

Gender Assessment

FP097: Productive Investment Initiative for Adaptation to Climate Change (CAMBio II)

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Productive Investment Initiative for Adaptation to Climate Change Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic

Gender Assessment

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1. Introduction

1.1 Purpose

The purpose of this document is to provide general information on the main socio-economic aspects of Central America, Panama and the Dominican Republic in terms of gender. It also identifies some central issues for rural women in the region, such as land tenure, access to water, and their relationship to climate change. Finally, the financial system is characterized in a conceptual and general way, from a gender perspective, to have a framework in accordance with the objectives of the programme Productive Investment Initiatives for Adaptation to Climate Change.

All the quantitative information corresponds to the latest available figures and not all information presented is availed in the same way, it varies by country.

1.2 Summary of the proposed Programme

This Programme's primary objective is to increase resilience to climate change of Micro, Small and Medium-sized Enterprises (MSMEs) in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and the Dominican Republic by removing barriers to access financial and non-financial services for adopting and implementing climate change best adaptation measures.

The initiative will promote innovation and provide solutions of adaptation to climate change through the following specific objectives:

1. To reduce the obstacles to credit access for MSMEs. Access to lending will be promoted through financial and non-financial mechanisms that will help reduce the risk inherent to all production activities. These systems will be supported through the network of Intermediary Financial Institutions (IFIs) accredited by CABI across the region. Through this financing, the implementation of best adaptation measures with a natural resource conservation approach, as well as the consolidation of production systems adapted to climate change, will be promoted (Component 1).
2. To strengthen the beneficiaries' capacities through training and technical assistance services to develop best adaptation measures for production models, improving their organizational capabilities and introduction of new technologies for adaptation to climate change (Component 2).
3. To promote adaptation measures through an incentive scheme that increases MSMEs resilience. This incentive will award MSMEs willing to

prepare themselves to face climate variability adequately, while preserving natural resources and assets, and CMNFIs (Cooperative, Micro-Finance and Non-Bank institutions) promoting the access to financing for adaptation measures, as well as their successful implementation (Component 3).

Beneficiaries of the Programme:

- Rural Micro, Small and Medium-sized Enterprises (MSMEs): most of the sectors that are linked to small-scale farmers have a significant level of vulnerability. These sectors are related to coffee and cocoa agroforestry, agro-ecologic production, silvopastoral systems, eco-tourism, productive activities related to forests, artisan fisheries and small-scale aquaculture systems, among others.
- Intermediary Financial Institutions (IFIs): All types of IFIs will be eligible for accessing the GCL and for receiving Technical Assistance, provided that technical and financial standards and requirements are met in each case. Only Cooperatives, Microfinance institutions and Non-bank financial institutions (CMNFIs) will be eligible for receiving Adapt-award under this initiative. Please refer to the Feasibility Study for understanding the reasons to involve all types of IFIs, the expected reach of the different types of IFIs, and statistics of proportion of credits granted by CABEL's programmes per type of IFI and per type of MSME. Please also refer to Section 5.5 of this Assessment for further details on the reach to women by the intermediation programmes within CABEL.

Since the main tool of the Programme is the provision of credit to rural vulnerable MSMEs for the adoption of adaptation to climate change practices, a series of activities have been dedicated to bridge the gender gap. Not only they will receive credits (Component 1) but specific capacity building in gender issues will be provided to IFIs and MSMEs, specific resources for women will be allocated for making possible that women can assist to the Technical Assistance activities - that include as well training in access to finance for adaptation to climate change -, specific resources for training women leaders will be allocated, and a systematization of gender inclusion in the project - including access to finance for adaptation to climate change - will be performed, among others (Component 2). Finally, a differential has been introduced for Adapt-awards for women-led MSMEs. The higher percentage of Award is expected to motivate the will of having women in the leadership of the MSMEs; conversely, the benefit of the Award is translated in further opportunities for accessing to further training, further connection to experiences of ACC, and more. All these measures have been gathered in the Gender Action Plan accompanying this document.

1.3 Gender Equality Policy

Central American Bank of Economic Integration (CABEI) has its own Gender Equality Policy, to incentive gender and women's autonomy. It was adopted in 2010 and establishes the guidelines that have been considered in the design of CABEI's Institutional Strategy 2015-2019 to implement this approach across the different instances of the Bank. The Policy strengthens the work with member countries to promote equality and the empowerment of women through the implementation of a gender perspective in their operations.

Its guidelines are:

1. To promote the generation of employment and income, with gender equal conditions
2. To design and implement programs, products and projects with gender equality
3. To promote gender inequities analysis and the factors which produce them
4. To incorporate best practices to work with gender equality
5. To communicate and disseminate gender impacts and outcomes
6. To incorporate gender equality approach within CABEI

1.4 Gender and institutions in the region. National Gender Equality Mechanisms

The Mechanisms make up the public institutions that States and Governments have implemented in each country to ensure the advancement of women.

In Central America, the situation created by Beijing¹ has supposed advances in government between 1994 and 1999, which had not occurred in the previous twenty years. During these five years, it has not only completed the creation of national mechanisms across the region, but there has been a qualitative change in the institutional status of them².

Achievements at the institutional level in Central America have begun with both the commitments made in Beijing and the agreements established in various presidential summits, which require different governments to strengthen their

¹ The Fourth World Conference on Women, held in Beijing in 1995, marked a major turning point for the global agenda of gender equality. The Beijing Declaration and Platform for Action, adopted unanimously by 189 countries, constitutes a program for the empowerment of women, and the development of the Declaration and Platform for Action took into account the key global policy document on gender equality.

² In Guatemala, for example, exists the Institute for Women; in Nicaragua, the Nicaraguan Institute for Women (INIM) created in December 1987; in El Salvador, the Salvadoran Institute for the Development of Women (ISDEMU) exists from March 1996; in Costa Rica, the National Institute of Women (INAMU) was created May 1998; in Honduras, Women's Institute (February 1999); and in Panama, the National Directorate for Women in the Ministry of Youth, Women, Children and the Family, created in 1997.

national mechanisms and developing public policies for women. The particularity of these Presidential agreements is that, unlike the commitments made in Beijing, these are no longer indicative but strictly binding.

National Mechanisms of Gender Equality Mechanisms in the region are characterized by:

- Emphasizes the experience of some Mechanisms in the development of specific instruments to mainstream gender equity in national and municipal budgeting processes and in the development of gender indicators and statistics.
- Still in a process of institutional consolidation.
- Have a relative leadership in the design and implementation of public policy, particularly with regard to its guiding role towards the rest of the State and the inclusion of the Public Gender Agenda in its actions.
- Incipient interest in focusing gender mainstreaming in universal policies and programs and in intentionally implementing its Framework Policy (National Gender Equity Policies and Plans). Special difficulty is observed in the mainstreaming of gender equity in policies that touch upon structural processes of the State, such as budget, planning and investments, decentralization and modernization of public management.
- Emphasizes the experience of some Mechanisms in the development of specific instruments to mainstream gender equity in national and municipal budgeting processes and in the development of gender indicators and statistics.
- Mechanisms have fold out in the mainstreaming of gender equity in specific issues, such as the inclusion of gender equity in planning for the achievement of the Millennium Development Goals.
- Areas covered mainly refer to violence against women and the participation and citizenship of women.
- General weakness in monitoring and evaluation of its actions and Framework Policy, as well as precarious information available for decision-making.

According to an analysis by AECID (for the elaboration of its Regional Cooperation Program with Central America), the National Mechanisms for Gender Equality³ can be classified as follows:

- with low institutional consolidation and a wide margin of action: Dominican Republic, Honduras, Guatemala and El Salvador. They are Mechanisms with better possibilities of being consolidated institutionally, since they register greater reflective capacity for analyzing, evaluating and proposing new courses of action,

³ Regional Cooperation Program with Central America. Plan of Action for Gender Equity. Diagnosis and Operative Plan 2007-2008. AECID.

