Gender and Social Inclusion Strategy

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**Introduction**

Samarth-Nepal Market Development Programme (NMDP) is a five year DFID-funded rural market development programme, which follows the *Making Markets Work for the Poor* (M4P) approach\(^1\).

The programme works to improve the underlying pro-poor performance of rural sectors, leading to improved incomes and growth for both poor and disadvantaged people. Samarth-NMDP focuses on a range of rural markets, particularly agriculture, and on cross-sectoral issues such as business enabling environment and media.

This strategy outlines how Samarth-NMDP aims to ensure that increases in incomes and growth stimulated by the programme are inclusive of women and socially excluded groups. It draws on insights and experience from other M4P programmes outside of Nepal, and of resources and studies already conducted in Nepal\(^2\). The strategy is intended primarily as an internal document and as a guideline for teams involved in the design, implementation and management of interventions. It is envisioned that this strategy will be a ‘living document’ and updated at the end of each programme year as Samarth-NMDP learns and adapts to the challenges of implementing the first ever gender and social inclusion-responsive M4P programme in Nepal. The strategy is not intended to be an exhaustive repository of facts and figures on gender and social inclusion trends in Nepal: details on the specific constraints facing disadvantaged groups and the impact the Samarth-NMDP has had on them can be found in separate research studies, evaluations and impact assessments.

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\(^1\) Samarth-NMDP is managed in partnership with the Government of Nepal by a consortium comprising Adam Smith International, The Springfield Centre and Swisscontact

1. Why Samarth-NMDP focuses on gender and social inclusion

In Nepal, 55% of the population still lives on less than $1.25 per day, and 78% on less than $2 a day: gender and social exclusion have been found to be drivers of poverty\(^3\). Inequalities have also increased with a rise in the Gini coefficient (from 0.34 to 0.41 between 1995 and 2004), and it is clear that poverty continues to affect social groups to differing degrees. A recent report on gender disparities concluded that Nepal is one of the least equal countries in the world – ranking 115\(^4\) out of 134.

Given the high levels of poverty and inequality in Nepal, Samarth-NMDP has an explicit focus on gender and social inclusion, working, where possible, to address gender- and social inclusion-specific constraints in rural market systems to ensure they grow as inclusively as possible\(^5\).

Samarth-NMDP’s focus is based on the recognition that excluded groups face higher barriers to accessing and benefitting from markets, and that markets cannot effectively drive poverty reduction when these groups lack productive assets, or perceive that the risks and costs of participating in markets are too high. Gender and social inclusion is therefore a core part of Samarth-NMDP’s strategy as a market development programme with the ultimate goal of contributing to poverty reduction in Nepal.

There are two major dimensions of exclusion: economic and social. As a poverty reduction programme aimed primarily at reducing income poverty, Samarth-NMDP is concerned with the economically poor of all castes, ethnicities, locations and sexes. However, Samarth-NMDP is also concerned with groups who are ‘socially excluded’ from markets due to their gender, caste, ethnicity and/or location\(^6\). These groups include women, Dalits, Adivasi Janjatis, Madhesis, Muslims, and people from geographically remote areas. Poverty rates among socially excluded groups in Nepal are often higher than the national average and have, in general, been significantly slower to decline compared to non-excluded groups: for example, poverty incidence in rural hills of the Mid and Far Western region is double that in the Eastern region, and Dalits have almost double the poverty incidence than non-Dalits\(^7\).

At the intersection of economic and social exclusion are the groups considered by Samarth-NMDP as being ‘disadvantaged’\(^8\). In other words, those who, by virtue of their gender/caste/ethnicity/location, are living in poverty (i.e. already part of the programme target group) but face additional, social exclusion-specific barriers to accessing and benefiting from markets. In other words, disadvantaged groups are both poor and excluded:

\(^3\) UN Human Development Report, 2009. Broader measures of poverty that include living standards, health and education dimensions confirm this scale of poverty (Multidimensional Poverty Index (MPI); Oxford Poverty and Human Development Initiative, 2010)

\(^4\) The Global Gender Gap Report, World Economic Forum, 2010

\(^5\) Inclusiveness is about market-driven sources of growth, which seek to expand markets and economic opportunities within them (absolute pro-poor growth), rather than equality-focused solutions (which often involve re-distribution of existing assets or incomes within fixed markets). World Bank definition

\(^6\) According to the Interim Constitution and Three-Year Interim Plan, excluded groups refer to those who have experienced exclusion historically and have not been mainstreamed in the nation’s development: women, Dalits, Adivasi Janjatis, Madhesis, Muslims, people living with disabilities, and people from geographically remote areas

\(^7\) NLSS 20111. Based on the national poverty line, poverty ranges from 16 percent in Eastern region to 37 percent in Mid and Far Western region; and is 42 per cent for Dalits compared to 23 per cent for non-Dalits

\(^8\) Annex 2 sets out the full Samarth-NMDP definition of disadvantaged groups
Exclusions can be cross-cutting and cumulative. Individuals could suffer some dimensions of exclusion, but not others - for example, a poor Brahmin woman from Gorkha Bazaar might be relatively advantaged in terms of her caste and her fairly well-connected location, but excluded by her poverty and gender. Others will suffer from exclusion in almost all dimensions: for example, a poor Dalit woman in Jumla must contend with four dimensions (poverty, caste, gender and remoteness) of exclusion.

As these dimensions all interact with each other in different ways to frame the life chances and economic opportunities of different individuals, exclusion needs to be understood in a holistic way\(^9\). Hence, gender and social inclusion – since prior efforts in Nepal have taught us that it is far less effective to target gender and social inclusion separately\(^10\).

