

2026 LEARNING BRIEF

Advancing Women's Economic Opportunities Through Gender Lens Investing



Executive summary

Aceli Africa partners with financial institutions to expand access to finance for agricultural small and medium-sized enterprises (agri-SMEs) across East Africa and Zambia, with a focus on underserved segments, including women-owned and gender-inclusive enterprises. Since 2020, Aceli has worked with 53 financial institutions and supported 4,791 agri-SME loans totaling \$392 million, alongside targeted gender lens technical assistance to lenders. This learning brief builds on Aceli's previous gender learning briefs ([2022](#) and [2024](#)) and presents new evidence on what is driving progress and where challenges remain in advancing gender inclusion in agri-SME finance.

Women play a central role in agricultural value chains as entrepreneurs, farmers, and workers, yet they continue to face persistent barriers to accessing finance and markets. Women-owned agri-SMEs are particularly underserved, reflecting structural constraints related to collateral, loan sizes, and lending processes. At the same time, Aceli's growing portfolio of sex-disaggregated data provides emerging evidence that targeted interventions when designed and sequenced appropriately can shift lender behavior, unlock new market segments, and expand economic opportunities for women.

One new finding detailed further below: building on robust evidence in the global microfinance sector¹ but limited evidence to date for SME lending, **Aceli's data suggests that loans to women-owned agri-SMEs perform better than those to men-owned firms.**

This brief highlights **five key insights** from Aceli's experience:

1. Lenders have responded to incentives for reaching women-owned businesses.

Adjustments to Aceli's incentive thresholds, particularly reductions in minimum qualifying loan sizes, have **more than tripled** the share of lending to women-owned agri-SMEs. These changes have expanded access for first-time borrowers² and for women-owned enterprises at smaller ticket sizes, where unmet demand remains greatest, demonstrating that incentives can effectively shift lender behavior when aligned with market realities.

2. Integrating capital demand-side solutions with supply-side incentives is more effective than either approach in isolation.

Evidence from lender partnerships shows that women-owned SMEs are constrained primarily by **process barriers** rather than **capability gaps**. When capital supply-side

Definitions:



WOMEN-OWNED SMEs

Majority owned by women (51% or more), or founded by a woman.



GENDER-INCLUSIVE SMEs

Enterprises that meet the 2X criteria through any of the following: women's ownership or leadership; employing at least 40% women; or sourcing their produce from at least 40% women suppliers.



GENDER LENS INVESTING

The deliberate incorporation of gender factors into investment analysis and decisions in order to improve social and business outcomes.

incentives are coordinated with targeted, demand-side technical assistance, the challenges that have excluded women-owned SMEs from accessing financing including collateral, loan documentation processes, and lenders' motivation to address these barriers, can be overcome with latent demand converting into addressable demand.

3. There is an emerging business case for lending to women-owned SMEs.

Performance data on the 4,791 loans analyzed for this brief suggests a compelling business case for lending to women-owned agri-SMEs. First, women-owned agri-SMEs are underserved and present a potential growth opportunity for lenders. However, unlike most underserved markets, women-owned businesses do **not** appear to pose a higher credit risk. In fact, Aceli's data suggests that women-owned SMEs have **lower non-performing loans** than men-owned firms (3.3% vs. 4.6%). Portfolio growth potential, lower risk, and opportunities for lenders to access subsidized credit lines to serve women entrepreneurs are contributing to an emerging business case that is attracting increased attention from commercial lenders.

4. Both women- and men-owned businesses can drive economic opportunities for women.

Most women who benefit from Aceli-supported lending do so as workers or farmer suppliers rather than as business owners. First, it is notable to highlight that the number of women farmer suppliers and workers (615k) is 60x

¹ AFDB 2024: *Unlocking Africa's Potential: Why Investing in Women is a Game-Changer*

² Aceli defines first-time borrowers as those that have not received a loan of \$25k and above over the past 3 years

the number of women entrepreneurs (931) across the 4,791 Aceli-supported loans analyzed in this report. When considering just the dimensions of farmer suppliers and employees, men-owned businesses in Aceli’s dataset are almost twice as likely to meet the 2X criteria for gender inclusion as women-owned businesses (39% vs. 21%). On the other hand, women entrepreneurs allocate a larger percentage of their topline revenue to purchases from farmers and salaries for workers – i.e., they appear to **generate more economic opportunities for both women and men** farmers and workers relative to their size than men-owned businesses. While these findings do not tell a neat story, they underscore both the need to generate more nuanced evidence and the impact potential for both women and men farmers and workers related to increasing access to finance for agri-SMEs.