- with low institutional consolidation and wide scope for action: Dominican Republic, Honduras, Guatemala and El Salvador have Mechanisms with better possibilities of being institutionally consolidated, because they register greater reflective capacity, when analyzing, evaluating and proposing new courses of action,
- with a significant degree of institutional consolidation (close to 50% of their conversations are "profile") and limited scope of action: Costa Rica,
- in a process of institutional consolidation: Nicaragua.

Regarding to the lines of action that Mechanisms carry out, Guatemala stands out as the only one that focuses its action on "gender mainstreaming" and "framework policies". It is the only case oriented to the design and coordination of public policy.

Gender mainstreaming modalities developed by the Mechanisms range from the consideration of specific issues, such as sectorial policies and basic services to the population (Panama, El Salvador, Honduras) to the incorporation of structural issues such as budget, planning instruments and decentralization process (Guatemala and Nicaragua). The Dominican Republic could be considered an intermediate case, since it considers specific topics such as structural issues.

1.5 Regional Policy on Gender Equality and Equity - Central American Integration System (PRIEG - SICA)

The incorporation of gender perspective and its institutionalization as a transversal axis in the process of Central American integration is relatively recent in SICA, and two main events can be identified along its route: creation of the Council of Ministers of Women of Central America (COMMCA) in 2005, and the issuance of the Declaration of Panama on Gender, Integration and Development, adopted at the XXXV Meeting of Heads of State and Government, in June 2010, which meant a renewal of commitments to gender equality, relevant to the integrationist agenda of the development of the countries that make up the SICA. In response to this resolution, the Heads of State and Government of the Central American Integration System (SICA), at its XLII Ordinary Meeting, held on December 14, 2013 in Buenaventura, Panama, approved the Regional Policy for Equality and Gender Equity (PRIEG-SICA), developed and promoted by COMMCA as of January 13, 2014, when it was launched in Santo Domingo, Dominican Republic.

PRIEG / SICA, in addition to representing the regional commitment to the gender issue, is a guiding policy that establishes a route and guidelines for gender mainstreaming in the institutional framework of SICA and its member

states. Its guidelines will be embodied in sectoral and institutional action plans as well as in national and regional development policies and plans. The policy, created with the accompaniment of international cooperation agencies, and particularly the Government of the Republic of China (Taiwan), establishes 7 strategic axes that respond to certain specific objectives: 1) economic autonomy; 2) equality education; 3) comprehensive management and prevention of disaster risk; 4) health in equality; 5) security and life free from violence; 6) political participation and decision making; 7) conditions for the implementation and sustainability of the policy.

1.6 Social and political women's participation

Compliance with government commitments and agreements⁴ with regard to promoting women's equitable participation in decision-making spaces in the public and political spheres has been slow in Central America (and Latin America), which reflects in its still smaller presence in the main positions of public and political responsibility.

As for the Judiciary, at the end of the 20th century, women had not managed to surpass 25% of the Supreme Court Justices (despite the feminization of the legal profession in all countries and even though they have in average the third part and half of the lowest hierarchical courts).

In the area of parliamentary representation, only Costa Rica increased significantly the proportion of women in the national parliament by more than 16%, as in Panama, which increased in 2005 by 7% over the year 2000. The rest of the countries increased only on the order of one percentage point with respect to the previous measurement.

In relation to the approval of laws or regulations based on gender equity in the country, the situation is as follows:

Table 1. Status of some types of laws in favor of gender equity

Country	Equality included in Constitution	Universal Education Law	Teenage pregnancy	Violence
Belize
Costa Rica	√	√	√	√

⁴ In order of importance: the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, UN - 1979 and ratified by all Central American States), "Forward-looking Strategies for the Advancement of Women" (III World Conference on Women, Nairobi, 1985), the instruments agreed at the VI Regional Conference on the Integration of Women in the Economic and Social Development of Latin America and the Caribbean (Mar de Plata, 1994) and IV World Conference on Women (Beijing, 1995), as well as the Presidential agreements of the Second Summit of the Americas (Santiago, 1997)

El Salvador	...	...	...	√
Guatemala	√	√	No	√
Haiti	√	√	√	√
Honduras	√	No	...	√
Nicaragua	√	√	No	√
Panamá	...	...	...	√
Rep. Dominican	√	√	No	√

Source: Regional Cooperation Program with Central America. Plan of Action for Gender Equity. Diagnosis and Operative Plan 2007-2008. AECID

From the juridical and normative point of view, the great majority of the countries of the region show progress in these matters. However, there is a gap between these more qualitative advances in the development of societies and the more direct impacts of government policies and programs on the specific situation of gender equity, and particularly the advancement of women.

2. Socio-productive gender diagnosis in Central America

2.1 Population's general data

According to Pan-American Health Organization, the estimated population for Central America and the Dominican Republic in 2010 was about 54 million inhabitants; women were about 27 million. Among them, about 50% (range 48.1% - 55.1%) are women of childbearing age (MEF). The masculinity index for the region is 98.4 men per 100 women. Costa Rica and the Dominican Republic report a higher proportion of male population

Table 2. Central America, Panama and the Dominican Republic population by sex, masculinity index and MEF proportion by country (2010)

Country	Population	Men	Women	MEF proportion	Masculinity index
Costa Rica	4,694.62	2,385.75	2,308.87	55.1	103.3
El Salvador	7,453.30	3,669.75	3,784.24	53.1	97
Guatemala	14,453.30	7,000.21	7,361.46	48.1	95.1
Honduras	7,614.35	3,797.41	3,816.93	51.6	99.5
Nicaragua	5,815.52	2,878.52	2,937.00	53.3	98
Panamá	3,496.80	1,761.81	1,734.99	52.7	101.5
Central America	43,742.26	21,656.77	22,095.49	---	98
Dominican Republic	10,168.85	5,094.53	5,074.32	51.8	100.4
Region SICA	53,911.11	26,751.303	27,169.807	---	98.4

Source: Health in America, 2007, Volume II- Countries

Data about male and female labor participation in the region reveal an important gender gap in favor of males, which is reflected through an average difference of 32 percentage points. The gap widens in rural areas, with a difference of almost 43 percentage points, being Honduras the country with the greatest gender gap.

Table 3. Labor participation by sex, in Central America and Dominican Republic, by area of residence (2006).

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panamá	Dominican Rep.	Total
Men	73.5	71.6	80.3	74.9	71.6	74.6	72.3	74.1
Urban	75.5	67.6	76.1	68.9	66.4	71.7	71.6	70.7
Rural	74.9	77.7	84.1	80	78.4	79.8	74.1	78.4
Women	40.7	42.7	40.1	36.1	39.8	42.8	46.1	41.2
Urban	45.3	48.5	48.7	44.4	45.7	46.8	49.4	47.0
Rural	33.3	32.9	31.9	27.7	30.7	34.4	36.7	32.5

Source: Labor market in Central America and the Dominican Republic. II Regional Report. Labor Observatory of Central America and the Dominican Republic (2006)

2.2 Education

Although gender inequality in education has declined, especially since the 1970s, the Region keep having discriminatory characteristics. Inequalities in the average study rate among the population aged 25-59 remained stable in El Salvador: between 1994 and 2007 a gender gap of about 0.7 years of schooling persisted. In Guatemala, the gap increased from 1.0 in 2002 to 1.2 in 2007. It is worth mentioning that during this period the average rate of study in Costa Rica, Honduras and Nicaragua shows no inequality.

Table 4. Average years of study of population aged 25-59 years in rural areas, 1994-2007.

