

*Kashf Foundation Focus Notes Series
December 2019*

Assessing Gender Centricity of the Kashf Program

Kashf Foundation is Pakistan's first women centric specialized microfinance institution which started as a women led solidarity group lending program. Over the years Kashf has evolved its lending methodology and practices in line with client preferences and socio-economic realities. This Focus Note presents findings from a research commissioned by Kashf to (i) assess Gender Centricity of its Products and Services, and (ii) identify areas for improvement.

WOMEN AND KASHF

Gender centricity is an integral part of Kashf's mission. Aiming to create a poverty free and gender equitable society via free and unhindered access to financial services has been Kashf's raison d'être.

Kashf carried out a gender audit by reviewing the procedures that clients have to follow to access Kashf's products and services, and via an assessment of the impact of Kashf's products and services on women empowerment indicators for Kashf clients.

RESEARCH METHODOLOGY

A three tiered process was undertaken to do the gender audit of Kashf's Product and Services. The methodology is adapted from two sources – firstly, the UNDP's Gender Marking Methodologyⁱ and secondly from the Longwe Frameworkⁱⁱ.

To achieve this, a three step process was undertaken with each step looking at the process through a different lens. Step 1 ranked the process flow of accessing products and services at Kashf on UNDP's Gender Marking Scale, while Step 2 followed the Longwe Framework to

measure the impact of the loan on woman empowerment. In Step 3 FGDs were undertaken with Kashf's field staff on the gender centricity of Kashf processes and impact of Kashf's products and services on gender empowerment.

Step 1: Gender Marking

- Assessment of the procedures in place for loan access using adapted Gender Marking Scale

Step 2: Client Empowerment Assessment

- Assessment of empowerment from loan using adapted Longwe Matrix

Step 3: Branch Staff FGDs

- Kashf staff's assessment of the gender centricity and impact of Kashf's products and services

STEP 1: GENDER MARKING USING UNDP's SCALE

The gender ranking of products and services according to the gender marking scale involved;

1. A compilation of the steps that clients have to undertake to access the main products and services offered by Kashf

2. Rating each product on the Gender Marking Scale (adapted from the UNDP) which is as follows:

- a. **Gender Blind:** Ranking 0 – Does not acknowledge that a gendered difference exists
- b. **Gender Neutral:** Ranking 1 - Takes account of gendered differences in access but does not provide any action steps to address the gendered differences
- c. **Gender Specific:** Ranking 2 – Recognizes that gendered differences exist and provides action steps to address the differential
- d. **Gender Redistributive:** Ranking 3 – Attempts to address the underlying causes of existing gender differential

A process mapping was undertaken with respect to the steps that a client has to follow to access four of Kashf's products: Kashf Business Loan (KKK), Kashf Easy Loan (KEL), Kashf School Finance Loan (KSS) and Kashf Health Insurance (KSZB).

The following broad steps emerged from the process mapping (some products had fewer steps, such as the KSZB where screening is not undertaken).

1. Information Dissemination and Mobilization
2. Form Filling and Appraisal
3. Screening
4. Documentation
5. Disbursement Process & Collection of Funds
6. Repayments

Apart from these steps, the research department also considered the eligibility criteria and the extent and ease of product use by the client. Each of these steps were individually ranked for the products. Moreover, a ranking for the overall institution was also done (which followed the KKK ranking, as KKK is the main lending product and accounts for over 90% of the clients and portfolio).

For the rankings, the experience of a new client was considered instead of repeat clients as with each successive year, the client gets more accustomed to the process and thereby more involved in each step/process. Moreover, there may be outlier clients on both side, i.e. there may be clients that are completely not involved and clients that are completely involved – but for the ranking exercise the experience and involvement of a typical client was considered.

Based on the rankings, the overall ranking for the institution is 1.5 which lies between Gender Neutral and Gender Specific.

The Step-wise gender rankings for each of the products can be seen in the following table.

	Institutional	KKK	KEL	KSS	KSZB
Eligibility Criteria	3	3	3	3	3
Info Diss. & Mobilization	2	2	2	2	2
Form Filling & Appraisal	1	1	1	2	NA
Screening	2	2	2	2	NA
Documentation	0	0	2	0	NA
Disb. Process & Funds Collection	0	0	0	0	3
Repayments	1	1	1	1	NA
Product Usage	3	3	3	3	2
Total Score	12	12	14	13	10
Consolidated Score (out of 3)	1.5	1.5	1.8	1.6	2.5

The rationale and explanation for the rankings are as follows.

