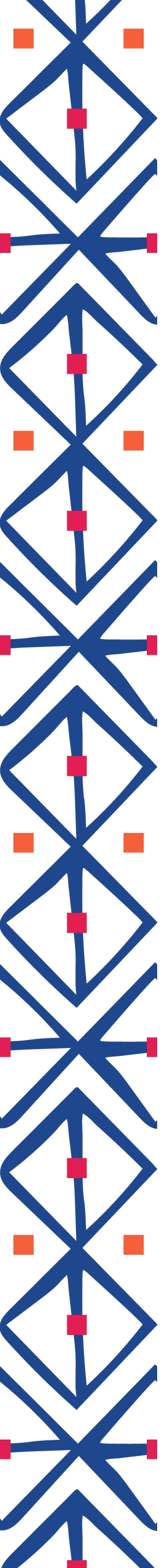
ABOUT

## **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.

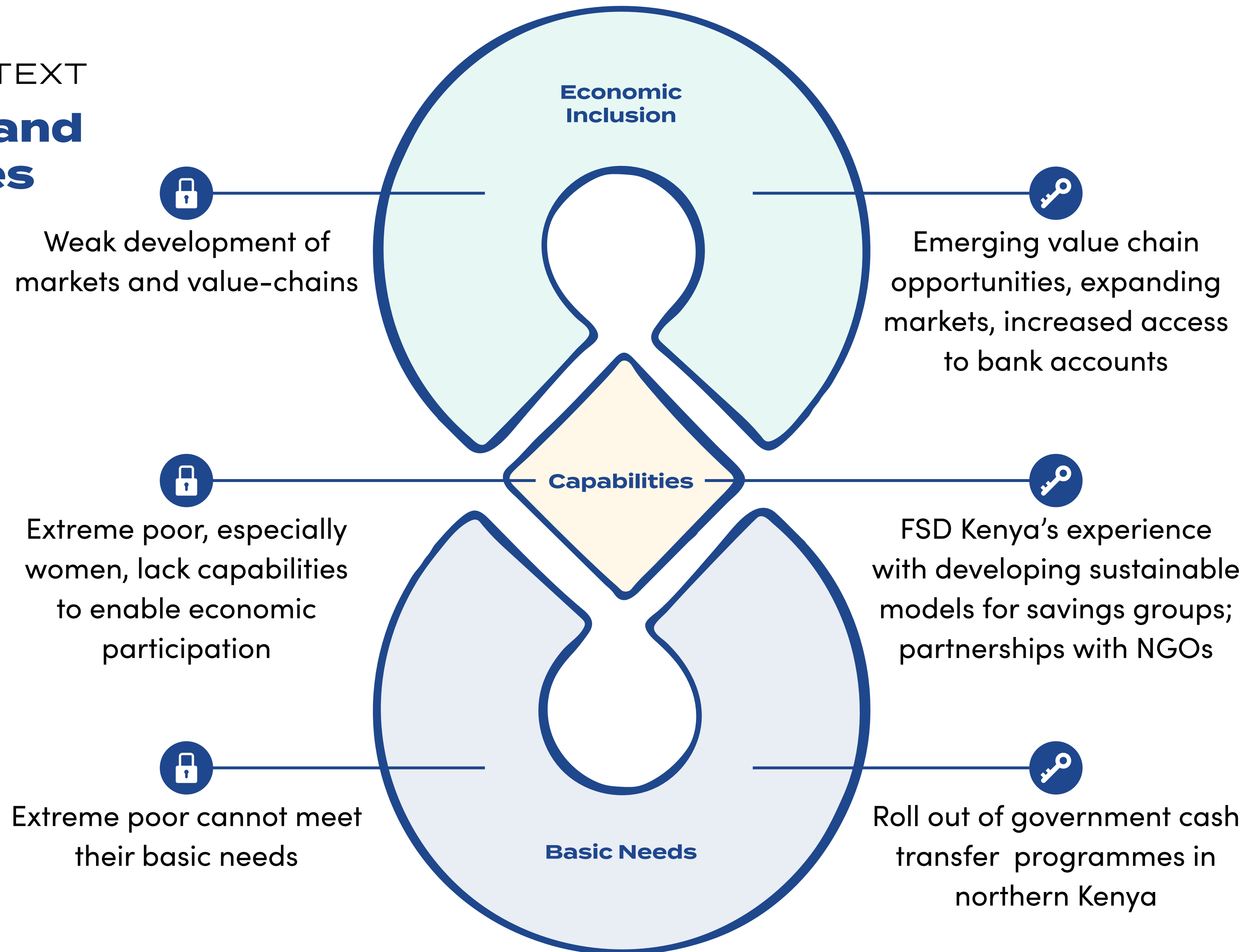
The focus was on the extreme poor, mainly women.