Year	Costa Rica		El Salvador		Guatemala		Honduras		Nicaragua	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
1994	6,0	6,0	3,0	2,3	...	...	3,4	3,4	2,4	2,3
1999	6,5	6,5	3,3	2,6	...	...	3,5	3,6	3,2	3,2
2002	6,5	6,4	3,9	3,2	3,0	2,0	3,3	3,3	3,2	2,9
2005	6,8	6,9	4,3	3,5	2,8	1,9	3,4	3,6	3,6	3,5
2007	6,9	7,0	4,6	3,9	3,2	2,0	3,8	3,9	3,3	3,2

Source: CEPAL. No homogeneous data available for Panama and the Dominican Rep.

Illiteracy rate also shows gender inequalities and it is higher among females than males. In Guatemala in 2002, illiteracy rate was 21.9% for men and 34.4% for women. This indicator also presents differences in relation to the urban and

rural geographical area; for El Salvador during the same year, the overall illiteracy rate was 11.1% in urban areas and 30.3% in rural areas.

Educational gap doesn't only arise from the point of view of illiteracy, but also from the prioritization of access to education for men, the discontinuity of studies for women by the assignment of other tasks or by early pregnancies, consequent delay in access to employment and the recognition of the qualification (same education as men does not generate equal income for women).

On the other hand, education is lower in rural areas and affects rural poor women even more. They have lower levels of education than poor urban women. For example, in El Salvador, the difference between "uneducated" rural poor women (33%) and "uneducated" urban poor (29%) is about 10 percentage points. The same occurs in Honduras (28% versus 18%), Panama (34% versus 25%) and Costa Rica, where the largest difference is 9 points among rural poor women (33%) and urban poor women (24%) with "incomplete primary"

The highest percentages of "uneducated" poor women are in El Salvador (39%) and in Panama (34%) rural areas. If it is added the percentages for "without education" and "incomplete primary", the result is a high percentage of poor women in rural areas with very low educational level: 78% in El Salvador, 68% in Honduras, 62% in Panama and 56% in Costa Rica. Less than 5% of rural poor women have complete secondary or some higher education. This situation shows the cycles of intergenerational reproduction of poverty but it is also a factor that limits the possibilities and opportunities of women to improve their job placement and opt for higher income.

2.3 Occupation, employment and labor force participation

FAO estimates that women's participation in economic activities has increased in recent decades (from 30.8% in Nicaragua in 1999 to 41.8% in El Salvador in 2002), but less in rural areas. Women's participation takes place in sectors of low productivity, especially in rural areas where they work part-time, are subcontracted or perform activities that require low training.

According to the UNDP's international indicators, Central America and the Dominican Republic have seen a growth in female participation in the Economically Active Population (EAP), which represented 50% in 2000 and reached 58% on average for the region in 2011. However, the average percentage of women without their own income is more than 35%, which is considerably higher than that of men in this situation.

Female participation rates in economic activity account for half of that of men in urban areas (40 and 80%, approximately), and this proportion remains in all age groups of 15 to 49 years. The highest rate of female participation (54%) occurs

in the age range of 25-34 years; this means that women remain in employment even though they are exercising their reproductive function, which obviously creates difficulties because of the lack of public services that support the care of children. Women with 13 and more years of education have participation rates that double those of women with limited or no education.

The economic participation rate for rural women is almost marginal as it accounts for about one-third or less of male participation rate. In fact, it is known that they have a greater presence in the peasant economy, but the characteristics of their work make invisible their contribution, which is not captured by current tools of statistical registration.

The particular forms adopted by the occupational insertion of rural women goes from the care of vegetable garden and domestic animals, the production of handicrafts and commercialization of these products, to their participation in the work of planting and harvesting of family plot. It is also common that their work is hidden in the forms of family subcontracting used by large estates.

In urban areas, the insertion of female economically active population (EAP) tends to focus on labor categories of very low productivity - and income - such as domestic service, self-employment and unpaid family tasks. In Guatemala and Honduras they absorb about half of the female EAP. In contrast, in Costa Rica salaried workers predominate, both in the public and private sectors, who, thanks to their higher levels of education, often have a better situation. The male EAP in the three countries considered is also mostly wage earners, and micro entrepreneurs and self-employed workers are better off than their female counterparts. Women professionals and technicians show a similar participation to the masculine one, which would be reflecting the increasing incorporation of women to higher education - often with more education than men -, as well as a greater opening to its contracting. At the same time, male labor with less education - not professionals or technicians - receives greater acceptance in both large and small companies.

Men are more employers than women, which is explained by the obstacles that women face in gaining access to higher income categories.

In rural areas, women mainly participate as unpaid family members, temporary wage earners and workers in large plantations of products for exportation, and as domestic and self-employed workers. The number of women who own land is very small, and even fewer are those who are employers.

Women participate actively in agricultural and livestock activities: production, collection and processing of food (basic grains, vegetables and fruits), care of livestock and poultry, in addition to other productive activities such as crafts, agro industry, marketing, sewing, etc.

The agricultural sector is an important source of employment. In Honduras, Nicaragua and Mexico, half male heads of household are employed in some agricultural activity. Female heads of households employed in the sector represent a significant percentage in Guatemala (17.5%), Mexico (15.1%), Honduras (14.2%) and Nicaragua (9.1%). In countries such as Costa Rica, El Salvador and the Dominican Republic, the participation of women is lower, between 2% and 4%.

The percentage of male heads of household employed in agricultural activities represents 49% in Honduras, 34.2% in Panama and 31.2% in Mexico. In contrast, in Costa Rica it reaches only 9%. For their part, female heads of household in Honduras and Panama represent 10% of the total employed in rural area. The Dominican Republic and Costa Rica are the countries in the region with the lowest percentage of female heads of households engaged in agriculture.

The participation of employed in livestock activities is smaller; the case of Honduras stands out, where employed women represent 4.2% of the total women employed. Farmers represent between 10% and 20% of male heads of household. They are characterized by being temporarily employed in intensive activities with low remuneration, long working days and without training; they have neither land nor productive assets. On the other hand, women employed as agricultural laborers represent between 0.6% and 4% of the total women employed.

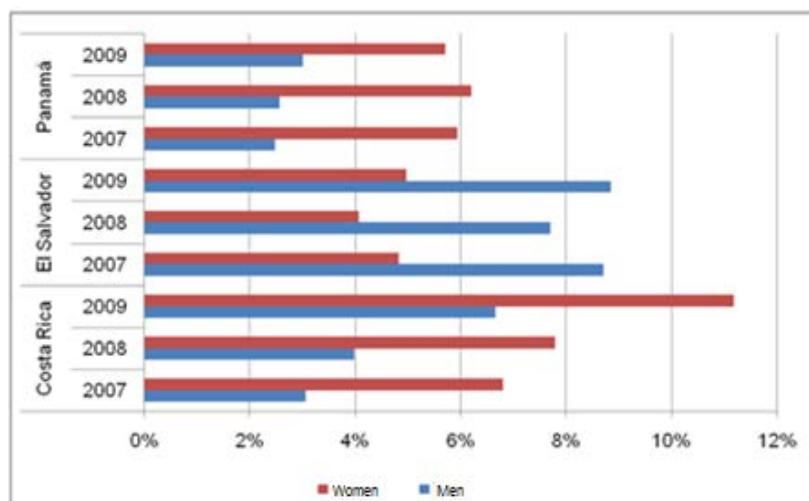
In Central America, although during the last decades there has been progressively a greater job placement of women, their participation rates are still 40% and 50% lower than those of men. In most countries of the region, female labor force participation rates are between 35% and 40%, according to the most recent measure available (2009). It should be noted that in Costa Rica, El Salvador and Panama, the incorporation of women into the job market was greater than that of men in 2009. In contrast, in Nicaragua, the absolute reduction experienced by the labor force in 2009 concentrated on women, who were discouraged to continue looking for employment.

Central American women have an unemployment rate of 4.8% while for men it is 4.1%. In some countries, such as Costa Rica, Nicaragua, Panama and Nicaragua, female unemployment tends to double in comparison with men in the 18-24 age group. For young women, gap widens significantly. In all countries, female youth unemployment doubles total female unemployment. The Dominican Republic, Panama and Nicaragua have figures above 20% of unemployment among young women, being the highest in the region. Costa Rica has figures close to 20%.

