

GAD CHECKLIST FOR MICROFINANCE PROJECTS

In the *Medium-Term Philippine Plan Development, 2004-2010*, the Philippine government stresses the importance of strengthening microenterprises, which constitute almost 92 percent of businesses in the country. Microfinance is considered as one of the main strategies for strengthening the sector and for alleviating poverty.

GENDER ISSUES AND GENDER EQUALITY RESULTS

About 95 percent of microenterprises involve women (NCRFW 2006). As a consequence, the beneficiaries of microfinance schemes are largely women. Microfinance resources are retailed by microfinance institutions (MFIs), which include cooperatives, nongovernment organizations (NGOs), and other specially created groups. By focusing on women, microfinance programs and MFIs indirectly address a gender issue in connection with access to credit or financial resources. Unlike many banks and financial institutions, which control and deliver the bulk of financial resources, MFIs do not require collateral such as real estate or similar properties, which poor women in poverty rarely possess. In general, women continue to own a disproportionately low share of land that they can offer as collateral for a large loan (NCRFW 2004). This puts them at a great disadvantage in the formal financial and credit markets, virtually making these markets more inaccessible to women than to men.

To date, microfinance programs have employed any of the three approaches or “paradigms.” One approach is associated with poverty reduction and the increased wellbeing of families living in poverty. Another is the financial self-sustainability paradigm, which argues that women’s economic empowerment will result from a “virtuous spiral” that connects access to savings and credit to increased women’s control over decisions about savings and credit use, improved economic performance and income of women’s microenterprises, higher income and greater control over this income by woman entrepreneurs, and more wage jobs for women. A third approach, used by many women NGOs, uses microfinance as an entry point for promoting gender equality and women’s human rights (Mayoux 1999, n.d.).

These three paradigms have led to different strategies and development objectives, often with great consequences to women and their families. Because microfinance programs and projects often have women as clients, beneficiaries, or partners, policymakers, implementers, and even some women’s groups assume that there are no gender issues involved. In the Philippines, microfinance programs and projects have been noted to face or cause gender-related problems (see Pineda Ofreneo [2005] and NCRFW [2004], among other studies), which include the following:

- Unlike men in the same condition, women living in poverty are generally assumed to have no or little capacity to pay and thus have to prove themselves before they can receive amounts large enough to sustain their livelihood initiatives.
- The shift in focus of microfinance programs to the financial sustainability of MFIs has rendered the ultra-poor women beyond the reach of these programs.
- Women may not benefit from microfinance projects, as they can easily lose control of the gains from access to credit in the context of unchanged gender relations at home.

- In programs that involve countless meetings, the costs for women may be high in terms of time lost for their enterprise or increased work burden, as they have to do double time to finish their reproductive work once they return home.
- A lengthy application process raises the total cost of acquiring microfinance loans, pushing women to resort to easily accessible although high-interest-rate informal credit.
- The stress on high repayment rates has caused women's and household funds to be channeled away from basic needs (such as food and health) to meeting loan payment deadlines.
- Without a clear program or project strategy of broadening women's enterprise or livelihood options, microfinance tends to fund microenterprises that can be integrated into the women's daily lives, thereby perpetuating division of labor between women and men and resulting in additional work burden for women.
- The very narrow focus of some microfinance programs on credit, coupled with low loan levels, rarely enable woman microenterprises to grow or expand, keeping them to low-return and highly labor-intensive economic activities.
- Microfinance programs or projects are divorced from a wider strategy of promoting women's human rights and a broader women's empowerment agenda that covers economic, social, and political empowerment.

Recognition of the various gender issues that persist nationally and in specific areas of the country can help policymakers, planners, and implementers develop interventions that will ultimately improve women's participation, access, and control with respect to microfinance resources. *Women's empowerment results* of microfinance programs or projects may include:

- ☞ enhanced ability of women to negotiate change in gender relations;
- ☞ improved status and division of labor between women and men;
- ☞ increased control of women over decisions about savings, credit use, and income;
- ☞ improved wellbeing of women and their families;
- ☞ enhanced productivity of women's microenterprises;
- ☞ greater representation of woman clients in decision-making bodies of microfinance programs;
- ☞ increased number of microenterprises that graduate from microenterprises;
- ☞ increased access of women to credit as a result of lower transaction costs;
- ☞ increased access to credit and other services that respond to the gender needs of women, particularly ultra-poor women;
- ☞ improved microfinance policy and program environment that addresses gender needs and concerns of woman clients; and
- ☞ greater availability of packages of microfinance services that cover not only credit but other needs of woman beneficiaries or clients as women and as entrepreneurs.

GENDER ANALYSIS

Gender analysis is required at two points of the project preparation stage: as part of project identification, and after the project has been designed. Box 20 presents the core guide questions for these two types of gender analysis, as well as the core GAD guidelines for the preparation, design, and assessment of the proposed microfinance program or project.