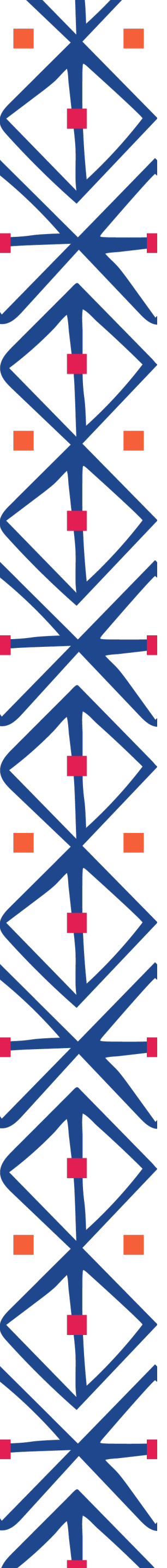


MARSABIT CONTEXT

# Constraints and Opportunities


-  Constraints
-  Opportunities

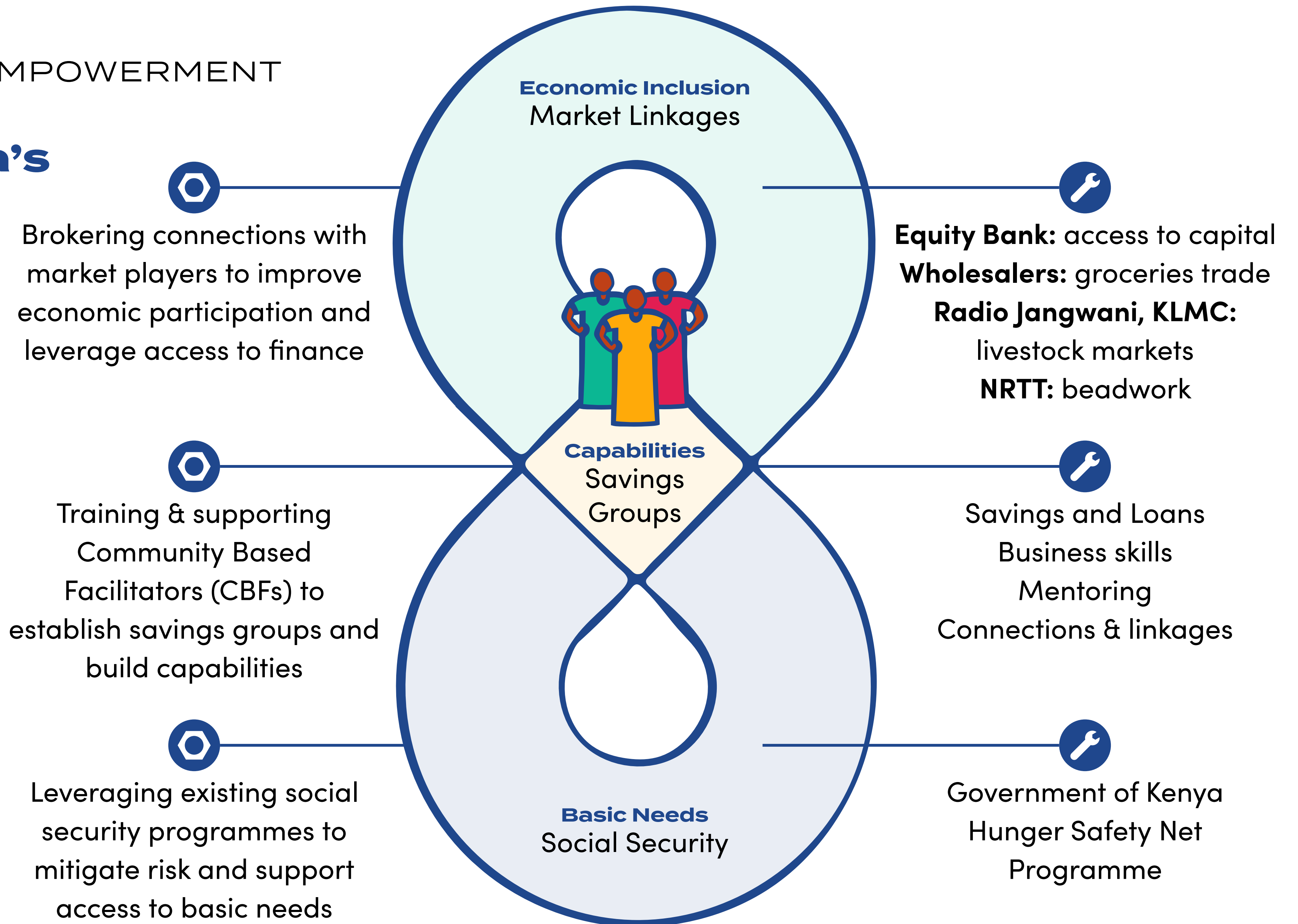




# ECONOMIC EMPOWERMENT FOR WOMEN

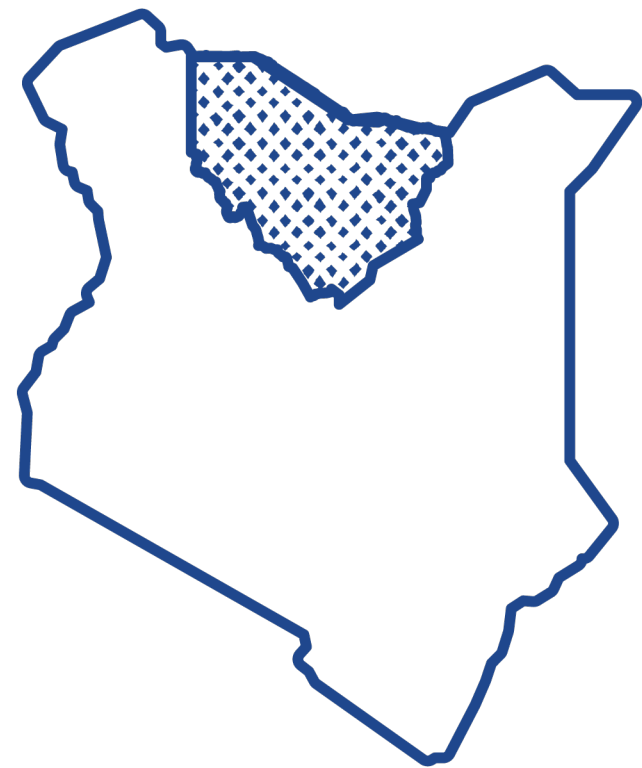
## FSD Kenya's Model

-  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

# 2

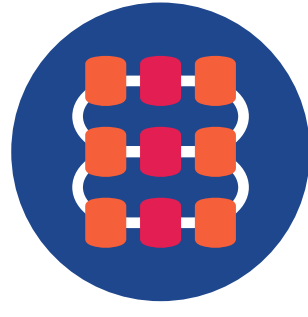
## FSD Kenya's Approach



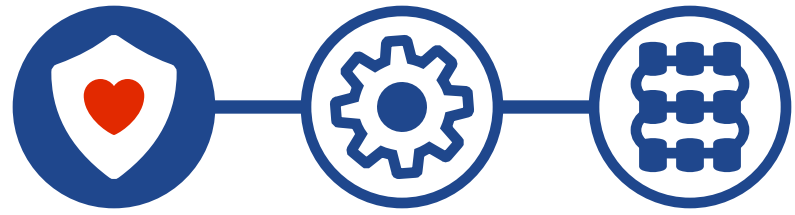
Social security



Capabilities



Market Linkages



SOCIAL SECURITY

## “The first step out of poverty”

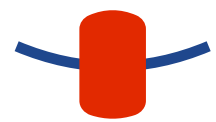
### FSD Kenya Intervention

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:



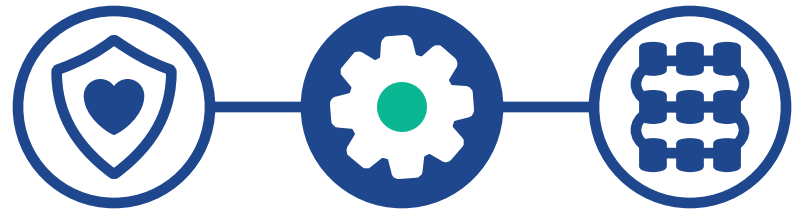
Improved access to basic needs



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.