In rural areas of Costa Rica, the unemployment rate for rural women in 2009 was 11%, 5% higher than that of men (7%) and in Panama, although the gap is

lower (3%), the unemployment rate for women was double that of men. In contrast, in El Salvador unemployment rates for men are higher than for women.

**Figure 1. Unemployment rate in rural areas, by sex.
Panama, El Salvador and Costa Rica (2007-2009)**



Source: Project "Determinants of Rural Poverty in Central America: Challenges and Opportunities for Action". Final report: Poverty and job market in rural women in Central America. IFAD-FAO-RUTA, 2012.

The unemployment rate for poor women increased significantly, especially in Costa Rica; it reached 30% in 2009, which contrasts with the levels of El Salvador and Panama, below 10%.

2.4 Information about poverty and gender in rural areas

Poverty in Central America is widespread in rural areas: about 20 of 42 million people are in this condition, and 8 million of them are indigent (extreme poverty). According to the poverty estimation for 2009, the incidence of poverty in Central America at regional level was 47% in general poverty and 18.6% in extreme one.

Poverty affects men and women differently. The female population faces on the one hand the precariousness of family incomes and the lack of social services, and on the other, the conditions of subordination that restrict the exercise of their rights and decision-making. Its position in society puts women at a disadvantage in economic activity, where it has a lower rate of participation, more unfavorable forms of occupational insertion, and huge income disparities vis-à-vis the male population. These disadvantages, which interact with the unequal division of resources and responsibilities within the household, weigh more on poor women and especially on those who are heads of households.

Poverty conditions are even more dramatic for indigenous women. The Central American indigenous population amounts to more than seven million inhabitants, who traditionally have been marginalized from the most basic services. Their rates of fertility, illiteracy, malnutrition and infant mortality are higher than those of the rest of the population, plus the problem of communication, because they live in dispersed and hard-to-reach populations and because a significant proportion of indigenous women speak only the language of their ethnic group.

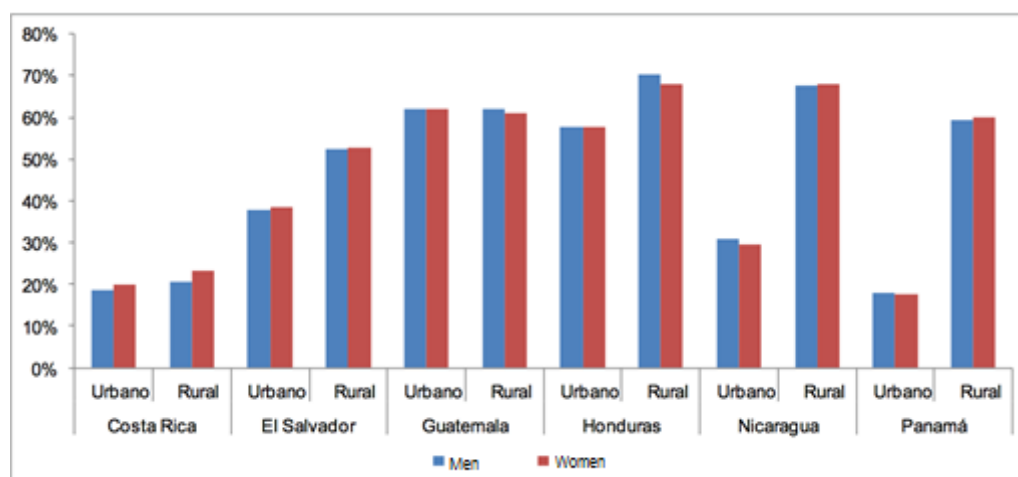
A distinctive characteristic of poverty evolution in the region is that during the first decade of the 21st century, the magnitude of the reduction was the largest at the regional level: in Guatemala, Honduras, El Salvador and Nicaragua, extreme poverty decreased by 1.7 % and 11.1% more than total poverty. The reduction was even greater in rural areas of Nicaragua, Guatemala and El Salvador, where the drop in the incidence of extreme poverty was 39.3%, 16.5% and 9.8%, respectively.

Although poverty reaches very different magnitudes in the Central American countries, it affects a relatively similar percentage of the male and female population, except in Costa Rica and Panama. According to the Social Panorama of Latin America (CEPAL, 2009), the exposure to poverty of women is notoriously higher than of men in Panama (1.37 times) and Costa Rica (1.30 times), which contrasts with the other Central American countries where the incidence is relatively similar between men and women.

Even though in all countries there is a greater incidence of poverty in rural areas, except in Guatemala where it is similar to that of urban areas, it affects in a similar proportion to men and women. Only in Costa Rica and to a lesser extent in Panama, the incidence of rural women's poverty is greater than of rural men. In Costa Rica, the incidence of poverty among rural women was 3% higher than of men in 2009 (20% for men and 23% for women), while in Panama it was 1% higher (59% for Men and 60% for women).

It should be noted that in Honduras the gender gap is rather in favor of rural women, as the incidence of male poverty (70%) in 2009 was 2% higher than of women (68%).

**Figure 2. Incidence of poverty, by area and sex.
Central America (2009)**



Source: "Determinants of rural poverty in Central America: challenges and opportunities for action". FIDA, FAO, RUTA, Costa Rica, 2012. (Data from Guatemala correspond to 2011 and those from Panamá to 2008). No comparable data has been found for the Dominican Rep.

For the period 2007-2009, the incidence of women's poverty increased in Costa Rica (21% -23%), El Salvador (50% -53%) and Honduras (51% -68%), while declined in Panamá, Nicaragua and Guatemala. The reduction in the incidence of female poverty during the period 2007-2009 in Guatemala, Nicaragua and Panamá coincides in 2009 with a greater incorporation of women into the job market compared to men, which could be an indication of the phenomenon of "Added "in times of crisis.

In Costa Rica, the gender gap during the period 2007-2009 was increased from 2% to 3%, which indicates that as a result of the economic contraction the phenomenon of poverty feminization get worse. The incidence of women's poverty in this country rose from 21% to 23% in 2009, while in the case of men the variation was lower (19% to 20% respectively).

El Salvador also increased its poverty, but only in rural areas a gender gap was created: the incidence for women was 53% while for men 52%. In Honduras, the gap also widened but in favor of women as the increase in poverty in this country affected men more severely: while for rural women the incidence increased by 17% (51% to 68%) for rural men the increase was 19% (51% to 70%).

In Central America for every 100 poor households run by a man there are between 101 and 119 households in the same condition but are run by a woman. This gap is deepened in the case of indigence: for every 100 indigent households in charge of a man there are between 98 and 129 homes in the same condition in charge of a woman.

The percentage of poor female-headed households is the majority in some countries. In 2007, women were the heads of a larger poor population, such as Panama (44.3% against 50.5% of men) and Dominican Republic (44.3% against 50.5% of men). The trend was reversed in El Salvador in 2005.

The incidence of poverty reaches its highest level in households headed by women in Costa Rica and Panama. And poor female-headed households are also higher than male-headed households in urban areas of El Salvador and Honduras.

Households with female headship are more vulnerable due to the precarious insertion that often affects the women who lead the family. They face difficulties in combining domestic responsibilities and extra domestic work to earn incomes, as many do not have the necessary preparation or social services to support their needs. For this reason, it is more frequent for poor households with female heads to receive lower incomes, as observed in Costa Rica, where 19% of male-headed households had incomes below the poverty line, while that proportion rose to 28% in female heads. This difference is accentuated in rural areas.