5. Institutional transformation requires time and continued investment.

Sustained gender lens lending depends on more than financial incentives alone. Capacity building that strengthens lender systems, staff skills, data practices, and internal alignment is essential to embedding gender

inclusion into core operations. Evidence from Aceli’s Gender Lens Investing program highlights how institutionalized learning, leadership commitment, and continuous capacity building enable lenders to move from **“gender accidental” to “gender intentional”** approaches – and both the business and impact benefits when they do so.

Looking ahead, Aceli will continue to refine our incentive design, scale targeted technical assistance, strengthen lender activation and data systems, and deepen engagement with new partners, including Savings & Credit Cooperatives (SACCOs) and lenders operating in underserved regions. Together, these efforts aim to advance gender-inclusive finance at scale, strengthen the evidence base for what works, and contribute to broader efforts to expand economic opportunities for women across agricultural value chains.

BACKGROUND

[Aceli Africa](#) is a market catalyst unlocking capital for high-impact agricultural SMEs in Kenya, Rwanda, Tanzania, Uganda, and Zambia. Launched in 2020, Aceli partners with 53 financial institutions, including local commercial banks, non-bank lenders, and impact investors, to offer incentives that strengthen agri-SME lending. On the capital demand side, Aceli has provided investment readiness support to 778 SMEs. By 2030, Aceli aims to mobilize \$2 billion in lending to 20,000 agri-SMEs, supporting market access for five million smallholder farmers. Aceli’s incentive framework includes portfolio-first-loss coverage to increase lenders’ risk appetite and origination incentives to offset the higher costs of serving smaller, early-stage SMEs. Over time, Aceli has adjusted minimum qualifying loan sizes to better reach underserved segments, including women-owned enterprises.

ACELI INCENTIVES

- ✦ Portfolio first-loss cover to increase lender risk appetite (initially targeting loans from \$25k to \$1.75M with loan minimum reduced to \$15k in 2023 and to \$10k in 2025) for underserved segments including women, youth, and climate loans.
- ✦ Origination incentives compensate for the lower revenues and higher operating costs associated with smaller loans (\$10k–\$500k) for early-stage SMEs that might not otherwise be profitable to serve even if the loan repays at a market interest rate.

See [here](#) for more information.

Why gender inclusion?

Women are central to Africa’s economy, particularly in agriculture, trade, and entrepreneurship. They account for an estimated 40% of the agricultural workforce in sub-Saharan Africa and are predominantly employed by SMEs, which provide roughly 80% of jobs across the continent. Despite this central role, women face persistent and systemic barriers to economic participation.

As entrepreneurs, women face limited access to finance due to strict collateral requirements, smaller asset bases, and financial products not designed to meet their needs creating both a structural financing gap and a missed market opportunity. As farmers, women often experience constrained market access, weaker bargaining power, and higher transaction costs linked to gendered norms and responsibilities. As workers, women are more likely to face unsafe, informal, or discriminatory working conditions. Together, these challenges underscore the need for interventions that improve both access to finance and access to markets.

For lenders, addressing gender gaps requires looking beyond enterprise ownership alone to understand how businesses include women as leaders, employees, and suppliers. Since 2020, Aceli has integrated gender inclusion into its model by offering enhanced incentives for loans to women-owned and gender-inclusive agri-SMEs, adapting the internationally recognized [2X Challenge criteria](#). An enterprise qualifies as gender-inclusive if it meets at least one of the following thresholds:

Gender Inclusion Criteria



OWNERSHIP

>50% women-owned or woman-founded.



LEADERSHIP

>30% women in senior management roles.



EMPLOYMENT

>40% women in the workforce.



SUPPLIERS

>40% women smallholder suppliers.



CONSUMPTION

>50% women beneficiaries ([see the 2024 learning brief for additional detail](#)).

This gender impact framework enables Aceli to collect sex-disaggregated data across agri-SMEs' data that many lenders, particularly commercial banks, have historically not captured. As a result, financial institutions gain clearer insight into how their agri-SME portfolios generate economic opportunities for women not only as business owners, but also as farmers and workers across agricultural value chains.