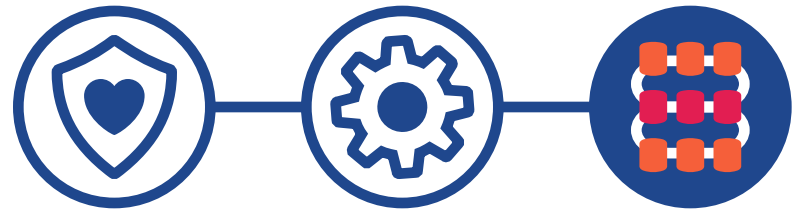
#### Savings Groups

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

# Mixed impacts on access to markets and finance

### FSD Kenya Intervention


The project also worked with market actors to strengthen market linkages for group members.

**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**  
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



# 3

## Impact

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



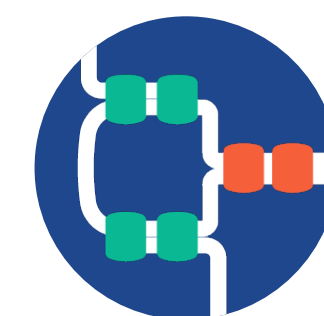
Capabilities

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Economic Resilience

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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

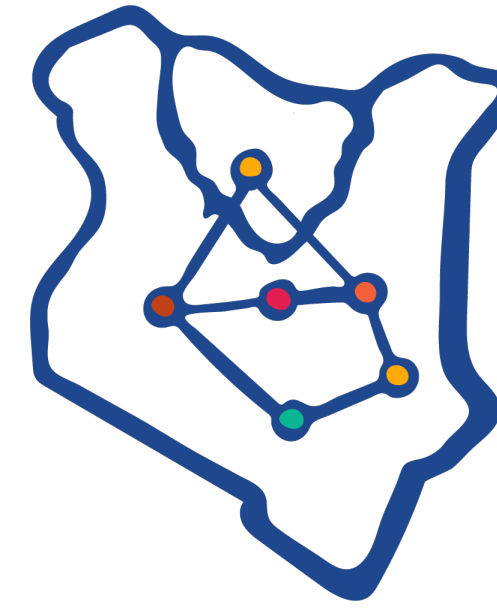
Became leaders and role models for others