2.5 Women economic autonomy as a poverty dimension

One of the factors that evidence gender gaps in access to opportunities is the high percentage of women who do not have their own income (from job or other). In 2010 the female population in this condition was about 32.4% in contrast to only 12.5% of men. In rural areas the female population that does not receive monetary income and are not students rise to 38.1%. This shows that rural women, in addition to having greater difficulties in gaining access to a paid job, must face the invisibilization of their domestic work, are economically dependent and lack of autonomy. Although this also happens in urban areas, in rural areas the magnitude of this problem is much higher.

In rural areas of Central America, the proportion of women without their own income is over 40% in most countries and reaches its maximum level in Guatemala where 52% of women were in that situation in 2010. Although in 2005 the magnitude of this phenomenon was greater, it affects women more than men. The largest gaps in the percentage of the population without their own income are presented in Guatemala, Costa Rica and Honduras, however, in Panama the proportion of women in this condition is four times greater than that of men.

**Table 5. Percentage of rural population without own income, by sex.
Central America (2005 and 2010)**

Country	2005			2010		
	Men	Women	W-H	Men	Women	W-H
Costa Rica	8,8	51,8	43	11,6	45,2	33,6
El Salvador	21,3	59,6	38,3	18,7	43,9	25,2
Guatemala	14,9	57,8	42,9	10,4	52,0	41,6
Honduras	14,7	55,0	40,3	17,2	49,3	32,1
Nicaragua	26,5	73,2	46,7			
Panamá	9,1	47,6	38,5	8,3	36,3	28,0

Source: CEPAL, 2005 series: data from Honduras correspond to 2003, and those from El Salvador and Guatemala to 2004; and series 2010: data from Guatemala correspond to 2006. No comparable data has been found for the Dominican Rep.

2.6 Invisibility of rural women's work and the use of time

A high proportion of rural women occupied in agriculture are unpaid family workers, which place them at a disadvantage situation because they do not receive an economic reward for their activities. There is also a high percentage of women who contribute to agricultural production and who have not been taken into account by statistics.

Hours worked by women range from 21 to 37 hours per week. However, on average, women engaged in some agricultural activity work less hours than men (70% of men's total hours), according to what the statistics show.

According to data available for Guatemala, women spend about 13 hours a day in the care of their families. Domestic work includes tasks that require a lot of physical effort such as the search and transport of firewood and water, to which women spend between 3 and 4 hours a day. In addition, they work with men in the agricultural production dedicating between two and three hours daily to activities of irrigation, cleaning of the ground, fumigation and harvest. Therefore, the women's daily work day extends to 15 or 16 hours approximately, while men works 13 or 14 hours in the agricultural production not participating in domestic tasks.

Women perform more than one job: they are artisans, merchants, employees, spend about 90% of their time in the care of the domestic group. A high percentage of women perform other activities besides their main activity. In the case of Guatemala, 42.7% of the women who reported their agricultural activity as the principal one carried out other activities, compared to 2.7% of men. The same happens in Nicaragua, where 8.6% of women reported doing other agricultural activities and only 0.4% of men do.

3. Women's access to productive resources

3.1 Access to water

Water is not only a productive resource; mainly, is a resource for the reproduction of life, a basic right that people have to be guaranteed to think about any alternative of possible development.

Millions of people in Central America are deprived of drinking water and their distribution systems, which particularly affects children and women, as they mostly collect water for domestic use where there is no potable water supply. They are the ones who make enormous efforts to obtain water which is not only scarce but of low quality, which exposes them to health risks and diseases.

According to reports from the IV World Water Forum held in Mexico (March 2006), Latin America has made significant progress in the supply of drinking water, whose population with access to water has increased from 33% in 1960 to 85% in 2000. However, there are still 67 million people without access to potable water, of which 51 million live in rural areas, 26 million in urban and peri-urban areas and 60% are women.

Likewise, the situation in Central America and the Caribbean is even more critical than in the rest of the continent: according to the Pan-American Health Organization, about 14 million people do not have a potable water supply: 35% total population. In addition, 40% of the rural population (more than 11.5 million people) is affected by the lack of these services: more than 60% of these people are women and girls.

3.2 Access to land

Lack of land prevents women from accessing other essential resources and services such as credit and technical assistance. Without a plot to provide as a guarantee it is not possible to obtain a formal loan. It also excludes them from most public investments and technical assistance programs, which often require their own land to develop production.

Given the limited possibilities for rural women to earn their own income, the possession of an asset such as land means a significant change that allows them to advance in their economic autonomy. Expanding women's access to land and other productive assets, as well as technical and financial assistance, would improve agricultural productivity by up to 30%, which would help to eradicate hunger and rural poverty. It would allow for more food and lower prices in the market, helping to achieve food sovereignty. It would also improve employment and income levels in local economies.

The distribution of land ownership in Central America responds in part to agrarian reform processes, which were characterized by their lack of consideration and understanding of the situation of women and their relationship to rural development. Male heads of household were benefited from the distributions. In Guatemala during the period from 1953 to 1993, of the allocation granted by the National Institute of Agrarian Transformation, only 9% benefited women and only 1% was able to access credit. In Honduras, the agrarian reform started in 1975 had only 3.8% of women beneficiaries. In El Salvador, data from the Ministry of Agriculture and Livestock say that by 1991, agrarian reform benefited only 4.7% of women. For Nicaragua the data show that in cooperatives (distribution mode that concentrated more women), 10.5% of the members were women. In Costa Rica, between 1962 and 1988, only 11.8% of the direct beneficiaries were women. This situation changed in 1990, when the percentage of women increased to 38.7%. A similar situation arises in Panama, where women's access to land has varied from 24.7% in 1988 to 29.3% in 1991, decreasing in 1992 to 27.4% and increasing to 28.3% in 1993.

In agrarian reforms women were penalized because they had to carry out paperwork and meet criteria such as knowing how to read and have official documents (birth certificate or an electoral letter). On the other hand, the land that the women have received in the majority is small and of inferior quality, being the previous one a limiting in the productive development by the size of the land that they own.

Gender gap in access to land has continued to widen. According to available data, women barely own 12% of the land in Honduras and use 15% in Guatemala. In the case of El Salvador, only 13% of property titles are in the name of a woman. And in Nicaragua, 23% of farms are managed by women, but there are significantly smaller than those managed by men.

On the other hand, women are in an unfavorable position in the process of land inheritance, due to discriminatory socio-historical factors. Parents prefer to give their land to male children and if they do not have a male offspring they favor a nephew or other male family member (according to FAO and World Bank studies). Few women are aware of their right to inherit, although inheritance is the most important means of obtaining land for women. Increased dissemination of property rights would increase female representation as a landowner.

4. Gender considerations on climate change

According to UNDP ⁵, gender inequalities intersect with the risks and vulnerabilities associated with climate change. Their historical disadvantages, added to limited rights, limited access to resources, and limited participation in decision-making venues, makes women highly vulnerable to climate change. Climate change is likely to increase the existing gender disadvantage patterns.

Women are more affected by climate change, but nonetheless contributes significantly to their combat. Thus, existing gender inequalities reduce the capacity to cope with climate change.

According to FMICA ⁶, impacts from climate change will have significantly different effects on Central American women – and in some cases even more rigorous – given the fact that because of their high levels of discrimination-based vulnerability, women are among the most impoverished and uninformed sectors of the population.

It is important to adopt a gender approach in policy making and in programs about climate change, and is crucial that women can participative actively in the negotiations which produce this approach.

5. Finance and gender inequalities

5.1 Factors determining access to financing by women

Gender inequalities in the financial area exist and have a negative impact on women's life experience. Gender inequalities produced by the financial sphere limit economic autonomy and women's economic rights. They are inequalities that refer to a type of structural discrimination exercised by the financial system and which are invisibilized regarding to other social areas on which there is greater awareness.

The formal financial system in developing countries has shown more resistance to offering credit to women. Commercial banks tend to prefer men, because run big business and are more likely to control assets. Some initiatives of the NGO sector in relation to microfinance and programs especially directed at women have been some of the responses aimed at alleviating this obstacle.

