



VALUE FOR WOMEN INSIGHTS SERIES

# AGRICULTURE

How Can Investors Level the Playing Field  
for Women in Agricultural Livelihoods?

**VOLUME 1, ISSUE 6**

**Value for Women** is a global pioneer with a mission to promote women's participation and leadership in business, finance, and investment in emerging markets. It does this through building individual leadership, equipping businesses, and driving innovation through data & research. Value for Women is a woman-led company and its diverse team is spread across 5 continents and has expertise in countless sectors. Learn more at [www.v4w.org](http://www.v4w.org).

### About this Value for Women Insights Series

As we celebrate Value for Women's 10th Anniversary this year, we have undertaken a broad research initiative to provide insights on gender, business, and investing in emerging markets over the last decade. This initiative takes stock of gender and business to surface tensions, challenges, and opportunities, and offers analysis, tools, and solutions for advancing action toward gender equality.



This Insights series was supported by Visa Foundation, as part of its work to support inclusive economies where individuals, businesses, and communities can thrive.

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# VALUE FOR WOMEN'S AGRICULTURE WORK

In agriculture, Value for Women supports investors, ecosystem players, and enterprises to embed gender inclusion into their ways of doing business. Value for Women's key partners have included investors such as Root Capital, Alterfin, Acumen, and Alphamundi Foundation and ecosystem players such as Aceli Africa and the Council on Smallholder Agricultural Finance. Our support helps partners further the application of a gender lens<sup>1</sup> to their investment strategy and process and wraparound services. We have also provided technical advisory to partners' agri-enterprise portfolios to help them expand opportunities for women suppliers and employees.

## BOX A

### Building the Evidence Base for Gender Lens Investing in Agriculture Value for Women's Case Studies & Publications

Value for Women has worked closely with a number of investors to help build the evidence base for gender lens investing in the agricultural sector, documenting results and learnings. These include:

- Case studies:
  - [Root Capital Case Study: Pursuing Gender Equality Through Investment in Rural Communities](#)
  - [Mango Fund: How a Ugandan Investment Fund Is Doubling the Number of Women-Owned Businesses in Its Portfolio](#)
  - [Family Bank: How a Kenyan Commercial Bank is Expanding the Share of Women Business Owners in Its Portfolio](#)
  - [AlphaMundi Foundation: Achieving Social & Business Impacts Through Gender-Smart Strategies](#)
- Evidence-based guides to:
  - Develop and use sex-disaggregated data ([Case Study 1](#))
  - Manage HR in a gender-inclusive way ([Case Study 2](#))
  - Better serve women customers ([Case Study 3](#))
- Research reports and practical tools:
  - [Root Capital Evaluation Report: Building the Capacity for Small and Growing Businesses \(SGBs\) to Improve the Climate Resilience of Women Farmers](#)



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In this brief, we present the opportunities for investing with a gender lens in agriculture in emerging markets and how this can help level the playing field for women not only as producers but also as employees and leaders. We then look at how this investing has shifted and evolved in recent years. Despite encouraging trends, there continues to be a large gender finance gap, and so the remainder of the brief offers a framework of the most powerful actions that investors and other types of funders supporting agri-enterprises and/or cooperatives can take to increase the share of agricultural investment capital being deployed with a gender lens, and provides tools for doing so.

This paper draws from interviews with over 25 experts, investors, and enterprise intermediaries – primarily in emerging markets– as well dozens of publications, countless case studies, and our own work over the last decade at Value for Women.

# 1. WHAT ARE THE OPPORTUNITIES FOR INVESTING WITH A GENDER LENS IN AGRICULTURE?

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## 1.1 Agriculture Matters for Gender Inclusion and Equality

**Globally, the agriculture sector is a key driver of economic growth: it accounts for 20-30% of GDP, depending on the country.**<sup>2</sup> It is also a key employer: it employs 35-70% of the workforce.<sup>3</sup> And 36% of working women and 38% of working men are employed in agrifood systems, a term used to describe all activities in the upstream, midstream, and downstream parts of food value chains.

**But in many countries, agrifood systems are a more important livelihood source for women than men.** For instance, in sub-Saharan Africa, agrifood systems account for 66% of women's employment, as compared with 60% of men's employment. In southern Asia, this number is even higher where 71% of women in the labor force work in agrifood systems as compared with 47% of men.<sup>4</sup>

**This makes it particularly problematic that gendered barriers are pervasive throughout the agricultural sector in emerging markets.** Women in agriculture continue to face specific constraints that limit their contributions, including:

- Limited access to hired labor, equipment, technology, training, finance, and markets;
- Restrictions on land ownership and tenure that limit expansion opportunities and lead investors to deal primarily with men;
- Sexual harassment and violence; and
- Household, community, and care responsibilities, which are essential to rural wellbeing but have an important effect on women's time use.<sup>5</sup>

## 1.2 Agricultural Enterprises, Specifically, Matter for Gender Inclusion and Equality

### What We Mean by “Agricultural Enterprises”

Agri-enterprises – often referred to as agri-enterprises or agri-SMEs – are profit-oriented enterprises that are involved in the agricultural value chain either directly or by providing enabling services to value chain actors. In this brief, agri-enterprises can also refer to small commercializing farms that sell at least half of their production and to farmer organizations/cooperatives. These enterprises typically have between 6 and 249 employees (or, in the case of producer organizations and cooperatives, at least 25 members) and can service investments of between US\$50,000 and US\$2M. The exact legal structure and level of formality of the enterprise do not matter.<sup>7</sup>