\(^9\) Dynamics of exclusion in this section are taken directly from the DFID/World Bank/ADB paper ‘Sectoral Perspectives on Gender and Social Inclusion: Agriculture Monograph’, hereafter referred to as the Agricultural Monograph.

\(^10\) Ibid.
2. The type of impact that Samarth-NMDP intends to have on disadvantaged groups

Samarth-NMDP has a mandate to address poverty reduction through promoting the growth of market systems in ways that open up opportunities for the poor and disadvantaged – both in terms both in terms of supply of services and access to those services.

Resolving the ‘underlying causes’ of underperforming markets mean that poor and disadvantaged farmers/small-scale entrepreneurs can improve their access to the assets, goods and services necessary for growth, participate on improved terms of exchange, and expand their productive activities to generate more income, contributing to raising them out of poverty – whether directly (through market players the programme is facilitating) or indirectly (through copying or through market-players ‘crowding in’). Together, this allows disadvantaged groups to realise greater economic gains from markets.

However, disadvantaged groups face issues of not only economic but also social exclusion. How far economic advancement alone (increased incomes) leads to the ‘empowerment’ of disadvantaged groups is a matter of continuing debate.

While some arguments have been made that economic advancement does often lead to both economic empowerment (control over funds, productive time etc.) and wider empowerment of socially excluded groups (participation, voice etc.), others claim that economic advancement does not necessarily – or automatically - empower and may in fact be disempowering. Issues such as women’s time and work burden, control of income and decision-making authority are measures of empowerment that may improve - or worsen - as women engage in remunerative work (‘productive’ work). Since it cannot be assumed that increased incomes will automatically translate into increased well-being and empowerment, Samarth-NMDP examines its impact on disadvantaged groups in terms of both economic empowerment and broader empowerment issues.

In this context, Samarth-NMDP defines economic empowerment as encompassing:

- Economic advancement: increased incomes and return on labour
- Access to opportunities and life chances such as increasing skills or upgrading to higher value chain roles
- Access to assets, services and needed support to advance economically
- Decision-making authority in different spheres, including household finances and business activities

And empowerment, more broadly, as:

- The ability of disadvantaged groups to exercise voice, influence and agency and have the capacity to decide and act upon issues that they themselves deem important.

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11 For example, when increased paid work leads to overburdening of women or when they have no decision making power over income earned.

12 Discussion Paper for an M4P WEE Framework, by Dr. Linda Jones, p8

13 Taken from the ‘empowerment’ domains of change as outlined in the DFID Nepal Operational Plan: Gender Equality and Social Inclusion Annex, and the Katalyst gender strategy
3. Gender and social inclusion in a market development approach

The market development approach is different from traditional poverty-reduction approaches as interventions are not carried out directly with beneficiaries, i.e. poor farmers and entrepreneurs. Instead, Samarth-NMDP acts as a facilitator ‘outside’ the market system to influence market players ‘inside’ the system to strengthen the functioning of the market.

Economic empowerment programmes often take a more ‘hands-on’ approach, working directly to target specific disadvantaged groups (and sometimes combining social and economic objectives) and to redress specific constraints they are facing. In M4P, the challenge is to unlock the incentives of public, private or civil society actors to target/serve new market segments, i.e. the poor and disadvantaged, themselves 14.

A number of key differences exist between market development and other poverty reduction approaches:

<table>
<thead>
<tr>
<th>Other poverty reduction approaches</th>
<th>Market development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works indirectly via market players and not directly with end beneficiaries</td>
<td>Focus on the market system itself</td>
</tr>
<tr>
<td>Work directly with beneficiaries and other stakeholders (e.g political and social institutions)</td>
<td>Focus on economic sectors with maximum potential for growth for high impact</td>
</tr>
<tr>
<td>Aspire to being people-led and people-focused</td>
<td>Focus on interventions likely to achieve scale and high outreach (i.e. reach large numbers of the poor)</td>
</tr>
<tr>
<td>Prepared to work in sectors with lower growth potential in order to meet unmet need</td>
<td>Sustainability achieved by leveraging incentives of market players to adopt improved market practices in long term – systemic market change</td>
</tr>
<tr>
<td>Interventions may be small-to medium sized (e.g. tailored for particular groups such as indigenous peoples)</td>
<td>Acceptance that some interventions may require long-term funding and support</td>
</tr>
<tr>
<td>Acceptance that some interventions may require long-term funding and support</td>
<td>Rationale based on market principles to achieve pro-poor inclusive growth</td>
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</tbody>
</table>

For Samarth-NMDP, it is important that considering issues of economic empowerment - and only economic advancement - does not undermine these basic principles of market systems approach. The systemic approach and the role of the programme as a facilitator (and not a player in the system) should be maintained and not threaten the scalability and sustainability of interventions.

The M4P framework, in turn, is designed for the ‘poor’ – which needs to be unpacked by making a distinction between men and women, between different castes, or ethnicities, or between those of different geographic locations - when and where they face additional barriers to markets. The critical step is to understand and analyse these groups – like the poor - as market segments, and not treat them as homogenous.

A focus on empowerment also involves looking beyond the ‘individual as a producer’ level (as owners/operators of enterprises) towards the household and even community levels. While Samarth-NMDP will not always be able to influence these dynamics (e.g. decision-making and ‘voice’ at the household or community level), the programme seeks to understand, as far as possible, the impact it has caused at this levels, based on the fact that disadvantaged groups, like all economic actors, engage in different spheres beyond their productive role as ‘owners’ of enterprises.

