



SAVING  
LIVES  
CHANGING  
LIVES

## Gender & Risk Finance

The transformative power of women

March 2021

TO END HUNGER AND ENSURE  
FOOD SECURITY FOR ALL PERSONS,  
GENDER EQUALITY MUST BE A  
PRIORITY.

# Introduction

More than 1 billion girls and women globally do not have access to adequate nutrition and healthy diets.<sup>1</sup> Worldwide, the prevalence of food insecurity is higher for women than for men and there are fears that the current pandemic will increase the number of undernourished girls and women even more ).<sup>2</sup> COVID-19 has had a devastating impact on the food security, nutrition and livelihoods for women and girls, but other shocks also compound these risks, including extreme climate events. Building the resilience of the most vulnerable and food insecure is a priority for the World Food Programme (WFP), with risk financing playing an important role.

Research has shown that women and men face different vulnerabilities, risks and impacts based on their gender, with implications for their coping strategies and overall well-being. In many societies, women and girls bear the brunt of household chores in addition from caring for children and the elderly, household food production, water and wood gathering.<sup>3</sup> Additionally, women and girls have higher levels of mortality and morbidity in situations of disaster.<sup>4</sup> Many of these inequalities can increase vulnerabilities to climate shocks, given many women and girls may lack appropriate access to disaster information, to financial services, to participation in community decision-making and resource allocation, and to rights that govern property and mobility. Importantly, women and girls already contribute to building climate resilience within their families and communities, and they can be further empowered as major actors to achieve these outcomes.

One key approach for building women's resilience to a range of compounding shocks is increasing their access to risk management strategies. Gender equality is a fundamental human right, with women's empowerment a cornerstone for achieving inclusive, equitable and sustainable development. An ambitious goal at WFP is to seek ways to apply a gender-transformative approach to our work, that addresses the underlying causes of gender inequalities and transform gender relations. All of our interventions aim to address the different needs of all women, men, girls and boys to achieve zero hunger.

This requires tackling inequalities and promoting women's empowerment to achieve equal opportunities, equal access to resources and equal voice in decisions in households, communities and societies.<sup>5</sup>

The following success stories show the transformative power of women in Guatemala and Zambia, once access to knowledge and integrated risk management strategies are unlocked. The case studies show that communities can be supported to strengthen their informal risk-management mechanisms, while enhancing their financial literacy and access to formal and inclusive financial services. While programmes in Zambia and Guatemala are in different phases of implementation, they have the same objectives: end hunger, save lives and ensure food security and nutrition for everyone.

## A gender transformative approach

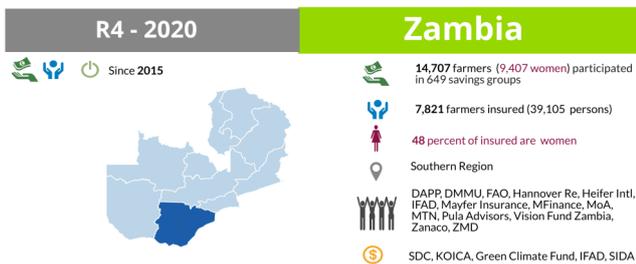


ADVANCE SEXUAL & REPRODUCTIVE HEALTH AND RIGHTS (SRHR)



RECOGNIZE AND REDISTRIBUTE THE BURDEN OF UNPAID CARE AND DOMESTIC WORK

1 [Global Nutrition Summit, 2017](#)  
2 [FAO/IFAD/UNICEF/WFP/WHO 2020](#)  
3 [IUCN, Macchi 2008](#)  
4 [Neumayer, 2007](#)  
5 [Gender Policy, 2015-2020](#)



## Background

Climate variability and change are intensifying extreme weather events including unusual high temperatures, floods, droughts and seasonal change, with impacts that threaten people’s livelihoods and food and nutrition security in Zambia, where more than half of the population lives below the poverty line of \$1.90 per day.<sup>6</sup> Even higher poverty rates among female-headed households show that gender inequality affects food security for many women and their families, illustrated by high levels of stunting and iron deficiency. Worst hit by the effects of climate shocks are the 1.5 million smallholder farming households predominately dependent on rain-fed agriculture who already face a myriad of challenges including limited access to reliable markets, financial services, inputs, information, and post-harvest management and storage. For these farmers and their communities, it is essential to adapt to changing climatic patterns and manage increasing risks to their food production and income. And not only for them, but also for the whole population this is important, as smallholders are responsible for up to 90 percent of the food produced in Zambia, with women accounting for about 80 percent.<sup>7</sup>

## The Story of Emeldah

**Emeldah Hichoombolwa** (43) is a farmer and single mother of six (6) from Monze District – a small farming town in Southern Province prone to increasing adverse climate conditions including erratic rainfall and frequent dry spells. Like most farmers in Monze, she depends on rain-fed agriculture as a main livelihood. For generations, all her family grew was maize – a crop highly susceptible to drought and flooding containing limited nutritional value.