### 'Elimu' - Knowledge and Skills

Saw themselves as 'enlightened', knowledgeable and experienced

Gained skills in finance, business and money management

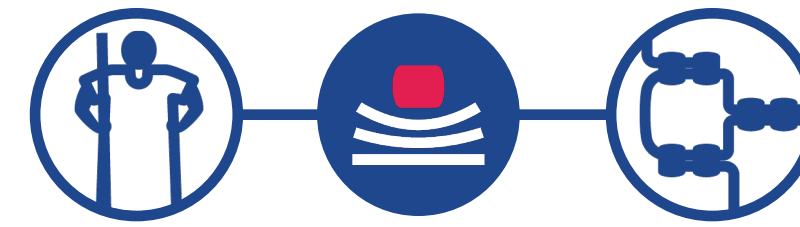


### Connections

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



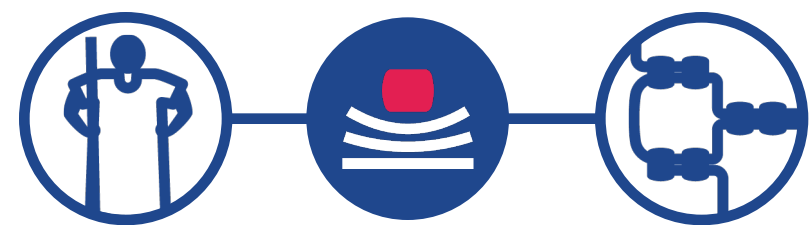
### **Project participants**

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