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14 This section is adapted from the Katalyst Gender Strategy, 2010 and the Discussion Paper for an M4P WEE Framework, by Dr. Linda Jones
4. Understanding the constraints facing disadvantaged groups

Disadvantaged groups may face a range of barriers to accessing and benefiting from markets as a result of their economic situation and socially constructed roles and responsibilities. As these are context-specific, rather than a one-size-fits-all model each Samarth-NMDP project defines who the ‘disadvantaged’ are in the market system(s) they are working in and identifies the causes of their exclusion (and solutions).

Examples of constraints may include:

- Remoteness of geographical location (distance from urban centers, terrain, infrastructure)
- Access to and control of resources such as land and technology
- Knowledge and skills from agricultural know-how to financial management
- Access to services that are needed to start and grow businesses, or get and improve employment opportunities
- Opportunities in business or labour markets including training, jobs and credit
- Decision-making authority due to social-cultural constraints
- Unpaid work at home leading to heavier workloads if outside work is also undertaken

In the context of Nepal, a number of trends in the common challenges (and opportunities) to increasing disadvantaged group’s access and benefit from markets can be identified:

**Challenges**

- Only about 11% of households have land under female legal ownership. Female-headed households average only 0.50 ha of farmland, compared to 0.78 for male-headed households.

- The majority of Dalits are dependent on land for their survival, but 15% of Hill Dalits and 44% of Madhesi Dalits own no land. Only 47.9% of Tarai Janajatis have land they own, in contrast, 73.9% of Hill Janajatis own land.

- Only 32% of households can reach the nearest agricultural centre within 30 minutes, only 28% can reach the nearest bank, and only 34% can reach a cooperative offering farming inputs.

- Women’s access to institutional credit from banks remains marginal compared to men (1.7% in 2004).

- Women mainly work as unpaid family labour in agriculture, or for a combination of cash and in-kind payment. Tarai Janajatis have the highest proportion of women (43%) working without pay.

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15 A common constraint for women to get involved in more income-generating activities is the time spent for unpaid care work. A programme in Tajikistan, for example, found that none of the entry permissions to markets were actually designed to support smallholder women to participate in the local market, but were rather directed toward people that are able to allocate 100% of their working time to the business. (Synthesis of the SDC e-discussion of Women’s Economic Empowerment in M4P Projects, p.2)

16 Central Bureau of Statistics, 2001 National Population Census

17 Agriculture Monograph

18 Ibid.

19 National Network for Beijing Review Nepal, 2009

20 Agriculture Monograph
• Wage differentials persist: with an average of rs. 5.05 per hour for adult males compared to 3.06 for females\(^21\).

**Opportunities**

• Women are increasingly moving to small businesses and self-employment ventures, such as cottage industries and handicrafts, vending, vegetable selling etc. Approximately 500,000 are involved in business activities country-wide, with around 7,000 formally registered\(^22\).

• There is an important trend towards greater women’s participation in agricultural management (led in part by male out-migration), resulting in already high participation of women in accessing - but not necessarily equitably benefitting from - services. A much larger proportion of women (86%) than men (52%) in the 15-49 age group are engaged in agriculture, with a high presence (above 90%) of Madhesi Dalit, Tarai Janajati, and Madhesi\(^23\).

• More than 70% of livestock farmers are women and the participation of women in farmer groups is increasing\(^24\).

• Government policies for the agricultural sector have been pro-poor and inclusive. Focus has shifted from women-targeted activities to an emphasis on mainstreaming and empowerment\(^25\).

\(^{21}\) Ibid.

\(^{22}\) Bushell, B “Women entrepreneurs in Nepal: what prevents them from leading the sector” (2008)

\(^{23}\) Agriculture Monograph

\(^{24}\) Ibid.

\(^{25}\) Ibid.
5. Samarth-NMDP’s gender and social inclusion framework

Given the specific constraints facing disadvantaged groups, Samarth-NMDP seeks not only to achieve its core objective of economic advancement (increasing incomes), but also to contribute positively to other aspects of women’s and other socially excluded group’s economic empowerment, where possible - at the same time as ensuring that the programme ‘does not harm’ on wider empowerment issues.

As a market development programme, Samarth-NMDP aims for more equitable (pro-poor, pro-disadvantaged groups) market growth, where constraints to accessing and benefiting from markets are removed for those facing additional and specific caste, ethnicity-, gender- or location-based barriers.

For Samarth-NMDP, embedding gender and social inclusion within the programme means:

- **In programme Output 1:** Working to improve incomes for the poor of all castes, ethnicities, locations and sexes, at the same time as closing additional constraints to ensure that groups who face exclusion due to their gender, caste, ethnicity and/or location are able to benefit from markets: primarily in terms of economic advancement, and, as far as possible, other aspects of economic empowerment. At the very least, ensuring that interventions which only support income-earning opportunities do no harm in other aspects of economic empowerment.

- **In programme Output 2:** Working to improve the understanding among key stakeholders of how systemic constraints faced by disadvantaged groups in accessing and benefiting from markets can be effectively closed through adopting a market development approach.

Samarth-NMDP, however, realises the challenge of making markets work not only for the poor en masse, but specifically for poor men and women and socially excluded groups. The nature of the ‘hands off’ approach of M4P means that programmes have struggled to integrate the full range of even women’s economic empowerment issues, without reverting to a direct and more ‘heavy-handed’ approach. For Samarth-NMDP, the close interplay between gender and social inclusion issues in Nepal, and the complex and multi-dimensional nature of ethnicity and caste-based exclusion, makes this doubly challenging.

As a result, the framework is based on a ‘start small and build based on experience’ philosophy. This feeds into Samarth-NMDP’s process-based and learning approach – which is based on a constant process of increasing understanding and exposure to the market systems, and their gender and social inclusion dynamics, where the programme is trying to stimulate change.