**In emerging markets, agri-enterprises are the backbone of the vast agriculture sector.** In Africa, for instance, it is estimated that agri-enterprises sell 80% of the food produced for local consumption and generate 25% of rural employment.<sup>6</sup>

**Because of their position within rural markets, agri-enterprises can drive gender inclusion in agriculture.** This is relevant for a diversity of agri-enterprise models, including aggregators that source from and provide market access to women; agro-processors that provide rural employment for women; cooperatives that provide training and inputs to boost productivity and resilience; microfinance institutions that provide credit and other financial services for women producers or small business owners; and input and machinery providers that can reduce drudgery and give users time back.

These types of agri-enterprises are particularly well-positioned to increase women’s access to inputs, knowledge, training, and farm financing, expand women’s roles in the supply chain, increase women’s decision-making power (on the farm, in the household, and in the enterprise), increase women’s economic opportunity (through employment in enterprises and increased production and income), promote and protect women’s rights (whether land tenure for producers or employee health and safety for agro-processors), and improve the health and longevity of women’s land. To successfully drive gender equality in agriculture, these agri-enterprises must commit and take action.

## Examples of Agri-Enterprises Driving Gender Equality in Rural Communities

**Increasing access to safe and healthy food:** [MWINGI](#) is a **last-mile trading network** with independent distribution outlets, or *dukas*, owned and operated by local women entrepreneurs in Kenya.<sup>8</sup> The company **supports rural women to become retail franchisees and serve customers in their local communities with fast-moving consumer goods in a clean, efficient, and transparent way**. Mwingi manages all processes for the franchisees, including the purchasing and transportation of goods. It also provides the franchisees with a state-of-the-art POS system (data from the POS empowers franchisees to manage their stocks and sales process efficiently) as well as with financing options for stock management. It employs a profit-sharing model and each franchisee can ascertain the amount of profit made each day.

**Reducing food waste and costs through improved smallholder market linkages:** [TAIMBA](#) is a Kenyan **mobile-based business-to-business platform that connects farmers** (80% of farmers in East Africa are women) **to retailers**.<sup>9</sup> Using innovative, data-driven supply chain solutions, TAIMBA aims to optimize food distribution, quality, and price and reduce food waste in East Africa. The platform does this by organizing rural smallholder farmers into groups, improving their market access, and shortening the farm-to-retail supply chain. Ultimately, **this enables farmers to receive a fair price and improve their productivity**.

**Improving women's livelihoods through access to finance and climate resilience:** [AMPROCAL](#), an **all-women coffee cooperative** in Honduras, improves women farmer livelihoods by connecting them with higher prices for their coffee on the international market. Starting with just eight members in 2007, the cooperative has grown to over 150 members. The cooperative has leveraged financing from investors to deliver both technical training and farm inputs to their members, which **has enabled members to diversify their livelihoods, improve their food security, and build resilience** to the risks arising from climate change and pandemic-related disruptions.<sup>10</sup>

**Improving access to finance for women smallholders:** [HerVest](#) is a **fintech company that uses technology to facilitate peer-to-peer capital relocation in Nigeria**.<sup>11</sup> The company offers smallholder women farmers and women-led and -owned enterprises greater access to financial services, including savings, impact investments, and credit financing. It specifically targets its credit financing opportunities to women smallholder farmers, **helping bridge the gender finance gap women smallholder farmers face**.

**Improving women producers' climate resilience:** [Twezimbe Women's Group](#) is a **catering company** in Uganda that was affected by supply chain disruptions from both climate change and COVID-19-related restrictions.<sup>12</sup> The group has since **secured land to set up a solar irrigation system to reduce the impact of climate-related risks to vegetable production and to scale and diversify the group's produce**. The introduction of the solar irrigation system has enabled the group to leverage relationships with government and non-governmental partners to secure training and extension services, networks, finance, inputs, and knowledge, including through peer learning activities, further enabling the group to better manage its catering supply chain. It has also enabled group members to set up individual kitchen gardens to improve household nutrition and food security.

## 1.3 There is a Business and an Impact Case for Investing in Agri-Enterprises

There is **mounting evidence demonstrating the business case for investing in women in agriculture**.<sup>13,14</sup> For enterprises, investing in women in agriculture can lead to improvements in product quality, increase productivity, and reduce management and coordination costs. For investors<sup>15</sup>, it can generate greater financial returns.<sup>16</sup>

### BOX C

#### Root Capital Analyzed Nearly a Decade of Transactions to Understand the Financial Returns of Investing in Women. The Results Make the Case for Investing in Women.

Root Capital –a lender that finances small and growing agricultural businesses in Latin America, Africa, and Indonesia –analyzed nine years of borrower data, representing more than US\$1 billion in investments. It looked at the association between women's leadership and participation and key business and loan outcomes and found that:

#### **Enterprises with greater women's leadership and participation experience more stable revenues**

On average, women-led<sup>17</sup> and gender-inclusive<sup>18</sup> enterprises see one-third smaller annual variation in revenues compared to men-led and non-gender-inclusive enterprises. Enterprises with greater women's participation are less likely to experience substantial revenue dips and variation, which could positively impact their ability to repay their loan, invest in their business, pay producers and employees, and/or be eligible for future loans.