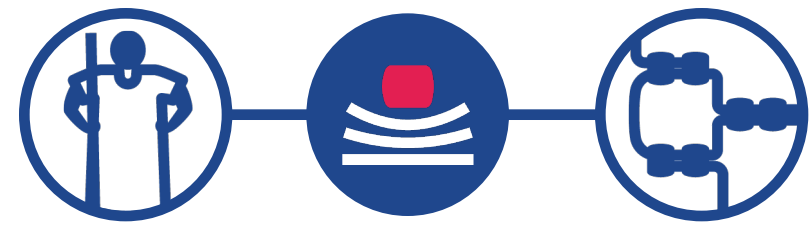
### Business Activities

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



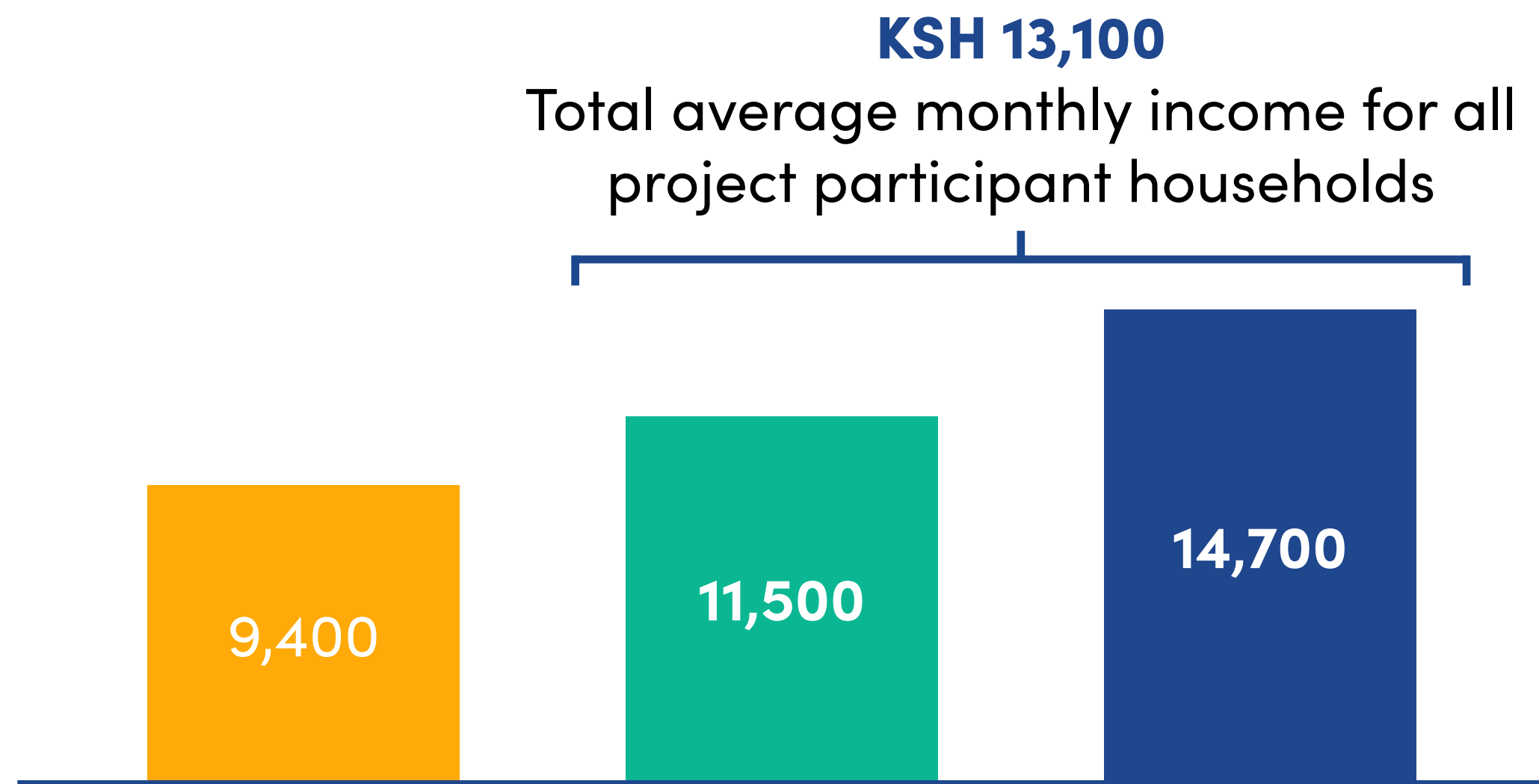
### Spending

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



## Economic Resilience

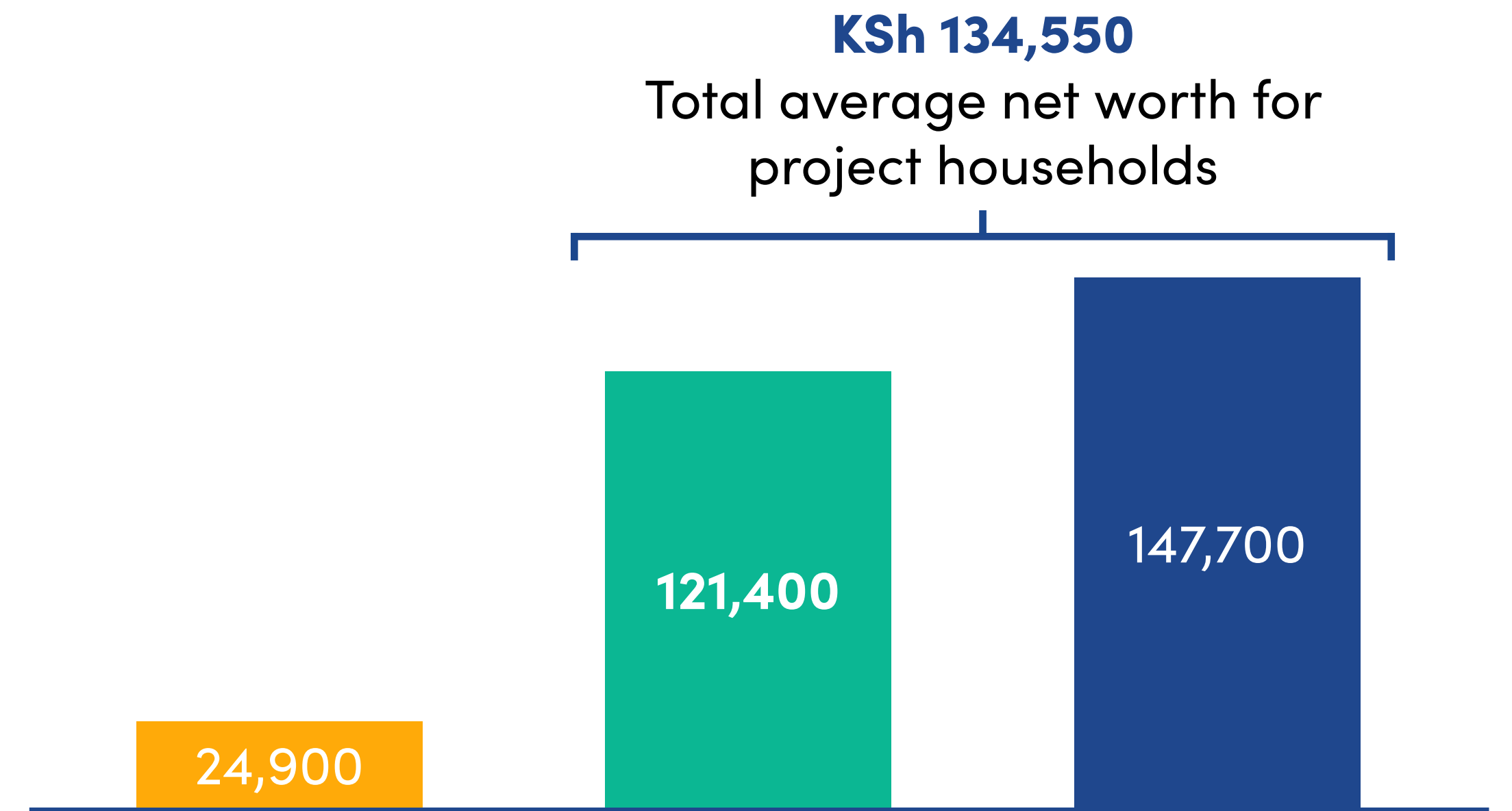
### Average Monthly Household Income (KSh) in 2020



