



# AID-FOR-TRADE: CASE STORY

THE INTERNATIONAL TRADE CENTRE

**Talking to the Target Makes All the Difference**

# CASE STORY ON GENDER DIMENSION OF AID FOR TRADE

**Talking to the Target Makes All the Difference!**

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## EXECUTIVE SUMMARY

When general, gender blind questions are posed in any situation, the answers obtained are general in nature, and do not uncover the underlying constraints that limit women's full participation. So when we talk about increasing women's participation in trade for global good, it is imperative that the specific challenges women face in engaging in trade be clearly understood. In the trade arena, such gender specific constraints will vary along a number of parameters; from the formal to the informal sector, across business sizes, and even across education levels and cultural backgrounds. This underscores the importance of asking specific questions that will uncover these constraints so as to best address them in the identification, design, implementation and impact assessment of any initiative expected to increase women's economic participation. The Uganda Women Entrepreneurs' Association Ltd. (UWEAL)<sup>1</sup>, Uganda's lead association for women entrepreneurs, was formed to give women entrepreneurs in Uganda a voice during a time when no private sector women's association existed. This paper draws from three demand-driven, women-focused initiatives that UWEAL has been involved in either directly or indirectly namely, ACCESS! to International Markets for African Businessmen<sup>2</sup> (a regional effort to enhance the competitiveness of women-owned enterprises in Africa and to promote concrete international business opportunities), UWEAL's Women Investment Club (WIC) and DFCU Bank's Women in Business (WiB) programme.

### Data to Consider

- Women own 39% of businesses with registered premises. *Source: IFC*
- 80% of Uganda's food production is produced by women but with limited market access.
- Art and craft is 80% dominated by women in both production and distribution.
- 66% retailing is done by women, including market vendors, roadside vendors, small shops etc. *Source: UWEAL*
- Estimates put Uganda's informal cross border trade in 2007 at 58% of formal exports. The bulk of Uganda's informal cross border traders are believed to be

## INTERVENTION DESIGN AND IMPLEMENTATION

In Eastern Africa, trade instruments and policies may acknowledge the importance of women in trade but existing legal frameworks are not designed to enable women to leverage policy opportunities, for the simple reason that women in business did not participate in the relevant related dialogues. *"Generally the laws have tended to recognize and favour the large-scale trade sector, which is largely*

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<sup>1</sup> A group of women founded UWEAL in 1987, having been inspired at the 1985 World Conference to review and appraise the achievements of the United Nations Decade for Women held in Nairobi, Kenya.

<sup>2</sup> Launched in 2005 ACCESS! is funded by by the Canadian International Development Agency (CIDA) under the Programme for building African Capacity for Trade (PACT) and implemented in 19 African countries by the International Trade Centre in partnership with Regional Economic Communities working through national Focal Points. It includes four key components namely: i) **A comprehensive exporters' training programme** focusing on selected sectors in which women are traditionally involved; ii) **A business counselling component** to complement exporter training with expert advice; iii) **A web portal** (<http://www.womenexporters.com/>) facilitating women entrepreneurs' access to relevant export information tools and services, and providing an opportunity to showcase capabilities and iv) **A market linkage component** enabling selected women entrepreneurs to access foreign markets through Trade Fairs, Buyer-Sellers meetings or Trade Missions.

*dominated by the men as individual traders or corporations.*<sup>3</sup> Unless studies are designed to specifically delve into the challenges women in trade experience at the micro-level, recommendations for improving the situation will remain general and continue limiting women's participation. As an example, consider the 2009 USAID-funded Cross Border Trade in East African Countries – Shared Issues and Priorities for Reform Study<sup>4</sup>. The study identifies trade policy and trade facilitation issues and recommends solutions e.g. Re-visit the challenge of corruption at the border. This is to be commended however, whatever approach is taken needs to take into consideration the differences in the circumstances, nature and levels of corruption as experienced by women versus men. An example is the practice of women hiring unscrupulous male go-betweens (which increases the cost of doing business); just to avoid scrutiny and potential harassment at the hands of border government officials.<sup>5</sup> Only then, can effective solutions be created, through vehicles that are relevant to each audience.