#### **Women-led and gender-inclusive enterprises are very fast growing**

On average, women-led enterprises experience year-on-year growth rates of 25.7% CAGR<sup>19</sup> and 45.2% AAGR.<sup>20</sup> Gender inclusive businesses experience, on average, year-on-year growth rates of 20.6% CAGR and 35.1% AAGR. These findings suggest that agri-enterprises with strong women's participation and leadership grow very fast. For investors seeking to balance growth and stability, gender-inclusive enterprises offer strong growth while avoiding

some of the trade offs of extreme growth observed in less inclusive enterprises.

#### **Investments in enterprises with greater participation of women catalyze these enterprises' access to further financing**

Compared to non-inclusive enterprises, gender-inclusive enterprises were 20.8 percentage points more likely to obtain new social or commercial financing after having financing only from Root Capital. This indicates that investments in gender-inclusive agri-enterprises –especially those underserved by investors– can accelerate these enterprises' access to new sources of capital.

#### **Loans to women-led enterprises and those with more women employees are less likely to default and are more profitable**

Root Capital found that a 10 percentage point increase in the number of female employees is associated with 1.2 percentage point lower default rate. And contrary to popular misconceptions, loans to women-led enterprises and those with greater participation of women are not costlier to serve; in fact, they generate larger profits than loans to less inclusive enterprises: Root Capital's analysis found that loans to women-led enterprises, on average, yield US\$17,850 more profits than loans to non-women-led enterprises.

*Read Root Capital's "[Inclusion Pays](#)" report for more information.*



“We’re at a moment where providers ... are starting to see the business case, to see beyond the social angle.”

– **JAMIE ANDERSON**, SENIOR FINANCIAL  
SECTOR SPECIALIST, RURAL AND AGRICULTURAL  
LIVELIHOODS, CGAP

**The provision of capital to agri-enterprises with a gender lens can catalyze gender equality at the three levels presented below**, while generating significant business benefits for the enterprise and, by extension, for the investor.

### Level 1. Women as *producers* within agricultural supply chains

Women’s agricultural productivity and yields are 20-30% lower than men’s as a result of well-documented constraints. A case in point is that a multi-country study in Africa found that the gender productivity gap ranged from 13% in Uganda to 25% in Malawi, even when women had access to land and inputs (in part because women lack secure land tenure and have less access to education, information, and markets than do men).<sup>21</sup> These constraints limit the contributions women make to supply chains and ultimately affect the chain’s stability.<sup>22</sup> This is why **investments and support deployed with a gender lens to agri-enterprises that source raw materials or crops from farmers can lead to significant improvements in supply chain stability, productivity, and reliability.**

### Level 2. Women as *employees* within agri-enterprises

In agrifood systems, women workers are significantly more likely than men workers to work part-time or in other vulnerable positions. In the first year of the COVID-19 pandemic, in the off-farm segment of agrifood systems, 22% of women globally lost their jobs compared to only 2% of men.<sup>23</sup> Furthermore, women engaged in wage employment in agriculture earn 82 cents for every dollar that men earn.<sup>24</sup> In this context, **investments and support deployed with a gender lens can help increase women’s labor force participation and, particularly, access to decent and stable employment.** This, in turn, will contribute to women’s economic empowerment and increase global GDP by nearly US\$1 trillion.<sup>25</sup>





### Level 3. Women as *leaders* and/or owners of agri-enterprises

Women entrepreneurs continue to be underserved by both formal financial institutions and investors, despite increasing evidence that they are a profitable and reliable customer segment. Root Capital's gender lens analysis of nine years of loan transactions (see Box C) demonstrates how greater women's leadership within agri-enterprises is correlated to more stable revenues and higher growth. Furthermore, Aceli Africa's analysis of data from 450+ loans made by 25 agricultural lenders in Kenya, Rwanda, Tanzania, and Uganda between September 2020 and June 2022 revealed that women-owned businesses hire a slightly higher percentage of women employees (41% vs. 33%) and are significantly more gender-balanced in senior leadership (57% of leadership roles held by women vs. 23%) and in their boards (62% vs. 16%) than men-owned businesses. This indicates that **investing more intentionally in women-led and -owned businesses can contribute to building more resilient and inclusive enterprises.**

**Beyond the business case, the impact case for directing capital with a gender lens cannot be overlooked.** The Food and Agriculture Organization of the United Nations (FAO) estimates that 57% of the current gap in food insecurity between men and women would disappear if gaps in education, labor force participation, and employment and income inequality were all closed, making a significant dent in global levels of food insecurity.<sup>26</sup> It would also boost household resilience in the form of increased investments in education, health, and nutrition.<sup>27</sup>

#### BOX D

### Thinking About Climate Change Too: How Investors Can Deploy Capital at the Intersection of Gender, Agriculture, and Climate Change

Climate change is fundamentally impacting the agricultural landscape and, because of the high concentration of women in agricultural sectors in emerging markets, it will in turn fundamentally impact women's livelihoods. Women are at the frontlines of climate change— not only as those most vulnerable to it but also as first responders. Experts we spoke to noted the importance of addressing women's climate vulnerabilities while also leveraging their expertise and their agency.