It is important to note that women-owned SMEs meet gender inclusion through majority shareholding (above 50%) while gender inclusive businesses qualify by any of the five 2X criteria mentioned above.

1. Lenders have responded to incentives for reaching women-owned businesses

Aceli’s experience demonstrates that well-designed incentives can shift lender behavior and expand financing to women-owned agri-SMEs. Targeted adjustments to incentive thresholds have directly increased lending to this segment. After the minimum qualifying loan size for women-owned businesses was reduced from \$25k to \$15k in 2023, the share of Aceli-supported loans to women-owned enterprises more than tripled—from 8% in 2022 to 26% in 2025. Over the same period, the total value of these loans increased twelve-fold, from \$4 million to \$51 million. A further expansion of the incentive range to loans as small as \$10k in mid-2025 is expected to extend lenders’ reach to a larger pool of women-owned SMEs at the smaller end of the market.

Additionality. Women-owned agri-SMEs in Aceli’s portfolio exhibit a high degree of additionality, reflecting their historical exclusion from formal finance. Seventy-six percent of loans to women-owned SMEs are to first-time borrowers, compared to 58% for men-owned SMEs. Prior to 2023, incentives were not available for loans below \$25k, effectively excluding many women-owned enterprises. Subsequent reductions in the minimum qualifying loan size to \$15k in 2023 and \$10k in 2025 significantly broadened access. As a result, 78% of women-owned SMEs now receive loans below \$50k, and 60% of borrowers in this size range are first-time borrowers. Over the past three years, lending to women-owned SMEs in the \$10k–\$24k range grew by 66%, outpacing growth in the \$25k–\$49k segment and underscoring the depth of unmet demand at smaller ticket sizes.

Despite these gains, women-owned SMEs continue to receive smaller average loan sizes than their men-owned counterparts (\$51k vs. \$89k). This reflects persistent gender disparities in asset ownership, collateral availability, and

business scale. Given their smaller loan sizes, comparable interest rates, and higher likelihood of being first-time borrowers, which increases underwriting time and costs, lenders face higher cost-to-revenue ratios when serving women-owned SMEs. Incentives that offset origination costs and share portfolio risk, therefore, remain essential to enabling sustainable lending to a commercially sound but historically underfinanced segment.

2. Integrating capital demand-side solutions with supply-side incentives is far more effective than either strategy in isolation for unlocking finance for women-owned SMEs

Experience across Aceli's lending partners, reinforced by broader market evidence³, shows that women-owned SMEs are constrained primarily by **process barriers** such as collateral requirements, documentation, and application procedures rather than by gaps in entrepreneurial capability. Addressing these constraints requires solutions that combine supply-side incentives with targeted, demand-side support.

Borrower-level insights highlight the importance of tailored approaches. In surveys of 656 SMEs (25% women-owned), 66% of male SME leaders reported that documentation requirements were "very easy," compared to only 46% of female SME leaders. This gap is largely explained by the fact that many women-owned SMEs are first-time borrowers and therefore less familiar with formal lending requirements, processes, and documentation standards.

Building the pipeline through customized solutions.

Aceli piloted a lender-based Technical Assistance (TA) cohort for women-owned SMEs in partnership with Family Bank in Kenya. The pilot built on earlier work to strengthen sex-disaggregated data, identify gaps in credit processes, and train bank staff. This groundwork contributed to the bank's women-focused value proposition and the launch of its *Queen Banking* initiative.

Twenty-five women-owned agri-SMEs were selected for the cohort, of which 20 completed the program. Early results illustrate how structured, hands-on support can rapidly improve agri-SME bankability. Within five months, participating SMEs increased compliance with documentation requirements from 0% to 75%, resulting in \$368k in approved loans for six enterprises and an additional \$1.6 million in financing under review for 14 others. A simplified cost-benefit analysis indicates a 4.1x return, based on \$368k in new private capital mobilized relative to \$89k in program costs. This estimate excludes

qualitative benefits and the additional pipeline under review, suggesting the ratio is likely to increase over time.

The Family Bank experience demonstrates that women entrepreneurs respond strongly when financing is paired with tailored non-financial support, particularly practical skills development, process simplification, and hands-on coaching. It also highlights the importance of gender lens capacity building within financial institutions. Measures such as updated management information system fields, clearer definitions of women-owned SMEs, trained staff, and internal gender champions help reduce unintentional barriers and create a more enabling environment for women-owned enterprises.