A keen awareness of the specific issues women in business contend with is the key to the success of the following women-focused initiatives with which UWEAL has been involved. Collaboration with qualified local resources that are closely engaged with any given target market are an excellent means of improving the identification, definition, design, implementation, monitoring and evaluation of wealth creating initiatives. Working through local partners (who may be non-traditional e.g. sector associations, NGOs etc.) is also an excellent way of effectively reaching the target.

### **ACCESS! to International Markets for African Businesswomen**

National consultants conducted situation analyses in each target country to understand the operating environment of women exporters and assess institutional capacity. Subsequent validation missions recommended the most suitable partners to serve as the national Focal Points to interface directly with current and potential women exporters and implement the ACCESS! programme. Among other key findings, the 2004 Uganda situation analysis showed that 50% of respondents had received some form of business training but none had ever participated in any kind of export training. Anecdotally UWEAL was aware that women tended to stay away from training programmes either because they did not have the time to participate or because they believed they would feel uncomfortable among more experienced and knowledgeable members of the business community, usually men. In this regard, ACCESS! met a clear need.

Illustrating flexibility of design, during Phase I, it was discovered that five-day workshops were too long for participants to commit to so, shorter, more focused two day workshops were held instead. To accommodate participant commitments to their businesses, workshops began at 10:00am instead of 8:00am, allowing participants to attend to business responsibilities before attending the training sessions for the day.

At the conclusion of ACCESS! Phase I, feedback was sought and rolled into the programme design for Phase II. Phase II (2011 implementation) is a true reflection of local feedback (from Focal Points, trainers and participants) and includes sector specific modules as well as activities that go beyond what was offered in Phase I, to provide much sought after product development support and market visits for qualified participants. The training modules in Phase II also draw special attention to both general constraints and gender-specific constraints encountered by women in export trade, creating a forum for trainees to identify real solutions to real challenges faced.

### **Access to Credit**

In recognition of the challenges women entrepreneurs in Uganda faced as they sought to obtain credit (e.g. lack of ownership of land titles which banks required for security) UWEAL launched a Women's Investment Club (WIC) in 2002, designed entirely by UWEAL members. WIC was to encourage women to save on a regular basis, after which they would become eligible to borrow up to three times the value of their savings at an interest rate well below prevailing market rates. WIC borrowing criteria included UWEAL membership, establishment of a regular savings pattern over a period of 6 months

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<sup>3</sup> Masheti Masinjila (2009). Gender Dimensions of Cross Border Trade in the East African Community – Kenya/Uganda and Rwanda/Burundi Border.

<sup>4</sup> Booz Allen Hamilton (2009). The Business Climate Legal and Institution Reform Project.

<sup>5</sup> Damon & Jeuring (2009). Informal Cross Border Trade as an Instrument in Alleviating Poverty.

and letters of reference/guarantee from two existing WIC members. Although the loans are small,<sup>6</sup> the WIC loan facility was and continues to be instrumental in providing club members with the working capital in times of need.

In 2007, Uganda's DFCU Bank became the first commercial bank in Uganda to appreciate the potential of lending to women borrowers as a specific target and launched a "Women in Business" (WiB) programme. Initially, the market (including UWEAL members) did not see the value in WiB which only offered a Women's Desk at the bank and business training skills in partnership with a local training institution. DFCU was quick to realize however, that changes needed to be made to its offering, in response to market feedback. DFCU therefore created a taskforce which included a member of the UWEAL Board of Directors and set about adjusting WiB to suit market needs while meeting DFCU corporate objectives.

Today, having borrowed a few lessons from UWEAL's WIC, DFCU's WiB has grown from a single desk in 2007 to a fully fledged department which currently hosts the Africa Secretariat of the Global Banking Alliance for Women. Indeed, DFCU won an international award in 2009/2010 for being the most innovative bank, and this specifically for its approach to giving women access to credit. In addition to the training previously provided, DFCU's WiB now encourages women to form women groups called Investment clubs which in a similar fashion to UWEAL's WIC encourage women to open accounts with DFCU and save. Today, qualified WiB account holders are eligible for both short term unsecured (\$15,000 ceiling) and long term secured loans both with rates of up to 5% below the market rate. The borrower's account history among others is used to assess the loan requirement while the savings deposits and specially tailored products serve as collateral for the borrowings. This has helped overcome the challenge of providing land titles often required by banks when accessing credit facilities.

