



*VGIF - an international fund for women and girls
Small Grants • Local Action • Better Lives*

Remarks by Jeri Rhodes, President, VGIF at CSW panel on Financial Inclusion as a Tool for the Empowerment of Women and Poverty Eradication on March 13, 2017.

Thank you, Anita. I am honored to be part of the panel today. The collaboration to organize this panel with the NGO Committee on Financing for Development and the NGO Committee on Social Development on this topic is so important for the work we all do.

VGIF provides grants globally to fund locally generated projects that advance the rights of women and girls. During our 48 year history, we have funded more than 550 projects in 94 countries, reaching more than 140,000 women and girls.

Our experiences with our grantees reflect the knowledge in the international community that women's economic empowerment not only changes a woman's life, but her family's life, and the life of her community. This empowerment is essential to eradicating poverty.

At the core of VGIF's funding philosophy, we believe that women leaders in their communities have the knowledge to identify key issues and to create lasting solutions in those communities. As the Project Director for one of our grants in Nigeria said, "[grassroots groups] understand the systems of their environment and are better positioned to develop useful ideas through firsthand experience and observation that can change the lives of grassroots women for the best."

Of the 550 VGIF funded projects, 296 projects, almost 54%, were focused on vocational or skills training providing women and girls with a variety of ways to generate income, teaching them how to market and sell their product, how to create savings and loan associations, and how to maintain proper records. Almost 40,000 women participating in these projects report that they have enhanced their income, made additional business investments, and in some cases, paid for school fees for their girl children. Vocational and skills training are of particular importance when girls are forced out of school as a result of early or forced marriage, early pregnancy, or financial hardship. One Project Director in Zimbabwe said, "If girls do not access education, they become uneducated women and hence economic empowerment cannot be achieved."

However economic empowerment is not enough. According to the nonprofit CGAP:

Lack of access to financial services reduces women’s ability to climb out of poverty; it contributes to women’s marginalization to the informal sector; and it reduces their ability to fully engage in measurable and productive economic activities. Forty-two percent of women and girls worldwide – approximately 1.1 billion– remain outside the formal financial system, according to the Global Findex database.”

In most countries, women do not have access to formal financial structures such as savings and loans, even though this access would give them more control over their lives. In some instances, women have created their own financial instruments among themselves, which enable them to have savings accounts to save for future investments and to build a credit history. Extra savings create the opportunity for women to spend more on business opportunities or on health and education for their families.

VGIF has seen how financial inclusion can affect women and girls directly. In the Luwero District of Uganda, 45% of the women are affected by HIV/AIDS. There are crushing levels of poverty which make it difficult, if not impossible, for the women to access necessary health care. VGIF partnered with the Maganjo Farmers Association (MAFA) to train women and girls living with HIV/AIDS to grow high value mushrooms. They set up a micro-enterprise and implemented value added practices such as the drying, packaging, and labeling of produce. The project was so successful that 93 women were able to begin saving monthly to start up new business ventures. Also, the sustainability of the project was ensured by identifying 10 women to act as community-based agricultural trainers equipping them with skills to offer ongoing technical support to the community.

Prior to joining the project, Sarah, one of the participants, could not afford to attend to her health, nor the health of her HIV+ children and grandchildren. Now, successfully earning \$9 per week, she says, “I am very grateful for the support because two of my grandchildren are now in school and they are all in a position to access the necessary health care services, including ARVs treatment, which wasn’t the case before.”

In India, one woman working in unsafe conditions for long hours as a bonded laborer found that she could not support her ailing husband and sons. Her name is Kasthuri and her despair drove her to jump into a well in an attempt to end her life.

VGIF partnered with India based Rural Women Development Trust on a project that helped female bonded laborers like Kasthuri escape unfair labor agreements, find economic stability and psycho-social support, as well as access to legal assistance. One hundred and twenty women were trained in coir rope making so that they could grow their family’s income and avoid future bonded labor.