Data on investments at the nexus of climate, agriculture, and gender is not widely available but the experts we spoke to universally agreed that as an industry we remain stuck in a climate or gender narrative, rather than effectively demonstrating the linkages between gender, climate, and agriculture.

## 1.4 Despite These Powerful Opportunities, There Is a Large Gender Finance Gap

### **Access to finance is a top challenge for agri-enterprises run by both men and women.**

There is an estimated US\$106 billion agricultural SME finance gap in sub-Saharan Africa and Asia (excluding India) alone.<sup>28</sup> This agri-finance gap has emerged as a result of several inherent risks associated with the sector, including climate variability, weak infrastructure, and political instability, and as a result of the costs to service these enterprises which are inherently in remote rural areas.<sup>29,30</sup>

### BOX E

#### Who Finances Agri-Enterprises?

In the agricultural lending space, the term “missing middle” refers to those agri-enterprises that have financing needs larger than what microfinance institutions can typically offer but which are not formalized enough to access the capital offered by local commercial banks. These agri-enterprises are typically seeking capital between US\$50,000 and US\$2 million.<sup>31</sup>

Yet some financial institutions and investors are financing them. ISF Advisor’s 2022 report, [The state of the agri-SME sector – Bridging the finance gap](#), shows what finance is flowing to agri-SMEs in Sub-Saharan Africa and Southeast Asia. It shows that:

- **The banking sector plays an outsized role in the provision of current available financing**, particularly in Southeast Asia. However, local commercial banks tend to serve more mature agri-enterprises in regional or national markets, such as established aggregators and local processors. State-owned intermediaries, such as public development banks, specialize in long-term credit through subsidies, concessional, and commercial debt to meet public sector priorities.<sup>32</sup>
- **Non-banking financial institutions** tend to serve a wide range of agri-enterprises, including commercial farmers and exporters and offer specialized products, such as leasing and supply chain finance. **Social impact lenders, including impact investors**, play a critical role in Sub-Saharan Africa.<sup>33</sup>
- **Private equity and venture capital funds continue to provide only limited financing to agri-enterprises** due to the challenges of these lenders’ risk appetite, investment horizons, and ticket size.<sup>34</sup> That said, some progress has been made over the last few years, as some funds have more intentionally directed gender-lens capital toward the agricultural sector. While in 2017 only 5% of gender lens funds reported investing in agriculture, in 2017 that number had increased substantially to 46%.<sup>35,36</sup>

The most readily-available financing for agri-enterprises, which is from local commercial banks and impact-oriented funds, tends to flow to the most mature and creditworthy agri-enterprises within a given market, or to enterprises that are active in export markets. But these types of agri-enterprises represent a very small fraction (an estimated <5%) of the market, which results in a **persistent and large, underserved missing middle**.<sup>37</sup>

**Accessing finance is often more challenging for women entrepreneurs.**<sup>38</sup> In Africa, for example, women receive less than 10% of the credit offered to small-scale farmers.<sup>39</sup> Women's limited access to finance often stems from their lack of collateral (land or other assets) needed to borrow money from financial institutions, women's lower financial literacy, and the lack of bank branches in many rural areas combined with women's mobility constraints.

**Financing, or rather the lack thereof, lies at the heart of women's inability to fully participate in agricultural markets.** Without access to finance, women cannot obtain inputs, leverage appropriate technology, maintain operating capital, or access storage. Ultimately, insufficient capital keeps women from being able to scale operations. It may also act as a barrier to entry; for instance, a woman producer may sell her goods in raw form rather than at higher value post-processing because she cannot access the capital to purchase or rent the tools and/or labor necessary for value addition.<sup>40</sup>



## 2. WHAT DO WE KNOW ABOUT GENDER, AGRIBUSINESS, AND INVESTING IN EMERGING MARKETS?

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### 2.1 In the Last 10 Years, the Sector Has Seen an Important Shift Toward Recognizing, Understanding, and Supporting Women Beyond Producers

More than ten years on from the FAO's Women in Agriculture report,<sup>41</sup> which set out to quantify the gender gap in agricultural productivity, conversations have expanded beyond production, to look at where women are at other levels of the value chain. **These conversations are recognizing the diverse roles women hold as processors, agronomists, field agents, sales and marketing staff, business leaders, and agri-entrepreneurs.**<sup>42</sup>

According to the experts we interviewed as part of this research, **several factors have led to this recognition of women's diverse roles:**



#### New methods to increase both empowerment and visibility of women in agricultural livelihoods

Leaders in the agri-lending sector, including Opportunity International, Root Capital, and AgDevCo's Smallholder Development Unit, adopted the concept of "farming as a family business" and used associated participatory household methodologies such as the Gender Action Learning System (GALS) to bring women into the conversation and give them more power over household decision-making. This approach addresses and redresses traditional ideas of gender roles by integrating all household members, including women, into farm business decision-making and management. It also helps expand the sector's understanding of the critical, yet often invisible, on-farm and off-farm roles women play within agricultural households.



### Increasing migration of men out of rural areas

The “feminization of agriculture” is a term used to describe women’s increasing roles in agriculture over time and in comparison to men. A key driver of this is the outmigration of men from rural areas.<sup>43</sup> Women are more likely to stay behind, due to gender norms that restrict their mobility, and they then participate more in agricultural production, labor, and farm management.