Taken together, these experiences confirm that customized products and simplified processes directly address the structural constraints limiting women's access to finance. When demand-side support is combined with supply-side incentives, latent demand converts more quickly into uptake strengthening the pipeline of bankable women-owned SMEs and expanding their participation in agricultural markets. This insight is closely linked to the discussion on lender capacity building later in the brief.

3. There is an emerging business case for lending to women-owned SMEs

To assess the commercial rationale for expanding lending to women-owned agri-SMEs, it is useful to distinguish between **two components of the business case: (i) growth opportunities for lenders** and **(ii) unit economics at the loan level**, including revenue, operating costs, risk, and cost of capital. Within this framework, repayment performance represents one important (though not standalone) dimension of overall financial viability.

Aceli has distinguished between components that support the business case, denoted by a (+), and those that signal elevated costs to serve women-owned businesses, denoted by a (-).

Growth opportunities for lenders (+)

Women-owned agri-SMEs remain significantly underserved, yet they represent a sizeable and growing pool of potential clients. According to the African Development Bank (2024)⁴, the financing gap for women-owned businesses in sub-Saharan Africa is estimated at \$42 billion, posing a major constraint on women's entrepreneurship and participation in agricultural value chains. By expanding outreach to this segment, lenders can access new customers, diversify their portfolios, and strengthen their positioning in value

³ FAO 2019: *Women Access to Rural Finance: Challenges and Opportunities*

⁴ AFDB 2024: *Unlocking Africa's Potential: Why Investing in Women is a Game-Changer*

chains where women play critical economic roles.

Unit economics of lending to women-owned SMEs

At the loan level, profitability can be expressed as **revenue minus operating costs, cost of risk, and cost of capital**. Aceli's data highlights how these components differ for women-owned SMEs relative to men-owned SMEs, and where incentives and concessional capital can help close remaining gaps.

- ✦ **Revenue (-).** Interest rates charged to women-owned and men-owned SMEs are broadly comparable; however, average revenue per loan is lower for women-owned SMEs because they typically access smaller loan sizes (\$51k on average, compared to \$89k for men-owned SMEs). Aceli is observing strong growth in both topline revenue (22%) and loan sizes for renewal loans (21%), suggesting that lifetime revenue from women-owned SMEs is likely to increase over time as these businesses scale.
- ✦ **Operating costs (-).** Operating costs per SME loan are relatively fixed, regardless of loan size. As a result, smaller-ticket loans more common among women-owned SMEs have higher cost-to-revenue ratios. In this context, origination incentives that reward lenders for serving women-owned businesses play a critical role in offsetting higher operational costs associated with smaller loans.
- ✦ **Repayment performance (cost of risk) (+).** Aceli's portfolio data indicates that women-owned businesses demonstrate lower credit risk than men-owned businesses. As of 2025, the average non-performing loan (NPL) rate across all Aceli supported loans over the past three years is 3.3% for women-owned businesses, compared to 4.6% for men-owned businesses (see Figure 1). While this difference may appear modest, it represents a 26% relative risk differential that could be meaningful at the portfolio level. When focusing on a narrower loan size band (\$25k – \$49k), the NPL gap narrows (3.3% for women-owned versus 3.4% for men-owned businesses). Although the sample size in this range is meaningful, 755 loans totaling approximately \$13 million, additional volume and longer time horizons will be required to draw firm conclusions. Nevertheless, these early findings provide indicative evidence that repayment performance may be an important contributor to the emerging business case for lending to women-owned agri-SMEs.