Living in unpredictability, Emeldah joined her local farmers’ club in 2017. There, WFP, in an effort to support the Zambian Government to increase the productivity and resilience of smallholder communities, was providing support to farmers through a comprehensive risk management approach. The aim was to increase production, enable access to drought-tolerant and highly nutritious seeds, reduce post-harvest losses, improve access to new markets and financial services for increased incomes.

This support included insurance protection against droughts to help smallholder farmers safeguard their livelihoods so that their investments will not be lost when a shock hits. As a result, in 2020 Emeldah received a pay-out of 169 Kwacha (about 8 US\$) to compensate for the loss of most of her maize crops due to dry spells.

*“As time went on, dry spells and droughts became longer, and our community could no longer predict the rainfall pattern. Year by year, I did not know if my maize would make it to harvest.”*

Emeldah Hichoombolwa, R4 micro-aggregator



6 PMA 2021

7 WFP 2021

She says: *“Insurance helps me to continue farming and buying inputs when I suffer losses from weather events... The money given by the insurance company goes a long way. After receiving the pay-out, I bought five kilograms worth of maize seed. I planted the maize seed on half a hectare (1 lima) and the maize crops are doing well, and I am expecting a good harvest”.*

Emeldah adds that: *“This really cushioned the loss of my maize fields.”*

The integrated risk management approach also incentivizes farmers to build up savings through community savings and loans groups. This ensures that they can cope with other shocks unrelated to drought and crop failure and will eventually be able to afford the insurance premiums on their own, without assistance from WFP. The savings groups also have a multiplier effect on *daily lives*, especially for women like Emeldah who mentions that:

*“I personally use myself as an example of how savings have improved my livelihood. As a single mother, the savings have really helped me raise my six children on my own. Through savings, three of my six children have completed high school.”*



In addition, WFP encouraged Emeldah to diversify her farm and helped her access drought-tolerant and highly nutritious seeds (pulses). She received trainings on post-harvest losses to help her keep the gains of her production and ensure the quality of her pulses. WFP also helped Emeldah to form a nutrition group and provided nutrition training in her community, which helped her expand her products made from pulses and contributes towards improved nutrition outcomes in her community. She says:

*“Pulses changed my life. They have not only improved my income, but also the health of my family and community as a whole.”*

Through the support provided by WFP, Emeldah managed to turn her life around and is now well-known as a successful and proud businesswoman in her community.

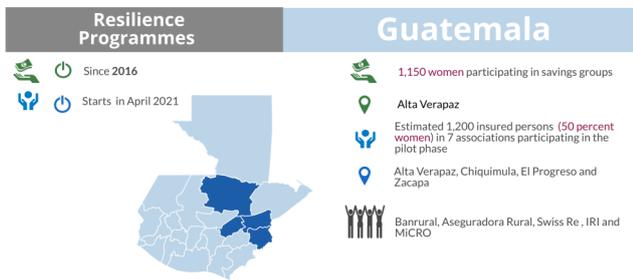
#### Credits

Interview conducted by: Sophie Smeulders Date: January 2021

Interview translated by: Paul Mboshya

Interview language: Tonga

Country/region of interview: Zambia, Monze District, Southern Province



### Background

Guatemala is prone to natural hazards and is one of the countries in Central America that is most affected by climate variability and climate change.<sup>8</sup> Increasing frequency and intensity of droughts, as well as excessive rains, severe flooding and landslides have led to chronic food insecurity in recent years, with the COVID-19 crisis exacerbating the situation.

Two thirds of Guatemala’s population lives on less than USD 2 per day. Pervasive poverty, high rates of stunting and socioeconomic and political inequality threaten people’s food security, with many of the most vulnerable being women, children, rural and indigenous groups. Among the indigenous population, poverty averages 79 percent, with 40 percent living in extreme poverty. Smallholder farming households in Guatemala are predominately dependent on rain-fed agriculture. With an average of 0.6 hectares of land, most cannot rely on



agriculture as their only source of income and must combine it with daily labour, commerce and remittances.<sup>9</sup>

### The story of the Savings and Loan Empowerment Group “Corazón de Maíz”, Panzós, Alta Verapaz

In the department of Alta Verapaz, central Guatemala, a group of 12 women is applying the knowledge acquired with the help of WFP’s resilience programme to overcome many gender-specific challenges. Since 2016, the members of the group were trained in raising small animals (poultry and pigs), and in implementing a savings and loan scheme. These women have embraced entrepreneurship and savings and loans management in order to meet the basic needs of their families, improve their well-being, and promote the participation of women in the Mayan (indigenous) community.