### Evidence generated on the business case for gender equality

Major reports from the likes of McKinsey & Company<sup>44</sup> and the International Finance Corporation<sup>45</sup> have been instrumental in quantifying the impact of having more women in leadership roles across the private sector and government. We heard from practitioners across the agricultural development space that these types of studies provided the necessary evidence and talking points to help change mindsets, reframing the conversation to women as actors and leaders (rather than women as beneficiaries or even victims– of discrimination, harassment, or violence).

*“[...] we have a lot more evidence and research for the business case for gender equality. Being able to use that language really helps change people’s mindsets. [It’s] a very powerful tool.”*

**– CRISTINA MANFRE,**  
GLOBAL GENDER DIRECTOR, TECHNOSERVE



### New knowledge on what drives finance usage among underserved populations

Starting around 2010, different methodologies– including human-centered design, client journey mapping, and data segmentation –allowed financial services providers to understand the diverse financial needs of rural households. Financial inclusion research and agricultural finance research also accelerated. This deepened the industry’s understanding of the diverse livelihood strategies these households employ to build resilience and transition out of poverty. As a result, financial services providers saw that by better understanding and meeting the diverse needs of rural households, they could generate sustainable value for these households and drive client retention, satisfaction, portfolio growth, and, ultimately, sustainable value for the provider.

## A Decade of Insights on Women's Financial Inclusion in Agriculture

- 2013:** CGAP publishes its first report under the Smallholder Financial Diaries research project. This report and subsequent ones provided detailed insights into the financial behavior and challenges faced by smallholder farmers and helped inform the development of financial services that meet their needs.
- CGAP's Customer Centricity work, including [tools](#) and materials published over nearly a decade, helps financial institutions better understand their clients and develop products and services that meet their needs. Of particular note is its **2017** brief outlining [the business case for customer centricity](#), which argues for a shift away from focusing on short-term profitability in favor of maximizing the value of all customer segments over the long term.
- 2016:** The RAF Learning Lab and the Initiative for Smallholder Finance's report "[Inflection Point: Unlocking Growth in the Era of Farmer Finance](#)" calls for a new approach to farmer finance focused on building long-term relationships with farmers and providing services that meet their unique needs.
- 2019:** The RAF Learning Lab and ISF Advisors publish their Rural and Agricultural Finance State of the Sector report entitled "[Pathways to Prosperity](#)", which offers a framework for understanding the different pathways rural households may take as they pursue increased resilience and agency through various livelihood strategies.
- The RAF Learning Lab and ISF Advisors publish a [Gender Deep Dive](#) highlighting how rural women face specific barriers and constraints across different livelihood strategies, and making the case for financial institutions to tailor their services to distinct segments of women.
- 2021:** The World Bank's [Global Findex](#) adds usage indicators to their survey tool, concretizing the move from measuring financial inclusion based on usage rather than access only.

All of the above contributed to a shift in the sector. Whereas gender-focused agricultural interventions in the previous decade focused primarily on productivity-enhancing interventions at the farm level, this new understanding opened up new opportunities and channels through which to drive gender equality.

## 2.2 The Sector Has Also Evolved from Focusing on Reaching Women to Generating Outcomes for Women in Agriculture

With greater understanding of the heterogeneity and complexity of the dynamics affecting women in rural livelihoods has come a shift from enabling women's access to finance to deliberately building solutions for women that unlock opportunities for their upward mobility and greater resilience. **This has been a watershed shift— away from financial services as the end goal, toward financial services as a means to an end.**

**With this evolution, new, complementary metrics and measurement tools have emerged.** A decade ago, institutions working to increase women's participation in agriculture were primarily focused on increasing the numbers or percentages of women. This included:

- The number of women cooperative members
- The number of women suppliers
- The number of women landholders
- The number of women trained

Then, in 2018, **the creation of the 2X Challenge criteria marked an important inflection point in the gender lens investing (GLI) sector. The criteria gave enterprises and investors alike a way to move beyond counting women reached,** to assess gender inclusion within a given organization by looking at where women are within ownership and leadership structures, the workforce, and the customer base (see Box F). Not only that but as a set of commonly accepted metrics and benchmarks, the 2X criteria offered enterprises and investors clear starting points for developing gender strategies and goals.

*“The 2X Collaborative and Gender Smart movements have been pivotal in creating alignment across DFIs and impact investors on common definitions and criteria.”*

**– JASMIN HIDANOVIC, SENIOR MANAGER, TECHNICAL ASSISTANCE, AGDEVCO**







**Some investors have also been leading the way in this shift**— demonstrating a commitment to moving beyond counting women to understanding how their capital is enabling better outcomes for women within agri-enterprises and/or cooperatives.