⁵ Human Development Report, UNDP, 2007 in Aguilar, L., 2009

⁶ Gender and Climate Change: Central American Women's Contributions to Regional Climate Change Policies, June 2010. Women's Forum for Central American Integration, FMICA.

Literature shows how the gender variable is a core factor that reflects inequality in access and use of the financial services. An analysis of some factors related to access, use or financial culture reveals both differences and inequalities, many of which are a consequence of the actual disadvantage situation of women, especially in relation to income.

There is a correlation between gender and income level, educational level and age, which increases the inequality gap for women in the formal financial system. This situation is aggravated by some gender stereotypes that contribute to increasing them

Some studies argue that a significant gender difference in the area of financial intermediation is the perception of discrimination that some people may have in access to resources. One of the main reasons for women for not applying for a loan is the perception of has fewer possibilities.

Gender stereotypes condition the way in which women are perceived by banks. Although such relationships take place in contexts where there are no formal gender barriers to access to financial services, is a tendency to recognize the capacity of women for economic management at home and family environment, while is presumed for them greater difficulties, or less interest, or less competence to do so in the field of "big" businesses. The stereotype could influence the form, quantity and quality in which financial institutions provide information to women, presupposing their limitations in understanding complex financial processes, and showing less confidence and interest in them

Recent studies in Latin America and the Caribbean conclude that there are significant gender gaps in the ownership of bank accounts and in the use of financial savings and credit products. There are obstacles, constraints (financial and non-financial) and gender stereotypes that help explain and understand the variation in women's access to finance in some countries⁷.

Data shows a persistent gender gap for developing countries in the ownership of bank and savings accounts, as well as in indebtedness. Even after control a number of individual characteristics such as income, education, employment status, residence and age, gender is still the definite factor in access to and use of financial services: women borrow less and for smaller amounts, they come more frequently than men to informal financing circuits, they have fewer titles of property and, therefore, they have fewer assets to offer as guarantee, many procedures still require the husband's signature, being this requirement less probable for men, which increases transaction costs, cultural norms in some contexts significantly restrict women's mobility and social relations, etc.

⁷ Financial Inclusion and Legal Discrimination against women: Evidence from Developing Countries Asli Demirguc-Kunt, Leora Klapper and Dorothe Singer. The World Bank, Development Research Group (2013)

The main factors that illustrate gender gaps in access to financing can be summarized as follows:

1. Difficulties of access to institutions limit the autonomy of women, when it's require the authorization of a male relative; but limitations on mobility, the possibilities of working, establishing a business or the existence or non-existence of anti-discriminatory gender clauses in their respective countries also restrict that autonomy.
2. Use of property is another determining factor for access to financial services: the ability and possibility to own, manage, control and even inherit it affects the opportunities of women to provide assets as guarantees or to be able to hold goods' title deed financed with loans.
3. Possession of assets, or the capacity to have them, has a very determinant weight in the possibility of accessing credit, because it conditions the guarantees that women can offer and they have a very significant influence in the size of the businesses and the companies that they can undertake.
4. Wage gap is a determining variable that affects the ability of women to access credit due to the limits of indebtedness established by financial institutions to prevent the client from using a higher percentage of their monthly income set aside for that concept.
5. Information provided by entities to women, the impact they have on the negotiation of credit conditions, personal and family situation, etc. are elements that also condition that access.
6. Having a certain credit history is an element that determines entities' evaluation regarding the success in the payments' fulfillment of the person requesting financing. If the information about credits requested by married couples is registered in the name of a man, this simple fact affects women's credit history and their ability to access credit in the future.
7. Prejudice about women's reduced ability to compete in financial matters is also a conditioning factor. There is a stereotype that women have more difficulty understanding complex financial processes because of their lower financial culture.
8. Factors related to inequality in the financial sphere is related to the level of financial education. The demand for financial competence is increasing and women may find another threshold of vulnerability to these demands.

5.2 Access to finance and credit: Central America and rural women

According to data collected by the World Bank in Nicaragua and El Salvador, although formal credit is limited for both men and women, men use it to a greater extent (55% men and 45% women according to data from Small Claims Guarantee Fund Companies in El Salvador).

The difference in access to financial services between men and women is more pronounced in rural areas. In El Salvador and Nicaragua, only 12% of men and 7% of women have access to credit. In Nicaragua, the gender differences in the granting of formal credit are marked (one woman for every five men). In contrast, women are favored in informal credit: one woman for 0.8 men (FAO, 2005). It is estimated that in 2005, 81% of loans granted to rural women were unconventional.

Even though men account for most rural loans, 70.3% in the case of Nicaragua⁸, some financial institutions, especially microcredit ones, prefer to deal with women because they show greater discipline in payments. However, women face obstacles to access credit due to the high workload (paid and unpaid), lack of education (which limits paperwork) and few guarantees. This discourages them to undertake new activities with greater remuneration.

Both men and women received informal credit, which in some cases benefited women more. Some NGOs show a clear preference for working with women (65-80% participation) because they consider them to be better payers and to make better use of credit for the benefit of the whole family.

There is also a large difference between the size of credits granted to men and women. According to a study by the International Foundation for the Globe Economic Challenge in Nicaragua, the size of loans granted to women compared to those granted to men was almost 1: 5 in formal credit; while in informal credit ratio was 1: 0.8 in favor of women. These differences reflect business constraints and strategies according to gender. On the other hand, it is recorded that men often use credit to improve and increase their business, while women invest in lower risk operations that provide a flow of income for the family. Another factor that influences the size of the credits is the lack of guarantees (especially, the land) of women.

5.3 MSMEs and Microfinance

Based on available information (National Financial Systems - NFS), 64% of El Salvador's MSMEs were known to be in the hands of women (National Commission for Micro and Small Enterprises, 2011), in Panama in 2010 57% of

⁸ "Gender diagnosis for rural economy in Nicaragua", Torres, M.O., World Bank and Inter-American Development Bank, 2008.

micro-enterprises were led by women (Ministry of Economy and Finance); in the Dominican Republic (January 2009 data), about 45% of MSMEs were led by women (National Competitiveness Council); in Nicaragua, 55% of MSMEs were administered by women (Ministry of Development and Industry and Commerce of Nicaragua); and in Costa Rica there is an improvement in the participation of women, since in 2011 they constitute 31% of the number of clients with MSMEs credit in the NFS.

Rural women play an important role in the productive process; however, lack of resources constitutes the greatest obstacle to their empowerment and development. Improving access to credit allows them to increase their income, decision-making power, self-esteem and their position in home and community. As Cheston and Kuhn (2002)⁹ mention: "access to microfinance can create a virtuous spiral of economic development by increasing the welfare and social and political power of women."

In Central America, ways of rural financing have undergone various transformations. In the past, the State provided strong support through rural credit and technical assistance. However, in the 1990s the structure of rural credit was modified, because at the same time the liberalization of the agricultural sector occurred, the State withdrew from the granting of rural credit, disappearing from many rural areas without being replaced by private banks. Agricultural sector was considered as risky and with few guarantees. The state abandoned its support to small producers, allocating financial services to large producers. Also, microcredit programs were initiated, with a focus on women.

The Latin American Association of Financial Institutions for Development groups data from the main financial institutions of development of Latin America. In a 2000 survey, it was observed how countries that have agricultural banks have a high agricultural GDP and a strong active population engaged in agriculture. The 2010 data from the Central American and Caribbean Microfinance Network (REDCAMIF) show that of the 128 affiliated institutions, on average, the percentage of women clients is 52.4%, but only represent 32.9% of the portfolio. Rural clients accounted for 45.5%, but the portfolio for agricultural and forestry activities represented only 15.6%.