Kasthuri has seen her wages more than triple since VGIF's grant helped her escape bonded labor at that silver factory. She manages her new income carefully with the financial literacy she learned at the training. Her husband, who used to refuse to allow her to control her own wages, now trusts her with all of the family's financial decisions. The daughters of the bonded laborers are now attending school as a direct result of increased income.

In Kenya, almost a quarter of girls are married before they turn 18. In the Western province, that percentage is even higher. Nancy was one of these girls. Instead of going to school to learn and grow, she was married at 14 years old and quickly became the sole caregiver to two young children and an ailing husband. To ensure her family's survival, she worked at a nearby construction site and earned only \$1.08 a day carrying water to mix concrete. The physical and mental cost of this was overwhelming, and she found her health declining rapidly, along with her hopes for a better future.

It was at this time that VGIF funded Ufanisi Women Group to train young women and girls in agricultural and nutritional practices, with an ultimate goal of increasing access to healthy food for vulnerable women and their families. With the funds VGIF provided to make the project a reality, local leaders leased participants an area of community land that they could use to grow vegetables, and Ufanisi provided training in techniques and leadership skills. Nancy was identified as one of the 20 most vulnerable young women in the community and joined the project.

As a result of the training, Nancy and the other participants were able to produce 2 tons of tomatoes. They saw an increase in income from \$360 to \$410 per year and the entire community's access to nutritious food improved. Furthermore, the greenhouse demonstration site acted as an assembly point that provided a platform for women to discuss community challenges and needs. Since the project was designed to be self-financing, women will be able to continue the production of high value crops, and their family incomes will continue to rise. At the end of the project, Nancy reported that the \$50 increase in her income and addition of vegetables in her family's diet had already made a difference in her children's health – a change she credited to the VGIF project.

In Argentina, indigenous women have traditionally been responsible for maintaining the household and raising the children. However, as employment opportunities became increasingly limited and with many men out of work or underemployed, women began to pursue new avenues of income generation. Luisa, was cooking for children in a local community kitchen when a financial crisis devastated Argentina. In need of extra income to support her family, she learned of Tinku Kamayu, a local women's cooperative.

Tinku Kamayu's mission is twofold: to support vulnerable women and to rescue the ancestral craft of Lampasito. Tinku Kamayu knew that one of the best ways to empower women is to build on existing strengths, and VGIF agreed. Women of Lampasito were esteemed for their unique weaving skills, and from these skills a project was born. Through support from VGIF, Tinku Kamayu was able to purchase

additional supplies to train 20 women in the traditional craft. They even grew the cooperative to include 5 more women.

As part of the cooperative, women have a safe space to discuss their family life and, with new skills and materials, women are earning full salaries from their weaving. The increased earning capacity of Tinku Kamayu has allowed them to attend public events and fairs to sell their product and share indigenous cultural knowledge. Now, Luisa is even acting as the groups' treasurer. She says, "This year we had a big crisis, but managed to overcome it... I feel that with Tinku we can overcome any crisis in the country". Despite a history of marginalization, Lampasito women are showing their strength, and building that strength by working together, proving that with a little support, anything is possible.

We have observed that training in basic financial skills -- marketing, bookkeeping and financial planning -- improves business practices, which in turn increases chances for business survival. As VGIF's grantees' projects demonstrate, business survival changes lives. Financial inclusion increases a women's influence both inside her home and outside in her community.

VGIF, as a funder of grassroots level projects, provides initial funding that often represents the first level of investment for changing the lives of our grantees. As a result of the support we provided- and most important, the work done by these women-, Sarah and her children in Uganda can access antiretroviral treatments and her grandchildren are in school. In India, Kasthuri has more influence in her family and her girl children are able to attend school. Nancy and her family in Kenya are healthier and she now makes an additional \$50 a year. Luisa in Argentina is the Tinku Kamayu cooperative's treasurer while producing her own traditional weaving for profit. However, it is important to note that in each of these examples, the women learned new skills and set themselves forward on a path toward achieving their goals. Access to financial resources is key to women's empowerment and poverty eradication.