



PEACE, PROSPERITY AND
REGIONAL INTEGRATION



POLICY BRIEF

Priority Intervention Area 2: Enhancing Market Access, Trade and Financial Services for Women in the IGAD Region

Introduction

The Intergovernmental Authority on Development (IGAD)'s Drought Disaster Resilience and Sustainability Initiative (IDDRSI) has since 2013 inspired and guided regional and national priorities to counter drought emergencies in the East and Horn of Africa countries of Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. The IDDRSI Strategy (2019-2024) acknowledges that gender issues impact the **market access, trade, and financial services** priority intervention area (PIA 2). A gender analysis was undertaken for the IDDRSI Strategy, Regional Programming Paper and the Country Programming Papers (IGAD, 2016).¹ This brief highlights the gender issues in market access and their implications for building resilience. It is based on the review of the gender analysis report.

Women and the livestock economy

Arid and semi-arid lands (ASALs) occupy a vast proportion of the IGAD land area. At least 70% of the IGAD region comprises ASALs, which receive less than 600mm in annual rainfall, and these areas are characterised by recurrent droughts (Stark, 2011).² The livestock economy predominates the East and Horn of Africa's rangelands, which is the most appropriate form of utilising these ASALs. However, inadequate water, animal health services, livestock market centres, feeder roads, and area-specific government policies, coupled with increased human population pressure have accelerated these lands' impoverishment.

Women contribute a substantial share to the livestock economy in the IGAD region, but this contribution is often not appreciated. Women in the livestock economy are often responsible for livestock management, processing and marketing, caregiving, feed gatherers, providing feed/fodder and water, caring for newborn lambs and sick animals and milk production. Furthermore, young girls are involved in the grazing of goats and sheep. However, women often lack decision making powers and capabilities that are important for their social and economic empowerment. Access, control, and management of livestock resources, including grazing areas and feed resources, would empower women and improve overall welfare.

Women's roles within the livestock production system and livestock ownership distribution are strongly related to social and cultural factors. Men often own larger animals such as cattle and camels, while women keep small animals reared near the homestead. However, when small animals' rearing becomes a more important source of family income, ownership management and control of these resources revert to men. Simultaneously, male tasks - such as herding, administering modern medicines, wool shearing, giving traditional vaccines against sheep pox, and castration - are exclusively men's domain for socio-religious reasons.

1. IGAD (2016): Gender Analysis of the Country Programming Papers (CPPs): To End Drought Emergencies in the Horn of Africa.Vol 2.

2. Stark, Jeffrey (2011): Climate Change and Conflict in Uganda: The Cattle Corridor and Karamoja.

Accessing regional markets

Women informal cross-border trade faces several non-tariff barriers (NTBs), such as slow access to travel documents, which affects their participation in trade. Other factors that have negatively impacted women's cross-border trade are gender insensitive trade agreements. A major NTB faced by women relates to sexual harassment by the men that operate in border areas, such as middlemen and securities agencies, who create cumbersome procedures limiting female participation in trade (Brenton et al., 2014).³ Faced with exploitation threats, including from brokers and intermediaries, some women opt to use unofficial routes, but such routes are hazardous. In addition, women do not have access to timely market information that could benefit them.

There are fundamental gender inequalities regarding market access, particularly regarding the infrastructure and the physical distance to markets, making it difficult for women to travel far from their communities (EASSI, 2012).⁴ Women are affected by unsuitable border infrastructure. Some border crossings have no sanitation and health facilities that the travelling public can use. In cases where public restrooms are available, there are no separate washrooms for women. Furthermore, border crossings have no day-care centres or suitable places for breastfeeding and changing diapers. A significant number of women who engage in cross-border trade are mothers who have to sometimes undertake their trade activities while carrying children.

Apart from border infrastructure, the poor road networks between Member States constrain women's participation in cross-border trade as they increase the cost of doing business - especially the need to spend several days away from home. For example, most of South Sudan's estimated 17,000 kilometres of roads are of gravel and earth, constraining trade with IGAD neighbours such as Uganda, Ethiopia, and Sudan. Therefore, market inaccessibility is a significant cause of poverty and inequality and partly explains why public services are inadequately provided.

Cross-border trade cooperatives have become instrumental to women's participation in trade governance. Women cooperatives provide information on border procedures, especially taxation. Cooperatives have also supported women to network, formalise, and cut out intermediaries from their trade activities. Furthermore, cooperatives can also support engagement with other border community members, e.g., with customs officials, through joint border committees. Indeed, when new procedures are due for implementation, customs officials seek the views of trade cooperatives. Finally, trade cooperatives can serve as a source of finance as some offer loans to members at rates much lower than those offered by money lenders. Furthermore, the leadership of women's cooperatives have, in some instances, served as guarantors for member's loan applications in microfinance institutions.

The African Continental Free Trade Area (AfCFTA), launched in 2018, provides for the establishment of information desks or 'enquiry points' that can offer information to small scale traders and reduce potential avenues for sexual harassment and other forms of exploitation (African Union, 2018).⁵ For some border crossings with established one-stop border posts (OSBP) infrastructure, women cooperatives have a female champion's desk/office to access information quickly. These OSBPs have been instrumental in providing trade information and advice on goods that are either banned or restricted across borders.