5.4 Credit to climate change

About access to credit by women with the purpose of making investments specifically to favor resilience in the face of climate variability, no precedents - and thus no studies- have been found. Therefore, in order to provide an approximation of this aspect, an analysis of the participation of women and men

⁹ "Empowering women through microfinance", UNIFEM. 2002.

in the CAMBio project, as well as in the history of intermediation programs within CABI, have been performed and included in the next section.

With regards to the project with most of similarities with the proposed project, *Proyecto regional "Mercados Centroamericanos para la Biodiversidad (CAMBio)"*¹⁰ and its prolongation, "*Biodiversity friendly MSMEs*", a total of 22 IFIs have participated, having disbursed more than USD 56 million. The majority of the participating IFIs have corresponded to non-banking institutions. The table below shows a detail of the numbers.

In order to have an approach to the type of beneficiaries that this project will likely reach, this section offers an analysis of the results of the CAMBio project. As presented in the Introduction section, the project was successfully implemented with the same intermediation scheme as the one proposed in this project. This project is taken as a basis for the new project because it focused on access to credit for MSMEs for environmentally friendly investments and thus it is the most similar experience in CABI, and constitutes a foundation of the new proposal

CAMBio has granted 12,107 loans to date, reaching a total of 26,036 beneficiaries. 60% of the more than 56 million disbursed have been awarded to medium-sized enterprises, 26% medium and 14% small. However, in terms of number of loans granted, the vast majority, 92%, have been granted to small businesses. This responds to a logic of credit decision capacity for different types of businesses: it is important to note that a significant portion of the loans were micro scale

CAMBio's database allows analyzing women's participation under two aspects: first, how many women and how many men gained access to credit, either because they have applied directly or because they have obtained it through their cooperative; on the other, how many women, men and organizations had the credit in their names. Thus, it can be seen that 37 % of the total beneficiaries having the credit in their names, were women. As for credits direct application, 70% of the total amount was recorded in legal entities (organizations, cooperatives, companies), representing 6 % in terms of quantity. It is important to note that this figure does not allow knowing the portion of women and men that accessed to credit under the "legal entity" category

¹⁰ The project CAMBio, *Central American Markets for Biodiversity: Mainstreaming biodiversity conservation and sustainable use within micro-, small, and medium-sized enterprise development and financing*, was a tripartite initiative of the GEF (Global Environment Facility), UNDP (United Nations Development Programme), with financial support from CABI (Central American Bank for Economic Integration). The main objective of the project was to remove financial barriers by providing loans to Micro, Small and Medium Enterprises that facilitate technology adoption and cause the transformation of production practices that contribute to biodiversity conservation.

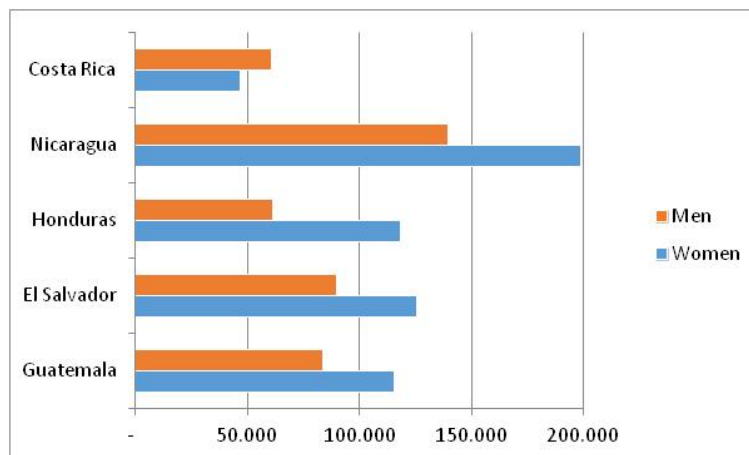
Figure 3. Number and amount of sub-loans by gender/legal entity in CAMBio project



5.5 Experience with Intermediation projects focused on MSMEs

Although CAMBio constitutes a reference due to its thematic approach, it is worth observing the trends in the whole history of intermediation within CABEL's programs directed to the MSME sector, which bring other type of distribution.

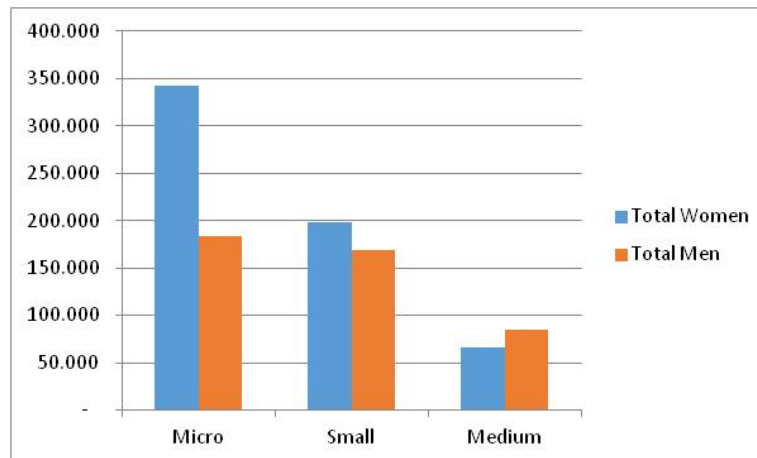
Figure 4. Number of sub-loans granted to the MSME sector by CABEL's programs by gender and by country (1996-2016)



Note: no statistics for Panama and Dominican Republic, where programs were not implemented

These numbers show that, apart from Costa Rica, women have been historically more prevalent than men as beneficiaries of intermediated credit. Honduras is the most relevant example, with 66% of the sub-loans been provided to women.

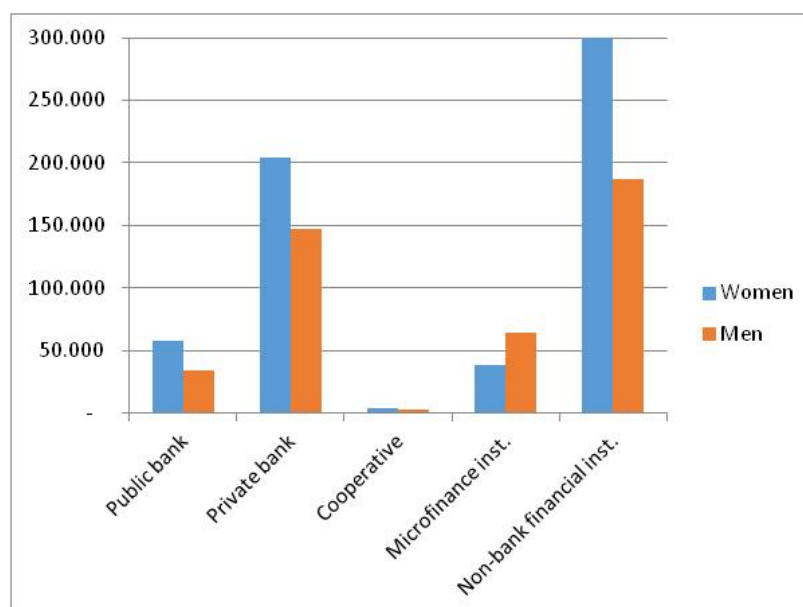
Figure 5. Number of sub-loans granted to women and men through intermediated credit, per size of enterprise (1996-2016)



It can also be observed that women are more present in the credit access through micro and small enterprises. This is consistent with the diagnosis performed in the sector in Central America (see statistics presented in previous section).

Regardless of these figures, this new initiative will incorporate a gender perspective in order to ensure gender equity. Please see project's gender approach in Section II-A, and project's benefits in terms of gender equity in Section II-C

Figure 6. Total beneficiaries women and men having accessed intermediated credit, per type of IFI (1996-2016)



The difference in women's access according to the type of IFI is significant: in the case of public banks, non-banking institutions and private banks, there has been correspondingly 25%, 24% and 16% more access for women than for men. The opposite happens with the microfinance institutions, through which 25% more men have access to credit than women.

