

## S.11 Closing the gender gap in financial inclusion in food systems

### 1. What is the solution?

An alliance of at least 50 global and national financial institutions implement gender transformative finance mechanisms to design and deliver financial products and support of women led businesses in food systems with the aim of closing the gender gap in financial inclusion by 2030.

What problem is your solution addressing?

The solution addresses a two-fold problem, namely the large gap in financial inclusion for women in agriculture and food systems and the need to connect access to finance to a range of other actions in order to achieve women's economic empowerment in agriculture and food systems.

Fifty-six per cent of all those without a bank account are women – meaning that nearly a billion women are unbanked[1]. Those with bank accounts do not necessarily have control over their finances due to various reasons including harmful gender norms. Women face unique obstacles in accessing financial services, some of which result from regulations and policies meant to promote financial inclusion. On its own, financial inclusion will not result in gender equality and the proposed alliance will work with other partners to ensure the demand side of translating financial inclusion to empowerment of women and gender equality are addressed. Only with equal access to the full range of needs-based financial services – savings, credit, insurance, payments – and the accompanying financial education, and addressing the social and cultural barriers do women stand a chance of social and economic empowerment.

Commercial banks often focus on men and formal businesses, neglecting women who make up a large and growing segment of the informal economy. Many microfinance institutions (MFIs) have risen to the challenge, focusing primarily on women, but to change the status quo, much more is needed, not least because microfinance is not well suited to serve the needs of women who manage small and medium-scale businesses. Most efforts at financial inclusion aim to dismantle barriers to access on the demand side, including building women's financial literacy, linking savings and loans associations to financial institutions etc but many formal financial institutions still do not cater to and do not provide solutions what work for women in food systems, despite women in food systems constituting a unique and significant market opportunity. They may also not know how to serve and attract women as clients due to a lack of skills in gender equality and on food systems (particularly as concerns agriculture). As a result, many banks offer a standard suite of financial products across sectors and types of clients including women. This lack of solutions and services that address the specific needs of women in agriculture and food systems are a key barrier to financial inclusion for women as well as to translating access to finance into economic empowerment. Both better financial services and their combination with other interventions are needed to have meaningful impact on the empowerment of women.

### 2. How does your solution address the problem?

An alliance of global, regional, and national financial services provides with a commitment and targets for closing the gender gap in financial inclusion can address women's access to financial inclusion by addressing the multiple barriers to women's financial inclusion and empowerment (i) designing and delivering solutions that work for women in food systems (ii) addressing the demand side barriers such as financial and digital literacy (iii) addressing constraints and barriers to translating women's financial inclusion to women's empowerment.

The alliance of financial institutions would:

- Designing products and delivery channels, including use of accessible digital tools, other tools such as lease financing to eliminate collateral for women that suit the unique opportunities and constraints of women working in food systems.
- With other partners, promote the growth of women-led businesses in food systems beyond what microfinance institutions can provide. This would involve targeting women led businesses in the food systems space with necessary financial education, business and market linkages, mentorship, and gender training.
- Integration of gender considerations in the training of staff in financial institutions, inclusion of staff with skills in gender and food systems
- Review and simplification of banking and credit processes so that they are accessible to all especially women, and small business owners working in the food systems informal sector.
- Promotion of collective action, and collective mechanisms for saving and loans by women that provide a building block for access to formal financial services.
- Working with other partners to address the social and cultural barriers that women face in accessing financial services, and in translating these services to impact for them and their families.

**3. Is this a new solution or an existing solution that needs scaling?**

This is an existing solution that requires to be targeted and to be implemented at scale. While there are alliances for financial inclusion, these are not often targeted at women working in food systems and therefore are not always inclusive of the specific nature of women owned businesses in food systems.

**4. Which organization/s, institution/s or group of individuals are associated with the solution?**

SEWA, IFPRI, RECOTFC, FAO, CARE(?)

**5. If selected as a game-changing solution, how will you leverage the UN Food Systems Summit to scale your solution?**

We will leverage the presence of the private sector to make the business case for investing in women in food systems, showing the potential market and returns to this market. We will also use the UN Food systems platform to bring together existing alliances and new members for a sub alliance around supporting women in food systems. We will also work closely with the Finance Lever of Change.

**6. Is this idea applicable to a particular geography, demography, landscape or other type of setting (e.g. high- or low-income countries, aquaculture)? If so, please specify.**

Global

**7. Who are the main actors that would put this action into place?**

AfDB, Financial Alliance for Women, Centre for Financial Inclusion, Financial Sector Deepening Trust, CARE, etc