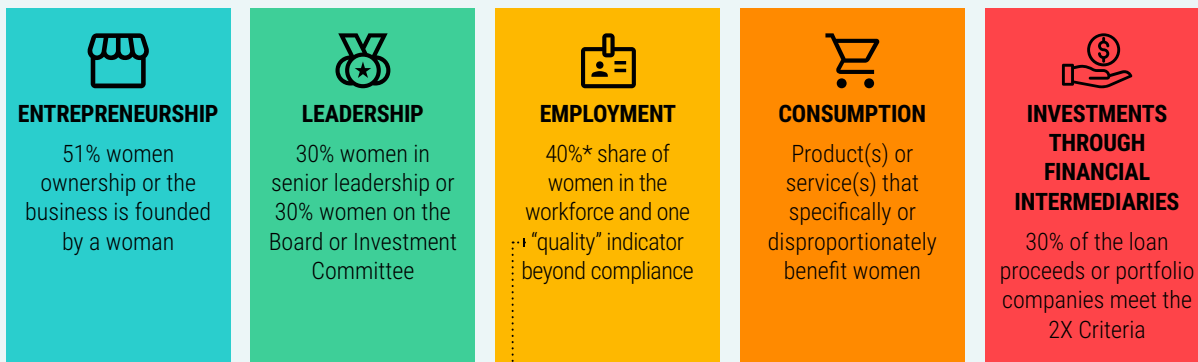
- Global Partnerships, an impact-first investor making loans and early-stage investments to social enterprises throughout Latin America, the Caribbean, and sub-Saharan Africa, not only captures the number of women producers a portfolio company reaches but also assesses portfolio companies' gender policies and the intentionality of their gender inclusion initiatives.
- Root Capital conducts impact assessments with their agri-enterprise borrowers to measure, among other things, outcomes for women (e.g. production, sales, income, decision-making power).<sup>46</sup>
- Alterfin has been experimenting with different approaches to understand its impact beyond reaching women, including embedding qualitative gender lens indicators (e.g. use of sex-disaggregated data to make decisions; existence of gender-inclusive workplace policies; practices that increase women's access to training and other services) in its due diligence and portfolio monitoring tools and conducting case studies using different qualitative research methodologies.

*"There is a shift from the counting of women to really understanding reasons and benefits for including them."*

— **CESAR MAITA**, SENIOR INNOVATION  
MANAGER, GENDER, IDH

## 2X Challenge Criteria and Going Beyond This Threshold

## 2X CRITERIA



\* The share of women in the workforce criteria threshold varies from 30 - 50% based on the sector. For the Food & Agriculture sector, the threshold is 40%.

**Quality indicator:** A policy or program, beyond those required for compliance, addressing barriers to women's quality employment (e.g. wage inequity, lack of child care, discrimination/harassment), with evidence of implementation or a commitment to implement.

Today, the 2X criteria are a starting point, not a final destination. As such, we are seeing many investors we interact with regularly taking the initiative to go beyond the minimum thresholds set by 2X. This is because as they start regularly collecting 2X-aligned data from their portfolio, they are realizing that they can set more ambitious goals for themselves and their portfolio companies.

For instance, Aceli Africa initially adopted the 2X target for a gender-inclusive portfolio (i.e., 30% of loans meeting the 2X criteria). As of September 2022, more than 60% of agri-enterprises receiving Aceli-supported loans met the 2X criteria. So to drive its portfolio further, in May 2022, Aceli revised its gender impact bonus to offer a "double bonus" for loans to enterprises that meet multiple criteria across women's leadership (i.e., ownership, management, board) and women's participation as employees and farmer suppliers.<sup>47</sup>

**More recently, leading actors in the agricultural finance and investment sector, including FAO, IDH, and CGAP, have continued to push even further the conversation on generating outcomes for women– from gender intentional approaches to gender transformative approaches.**

**Gender transformative approaches are about going beyond addressing the symptoms of gender inequality** to address the underlying causes of gender inequity. For example, given that social and gender norms often contribute to gaps in women’s representation at different levels of the business model, a gender transformative business practice could be the strict enforcement of the paternity leave policy, with male leadership and management making use of the policy; this would address the underlying norm that care responsibilities be primarily shouldered by women. Emerging research shows that gender transformative approaches not only lead to positive outcomes for women, they’re also good for business (see Box G).



## BOX G

### Three Ways Gender Transformative Approaches Are Good for Business

Value for Women’s 2022/23 research with CGAP and IDH on gender transformative business practices looked at these practices at five leading agricultural companies. A key takeaway was that companies are increasingly addressing gender gaps and norms in their value chains. Furthermore, it found that gender transformative approaches not only lead to positive outcomes for women, they’re also good for business.

These business outcomes included (not all of these were rigorously measured and some were identified only anecdotally):

- An increase in the proportion of women employees and leaders,
- Greater retention of women employees and greater workplace satisfaction among women employees, and
- Reduction of existing gender gaps in access to opportunities and resources for women.<sup>48</sup>

For more detail on this research, read [this blog](#), jointly authored by Value for Women.

## 2.3 Investors and Financial Institutions Have Been Developing a Series of Financial Mechanisms That Seek to Bridge Gender Gaps in Agriculture

In the context of this shift toward generating outcomes for women in agriculture, and given the persistent financing gap in agriculture, **many capital providers in the sector continue to explore and advance how to provide right-sized, catalytic financing to agri-enterprises**, especially at scale.