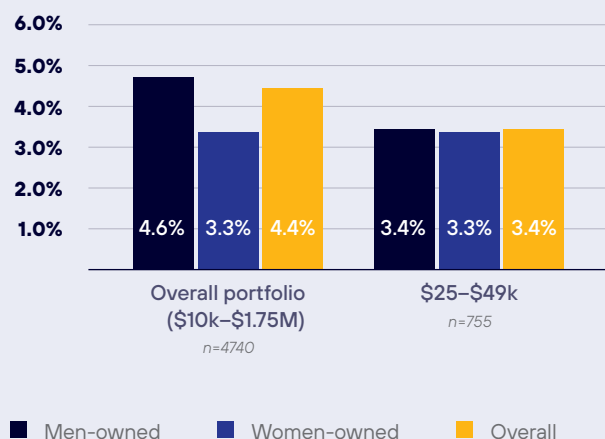
- ✦ **Cost of capital (+).** Across the countries where Aceli works in East and Southern Africa, there is a growing number of wholesale credit lines issued by both domestic and international development finance institutions that specifically target women-owned businesses (in agriculture as well as other sectors). In many cases, preferential terms are offered if lenders pass through below-market interest rates to women borrowers. The availability of this concessional capital strengthens the business for lenders to serve women-owned businesses.

Taken together, these trends indicate a business case that tilts positive on the basis of portfolio growth, loan performance, and cost of capital, especially when origination incentives compensate for reduced revenues relative to the fixed costs of issuing agri-SME loans. This analysis both affirms the need for Aceli's origination incentives and helps to explain why lenders have taken them up so enthusiastically for loans to women-owned businesses at smaller ticket sizes.

Interest rates

Aceli's data shows that interest rates for women-owned and men-owned SMEs are largely comparable. This parity is notable given the smaller average loan sizes among women-owned borrowers, which typically generate lower revenue per loan. Aceli's annual benchmarking analysis confirms that smaller loans are less profitable: returns on loans of \$10k–\$24k average -2.2%, compared to 1.6% for loans of \$25k–\$50k, while loans above \$200k generate average returns of 7.1%.

Figure 1. Average 90-day non-performing loans from 2023-2025



⁵ Aceli tracks NPLs at 30, 60, 90, 180, and 360 days. Given the seasonal nature of agriculture and sensitivities to weather-related factors (e.g., delays in the rainy season), we reference NPLs at 90 days as the most relevant metric (though the findings would not materially change if we used 30 days)

The absence of higher interest rates for women-owned SMEs suggests that lenders are not pricing gender-related risk differently, despite the higher cost-to-revenue ratios associated with smaller loans. Country-level variations such as slightly higher rates for women in Zambia or lower rates in Tanzania and Rwanda influenced by donor- or government-supported programs reflect policy and market dynamics rather than systematic gender-based pricing.

Figure 2. Size and interest rates for women-owned and men-owned SMEs

Segment	No. of loans	Avg. SME revenue	Avg. loan size	Avg. interest rate
Women-owned	931	\$355,382	\$51,961	15%
Men-owned	3,860	\$650,652	\$89,564	16%
Overall Portfolio	4,791	\$593,275	\$82,257	16%

4. Both women- and men-owned businesses can drive economic opportunities for women

A consistent pattern observed across Aceli’s learning briefs is that most **women who benefit from Aceli-supported lending do so as workers and smallholder suppliers rather than as business owners**, and the enterprises generating these opportunities are often not women-owned. This finding underscores an important nuance in the gender inclusion agenda: expanding women’s economic opportunity at scale requires attention not only to who owns businesses, but also to how businesses engage women across value chains.

Ownership-level analysis shows that 39% of men-owned businesses in Aceli’s portfolio meet gender-inclusion criteria, compared to 21% of women-owned businesses. Gender-inclusive men-owned SMEs also employ and source from a higher proportion of women than women-owned SMEs that meet inclusion criteria, a pattern consistent with findings from the 2024 learning brief. While lending to women-owned SMEs remains critical from an equity and empowerment perspective, the largest aggregate opportunities for women often arise through larger, men-owned SMEs that adopt inclusive employment and sourcing practices. Together, **these insights reinforce the need for a dual approach**: supporting women entrepreneurs while also incentivizing gender inclusion across the broader SME landscape.

- ✦ **Worker composition:** Men-owned SMEs generate large absolute numbers of opportunities for women, due to both the larger number of men-owned businesses and their bigger size. On average, the men-owned SMEs receiving Aceli-supported loans have higher revenues (\$650k compared to \$356k for women-owned SMEs) and collectively employ more than six times as many full-time workers (59,831 versus 9,280). This scale effect extends to women’s employment, with men-owned SMEs employing 21,913 women workers, compared to 3,879 in women-owned SMEs.
- ✦ **Farmer supplier base:** A similar pattern emerges in supplier relationships. Men-owned SMEs source from a substantially larger base of smallholder farmers, 1,874,491 in total, including 542,593 women, compared to 164,816 farmers (46,525 women) supplying women-owned SMEs. On a percentage basis, women-owned businesses employ more women (42% vs. 37% for men-owned) but provide market access to a slightly lower share of women farmers (28% vs. 29% for men-owned).