Guiding principles

While the framework is flexible and adaptive, it is also based on a set of fixed, guiding principles:

- **Gender and social inclusion is a cross-cutting, mainstreamed issue for Samarth-NMDP.** The programme does not have a separate component (e.g. women’s entrepreneurship development) for gender or social inclusion, so it must explore innovative ways to reach and benefit disadvantaged groups through existing sub-sectors and projects. Gender and social inclusion is therefore considered as a ‘theme’ that is integrated throughout all project processes – incorporating research and analysis, project design, implementation and results management.

- **Innovative approaches to empowering disadvantaged groups should be delivered by market players in order to be sustainable.** The systemic approach, the role of project as a facilitator, and objectives of scalability and sustainability are central tenets of M4P and the programme. However, while adhering to these principles, Samarth-NMDP works to pilot innovative models that can find a ‘balance’ between economic growth and economic empowerment. For

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26 There are debates ongoing about the success of M4P programmes in empowering women. See Synthesis of the SDG e-discussion of Women’s Economic Empowerment in M4P Projects

27 Based on Discussion Paper for an M4P WEE Framework, by Dr. Linda Jones

28 Chapter 4 in the Results Management System User Manual details the project process in more detail
example, while the scalability, sustainability, or role of the facilitator ‘outside’ the market system will never be compromised, there may be instances where interventions that offer more limited scope for outreach will be considered if they have the potential to disproportionality benefit disadvantaged groups (for example, see the below example from the Opening Portfolio on the pig sub-sector selection).

- **It is not enough to simply ‘do nothing’ and assume that the invisible hand of the market will ensure that all can access markets,** or that disadvantaged groups will ‘naturally’ benefit from interventions. The M4P approach is based on the recognition that markets do not operate under conditions of perfect competition and perfect information, and that constraints exist to unlocking pro-poor economic growth. Just as it is the programme’s responsibility to understand the impact sector growth has on the poor (and react and adjust when growth doesn’t turn out to be pro-poor), the programme has a responsibility to understand (and react to) its differential impact on men, women and other socially excluded groups. At the same time, the programme must realise that….

- **Samarth-NMDP will strive to identify and work with market players who have the will and the skill to reach out to new segments of the population, including disadvantaged groups, but it will not ‘force through’ change.** The programme approach is based on influence and catalysing change in. The portfolio approach adopted by Samarth-NMDP recognises that interventions do not always work, that sometimes markets players cannot/will not be influenced – and it is not the role of the programme to ‘force through’ change. In other instances, when economic advancement may not lead to empowerment, Samarth-NMDP may not able to do anything to positively influence economic empowerment – for example, it may compromise M4P principles, be beyond the scope of the programme, or be more suited to a basic needs and livelihoods approach. Rather than attempting to reach all aspects of empowerment every time, Samarth-NMDP undertakes a careful case-by-case analysis to set out objectives in each project and intervention about what aspects of economic empowerment it hopes to impact on.

**The gender and social inclusion framework**

**Output 1**

Under **Output 1**, Samarth-NMDP adopts a four-step approach. This involves starting small at the bottom of the ‘cup’, and building up increased understanding to maximise impact over time - constantly learning and improving based what works and what doesn’t (the ‘handle’ of the cup):

1. Improved understanding of GESI dynamics
2. Integrate GESI in all Samarth-NDMP processes
3. Pilot integrating economic empowerment in selected interventions/projects
4. Monitor and measure results to learn and ‘improve’ GESI impact

These steps are explained in more detail below.
Step one: Improving the understanding of gender and social inclusion dynamics in selected Samarth-NMDP sectors, as well as of the wider opportunities and constraints to furthering economic empowerment in market systems in Nepal.

Samarth-NMDP adopts an evidence-based approach throughout the programme. This is in line with the market development approach which places a high degree of importance on sound analysis to develop a good understanding of the market systems – and constraints within them – before launching into ‘action’, in the form of interventions. Importantly, ‘analysis’ is not a one-time event, but a continual process of learning where analysis drives ‘action’, which in turn feeds lessons and learning to provoke further analysis, which leads to better understanding of market systems and refining or redirecting action.

As a first step, Samarth-NMDP is pursuing two avenues to improve its understanding of the disadvantaged groups-specific constraints to accessing and benefiting from markets:

1) Building on secondary studies and already-available information. There is a significant body of knowledge which recognizes women and other excluded farmer’s involvement and role in commercial crop production and higher value agricultural products in Nepal. This is a useful starting point and means there is no need for Samarth-NMDP to research in the same areas. However, much existing research remains at the macro- and policy-level. There is a need for detailed research on the specific constraints and needs that women and other excluded farmers face in accessing services, products and information to be able to participate and improve their position in markets.

2) Commissioning specific research on gender and social inclusion. Recognizing that a) the existing sub-sector analyses in the Samarth-NMDP Opening Portfolio lack a sufficient focus on gender and social inclusion, and b) as Samarth-NMDP is the first market development programme in Nepal and is breaking new ground, two key studies are being undertaken, focusing on agricultural markets, to:

   Deepen the gender and social inclusion analysis in existing Samarth-NMDP sub-sectors.

   This research aims to understand social, economic and institutional barriers that women and other socially excluded farmers face to remain competitive and upgrade to higher roles in agricultural value chains like ginger, vegetables, dairy and fish. The research will also help identify innovative approaches to overcoming these challenges and the conditions under which women and disadvantaged farmers can participate fully and benefit from markets. The analysis will help Samarth-NMDP to strengthen and maximize its initiatives to increase agricultural productivity and agri-business opportunities for women and disadvantaged farmers.