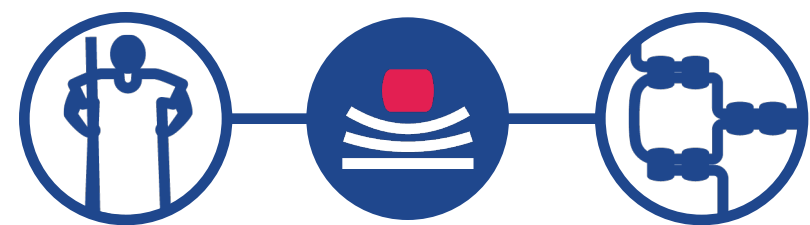
Household income was **30% higher for project participants** than for those receiving HSNP only.

- 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**.

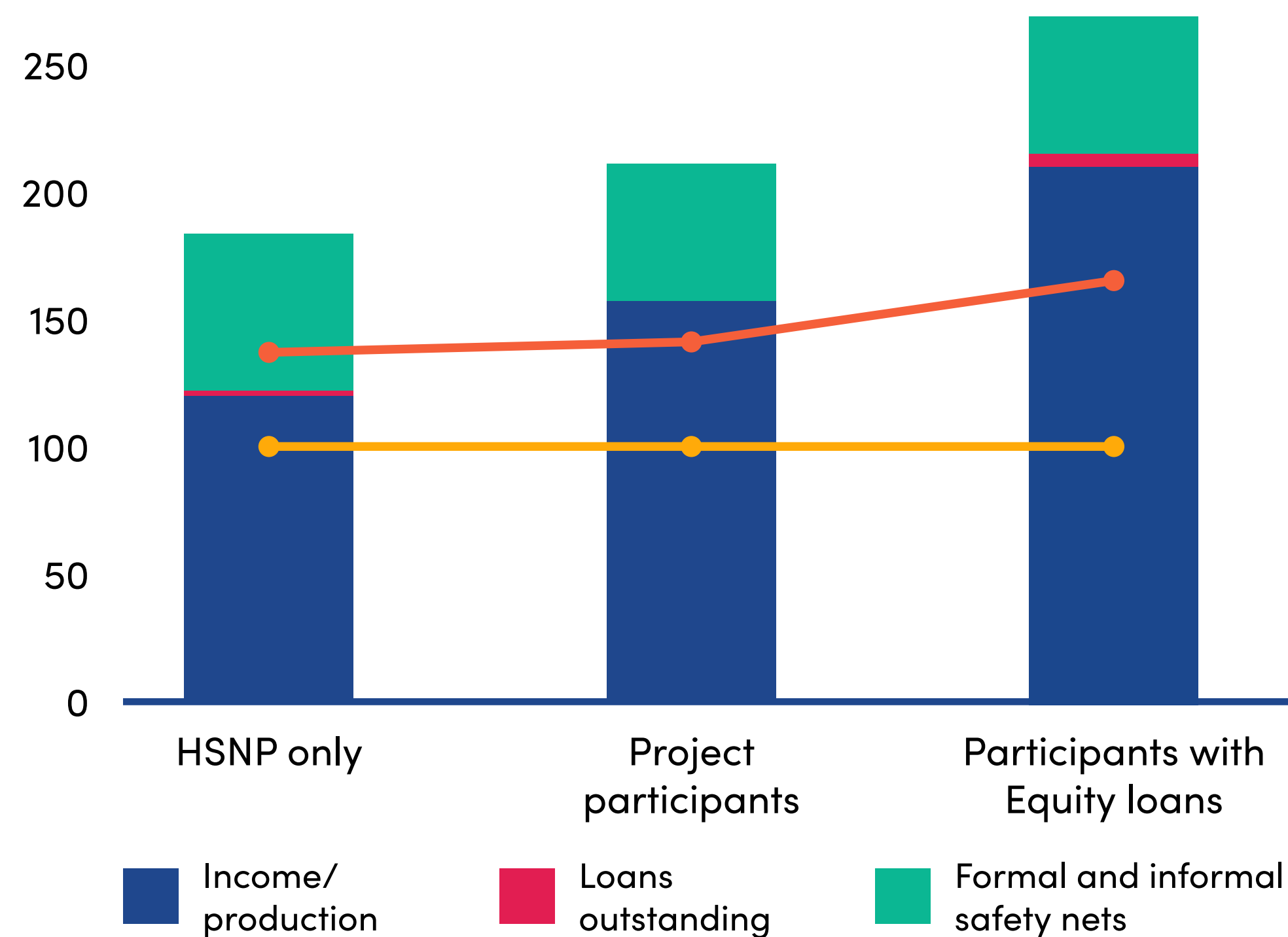


## Economic Resilience

The HSNP cash transfer and the capabilities built by the project enabled project participants to maintain and even grow their livelihoods 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