- **Eligibility Criteria** – Kashf focuses its microcredit loans towards women because with respect to access to finance women from low-income households face numerous obstacles and hurdles. These range from lack of documentation to issues of self-confidence in their own ability to take and service loans. For the niche focus of the organization which is aimed at changing the status quo with respect to gendered access to finance, Kashf's eligibility criteria had a gender ranking of 3. ***Institutional Ranking: 3 (Gender Redistributive)***
- **Step 1: Information Dissemination and Mobilization** - An analysis of the information dissemination step & mobilization shows that the step is gender specific and has a ranking of 2 as it takes into account the gender differences that exist where women are confined to their communities and houses and face mobility constraints. For this reason, the mobilization sessions are done in the communities where both men and women from potential households are invited. The staff also undertakes door to door mobilization and in more conservative communities male and female staff undertakes the

mobilization in pairs so that the female staff can speak with the women in the household. The mobilization brochure however, has a lot of text on it, which makes it inaccessible for women – this could be replaced by a pictorial process or animated video. The process is the same for all products¹.

Institutional Ranking: 2 (Gender Specific)

- **Step 2: Form Filling and Appraisal** - The form filling is undertaken at the house of the client by the BDO – in most cases the husband is present during these visits. Keeping in mind the mobility constraints of the client, the location of the visit makes the visit gender friendly, however, since most of the women that join Kashf are not very comfortable with financial transactions, these visits are generally overshadowed by responses from the males in the household. Moreover, most of the coordination on timing and loan requirements is done with the husband which excludes the women from this part of the process. This is especially true in cases where the loan is being used for a joint business or by the husband. No separate forms are filled for KSZB nor is an appraisal undertaken hence this step has not been ranked for the KSZB. ***Institutional Ranking: 1 (Gender Neutral)***
- **Step 3: Screening** – The screening process is first undertaken by the BDO and then by the BM. Owing to the

¹ Note: This step is largely applicable to new branches as in older branches new clients come to the field staff through word of mouth and through client recommendation.

fact that the screening is done at the business place of the potential client mobility constraints of women are addressed. No additional screening is required for the KSZB so this step was not ranked for the KSZB.

Institutional Ranking: 2 (Gender Specific)

- **Step 4: Documentation** – The major documentation required for the loan application and processing includes CNICs of the client and her nominee and post-dated cheques- while the policy allows for female nominees and female PDC providers in case a male is not available, female PDCs are taken in a very small number of cases as the policy itself is restrictive and the field staff only allow this in the most extreme cases because they are more comfortable with having male nominees and male PDC providers. Moreover, while CNICs are an important document, and women must be encouraged to get their CNICs made, this requirement may be excluding the most marginalized women and women with the least access. Additionally, having the nominee or husband give their CNIC whilst creating family level ownership over the loan, reinforces the patriarchal dynamic wherein the woman cannot make decisions without the stewardship of the man. Furthermore, the PDC requirement is problematic because women have to find male guarantors for loans and their ability to access the loan is contingent on male members. The KEL product fares a bit better in this regard, wherein no PDC is required therefore

the documentary requirements are more gender friendly and hence the product ranking is 2 (Gender Specific). No additional documentation is required for KSZB so this step was unranked for KSZB.

Institutional Ranking: 0 (Gender Blind)

- **Step 5: Disbursement Process & Collection of Funds** – The client is asked to come to the branch for the disbursement process – in most cases she is accompanied by the nominee or some other male relative, even though the policy allows for disbursements without the presence of the nominee. Since women have severe mobility issues, the policy does not take into account that it will be very rare that women will be able to travel alone to the branch. Once at the branch, the BDO and BM walk the client through the entire process of disbursement and the client is given a code or cheque for cash which she can collect on the following day from the bank. On account of the mobility issue and the client having to make a visit the following day for cash, this step is categorized as gender blind. For the KSZB this process is very streamlined and fast, the client is given the insurance document at the time of disbursement with all the information and the coverage starts at the time of disbursement hence the ranking for the KSZB is Gender Redistributive. ***Institutional Ranking: 0 (Gender Blind)***
- **Step 6: Repayments** – A majority of the repayments are undertaken after telephonic follow-ups with clients - the

point of communication in about 50% of the cases is a male because the ownership of mobile phones is very limited among the female members of the house. Most of the installments are paid in advance, and the installments are made at ADCs which are located close to the clients' homes. Because the ADC mechanism takes into account the mobility constraints by being close to the clients the repayment process by design is Gender Specific. However, an analysis of who makes the repayments has shown that in most cases the repayments are made by the client's husband, brother, or son. Thus, while the ADCs make the repayment process more convenient, the process is not specifically gender friendly as a majority of women do not use the ADCs themselves. ***Institutional Ranking: 1 (Gender Neutral)***