   Understand the opportunities to align commercial incentives with gender and social inclusion objectives.

   To date little is known about private sector perceptions towards women and disadvantaged producers as a viable market segment; about their understanding of trends toward increasing participation of women in agriculture; and about their scope for investing and innovating around the unique needs, capacities and skills of disadvantaged producers. This research will be the first attempt to examine private sector attitudes towards women producers and the analysis will help Samarth-NMDP deepen its engagement with private sector players to leverage their capacity for innovation, investment and resources, which are more responsive to the needs of women and other excluded farmers/ producers.

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29 Many are cited in the Agriculture Monograph.
Step two: Integrate gender and social inclusion in all programme processes

Samarth-NMDP will gradually work towards a ‘transversal’ approach, whereby gender and social inclusion is integrated as a theme in all programme processes. That is to say, Samarth-NMDP will systematically incorporate disadvantaged-groups-specific elements in project design and implementation:

**Project design**

Based on an initial idea for a new project, concept notes are developed and fleshed out during a detailed sub-sector analysis, before any interventions are launched. This process is explained in more detail in the Portfolio Development Strategy.

**Market analysis**

Moving forwards beyond the Opening Portfolio, fully integrating a gender and social inclusion analysis into the Sub-Sector Analysis and Vision will be essential for ensuring that disadvantaged-group specific constraints can be identified and understood.

Key questions to inform a more ‘Gender and Social Inclusion’ analysis of a sub-sector might include:

| Role and position of men and women in the sector | Where are men and women positioned in the value chain and what are their roles? |
| Constraints and opportunities faced by men and women | Why are women and men located in these roles and at these levels of the value chain (if value chain totally male/female dominated then explain why men/women have been traditionally excluded)? |
| Constraints and opportunities faced by men and women | How and why do men and women differ in terms of their access to income, skills, technology, inputs, information and markets in this sector? |
| Constraints and opportunities faced by men and women | How do men and women differ in terms of their participation and decision-making in this sector? (i.e. what are the power dynamics - who controls and decides what in the value chain?) |
| External environment | What are the specific constraints and opportunities faced by men and women in their respective positions in the value chain? |
| Nature of impact | How does the external political and social environment support or hinder men and women in their various productive roles within the sector? |
| Nature of impact | How is sector growth likely to impact on men and women in their different productive roles (i.e. potential to upgrade to more value-added, profitable roles within market systems)? |

A key focus of the programme will be to improve the quality of this gender and social inclusion understanding in the Sub-Sector Analysis and Visions.

**Project documents**

To be formally ‘systematized’, gender and social inclusion components need to be built into key programme documents, including:

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30 Discussion Paper for an M4P WEE Framework, by Dr. Linda Jones, p.11
31 Taken from Katalyst’s Gender Strategy, 2010
The format for concept notes,

guidelines for the sub-sector analysis and vision.

Guidelines for the implementation plan

These guidelines and formats will be reviewed and updated, based on the improved understanding generated through ‘step 1’, which will guide the type of questions and nature of guidance to be included to make it specific to the context in Nepal.

Selecting and appraising projects

Selecting sectors to work in that have a high potential for pro-disadvantaged groups growth is a key tool in moving Samarth-NMDP towards its goal of furthering economic empowerment.

The Opening Portfolio of projects was selected against a number of ‘critical success criteria’, one of which was sustainable inclusiveness. This led to Samarth-NMDP prioritizing sectors that were disproportionately beneficial to women and the socially excluded. For example, the pig sub-sector was specifically targeted because of its importance to the well-being of poor and small-holder households in Dalit communities.

Moving beyond the Opening Portfolio, the process of selecting new projects need to build on this flexible approach to ensure that markets with high potential for benefitting disadvantaged groups weight more heavily (all other things being equal) than markets without the potential to benefit disadvantaged groups.

This may mean some short-term trade-offs when selecting markets, based on a strong justification that there is potential to make these markets work more inclusively for disadvantaged groups. If there is a choice of three sub-sectors (or constraints to respond to within a sub-sector), for example, then Samarth-NMDP may select one that does not rank number one for potential outreach, but instead offers greater potential for economic advancement of disadvantaged groups.

The criteria for the ‘technical assessment of concept notes’ and sub-sector analysis and implementation plan ‘appraisal’ will reflect this weighting to develop a portfolio that is able to achieve economic advancement, and where possible – empowerment – of disadvantaged groups.

Project implementation

All interventions must take gender and social inclusion into account. At a minimum, this involves:

- ‘Doing no harm’. As part of the Samarth-NMDP ‘do no harm’ framework, each project is required to assess risk level, and proposed relevant mitigation measures, to ensure that interventions do not:
  - Enhance the marginalization of women and increase the vulnerability of other disadvantaged groups through loss of competitiveness due to the slow or no pick-up of the new market player service offering.
  - Marginalise disadvantaged groups (by gender / caste / ethnicity / location) while strengthening others.
  - Cause a net loss to women and children in terms of diverting critical farm/household resources.

32 See Samarth-NMDP business case

33 This is an example of the ‘trade-offs’ in Samarth-NMDP’s portfolio approach. Even though VIM indicators (cost per beneficiary and cost-benefit ratio) in the pig project did not compare favourable to other, less explicitly disadvantaged-group orientated sub-sectors, a decision was made to proceed with this higher risk project due to its potential benefits for disadvantaged groups.

34 Potential to ‘do harm’ assessed during project design and updated on a quarterly basis as part of the strategic review process.
resources (including women's time available for care and sources of nutrition from subsistence farming) towards markets (e.g. women spending less time caring for children due to increased time spent buying input supplies from agro-vet).