GUIDE FOR ACCOMPLISHING THE CHECKLIST

Box 20 lists the ten elements or requirements for a gender-responsive microfinance project. Each requirement is generally accompanied by a set of guide questions. The scoring system is the same as that in boxes 5 and 6, while the interpretation of the total score is the same as that in box 7. The guide for accomplishing the checklist and the interpretation of the total GAD rating are reproduced for easy reference.

Guide for accomplishing Box 20

1. Put a check in the appropriate column (2a to 2c) under “Response” to signify the degree to which a project proponent has complied with the GAD element: under col. 2a if nothing has been done; under col. 2b if an element, item, or question has been partly answered; and under col. 2c if an element, item, or question has been fully complied with.
2. A partial and a full yes can be distinguished as follows.
 - a. For *Element 1.0*, a “partly yes” to Question 1.1 (or Q1.1) means meeting male officials and only a woman or a few women who also happen to be officials in the proponent or partner agency or organization; or with male and female officials and some male beneficiaries. In contrast, full compliance involves meeting with female and male officials and consulting women’s groups and NGOs. A “partly yes” to Q1.2 means inputs or suggestions may have been sought from women beneficiaries but are not considered at all in designing project activities and facilities. A “partly yes” to Q1.3 means only certain groups of women and men are viewed as stakeholders and agents of change.
 - b. For *Element 2.0*, “partly yes” means some information has been classified by sex but may not help identify key gender issues that a planned project must address. In contrast, a full “yes” implies that qualitative and quantitative data are cited in the analysis of the development issue or project.
 - c. For *Element 3.0*, “partly yes” means the analysis covers only part of what is asked in each of the questions under gender division of labor and gender needs (Q3.1.1 and Q3.1.2), access to and control of resources (Q3.2.1 and Q3.2.2), and constraints (question for Item 3.3). In contrast, a full “yes” to a question means the situation analysis has covered at least all the information required by the question.
 - d. For *Element 4.0*, “partly yes” means only a particular group of women has been identified in the project objectives (Q4.1); or the project has token GAD or women’s empowerment outputs or outcomes (Q4.2). A full “yes” to Q4.1 signifies that more groups of are recognized, while a full “yes” to Q4.2 denotes that GAD and women’s empowerment outcomes and outputs are consistently pursued in the logical framework analysis.
 - e. For *Element 5.0*, “partly yes” means having GAD or women’s empowerment strategies or activities but no stated gender issues to match the activities. A full “yes” implies that project activities address an identified gender issue.
 - f. For *Element 6.0*, a “partly yes” response to any of the items and questions indicates superficial or partial effort to address a specific issue or question. In contrast, a full “yes” involves a coherent, if not a comprehensive, response to the question.
 - g. For *Element 7.0*, “partly yes” means the project monitoring plan has indicators for only one level of women’s empowerment, usually access. Meanwhile, a full “yes” denotes the consideration of indicators of participation and control.

- h. For *Element 8.0*, “partly yes” means the project requires the collection of some empowerment data or information but not enough to track the effects of the project on women’s empowerment. A full “yes” means quantitative and qualitative information will be collected to help monitor GAD or women’s empowerment outcomes and outputs.
 - i. For *Element 9.0*, “partly yes” means there is a budget for GAD-related activities but not sufficient to ensure that the project will address relevant gender issues (Q9.1), or to build GAD capacities among project staff or the project agency, or tap external GAD expertise (Q9.2).
 - j. For *Element 10.0*, a “partly yes” response to Q10.1 means there is a mention of the agency’s GAD plan but none of the incorporation of the project’s GAD efforts into the plan; to Q10.2 means there is a mention of other GAD initiatives in the project coverage but no indication of how the project will build on these initiatives; and to Q10.3 means the project has a sustainability plan for its GAD efforts but makes no mention of how these may be institutionalized within the implementing agency or its partners.
3. After ascertaining whether a GAD requirement has been done or not, enter the appropriate score for an element or item under column 3.
 - a. To ascertain the score for a GAD element, a three-point rating scale is provided: “0” when the proponent has not accomplished any of the activities or questions listed under an element or requirement; a score that is less than the stated maximum if compliance is only partial; and “2” (for the element or requirement), or the maximum score for an item or question, when the proponent has done all the required activities.
 - b. The scores for “partly yes” differ by element. For instance, the score for “partly yes” for Elements 2.0, 5.0, 7.0, and 8.0 is “1.” For elements with two or more items or questions (such as Element 1.0), the rating for a “partial yes” is the sum of the scores of the items or questions that falls short of the maximum “2.”
 - c. For Elements 4.0 and 9.0, which has two items each, the maximum score **for each item** is pegged at “1.0” and for “partly yes” is “0.5.” Hence, if a project scores a full “1.0” in one question but “0” in the other, or if a project scores “partly yes” (or “0.5”) in each of the two items, the total rating will be “partly yes” with a score of “1.0.” If a project scores “partly yes” for one item but “no” for the other, then the total rating for the element will be “0.5.”
 - d. Elements 3.0 and 6.0 each have three items. Except Item 3.3, which asks one question, all items are made up of a set of questions. A maximum score for “yes” has been set for the element and item. The scores for the questions under an item have to be added up to determine the item score; summing up the item scores will lead to the score for the element. A combination of “no” or “partly yes” responses to the questions in a set means the response to the item and the element is “partly yes” and the total score is less than the stated maximum.
 - e. Elements 1.0 and 10.0 also have three items, with the maximum score **for each item** pegged at “0.67” and “partly yes” at “0.33.” The rating for the element will be “partly yes” if the total score of the three items is positive but less than “2.0,” the maximum for the element.
 4. For an element (col. 1) that has more than one item or question, add the scores of the items or questions and enter the sum in the thickly bordered cell for the element.
 5. Add the scores in the thickly bordered cells under column 3 to come up with the GAD score for the project identification and design stages.
 6. Under the last column, indicate the key gender issues identified (for proponents) or comments on the proponent’s compliance with the requirement (for evaluators).