These figures highlight the role that both men- and women-owned enterprises play in creating economic opportunities for women and the importance of focusing on interventions to increase the quantity and improve the quality of opportunities for women farmers and workers in addition to women entrepreneurs.

Figure 3. Worker and farmer composition

	# of loans	# of full-time workers (000's)	# of female full-time workers (000's)	# of smallholder suppliers (000's)	# of female supplier (000's)
Women-owned	931	9.3	3.9 (42%)	165	46,5 (28%)
Men-owned	3,860	59.8	21.9 (37%)	1,875	542,6 (29%)
Total	4,791	69.1	25.8 (37%)	2,040	589.1 (29%)

5. Institutional transformation requires time and continued investment

While financial incentives have been central to expanding lending to women-owned and gender-inclusive agri-SMEs, Aceli's experience shows that incentives alone are not sufficient to drive sustained institutional change. **For gender-lens lending to endure, financial institutions require the skills, systems, and internal alignment** needed to identify gender-related risks and opportunities, design appropriate products, and monitor outcomes in ways that advance inclusion. **Targeted capacity building is therefore essential to embedding gender considerations into core lending operations** and generating meaningful, lasting benefits for women across agricultural value chains. This reinforces the importance of customized solutions not only at the SME level, but also within lending institutions themselves.

To support this institutional shift, Aceli has partnered with Value for Women (VfW) since 2021 to work with financial institutions to integrate gender inclusion across their strategies, products, and lending processes. Aceli's Gender Lens Investing (GLI) program is delivered in three phases:

- ✦ **Introductory workshops** that build a shared foundational understanding of gender lens investing;
- ✦ **Institutional diagnostics** that identify strengths, gaps, and priority actions across systems and processes; and
- ✦ **Customized advisory support** to help lenders implement their Gender Action Plans and translate commitments into practice.

From "Gender accidental" to "Gender intentional"

With this capacity building, partner financial institutions are moving from "gender accidental" approaches,

where gender outcomes are incidental, to more "gender intentional" strategies that explicitly integrate gender considerations into lending criteria, staff incentives, and portfolio management. Institutions that previously engaged in ad hoc or pilot gender initiatives are increasingly adopting systematic, results-oriented approaches that position gender inclusion as a core business priority.

The GLI introductory workshops have been an important catalyst for this shift. They have prompted lenders to integrate gender considerations into core operational systems, including credit assessment, client engagement, and data reporting. Institutions are also beginning to identify market opportunities in sectors with high female participation and to develop Gender Action Plans that institutionalize commitments within broader frameworks for inclusion and resilience. Together, these changes signal a move beyond compliance-driven or standalone initiatives toward embedding gender inclusion as a strategic driver of both business growth and impact.

"The TA enabled our institution to have the internal structure and confidence to pursue gender inclusion as a core business strategy."
 – FINCA Uganda

Sustaining this progress, however, requires more than one-off trainings or time-bound technical assistance. High staff turnover common in the financial sector can quickly erode institutional knowledge unless learning is embedded within organizational systems. Continuous, institutionalized capacity building, supported by leadership commitment and internal alignment, helps ensure that gender-responsive practices become part of organizational culture rather than relying on individual champions. Structured onboarding for

new staff, refresher trainings, and peer learning mechanisms all contribute to consistency and institutional memory.

Several partner institutions are already translating these commitments into operational changes. In Kenya, I&M Bank expanded its agriculture team by hiring nine branch-based staff mandated to identify customers aligned with Aceli’s impact criteria, including women-owned businesses a clear response to incentives and a signal of shifting impact orientation.

“We are now using a specialized sales force to find new customers that meet the impact areas Aceli has defined. Those impact areas are now what the bank is chasing because we have aligned to them internally: working with women, youth, food and nutrition.”

– I&M Bank Kenya

Similarly, Opportunity Bank Uganda has established the OBUL Academy, which digitizes training content for staff. While initial modules focus on agri-finance, the platform is designed to expand into additional thematic areas, including gender-responsive lending. By institutionalizing continuous learning, OBUL is building a culture of capacity strengthening that can embed new competencies such as gender analysis, client segmentation, and tailored product design across its workforce over time. This approach illustrates how investments in training infrastructure can support long-term sustainability while creating a foundation for more intentional gender inclusion in lending.