- Understanding the impact of the intervention on disadvantaged groups (whether or not they are better off as a result of changes catalyzed by the project) – and to react appropriately if interventions do not reach disadvantaged groups or further their economic advancement, or if they are having a negative impact on economic empowerment.

Both of these are driven by results management processes, including early warning checks, which are described in step 4, below.

In addition, all interventions – regardless of whether or not they have an intended impact on economic empowerment – should:

- Be opportunistic in looking for business models that lead to the economic advancement of disadvantaged groups. This involves finding (and unlocking) incentives for market players to provide services to women and the socially excluded.
- Keep the focus on addressing underlying constraints in the market system, and risk the temptation to drift back into treating symptoms.
- Work through existing market players (e.g. producer associations, business membership organisations, civil society, government bodies) instead of ‘creating’ new market players (e.g. organizing new farmer groups or membership organisations).

**Step three: Pick specific high-potential interventions/projects where gender and social inclusion objectives can be aligned with commercial interests to ‘pilot’ how empowerment can best be achieved through market development**

Not all Samarth-NMDP projects will have the potential to benefit disadvantaged groups (some, for example, may be markets where there is little involvement of disadvantaged groups in the sub-sector at all). Based on the potential for benefitting disadvantaged groups, Samarth-NMDP will develop and test business models for a range of economic empowerment objectives. This will involve selecting a few sub-sectors from the Opening Portfolio to pilot an (initially) small number of innovative strategies (through existing interventions, or new interventions within existing projects) where commercial incentives, in particular, can be leveraged to further GESI empowerment objectives for ‘win-win’ results.

This has been achieved, to varying degrees of success, in M4P projects elsewhere. Samarth-NMDP will build on these lessons to innovate in the Nepali context. Examples include:

- Women are sometimes preferred contract farmers due to trust issues, or are selected over men for work in certain areas such as fingerling rearing in the fish-pond sector or transplanting in intensive rice cultivation. They thus form a potential (and perhaps untapped) market for companies looking to expand their business in agricultural sectors.
- Purposively selecting disadvantaged group- or female-owned market players to ‘partner’ with can help bring together economic and social incentives. Companies or business membership organizations can provide training on agronomic practices, provision of seeds etc. to expand their business/sales can also integrate components of specific gender and equity issues through the training. Promising results have been reported in the economic viability of such a model, and on positive changes in attitudes of men towards women’s control over income. However, questions remain about the potential for crowding-in around such innovation, particularly where markets are thin.

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35 Discussion Paper for an M4P WEE Framework, by Dr. Linda Jones, p.10
36 Synthesis of the SDC e-discussion of Women’s Economic Empowerment in M4P Projects, p. 3
Samarth-NMDP Gender and Social Inclusion Strategy

**Integrating a gender and social inclusion ‘lens’ in the Samarth-NMDP ginger project**

In Samarth-NMDP’s ginger project, the ‘disease management’ intervention is working with two national importers of the disease management product, trichoderma. The intervention is providing technical support to a series of demo plots, designed to stimulate demand among small-scale farmers for the product. In addition, the importers are using a network of ‘sales agents’ (working on a commission basis) to monitor the progress of the plots and follow-up on initial signs of demand by handing out ‘trichoderma vouchers’.

Since the majority of ginger farmers in project districts are women, the project team was keen for the importers to have a gender balance among the sales agents. Instead of trying to persuade the importers with a social objective (“we need to reach at least 50% women...”), the team played to the commercial motivations of the employers. By reminding the importers of their largest market segment (female ginger farmers), and the need to develop customer-focused solutions, the importers themselves suggested hiring more females than males among the sales agents. While not guaranteeing women’s economic advancement, the project has made it more likely that women, at the very least, will not be excluded from accessing this new innovation in the market.

Samarth-NMDP will place an initial emphasis on piloting ‘commercially driven’ gender and social inclusion business models with private sector players in agricultural markets, since this best reflects the focus of the Opening Portfolio projects.

Synergies with public actors, who have a political and social mandate to support disadvantaged group’s economic empowerment, will be explored over time, particularly as and when Samarth-NMDP’s work with these players takes off, such as through business enabling environment interventions.

**Step four: Monitor and measure results to learn and ‘improve’ gender and social inclusion impact**

Gender and social inclusion is a core part of Samarth-NMDP’s Results Management System, which aims to learn from experience to implement better projects – leading to improved impact.

To most effectively monitor and measure results, each intervention results chain should be clear about the gender and social inclusion changes expected to occur. This means including boxes in the results chain, based on the market analysis, which clearly specify the potential impact on the economic empowerment of disadvantaged groups. This should make clear whether:

- The intervention has an explicit objective to economically empower disadvantaged groups (including decision making authority at different levels of engagement). If so, boxes relating to each aspect of empowerment expected to result from the intervention should be mapped out in the results chain – and a set of indicators (and appropriate measurement tools) formulated.

- If the intervention, on the other hand, is focused on economic advancement only (by default all Samarth-NMDP projects work to realize income improvements), then the focus for other aspects of empowerment switches to a ‘do no harm’ approach, which can be tracked using some of the tools listed below.

Both of these are supported by a number of MRM processes, which are fully explained in the Results Management System User Manual. These are based around the ethos of ‘learning by doing’.

As results start to ‘roll in’ during programme year two, each intervention will gather primary information on the attributable impact of interventions on economic advancement (incomes). Guidance on how and when to disaggregate indicators is included in the User Manual. Disaggregated data can help to identify disadvantaged-group specific constraints in the market. While disaggregation is important, some interventions may also require gender and social inclusion-specific indicators that can measure both quantitative and qualitative change.
A series of ‘early warning checks’ (see Chapter 12 in the User Manual) allows project teams to collect ‘quick and dirty’ information about the potential for pro-poor, and pro-disadvantaged group uptake of a new service innovation. These are designed to allow teams to spot issues early on and take rapid corrective action, where needed.