In the last few years, new approaches to doing this have emerged, with the most notable being blended finance structures in which philanthropic and public capital is used to catalyze investment by the private sector seeking commercial risk-adjusted returns. **Blended finance can help address some of the systemic risks inherent in all agricultural investments**, thus increasing access to financing for agri-enterprises generally. In 2020, agricultural investments made up 28% of all blended finance transactions, driven primarily by investments in firms focused on agricultural inputs.<sup>49</sup>

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*“Agriculture is subsidized all around the world, and several donors have stepped in to provide smart subsidies that incentivize financial institutions to make fairly-priced capital flow to women-owned businesses.”*

– **SIMONA HAIDUC**, MANAGING DIRECTOR, STRATEGIC PARTNERSHIPS, OPPORTUNITY INTERNATIONAL



To ensure the financing catalyzed by blended finance approaches is reaching both men and women, some of these approaches are being designed with a gender lens. In 2022, 25% of blended finance vehicles dedicated to gender equality and women’s empowerment (representing US\$191M) were in agriculture.<sup>50</sup> This is the most of any sector. By reducing risk and catalyzing action, these **blended finance approaches have the promise to reduce the complex barriers to gender equality in agriculture.**

*“AgDevCo is a 2X Flagship Fund and through our Technical Assistance Facility, we proactively identify opportunities to mainstream gender considerations and design targeted gender initiatives tailored to our investees, benefitting them as well as their employees and the smallholder farmers they work with.”*

– **JASMIN HIDANOVIC**, SENIOR MANAGER, TECHNICAL ASSISTANCE, AGDEVCO



Blended finance approaches are being employed on four main fronts:

- 1. Risk sharing mechanisms, like first loss capital and guarantees, to encourage lending to agri-enterprises in emerging markets in general, and with specific features that can help increase lending to women-led enterprises.** When combined with regular sex-disaggregated data collection and analysis, these types of approaches can also serve to improve financial institutions' understanding of the risk profiles and return potential of lending to women, and help motivate product and service adaptations that can better meet their specific financing needs.

**CASE STUDY:**  
**OPPORTUNITY**  
**INTERNATIONAL**

**Encouraging Lending to Women-Led  
Micro, Small, And Medium Enterprises in  
Agricultural Value Chains**

Opportunity International works with financial institutions in 29 countries, building their capacity to better serve underserved customer segments, especially women. In agriculture, Opportunity works in eight countries across Africa to both increase capital flows into agricultural value chains and increase the capacity of clients to reach and serve smallholder farmers and agri-enterprises. Over the last decade, Opportunity has tested a range of innovative incentives to encourage financial institutions to increase their lending to agriculture, with a particular focus on gender. These include:

- **Collateral pledges.** Using grant funding from Visa Foundation, Opportunity International buys down a portion of the collateral on loans to women-led or owned enterprises. This helps these enterprises qualify for a loan they would otherwise not be able to access due to the collateral requirements. In the event of default, the collateral pledge is used.
- **Interest buy-down.** In high inflation environments where interest rates are very high, Opportunity International “buys down” the interest to address the high cost of finance, which can lead to women not being willing to take out a loan. A pool of funding is placed with the financial institution to give women a better interest rate than the market price.
- **Credit guarantees.** The financial institution accesses funds if/when there are defaults, which helps mitigate the risk of lending to a new market segment.

Across the board, Opportunity International ensures the rigorous and regular collection of sex-disaggregated data, which helps measure the results of these types of incentives and also helps demonstrate to financial institutions that there's often a disconnect between the perceived risks versus the reality of lending to women-led/owned enterprises.

- 2. Concessional funding to incentivize increased lending to women-led and gender-inclusive agri-enterprises in emerging markets.** This drives capital to agri-enterprise investments that initially do not align with the risk/return profile of some financial institutions but are critical to advancing gender equality in the agricultural sector due to their locations in remote, rural communities, and the types of value chains they operate in.<sup>51</sup> This approach incentivizes financial institutions to expand their agri-enterprise portfolios by derisking the loan through first-loss coverage and defraying the origination costs of reaching new customers. Bonus incentives are awarded for loans that also meet impact-related criteria, such as enterprises that align with the 2x criteria. A leading example of how to use concessional finance to incentivize investors and financial institutions to take more decisive and intentional action on gender is Aceli Africa.

**CASE STUDY:**  
**ACELI AFRICA'S GENDER  
IMPACT INCENTIVE**

**Incentivizing Lenders in East Africa to  
Direct More Capital to Women-Led and  
Gender-Inclusive Agri-Enterprises**

Aceli is a market incentive designed to address the high risks and transaction costs of lending to small and medium enterprises in the agriculture sector. Aceli raises grant funding from public and philanthropic donors and uses it to offer a combination of financial incentives for lenders and technical assistance for both enterprises and lenders. Launched in 2020, Aceli is currently working in Kenya, Rwanda, Tanzania, and Uganda with over 25 international impact investors and financial institution partners (including commercial banks and non-bank financial institutions domiciled in the region).<sup>53</sup>

Aceli's incentives are designed to steer lenders to seek out and serve the highest-impact agri-enterprises by sharing in the risk and defraying the transaction costs associated with originating and servicing these loans. To motivate lenders to seek out and serve gender inclusive and/or women-owned/-led businesses, Aceli specifically offers a gender impact bonus incentive. To determine each loan's eligibility for this gender impact bonus, Aceli uses the 2X criteria.<sup>54</sup> For more information on this bonus, see Aceli's policy summary [here](#).