Lessons from the GLI program highlight several factors that enable the transition from commitment to practice:

- ✦ **Leadership commitment**, combined with participatory diagnostics, creates the foundation for internal alignment and accountability.
- ✦ Moving beyond one-off initiatives toward **structured, gender-informed strategies** influences both product design and client engagement.
- ✦ **Gender-disaggregated data** serves as a catalyst for deeper portfolio insights and more tailored offerings.
- ✦ Evidence from participating lenders indicates that women-led agribusinesses demonstrate strong repayment performance, reinforcing the **commercial case** for gender-responsive lending.
- ✦ **Institutionalized capacity building**, reinforced through peer learning and ongoing knowledge

exchange, enables lenders to sustain momentum and embed gender inclusion across their operations.

Recommended steps for lenders

Building on the institutional shifts observed across Aceli’s partner financial institutions, our experience highlights several actions that can help lenders embed gender inclusion in a **systematic and sustainable way**. A minimum threshold of senior-level commitment is critical. Without visible leadership support particularly in larger commercial banks where change management can be slow efforts to advance gender lens investing are likely to stall before gaining traction. A crucial first step is therefore identifying senior champions with the authority to steer, authorize, and sustain institutional change.

Once leadership commitment is established, lenders can progress through a sequenced set of actions:

- ✦ **Conduct institutional diagnostics.** Assess strengths and gaps across strategy, data systems, product design, credit processes, and staff capacity to establish a clear baseline and prioritize actions.
- ✦ **Build internal buy-in.** Engage leadership and staff at multiple levels to build a shared understanding of gender inclusion as both a strategic priority and a business case, rather than a compliance exercise.
- ✦ **Embed gender inclusion into core operations.** Integrate gender considerations into policies, operational procedures, data disaggregation, product development, and portfolio management, refining these elements over time as market conditions evolve.
- ✦ **Institutionalize continuous learning.** Establish structured mechanisms such as training academies, e-learning platforms, and onboarding modules that help maintain gender capabilities despite staff turnover and organizational change.

Examples such as Opportunity Bank Uganda’s OBUL Academy demonstrate how internal training structures can preserve institutional memory and reinforce long-term change by embedding new competencies within organizational systems rather than relying on individual champions.

Together, these steps move lenders beyond isolated initiatives toward organizational systems that consistently deliver gender-inclusive finance at scale.

Deepening our reach

In the [previous learning brief](#), Aceli outlined two emerging strategies for extending outreach to underserved borrowers: introducing geographically targeted incentives and partnering with Savings and Credit Cooperatives. These strategies are now being implemented, and early results suggest increased outreach in both areas—though with **divergent and, in some cases, unexpected outcomes for women-owned businesses**.

Expanding inclusion in underserved regions:

Lending activity in arid and semi-arid regions (ASALs) of Kenya, Uganda, and Zanzibar has historically been extremely limited. Over a period of four and a half years, only 30 Aceli-supported loans were recorded in these geographies, underscoring the depth of financial exclusion in these markets. To address this gap, Aceli introduced geographically targeted incentives by lowering the minimum qualifying loan size to \$10k.

Following these adjustments, uptake increased markedly. Participating lenders have since registered 81 loans in ASAL regions, 51 of which were approved within the past six months. Notably, 28% of these loans were extended to women-owned businesses exceeding expectations given the cultural and structural barriers documented in many ASAL contexts. Gender-intentional lenders, such as Finance Trust Bank in Uganda, have been central to this growth. These early results point to both a growing willingness among lenders to engage in higher-risk markets and the presence of women-owned and gender-inclusive enterprises capable of productively absorbing capital when appropriately structured financial products are available.

Working with SACCOs as a new distribution channel:

To further deepen outreach to underserved segments, particularly women and youth who often require more flexible landing models, Aceli expanded our program to three SACCOs in Kenya and Uganda. SACCOs offer an important opportunity to reach smaller, more informal, and rural SMEs that may be less visible to commercial banks.