A key Samarth-NMDP ‘Standard Intervention Indicator’ (see Chapter 7 in the User Manual) for GESI is ‘change in livelihoods of ‘beneficiaries’. This broad indicator is the entry point to explore more qualitative changes in empowerment resulting from economic gains.

This indicator is usually integrated into Samarth-NMDP impact assessments (as a single or series of focus group discussions designed to complement a larger-scale survey). This ensures that impact assessments go beyond measuring changes in income to probe key questions around women’s and men’s perspectives on household-level results in terms of changes in behaviour, roles and household performance. Guidance on the kind of topics and questions to probe for this indicator are included in Annex 3.

Interim and final internal project evaluations, run by the Samarth-NMDP results measurement teams, include a specific “pro-poor and gender and social inclusion assessment” to determine the project’s/intervention’s success in addressing constraints relating to disadvantaged groups37.

Finally, special studies will also be commissioned in selected sectors – and, where applicable, across the programme, to capture changes in women’s economic empowerment.
Output 2

Under programme Output 2, Samarth-NMDP will build on its improved understanding of and ability about how to integrate economic empowerment of disadvantaged groups into a market systems programme to share lessons and learning with other development programmes, both in Nepal and internationally. This will contribute to the core focus of Samarth-NMDP’s ‘influencing agenda’ under Output 2 to build the capacity for not only effective pro-poor, but also effective pro-disadvantaged groups market development among key stakeholders. This is described in greater detail in the Samarth-NMDP Communications Strategy.

Samarth-NMDP expects progress under Output 2 for gender and social inclusion to take some time, given the need to gain exposure and generate learning under Output 1, first of all. As noted above, there is a much thinner evidence-base globally on how programmes can make markets work for poor men and women and disadvantaged groups (rather than just for the poor), so there is the need to generate this evidence first.
Annex 1: Gender and Social Inclusion Strategy Implementation Plan

This implementation plan outlines Samarth-NMDP gender and social inclusion activities for programme year two (May 2013-April 2014):

**Under Output 1:** Working to improve the incomes for the poor of all castes, ethnicities, locations and sexes, at the same time as closing constraints to ensure that groups who face exclusion due to their gender, caste, ethnicity and/or location are able to benefit from markets: primarily in terms of economic advancement, and, as far as possible, other aspects of economic empowerment. At the very least, ensuring that interventions which only support income-earning opportunities do no harm in empowerment.

<table>
<thead>
<tr>
<th>1.1 Improved understanding of the GESI dynamics of selected sectors, and the opportunities and constraints for economic empowerment in market development in Nepal.</th>
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<tbody>
<tr>
<td>By the end of the second programme quarter, follow-up on findings of GESI research commissioned in existing sub-sectors to a) update sub-sector analysis, where necessary, b) advise on changes needed to intervention tactics and strategies, and c) inform the business case for developing women and disadvantaged groups as market segments in selected sectors.</td>
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<tr>
<td>By the end of the second programme quarter, follow-up on findings of GESI research commissioned on private sector perceptions to a) develop a list of high-potential areas to explore (markets, market players), b) investigate in more detail any interesting/promising innovations uncovered by the research</td>
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<th>1.2 Integrate GESI in all programme processes</th>
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<tr>
<td>By the end of the programme year, ensure that the market analysis (sub-sector analysis) for all new projects adequate covers and considers disadvantaged groups and the additional barriers they may face in accessing and benefitting from markets</td>
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<tr>
<td>By the end of the first programme quarter, review and update (if necessary) the format for concept notes and guidelines for the sub-sector analysis and vision and implementation plan</td>
</tr>
<tr>
<td>By the end of the first programme quarter, review and update (if necessary) criteria for the ‘technical assessment of concept notes’ and sub-sector analysis and implementation plan ‘appraisal’</td>
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<tr>
<th>1.3 Pick specific high-potential interventions/projects where GESI objectives can be aligned with commercial interests to pilot an empowerment approach</th>
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<tr>
<td>By the end of the programme year, identify two potential interventions (either within the existing portfolio or through new interventions in existing sub-sectors) to pilot</td>
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<th>1.4 Monitor and measure results to learn and ‘improve’ GESI impact</th>
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<td>By the end of the second programme quarter, review and revise (where appropriate) measurement plans of all Samarth-NMDP interventions</td>
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<td>By the end of the second programme quarter, field test and revise the guidance on measuring changes in ‘livelihoods’</td>
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<td>By the end of the third programme quarter, ensure that GESI considerations are fully embedded in all impact assessments and internal evaluations</td>
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**In programme Output 2:** Working to improve the understanding and evidence-base of how gender and social inclusion can be effectively tackled by taking a market systems approach – both in Nepal and among wider development fora.

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<tr>
<td>Work closely with the core team and implementing partners to ‘coach’ them through key GESI issues</td>
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<tr>
<td>By the end of programme year two, produce one ‘Samarth update’ highlighting achievements in economic advancement for disadvantaged groups</td>
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Annex 2: Definition of disadvantaged groups

Samarth-NMDP defines disadvantaged groups as those who, by virtue of their gender/caste/ethnicity/location, are living in poverty (i.e. already part of the programme target group) but face additional barriers to accessing and benefiting from markets.