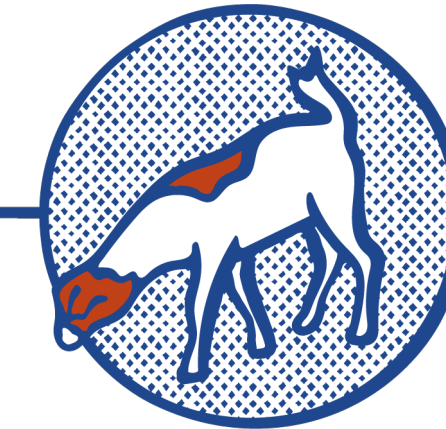
**Gender Norms**  
Increase in decision-making power by women.



**Climate Adaptation**  
Women reduced their dependence on extractive businesses such as firewood, and diversified 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).



# 4

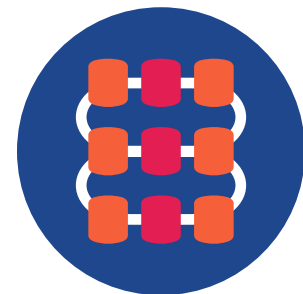
## **Catalysing economic inclusion with women at the centre, sustainably and at scale**



What we have learned



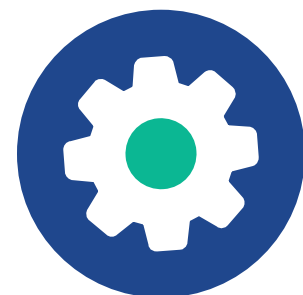
# What We Have Learned



## 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

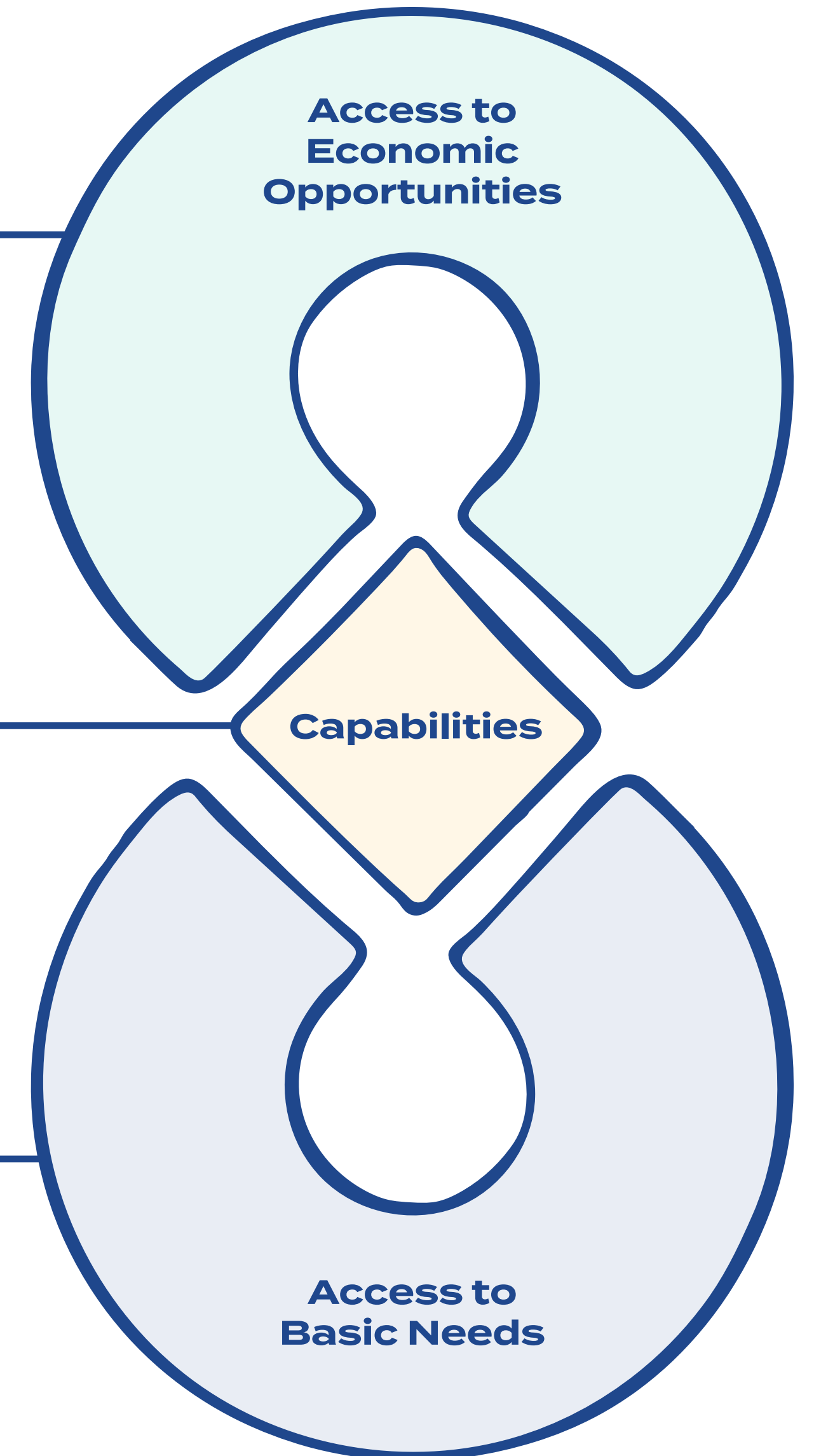
Agency  
Bargaining power  
Knowledge  
Connections