Early engagement, however, suggests that expanded outreach to women-owned SMEs through SACCOs may not occur automatically. Some SACCOs are likely to require targeted capacity building to strengthen their gender strategies, improve sex-disaggregated data systems, and adapt product design to better serve women borrowers. In response, Aceli will prioritize identifying and onboarding additional SACCO partners in 2026 while also assessing

where tailored support is needed to enhance their ability to reach women and other underserved borrowers effectively.

Looking ahead

Aceli remains committed to accelerating gender inclusion in the agricultural SME sector and contributing to Sustainable Development Goal 5 (Gender Equality). Building on experience to date, Aceli is evolving its service offering through a set of complementary approaches designed to expand lending to women-owned and gender-inclusive enterprises while strengthening the evidence base for what works.

Customizing incentives: Aceli continues to use data and market feedback to refine our incentive design. Evidence shows that smaller-ticket agri-SME loans remain less profitable for lenders due to high transaction costs. In 2026, Aceli plans to increase emphasis on the lower-ticket segment while reducing origination incentives for loans above \$200k, ensuring resources are better aligned with the loan size segment where additionality and market failure are greatest. These changes will have disproportionate benefits on lending to women-owned businesses concentrated at the lower end of the loan size range.

Scaling technical assistance through lender cohorts:

Building on the strong results from the TA pilot with Family Bank in 2025 (see insight 2 above)—where structured coaching, documentation support, and process guidance rapidly improved SME readiness. Aceli plans to replicate this cohort model with other lenders in 2026. Scaling this approach will enable Aceli to reach more women-owned enterprises while reinforcing lender capacity and motivation to serve them effectively.

Measuring activation at the lender level: Aceli developed a Lender Activation Tool that assesses institutional readiness across six dimensions of agri-lending ([see here for more detail](#)). One of the six dimensions is impact orientation and the tool informs how Aceli tailors technical assistance, ensuring support is responsive to where each institution sits along its agricultural lending journey. As part of refining its gender lens investing strategy, Aceli is strengthening the impact orientation indicator with a more explicit focus on gender and climate. This refinement will help more clearly identify which institutions require tailored support. The dimension on gender impact orientation would be assessed across several interrelated components: (i) **high-level institutional buy-in**, including leadership commitment and policies; (ii) **staff expertise and capacity**,

such as gender expertise at head office and training at branch level; (iii) **data systems and reporting**, including the ability to track and use sex-disaggregated data; and (iv) **tailored product offerings**, including product design and, where appropriate, outreach strategies targeting women-led SMEs. Given that product design is already a standalone dimension within the LAT, the gender-related aspects of product offering could be reflected either as a sub-component under the gender impact orientation dimension, within the existing Product dimension of the LAT, or through a combination of both. Taken together, this portfolio-wide perspective would enable lenders to benchmark progress, identify gaps, and embed gender inclusion more systematically across their business models. The updated indicators will be piloted with selected lenders to guide future advisory engagements.

Strengthening our data and evaluation approach:

We are strengthening our data and evaluation systems toward a deeper understanding of outcomes linked to incentive-aligned lending. In addition to tracking repayment performance, revenue changes, and the experiences of employees and farmer suppliers, we are expanding sex-disaggregated data collection to test emerging hypotheses such as whether women-owned SMEs consistently demonstrate stronger repayment performance than men-owned SMEs. To generate more robust evidence over time, we will establish a longitudinal sample that allows us to track changes in SME performance and gender inclusion over multiple years.

In parallel, Aceli will begin monitoring the progress of lenders that have participated in GLI technical assistance, assessing how they implement their Gender Action Plans and embed gender-responsive practices within their strategies, products, and processes. This will guide refinements to Aceli's offering, and contribute to sector-wide efforts to strengthen finance for women-owned businesses and advance gender inclusion across agricultural value chains.

Overall, Aceli's experience to date demonstrates that building a viable business case for financing women-owned agri-SMEs requires a coordinated set of interventions: incentives that shift lender economics, capacity building that strengthens both lenders and SMEs, and robust data systems that generate credible evidence. In the coming years, Aceli will deepen and expand these approaches by engaging new lending partners—particularly those serving segments where women-owned businesses remain most underserved—and by refining its incentive design, technical assistance, and measurement frameworks. Together with continued policy engagement, these efforts aim to advance gender-inclusive lending across agricultural value chains in East Africa and contribute to broader sector-wide learning and investment.

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