Many IGAD Member States have adopted various sanitary and phytosanitary measures and standards. Unfortunately, the issuance of permits and certificates regarding these measures is most often done in the nation's capital, depending on the nature of goods traded. Having national certification situated in the capital city acts as a hindrance for women to engage in formal trade, thereby adding to the other constraints women face relating to time poverty and gender roles. The need to travel far away from the home to the capital to acquire permits is costly for women and drives them away from more profitable segments of value chains.

3. Brenton, P., N. Dihel, M. Hoppe, and C. Soprano (2014): Improving Behavior at Borders to Promote Trade Formalization: The Charter for Cross-Border Traders. World Bank Trade Policy Note No 41.

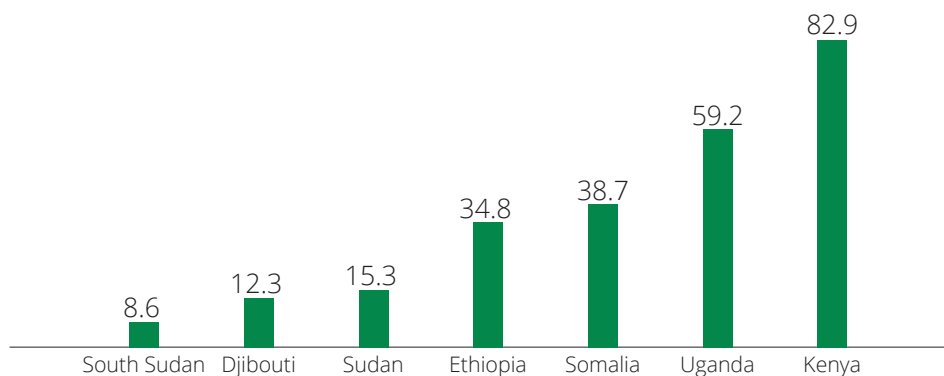
4. Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI) (2012): Action Research on Women Informal Cross Border Traders in the EAC Region.

5. African Union (2018): The African Continental Free Trade Area Agreement.

Access to financial services

Women entrepreneurs involved in local and cross-border trade have limited access to marketing networks, credit, and other financial services such as bank loans, due to the lack of collateral and technical knowledge. Overall, access to financial services remains a significant challenge in the region, especially for women. Figure 1 shows the level of financial access in seven IGAD countries for the adult population aged at least 15 years. For most Member States, access to a formal financial service provider is deficient - less than 40 %. Women fair much worse. For example, in Kenya—the country with the highest rate of access to financial services, only 80% of women have access compared to 86% of men. The relatively large access to Kenya's financial services is explained by the presence of mobile money accounts, where 76.3% of women and 82% of men in Kenya have such accounts.

Figure 1: Access to formal financial services in the IGAD Region (% of the population aged 15 or over)



Source: Sustainable Development Goals Center for Africa (2019)⁶ and Central Bank of Kenya et al. (2019)⁷.

Even for Uganda, only 54% of women have access compared to 63% of men. Despite having no gender differences in access to proof of identity, women are disadvantaged concerning opening either a bank or mobile money account. For Uganda, women rely more on informal financial services than men (23% vs 15%). Furthermore, men are more likely to use digital platforms.

Recommendations Member States

To increase women's overall access to markets, several issues need to be addressed. First, there is a need to reduce uncertainties in border procedures by adopting and implementing a Simplified Trade Regime (STR). It allows for individuals to purchase goods worth US\$ 2,000 and below without the need for permits or licences (Niwa, 2012).⁸ Implementation of the STRs by all state parties would make the trade by women informal cross-border traders easier and less costly.

Second, to address sexual harassment, IGAD Member States should adopt and popularise charters for cross-border trade in goods and services. These charters typically provide the codes of conduct at the border crossing and can be used by informal traders to hold border officials accountable. These charters target sexual harassment and discrimination, and ensure transparent fees and documentation. The charters encourage the availability and clear display of identification as a means of reducing exploitation.

6. Sustainable Development Goals Center for Africa (2019): Africa SDG Index and Dashboards Report
<https://sdgcafrica.org/wp-content/uploads/2019/07/AFR-SDGS-REPORT-FINAL.pdf>

7. Central Bank of Kenya et al. (2019): 2019 FinAccess Household Survey
https://www.centralbank.go.ke/uploads/financial_inclusion/2050404730_FinAccess%202019%20Household%20Survey-%20Jun.%202014%20Version.pdf

8. Njiwa (2012): Informal cross-border trade: Challenges and opportunities: A case of COMESA and its STR implementing borders.

Regional coordination mechanism

As part of the various regional integration arrangements, most IGAD Member States have a national monitoring committee to address NTBs. However, most committees do not include a woman representative despite women being most severely affected by NTBs. There is need to have at least one-third of representatives on such committees as women. Also, the national committees are yet to recognise sexual harassment as a NTB. If it had been identified, Member States would be obligated to collect the agreed-upon indicators and report on the same.

Given that IGAD Member States operate multiple border crossings, development partners can support national governments in establishing infrastructure appropriate for women, e.g. health posts, crèche, and washrooms. A significant expansion of such infrastructure would address young women's human rights and encourage higher women participation in trade.



Acknowledgement: This publication has been produced with the assistance of the Government of Sweden. The contents of this publication can in no way be taken to reflect the view of the Government of Sweden.