## Social Security

Social security is an essential foundation for economic inclusion and growth

Basic income  
Health & Education  
WASH  
Digital connectivity



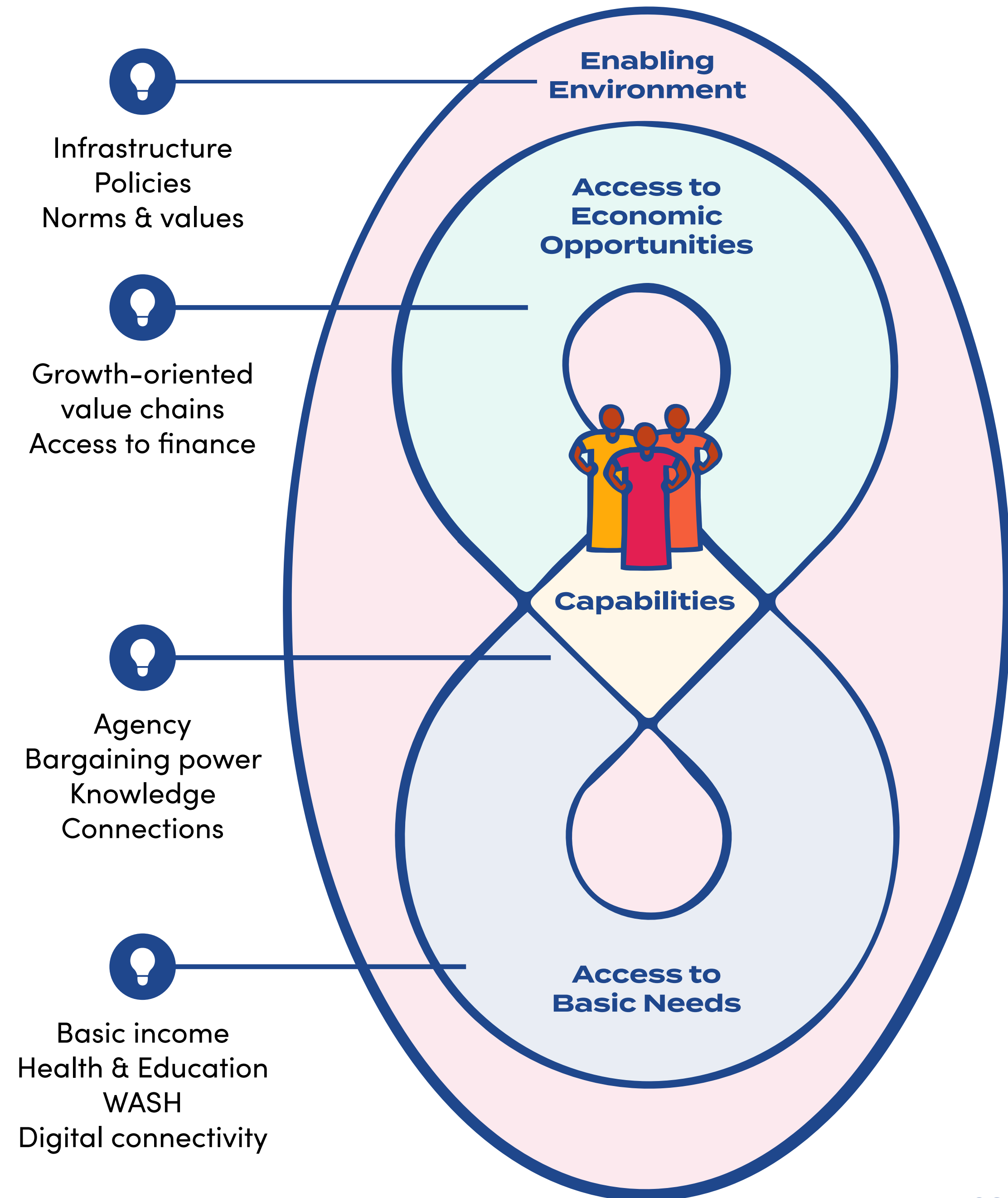


## What We Have Learned

### An Integrated Approach

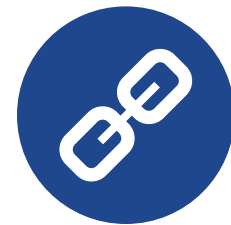
Connecting access to social security with building capabilities and market linkages provides the building blocks for economic inclusion.

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**

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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