Box 20. GAD checklist for designing and evaluating microfinance projects

Element and item/question (col. 1)	Response (col. 2)			Score for the item/ element (col. 3)	Result or comment (col. 4)
	No (2a)	Partly yes (2b)	Yes (2c)		
Project identification and planning					
1.0 <i>Participation of women and men in project identification</i> (max score: 2; for each item or question, 0.67)					
1.1 Has the project consulted women and men, women's groups, or NGOs working on microfinance on the problem or issue that the intervention must solve and on the development of the solution? (possible scores: 0, 0.33, 0.67)					
1.2 Have the inputs of woman micro entrepreneurs or women targeted to become micro entrepreneurs been considered in the design of the project? (possible scores: 0, 0.33, 0.67)					
1.3 Are different groups of women (clients, credit providers, organizers) seen as stakeholders, partners, or agents of change in the project design? (possible scores: 0, 0.33, 0.67)					
2.0 <i>Collection of sex-disaggregated data and gender-related information prior to project design</i> (possible scores: 0, 1.0, 2.0) Has the project tapped sex-disaggregated data and gender-related information from secondary and primary sources at the project identification stage? OR, does the project document cite sex-disaggregated and gender information in the analysis of the development issue or problem?					
3.0 <i>Conduct of gender analysis and identification of gender issues</i> (max score: 2.0; for each item or question, 0.67)					
3.1 <i>Gender division of labor and gender needs</i> (max score: 0.67; for each question, 0.33)					
3.1.1 Are productive and reproductive needs of women and men considered in the situation analysis? (possible scores: 0, 0.17, 0.33)					
3.1.2 Has the situation analysis considered how the productive and reproductive roles of woman clients and workers of MFIs affect their effective access to and use of microfinance facilities and services? (possible scores: 0, 0.17, 0.33)					
3.2 <i>Access to and control of resources</i> (max score: 0.67; for each question, 0.33)					
3.2.1 Does the situation analysis recognize that women and men, and different groups of poor women (ultra poor, enterprising poor, urban poor, rural poor) may differ in their patterns of credit use (type of loans, number of loans, arrears, effective use)? (possible scores: 0, 0.17, 0.33)					
3.2.2 Does the situation analysis cite sources of credit or savings groups of women and men? (possible scores: 0, 0.17, 0.33)					