The specific constraints related to accessing and benefiting from markets differ between these groups. For Dalits it is caste-based; for Adivasi Janajatis it is cultural rights/language-based; for Madhesis it is identity-based; while for remote regions it is distance-related. For women, it is gender-based, a characteristic that cross-cuts each of the other constraints. Brief definitions of these disadvantaged groups are provided below.

- **Women.** Due to existing gender relations in Nepal and a patriarchal society, women experience unequal power relations, resulting in their social exclusion. Although the depth of gender discrimination varies between social groups in Nepal, all women are excluded. However, women from excluded communities face caste, ethnicity and location-based constraints in addition to the constraints imposed by their gender. Women constitute 51% of Nepal’s population.

- **Dalits.** People who have been suffering from caste and untouchability-based practices and religious, social, political and cultural discrimination form 13% of Nepal’s population. Within the Dalit community, there are five sub-caste groups from the hills (Hill Dalits) and 22 sub-caste groups from the Tarai (Madhesi Dalits).

- **Adivasi Janajatis.** Peoples or communities with their own mother tongue and traditional social structures and practices, separate cultural identity, and written or unwritten history form 37% of Nepal’s population, with 5.5% Newars and 31.8% Hill and Tarai Janajatis. There are 18, 24, 7, and 10 subgroups respectively among the Mountain, Hill, Inner Tarai and Tarai Janajati groups.

- **Madhesis.** People of plains origin who live mainly in the Tarai and have languages such as Maithili, Bhojpuri, Awadhi, Urdu and Hindi as their mother tongue are considered Madhesis. They include Madhesi Brahmin/Kshatriyas (2% of the population), Madhesi “other” caste groups (13%) and Madhesi Dalits.

- **Muslims.** Muslims are a religious group found predominantly in the Tarai and form 4.3% of Nepal’s population.

- **People with disabilities.** Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Persons with full disabilities cannot manage daily life without assistance. They include people with total mental, intellectual or sensory impairment such as complete blindness. People with partial disability are persons who have long-term physical and/or mobility impairments, and require regular assistance to manage daily life.

- **People of remote geographic regions.** This covers people living in geographic regions which have distinct, difficult terrain for movement, transportation and communication, and difficulties in accessing services (e.g. Karnali has been defined as geographically excluded by the government in the Three-Year Interim Plan). Similarly, in a DDC some locations (VDCs) can experience geographical exclusion due to difficult terrain and remoteness. Within these kinds of geographically excluded regions, people experiencing gender-, caste-, and ethnicity-based discrimination experience further exclusions.

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38 Definitions taken from the DFID/ADB/Word Bank publication: “Sectoral Perspectives on Gender and Social Inclusion: Agriculture”, 2011
Annex 3: Qualitative change in livelihoods indicator guidance

The Samarth-NMDP Standard Intervention Indicator (SII) on “change in livelihoods of beneficiaries” (related to the results chain boxes on improved incomes) probes the links between individual (the poor as individual ‘producers’, owners of enterprises etc.) and household-level changes. This helps understand the full impact on disadvantaged groups to investigate how economic advancement has led to improvements in other aspects of economic empowerment (e.g. decision-making authority), or not.

The indicator is usually measured using a focus group discussion (FGD) (see Chapter 10 in the User Manual). This involves selecting a sample of beneficiaries (those who have realized an income increase as a result of the intervention) to explore the process of change and provide a deeper understanding of why these changes are taking place. This should be stratified by disadvantaged groups, according to who the intervention has benefitted. For instance, if the objective is to investigate the impact on women’s economic empowerment, then a sample of only women (or only men) is chosen. Respondents for each group should be mostly homogenous in terms of topics for discussion and their perspectives.

A detailed research outline should be prepared before the FGD, outlining exactly what information Samarth-NMDP aims to collect and a detailed checklist of points to be discussed.

As a result of improved incomes from accessing the new market player-delivered service innovation, investigate a) whether ‘empowerment’ changes have occurred, and b) why or why not these changes did / did not occur:

Areas to investigate include:

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<tr>
<th>Decision-making power within the household</th>
<th>Proportion of woman’s own income spent on re-investing in business growth (existing or new enterprises)</th>
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<td></td>
<td>Involvement in major decisions (individually or jointly with husband) such as the decision to purchase land, type of crops to be cultivated or inputs to be used.</td>
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<tr>
<th>Decision making/representation within group settings</th>
<th>Participation in community groups/business associations/farmers groups etc.</th>
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<td></td>
<td>Involvement in community groups/business associations/farmers groups etc.</td>
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<td></td>
<td>Taking on a leadership role in community groups/business associations/farmers groups etc.</td>
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<th>Economic security</th>
<th>Increased ownership of productive assets (land, animals, machinery, technology)</th>
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<td></td>
<td>Control over cash savings</td>
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<td>Purchase of life/health / other insurance</td>
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39 This guidance will be revised and refined after field testing

40 Case studies may also be produced to investigate changes

41 Qualitative assessments of livelihood change usually take place as part of impact assessments. During the baseline data collection, a FGD can be useful to collect more detail information on the ‘current’ constraints facing disadvantaged groups – although ideally this would have been already done during the market analysis. Note that using a FGD for a baseline would normally need to take a ‘trend’ (different people in subsequent FGD) approach, rather than the usual ‘panel’ approach (same people in subsequent FGD) used during Samarth-NMDP surveys. This is because, with such a small sample size in FGD, there is no guarantee that any of the initial respondents will end up actually benefiting from the intervention.

42 Adapted from Katalyst Gender Strategy, 2010
<table>
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<th><strong>Independent income-generation activities.</strong></th>
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<tr>
<td><strong>Quality of work</strong></td>
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<td><strong>Mobility</strong></td>
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<td><strong>Time burden</strong></td>
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