- **Product Usage** – An analysis of the products in terms of usage by women shows that 58% of KKK, 99% of KEL, and 97% of KSS are used in female led businesses. Moreover, an analysis of the claims made for KSZB shows that 69% of the claims are made by women (for clients themselves and their daughters). These are very high numbers, especially keeping in view that Pakistan has very high levels of exclusion of women from the economy and has consistently been third last in the Gender Parity Index for the last 4 years. Based on this, the product usage component shows gender participation and change which by the ranking for this is 3. That said, for KSZB around 50% of the

claims processed are not on panel hospitals and clients have to fill out the claim document and send documentary evidence – this is a cumbersome process and most women find it daunting as a result of their low levels of literacy and awareness. Resultantly, the KSZB receives a ranking of 2 on ease of product usage. ***Institutional Ranking: 3 (Gender Redistributive)***

STEP 2: CLIENT EMPOWERMENT ASSESSMENT

Key Informant Interviews were undertaken with over 100 clients to ask them about the impact of Kashf’s products and services on 4 dimensions of their life (which have been adapted from the Longwe framework.

ACCESS
 •Has client’s ability to access resources changed as a result of the product/service?

CONSCIENTIZATION
 •Has client’s ability to access resources changed as a result of the product/service?

PARTICIPATION
 •Has client’s decision-making space and voice increased as a result of the product/service?

CONTROL
 •Has client’s control over the outputs of your house (income, goods) increased as a result of the product/service?

ACCESS Dimension

With respect to access, one of the first indicators assessed was

whether the loan from Kashf is the first loan the client has ever accessed – the research findings showed that for 49% of the clients Kashf was the first loan they ever accessed. ***The data thus suggests that for almost half the clients, Kashf enabled access as Kashf was the first loan they took.*** When asked if clients had ever thought of approaching a formal bank for loan, only 2% replied in affirmative, while majority thought of the idea of approaching the bank very risky and requiring a lot of documentation. Thus re-affirming the level of exclusion low-income women have from financial services.

Of the clients that said Kashf was the first loan they ever took, 79% clients had not taken a loan from any other microfinance institution, 21% reported having taken loans from another MFI after taking a loan from Kashf. ***This means that 10% of clients from the overall sample gained access to other microfinance providers as a result of the Kashf loan*** – this access could be a result of improved confidence of clients on financial transactions as a consequence of the Kashf loan or other MFPs targeting Kashf users with good repayment history. In either case, the women’s access to financial services increased as a result of the Kashf loan.

Business Incubation Lab (BIL) participants were asked if the training had helped them access more business opportunities – 83% of the BIL respondents reported that the training helped them access new markets for their products. Moreover all of these respondents (83%) also stated that the training helped facilitate building of linkages with other entrepreneurs. 8% of respondents also stated that the training helped with building

relations (to some extent) with other entrepreneurs. ***The responses show that the BIL has had a significant impact in expanding the opportunities women micro-entrepreneurs have available to them and has helped them access more opportunities thereby contributing to overall increased access.***

KSZB claimants were specifically asked questions to assess if health insurance provided by Kashf helped them access better health care facilities. None of the respondents had registered for a health insurance before Kashf. 78% of respondents said that the KSZB has improved their and their family’s ability to access better healthcare facility (out of this 56% of the respondents said that access had improved to a large extent and 22% said that the access has improved to some extent). When asked if they would have chosen the same health facility for treatment if they did not have KSZB, 33% said that they would have gone to some other facility as they would not have been able to afford treatment at the same facility. ***The KSZB has thus increased access to a considerable extent for Kashf clients.***

CONSCIENTIZATION Dimension

Respondents were asked questions to assess if the loan from Kashf has helped them in becoming more aware about social issues and politics.