**Herlinda Caal Tzi** is the president of the group, and recognises that thanks to what they have learned in the group, they have been able to generate their own income and save up money.

“Before the savings group we had not a penny saved up. Right now, when it is needed, we borrow money from the group so we can fulfil the needs of our household.”

Herlinda Caal Tzi, president of the “Corazón de Maíz” Group

Together with their families, these women are engaged in farming activities. Herlinda explains that the money borrowed from the savings group allows them to buy inputs, such as seeds and fertilizers. She adds that income diversification and savings have been essential in supporting their families during the current COVID-19 pandemic:

8 [Germanwatch, 2020](#)

9 [FAO, 2020](#)

*"It has been a bit difficult in this state of calamity because our husbands have not been able to go out to work... We were able to keep going by selling some of the animals and tortillas, therefore, we have been able to support our families and our husbands."*

**Isabel Cux Cucul**, mother of three daughters and one son, is the bookkeeper of the group since 2017. Weekly she writes down how much each member has saved and controls the cashflow. Isabel highlights how important it is to know how to read and write, and that her school education until the 5<sup>th</sup> grade of primary school has allowed her to take on this role. Knowing the importance of education, Isabel sends her children to school. She mentions that in her group very few participants can read or write, mainly because of gender barriers that hinder girls from attending school. As a result, 51 percent of the women in Guatemala have no own income, exposing them to financial dependence, poverty and violence.<sup>10</sup> When asked about how she envisions the future of her daughters, Isabel replied:

"I want to see my daughters working and graduating from school, because this is what we have taught to them. How to generate your income, so they can learn from what we are doing."

Isabel Cux Cucul, bookkeeper of the "Corazón de Maíz" Group



### WFP's Regional Office

WFP's regional office in Latin America and the Caribbean (LAC) has adopted a [Risk Financing Strategy](#) to facilitate the incorporation of inclusive and innovative risk finance approaches into sustainable and scalable policies, programmes and partnerships that support vulnerable and food insecure populations. This includes risk retention through savings and credits as well as risk transfer through crop insurances.

Inspired by this strategy, the office of WFP Guatemala designed its own Climate Risk Finance Strategy to improve the portfolio of risk-management tools offered to the most vulnerable in the country. This strategy encourages complementarity between different tools such as savings, credit, insurance and forecast-based financing, while also considering different levels from the micro (smallholder) to macro (governmental) approaches.

In 2021, Guatemala is launching a parametric insurance product offering smallholder farmers and entrepreneurs coverage against drought and excess rain so as to protect their livelihoods in case of a shock. This will be the first microinsurance product launched by WFP in Latin America, after successful experiences in Africa and Asia.

The 12 powerful women from the "Corazón de Maíz" group in Alta Verapaz will be among the nearly 1,200 participants in the pilot that will enable access to one more risk finance solution supporting them to achieve a comprehensive risk management approach.

### Credits

Interviews conducted by: Alejandra Samayoa Date: January 2021  
Interview language: [q'eqchi'](#)  
Country/region of interview: Guatemala, Panzós, Alta Verapaz

<sup>10</sup> [United Nations Economic Commission for Latin America and the Caribbean](#)

# Success factors from Zambia and Guatemala

## 1. APPLYING A GENDER LENS IN ALL PROGRAMME PHASES IS KEY



Enabling an integrated gender focus in all phases of the programme can ensure the cross-cutting nature of gender is acted upon.

## 2. RISK FINANCE IS ONE PIECE OF THE PUZZLE FOR CLIMATE RISK MANAGEMENT



Integrated climate risk finance initiatives have the potential to play a role in adaptation as part of a wider risk management strategy.

## 3. WOMEN'S EMPOWERMENT HAS A MULTIPLIER EFFECT



Increasing access to and use of quality financial services is essential to inclusive economic growth, poverty reduction and food security.

## 4. FULLY INTEGRATE GENDER INTO M&E AND EVIDENCE GENERATION ACTIVITIES



Sex-disaggregated data and in-depth gender qualitative information can better inform the gender outcomes for climate risk finance initiatives.

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