Element and item/question (col. 1)	Response (col. 2)			Score for the item/ element (col. 3)	Result or comment (col. 4)
	No (2a)	Partly yes (2b)	Yes (2c)		
3.3 <i>Constraints</i> (possible scores: 0, 0.33, 0.67) Has the situation analysis considered the possible constraints (cultural, legal, terms and conditions of institutional credit, transaction costs) to the participation of women and of men in the project?					
Project design					
4.0 <i>Gender equality goals, outcomes, and outputs</i> (max score: 2; for each item or question, 1)					
4.1 Is the project clear on which groups of women living in poverty (such as ultra poor, enterprising poor, urban poor, or rural poor) are being targeted? (possible scores: 0, 0.5, 1.0)					
4.2 Does the project set gender equality or women's empowerment outputs or outcomes in terms of access, participation, and control? (See text for examples.) (possible scores: 0, 0.5, 1.0)					
5.0 <i>Matching of strategies with gender issues</i> (possible scores: 0, 1.0, 2.0) Do the strategies match the gender issues and women's empowerment goals identified? That is, will the project eliminate or at least reduce gender gaps and inequities?					
6.0 <i>Gender analysis of the designed project</i> (max score: 2; for each item or question, 0.67)					
6.1 <i>Gender division of labor</i> (max score: 0.67; for each item or question, 0.22)					
6.1.1 Were the needs of women and men in connection with their productive and reproductive roles considered in the formulation and design of the project? (possible scores: 0, 0.11, 0.22)					
6.1.2 Will the package of microfinance services enable woman micro entrepreneurs or borrowers to venture into nontraditional fields or higher-value economic activities? (possible scores: 0, 0.11, 0.22)					
6.1.3 Does the project provide measures to avoid or reduce the negative effects of the division of labor resulting from the microfinance project? (possible scores: 0, 0.11, 0.22)					
6.2 <i>Access to and control of resources</i> (max score: 0.67; for each item or question, 0.22)					
6.2.1 Will the project change existing patterns of relative access to credit for women and men? OR, will the project improve women's access to credit? (possible scores: 0, 0.11, 0.22)					
6.2.2 Is the information about the microfinance facility or service readily available to woman entrepreneurs and other women living in poverty? (possible scores: 0, 0.11, 0.22)					

Element and item/question (col. 1)	Response (col. 2)			Score for the item/ element (col. 3)	Result or comment (col. 4)
	No (2a)	Partly yes (2b)	Yes (2c)		
6.2.3 Does the project design include measures to promote women's control over the use of the loan? (possible scores: 0, 0.11, 0.22)					
6.3 <i>Constraints</i> (max score: 0.67; for each item or question, 0.33)					
6.3.1 Will the proposed project addressed be socially or culturally acceptable and accessible to women, including ultra-poor women? (possible scores: 0, 0.17, 0.33)					
6.3.2 Has the project considered the financial costs that may restrict participation and access to project benefits by particular subgroups of poor women? (possible scores: 0, 0.17, 0.33)					
7.0 <i>Monitoring targets and indicators</i> (possible scores: 0, 1.0, 2.0) Does the project have GAD and women's empowerment targets and indicators for welfare, access, consciousness raising, participation, and control? For instance, will the following be monitored:					
<ul style="list-style-type: none"> - Types of enterprises for which microfinance loans are used - Volume of sales and production or net earnings by enterprise partly or fully financed by the project - Number of borrowers and amount of loans, by category of borrower - Repayment rate - Rate of utilization of the microfinance facility - Total time and cost involved in applying for and repaying microfinance loans - Number of woman microenterprises that have graduated into SMEs - Participation in training and other project activities - Employment generated by the project - Microfinance policies and programs that address credit and other gender needs of clients - Representation or woman beneficiaries in microfinance decision-making bodies 					
8.0 <i>Sex-disaggregated database</i> (possible scores: 0, 1.0, 2.0) Does the proposed project monitoring framework or plan include the collection of sex-disaggregated data?					
9.0 <i>Resources</i> (max score: 2; for each item or question,1)					
9.1 Is the budget allotted by the project sufficient for gender equality promotion or integration? (possible scores: 0, 0.5, 1.0)					
9.2 Does the project have the expertise to integrate GAD or promote gender equality and women's empowerment? OR, is the project committed to investing in building capacity for integrating GAD or promoting gender equality? (possible scores: 0, 0.5, 1.0)					

Element and item/question (col. 1)	Response (col. 2)			Score for the item/ element (col. 3)	Result or comment (col. 4)
	No (2a)	Partly yes (2b)	Yes (2c)		
10.0 <i>Relationship with the agency's GAD efforts</i> (max score: 2; for each item or question, 0.67)					
10.1 Will the project build on or strengthen the agency/ PCW/ government's commitment to the advancement of women? (possible scores: 0, 0.33, 0.67)					
10.2 Does the project have an exit plan that will ensure the sustainability of GAD efforts and benefits? (possible scores: 0, 0.33, 0.67)					
10.3 Will the project build on the initiatives or actions of other organizations in the area? (possible scores: 0, 0.33, 0.67)					
TOTAL GAD SCORE – PROJECT IDENTIFICATION AND DESIGN STAGES (Add the score for each of the 10 elements, or the figures in thickly bordered cells.)					

Interpretation of the GAD score	
0-3.9	GAD is invisible in the project (proposal is returned).
4.0-7.9	Proposed project has promising GAD prospects (proposal earns a "conditional pass," pending identification of gender issues and strategies and activities to address these, and inclusion of the collection of sex-disaggregated data in the monitoring and evaluation plan).
8.0-14.9	Proposed project is gender-sensitive (proposal passes the GAD test).
15.0-20.0	Proposed project is gender-responsive (proponent is commended).