## **FACTORS FOR SUCCESS**

- Sufficient data justifying the need for each intervention was collected directly from the target market.
- The interventions were designed specifically for women, in response to specific constraints facing women in business i) an absence of export training programmes and the relative reluctance of women to participate in training sessions with more experienced practitioners and ii) lack of access to credit; as identified by women in business through primary research (i.e. solutions were demand-driven).
  - Collaboration with local resources (e.g. local associations, local experts etc.) that are close to and familiar with the issues at hand is mandatory for success.
- The initiatives were designed with enough built in flexibility to accommodate adaptations in response to gaps identified by existing and potential beneficiaries, after the initiatives were launched.
  - In both cases, programme sponsors actively solicited on-going feedback from beneficiaries on all aspects of the initiative.
  - Programme sponsors willingly incorporated beneficiary feedback.

## **RESULTS ACHIEVED**

Although what may be considered strong results have been achieved, because there is no clear point of comparison with mainstream equivalents for the Uganda ACCESS! programme as well as WIC, some scepticism remains about their impact. Conducting situation analyses that consider gender indicators in relation to the broader general context is one method by which such scepticism may be overcome, using comparison. Results should then be widely publicized.

### **Capacity Building – Uganda ACCESS! Phase I**

For the Uganda ACCESS! programme, in addition to the programme's overall impact, results are/will be measured for each of the four programme components<sup>7</sup> under a variety of outcomes and

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<sup>6</sup> Up to US\$ 10,000 for 12 months

<sup>7</sup> i) Exporters' training programme; ii) A business counselling component; iii) A web portal; iv) A market linkage component.

performance measurement indicators. Regarding export training outcomes during Phase I for example, 120 women were trained and the following were achieved:

- 80% participants were women
- 20% participants went on to register their businesses formally
- 50% participants indicated their readiness to begin exporting to the region as a first step
- 53% of respondents in a post-completion survey reported increased sales turnover of at least 8%
- 30% of respondents in a post completion survey reported the installation of various in-house systems to improve their operations.

### **Access to Credit (WIC)**

UWEAL's WIC measures its success by the following measures:

- Change in number of women borrowers
- Change in individual loan sizes and frequency of borrowing
- Loan repayment rates
- Nature of new investments undertaken by women borrowers

### **Access to Credit (WiB)**

Internal recognition in the form of a fully fledged department, international recognition in the form of an Award and DFCU's growing women's loan portfolio are all indicators that point to the success of a product designed specifically to meet women's unmet needs, using input from the target market. It also speaks to the strength of working with local associations like UWEAL that are familiar with women entrepreneur needs and even have solutions of their own but may not necessarily have adequate resources to increase the impact of their interventions.

## **CONCLUSION**

"It's all about the customer" is one of the first lessons taught in Marketing 101. In other words, whatever you bring to the market must fill an existing customer need otherwise it is a wasted effort. To facilitate increasing participation of women in trade therefore, it will be important to understand their needs first-hand as well as the specific challenges they face by talking to them in targeted, relevant studies. Such exercises would be greatly enriched through collaboration with qualified local resources that are familiar with the target environment. With regards to demonstrating the relevance of gender specific interventions, it will be important for the data (sex disaggregated quantitative and qualitative)<sup>8</sup> and findings to be documented and disseminated widely. Additionally, results should be measured not just once, but regularly, to monitor the degree of change along named indicators/measures. Finally, any undertakings that seek to address gender constraints should not be undertaken in a vacuum but need to be conducted in a manner that allows for comparison against the general population.

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<sup>8</sup> Several published sources of information on creating gender indicators exist including **Gender Indicators for Monitoring & Implementing Beijing Platform for Action on Women in the ESCAP Region**; Economic and Social Commission for Asia and the Pacific (2003) which lists 152 indicators.