82% of the respondents said that their interest in the political situation of the country has remained largely unchanged i.e., they have never been interested in politics, while 7% said that they have always been keenly interested in politics. However, 5% respondents said that their interest in the political situation increased to a large extent after the loan, and 5%

said that it increased to some extent. A slightly higher percentage of respondents, 7%, said that they are more aware of the importance of their vote in shaping the political environment of the country after the loan, while 9% said that they understand the importance of their vote to some extent. Though respondents expressed low interest in politics, about half of the respondents (45%) said that they have always been aware of the importance of their vote for the country. ***The loan has thus not been able to empower women at the level of creating awareness about social issues and politics. That said, for the small sliver of clients that reported a change in conscientization – clients attributed the change to the loan they took from Kashf.*** It can be deduced that increased income from the businesses that were set up from the loan led to the client having the opportunity to be more interested in politics.

When enquired about change in understanding about client's position and status in society – 78% of clients that had taken a loan from Kashf Foundation said the loan has helped them understand the importance of their own income (73% of these said they realized the importance to a large extent and 5% said that the understanding had increased to some extent). Out of the 22% that said that their understanding remained unchanged 16% stated that they always knew the importance of their own income and 6% thought their own income was not very important. ***Therefore, the Kashf program has had a significant impact in helping low-income women understand the importance of their own income.***

KSZB claimants were asked additional questions to assess if they better understood the

responsibility of the government providing coverage and support for health services after availing health insurance. 96% clients said they better understood the importance of such services (85% of the respondents said that they realize this to a large extent while 11% said that they understand the importance to some extent). ***The fact that clients have enhanced expectation from the government regarding the provision of health services is a marker of improved conscientization.***

PARTICIPATION Dimension

To assess the change in participation, a set of questions was asked regarding participation in decision-making. When asked to identify the areas where the clients feel that their participation has increased as the result of the loan, 32% of the respondents said that their opinion is sought more often in the sale/purchase of household assets. This was followed by increased participation in matters relating to children's education (19%) and family planning (9%). About 25% of the respondents said that their opinion has always been sought in all these matters, while 13% said that they have experienced no change in participation following the loan.

When asked specifically if after the loan, the client has experienced a change in the level of participation in household expenses - ***31% respondents stated their opinion was sought more post loan*** (29% responded that the change was to a large extent while 3% said it was to some extent). 69% reported no change in the level of participation out of which 59% said that their opinion has always been sought and 10% reported that their opinion was not sought at all before or after the loan. Of the clients reporting that their opinion has never been sought,

72% were from rural areas indicating limited participation of women in household expenses in these communities compared to semi-urban and urban localities.

Since Kashf Easy Loan requires limited documentation and no nominee, KEL clients were asked whose decision was it to take a loan from Kashf. 26% of the respondents said that they took the decision independently, 48% said it was taken in consultation with their husband and 4% said they consulted with their mother. 13% of respondents said that the decision was solely taken by their husbands and 4% said it was taken by their sons.

In addition KSZB claimants were asked if their opinion was sought more often about the choice of health facility for treatment after the family was able to get a claim from Kashf. 41% clients said that their opinion was sought more after using the health (30% of the clients said that it was sought to a large extent while 11% said it was sought to some extent). 48% of the clients said that their choice of health facility was always considered while 11% said that they have never had a say in this matter and the situation has remained unchanged even after KSZB.

On the dimension of participation, ***Kashf products and services have had limited impact on enhancing the decision-making role women play in the household.*** However, some aspects such as 19% clients reporting having more decision-making authority over family planning can have great developmental benefits for the household.

CONTROL Dimension

Respondents were asked if they felt a change in control over personal

income, household budget and saving after the loan.

41% of the respondents said that they feel more in control over their personal incomes since after they took a loan from Kashf while 59% said that there has been no change; 50% saying that they have always had authority and 9% reporting that they have never had authority. Of the respondents who reported no authority over personal income, 77% were not the loan users themselves. Compared to personal income, a lower percentage of respondents (33%) reported a change in authority over household budget. 66% reported no change in authority, with 12% saying that they have never had authority over household budget- 70% of these were not the loan users themselves. ***The responses indicate that the use of the loan is strongly related to the change in control over income and budget. When women use the loan for their own enterprises, it leads to greater control.***

When asked if the respondents are able to save any part of their income or the money they receive, 91% replied in affirmative. When asked who decides about the use of the saved amount, 44% said that they decide it themselves and 43% said that they decide it jointly with their husband/sons. However, 14% of the respondents said that they were not involved in the decision regarding the use of savings; with about half of them saying that the decision was taken by their husband and the other half said that other family members decide on the use of the saved amount.