6 Gender issues raised during stakeholder consultations

The engagement with NDAs, civil society organizations and other relevant stakeholders has been developed in two main stages:

- ✓ The first one, before the submission of the Concept Note: interviews to CAMBio beneficiaries were performed between the 23rd and the 26th August 2016: 8 MSMEs, 1 IFI and 2 Technical Assistance Providers were consulted; interviews to beneficiaries of other CABEL's programmes were undertaken during workshops with IFIs and MSMEs.
- ✓ The second one, after the submission of the Concept Note to the GCF, which allowed the completion of the consultations under a multi-stakeholder engagement process. From the 26th of July to the 3rd of August 2017, meetings with stakeholders from Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica were held; during September and October 2017, interviews were undertaken with stakeholders in Panama and the Dominican Republic. The objective was to inform them about the Programme and gather their opinions so to consider them in the design. In total, 11 IFIs, 13 MSMEs and 3 NGOs were consulted. Meetings with the NDAs of the 7 countries were also held with the objective of sharing the stages of this process and confirm the alignment of the objectives of the Programme with the national climate change strategies and commitments.

Both processes are summarized in Section E.5.3 of the FP; please refer to Annex II – Stakeholder engagement -, for a complete description of the interviews, records and outputs, including climate change impacts observed and recommendations for a new initiative, as well as supporting documentation of the meetings.

Main gender aspects raised during the consultations are summarized below:

1) MSMEs

Most of the MSMEs consulted could address or respond to questions on gender issues. **Many of the MSMEs had in their own organization a significant participation of women**, e.g. a coffee cooperative in Honduras counts with a gender committee; an agro-touristic project in Nicaragua is an all-women company; another agro-touristic project employs more women than men; the Costa Rican organization Nala-Kalú is presided over by 2 women; in

the Association of Talamanca Small-scale producers in Costa Rica most are women (60%) and they also are the majority in the directors' board.

Although there is a significant presence of women in the interviewed MSMEs, they are conscious of the **barriers** women face when accessing credits or when accessing technology. Also, they acknowledge the impact that climate change has especially on women.

When asking about the **needs** of women in the rural areas with regards to credit and adaptation to climate change, most of them responded with Technical Assistance in different ways:

- ❖ Accompaniment, close follow-up. Self-esteem to be strengthened.
- ❖ Support for diversification.
- ❖ Production plan.
- ❖ Support for accessing credits, since many of them are illiterate or with low levels of education.

Other demands are related to:

- ❖ the simplification of procedures for accessing credits and developing projects;
- ❖ to lower the requirements to be met;
- ❖ and to foster women's participation and control of the economic resources.

2) IFIs

The majority of the IFIs interviewed highlighted the high participation of women in their portfolios. This is the case for AYNLA, microfinance institution in Guatemala, with 55% of women in the case of associations; for Génesis Empresarial, non-banking institution in Guatemala, with women present in the 70% of the portfolio; ODEF Financiera, microfinance entity for the agricultural sector in the northwest of Honduras, with 50% of women; and LAFISE BANCENTRO, a commercial bank of Nicaragua, with 52% of women in their portfolio. The mortgage bank Banco Hipotecario in El Salvador also affirms having a good percentage of women clients among the MSMEs and good background in credits for women.

Other entities such as FDL, financial institution in Nicaragua that participated in CAMBio with silvopastoral systems, water harvesting, improved seeds and grassland consolidation, affirms however that the agricultural portfolio is predominantly male.

All the same, all the IFIs interviewed see that women have more difficulties with accessing credits.

With regards to their obstacles, they highlight:

- ❖ Rurality, poverty and low schooling are concentrated in women.
- ❖ Lack of self-esteem.
- ❖ General sexism.

With regards to their advantages, they highlight:

- ❖ Greatest payment responsibility.
- ❖ They are the ones who want to learn the most, their productions being more resilient.

With regards to the strategies, they suggest:

- ❖ Close follow-up, accompaniment.
- ❖ Technical support in commercial capacities, credit management.
- ❖ Encouraging women empowerment by promoting their control of the money.
- ❖ Gender training at the level of technicians.
- ❖ Flexibility when asking requirements.

7 How this Programme addresses identified barriers

The project is directly implementing the gender perspective focused on almost all of the identified barriers. Please see the table below, that has been included as well in the Gender Assessment.

Barrier identified	How the Programme addresses this barrier
Lack of women participation	<p>Participation of women will be fostered by:</p> <ul style="list-style-type: none"> • Dedicating resources for their access to the Programme (training in gender issues through the whole circuit, from the AE, to the IFIs, the Technical Assistance Providers and the MSMEs, support for women's mobility for their participation in training, workshop for female leaders). • The engagement of the Programme for promoting and prioritizing collective / cooperative / associative projects, that usually involve higher participation of women. • Providing higher resources for adapt-awards if the MSMEs are women-led. • Working with all types of IFIs (from

Barrier identified	How the Programme addresses this barrier
	<p>commercial banks to cooperatives) and promoting various scales of credits: aspects that involve further reach of credit to women.</p> <ul style="list-style-type: none"> • Hiring an environmental and social specialist with competencies in Gender issues, for being part of the Programme Management Unit, during the whole duration of the Programme.
Close follow-up, accompaniment	This aspect will be covered during the described TA activities and resources focused on participation of women.
Support for diversification of the production / technical knowledge on adaptation to climate change	<p>This aspect will be covered by:</p> <ul style="list-style-type: none"> • The training activities on climate change and adaptation to climate change measures. All training will take into account the gender perspective, from the moment of the call, to the mobility needs. • The monitoring of women's participation in trainings. • The monitoring of women accessing credits. • The monitoring of women implementing adaptation measures. • The monitoring of women receiving Adapt-awards. • The monitoring of women participating from the Knowledge Sharing component. • This will all be addressed as well in the workshops dedicated to analyse participation of women in the Programme and its associated Study.
Production / Business plans / financial education	This aspect will be covered during the described TA activities (particularly pre-investment activities) and resources focused on the participation of women.
Too complex procedures/forms to access credit	The complexity of procedures was an issue raised during the programme CAMBio I and highlighted by the Final Evaluation of the programme. This aspect has been addressed by the simplification of the forms and by considering technical accompaniment focused on women.
Promoting women's control of	This aspect will be covered by the

Barrier identified	How the Programme addresses this barrier
the money	<p>Programme by all the activities related to women's participation.</p> <p>CABEI expects having more women participating due to the described capacity building activities; and to give further impulse to women having control of the money, CABEI proposes as strategy that the Adapt-awards will be higher if the MSMEs are women-led.</p>
<p>Visibilization of gender issues within technicians and IFIs' staff, including how the IFIs evaluate credit history, prejudice about women's reduced ability to compete in financial matters.</p>	<p>This aspect will be covered by the training activities on gender issues for CABEI, IFIs staff and MSMEs.</p>
<p>Collateral / guarantee requirements</p>	<p>The Programme will not directly address the collateral / guarantee barrier for several reasons:</p> <ul style="list-style-type: none"> • In CAMBio I there was a component of guarantees that failed: <ul style="list-style-type: none"> ○ There was not much demand of this product, since there were guarantee programmes offered by the governments or international bodies. ○ The small amount of guarantees that were granted by the programme, were forfeited. • The financing sector senses guarantees as an insecure instrument. They see this instrument as high risk. • To have this guarantee does not ensure that the IFI would not be requesting complementary guarantees (e.g. mortgage). Therefore, the added value would not be high. <p>However, the capacity building activities for pre-investment and the ones focused on women, will address this issue and will provide guidance for accessing existing guarantee programmes or negotiating conditions.</p>

This Programme will address most of the women's needs raised by the IFIs and the MSMEs with the general and the women-oriented Technical Assistance activities in Component 2. And will foster further the reach of women by a differential set for granting the Adapt-Awards in Component 2.

Please see the Gender Action Plan of the Programme for the details of the proposed activities.