Respondents who had taken BIL trainings were asked if the training helped them manage their business better as a proxy for if they were able to exercise more control over the day to day running of their

enterprise. ***All of the BIL clients stated that their ability to manage their business had improved,***

however all of them stated that the extent of this was 'to some extent'. This shows that there has been an improvement in control for BIL participants, but it has not been a significant improvement.

KSZB claimants were asked if the insurance coverage has helped them realize the importance of going for timely treatment – this question was used as a proxy to understand if control over accessing health care had changed. ***59% of the participants said that using health insurance helped them realize the need for timely treatment while 7% said that it has helped to some extent.*** 30% of the respondents said that they have always been aware of its importance and 4% said that the situation has remained largely unchanged. This change is significant, but the next step of taking the decision of whether or not to access health care (as explored in the previous dimension) has to be higher for action to be taken – moreover, other considerations such as the availability of funds to pay for treatment also need to be available for the client to be able to access healthcare.

With respect to control, results from this study show that enhancement, though limited in some cases, is taking place. Control is seen to enhance more where the clients have used the loan themselves in their own business.

STEP 3: STAFF PERCEPTION OF GENDER CENTRICITY

When staff members were asked about the process being gender friendly, staff across the 9 branches

said that the process is gender friendly but only to some extent.

On the positive side, staff noted that the process of accessing a loan from Kashf was easier compared to other microfinance institutions.

Moreover, since clients do not have to visit the branch repeatedly, especially secure clients from CSC branches, women find taking a loan from Kashf easier compared to other MFPs. Furthermore, clients like the fact that Kashf offers individual loans which do not require creating community level groups.

On the other side, staff mentioned that clients often find it very difficult to arrange post-dated as the clients and their family members do not have bank accounts. Another thing that staff perceived as being gender unfriendly was the refusal of loans to women based on the credit information bureau information of their nominee. There is no leeway for women who are not living with their husbands or husband who are living with their second wives. Another factor that staff states as being gender unfriendly is the process of en-cashing the disbursement. Clients have to make two visits to receive the cash – first to the branch for the disbursement process and secondly the next day to collect money from the bank. Another thing that was shared was the fact that in more rural communities the banks usually do not give money to Kashf clients on the 29th, 30th and 31st of the month as they want to close the month with a higher balance.

Additionally, Kashf staff said that even though they have disbursed loans to single women, but these are very few in number. It is difficult for a single woman to access the loan because of PDC requirement (and that too of a male), and the

preference of male as a nominee. While the requirement for male nominee and male PDC helps the organization in ensuring that the installment is paid on time, it is a big hindrance for women to access credit independently. Another obstacle to accessing the loan independently is the fact that the credit history of the male nominee is linked to the decision of whether the client can take a loan.

CONCLUSIONS & RECOMMENDATIONS

The gender review of Kashf's products and services has shown that the gender centricity of the processes that clients have to undertake to access Kashf's products have an overall Gender Ranking of 1.5 which lies between gender neutral and gender specific. While this can be considered an above average ranking, there remains room for changes and improvement. Qualitative feedback

solicited from staff on gender centricity of processes has shown that Kashf's processes are more gender centric than other MFPs. On the dimensions of women empowerment, Kashf seems to be doing better in the realms of Access and Participation compared to Conscientization and Control.

To enhance gender centricity in the processes and enhance gender empowerment dimensions the following recommendations are being considered by Kashf:

- At the foremost, to enhance the gender empowerment aspects of Kashf's work the focus on women led businesses is continually reiterated because the most significant driver of gender empowerment gains was in cases where the loan was used in a women led enterprise.
- To enhance the accessibility of the information provided

through the brochures in the mobilization phase, Kashf is recreating the brochure content through a small animated video which will be available in regional languages and can be played on the BDOs tab and sent via social media applications to clients (where applicable).

- Responses revealed limited change in conscientization, especially relating to their role in the political sphere. Though this aspect has never been directly covered, political awareness, especially awareness regarding the importance of the vote could be made a part of the gender trainings. Moreover, reiterating the importance of personal income for women and stories of Kashf clients could also be made a part of the gender trainings to improve the perception of the clients about their own place in the society.

ⁱ Gender Mainstreaming Made Easy Volume II by the United Nations Development Program Somalia (2014)

ⁱⁱ A Guide to Gender Analysis Frameworks by Oxfam GB (2005)



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