Furthermore, at launch, Aceli set a goal of 30% of its loans meeting the 2X criteria (this is in line with the threshold established by 2X Collaborative for a "gender inclusive portfolio"). To date, 68% of Aceli-supported loans (319 of 467) meet the 2X criteria. The majority of Aceli's supported loans that meet the 2X criteria do so based on: women employees, senior leadership, board members, or farmer suppliers. Only 8% of Aceli-supported loans go to businesses that are fully or majority owned by women.<sup>55</sup>

In addition to the incentives, Aceli builds lenders' capacity to adopt GLI approaches. Through a 5-year partnership with Value for Women, and drawing on lessons learned from a previous USAID-funded project, Aceli is offering its network of agricultural lenders access to highly-tailored gender lens advisory support and capacity building to help them get started or advance on their GLI journeys.

*To learn more about Aceli's approach to gender inclusion and see insights from its first 22 months offering impact-linked financial incentives for lenders, see the Aceli learning brief [here](#).*



- 3. Performance-based incentives to encourage gender-forward practices within agri-enterprises.** Multiple organizations and investment firms have developed innovative performance-based incentives and financing vehicles (see [Insights Issue 5: Innovation](#) for more details) linked to organizational changes within investment portfolios. One such vehicle is impact-linked carry, where the financial performance of an investment is “linked” to the impact performance (in contrast, in a typical fund structure, carried interest is paid to fund managers as a percentage of solely the returns generated by the fund).<sup>52</sup> Some investors doing impact-linked carry are in the agriculture space and using this vehicle to drive gender outcomes within investee agri-enterprises. However, most of these mechanisms or funds are relatively new or experimental and more investment is needed to finance these initiatives and learn from them.

- 4. Technical assistance facilities, grants, and investment facilitation to support the implementation of gender-forward practices within agri-enterprises.** In many cases, agri-enterprises may have the willingness to improve their business practices to help increase the proportion of women in leadership, the workforce, or supply chains, but lack the internal capacity, know-how, and/or resources to do so. Investors can deploy technical assistance support or grant funding, and facilitate access to specialized gender advisory consultants, to support agri-enterprises with the design and implementation of gender-focused actions.

### CASE STUDY: ROOT CAPITAL'S WOMEN IN AGRICULTURE INITIATIVE

### A Decade of Experience Applying a Gender Lens

The GLI journey of Root Capital, a small and growing agri-businesses lender, began in 2012. That year, it announced its Women in Agriculture Initiative, and with it the formalization of its commitment to invest in women. *(For more detail on Root Capital's Women in Agriculture Initiative, see [this case study](#))*

As part of this Initiative, Root Capital set out to define the types of businesses to which it wanted to drive capital in order to positively impact women. It decided to target both women-led businesses and gender-inclusive businesses, and defined both of these terms (the latter based on the percentage of women participating as suppliers, employees, or leaders). This created the cornerstone of Root Capital's approach to incorporating a gender lens into its investment process.

Over the years, through its Women in Agriculture Initiative, Root Capital gradually applied a gender lens across its investment process and wrap-around programming. For instance, the investor developed a gender scorecard and integrated it throughout the investment process (i.e., during screening of investees, due-diligence, portfolio-level monitoring, and impact measurement).

Then, in 2016, Root Capital launched a grants program to redress specific barriers to women's success in agricultural value chains. This program provided investees with Gender Equity Grants, alongside financing, to pilot and

implement context-specific gender inclusion actions to redress these barriers. The actions often included loan and savings programs, financial training, daycare centers, agricultural training, and collection centers.

In 2018, Root Capital saw that despite its targeted efforts to increase its investments in women-led and gender-inclusive businesses, the percentages of each in the portfolio hovered consistently around 45% and 15%, respectively. Increasing these percentages was challenging given Root Capital's focus in largely male-dominated value chains (e.g. coffee) and its strong reliance on existing clients' referrals as a key source of leads.

In response to this challenge, Root Capital launched an active exploration of the women-led and gender-inclusive market in its target geographies and sectors. Between 2018 and 2020, Root Capital conducted market studies across nine value chains in 15 countries. These studies revealed new investment opportunities that Root Capital had not previously uncovered. These studies also paved the way for Root Capital's lending program to set more ambitious targets, specifically: to increase its investments in gender-inclusive and women-led businesses such that they comprise 50% and 25% of its portfolio, respectively, by 2025. As of 2022, Root Capital has already exceeded these targets, despite its continued focus on value chains that are historically less gender inclusive (e.g. cocoa, coffee).



**Recognizing the opportunities in blended finance approaches, an increasing number of impact-oriented investors are directing capital to, building capacity in, and forming partnerships with agri-enterprises to reduce the gender finance gap in agriculture.** For instance, in 2021, members of the [Council on Smallholder Agricultural Finance](#) (CSAF), a global network of lending practitioners promoting an inclusive finance market for agri-enterprises, expanded its metrics to align with the 2X criteria for gender inclusion and promote more holistic GLI. That same year, CSAF also launched a GLI capacity building and technical assistance initiative, in partnership with Value for Women, Root Capital, and the Walmart Foundation, to support members to kick-off or advance on their GLI journeys.



Achieving impact while delivering a return to its 6000+ cooperative members has been a standard part of Alterfin's investment approach since its founding in 1994. Approximately 40% of its portfolio is invested in agri-enterprises or producer organizations, across a wide variety of value chains and markets, and loans start at US\$100,000. Historically, gender considerations had not been deliberate in Alterfin's investment decisions because of the underlying assumption that through its mission, its sectoral focus areas, and its ticket sizes, Alterfin was already picking mission-driven institutions.

The year 2022 marked the convergence of several important internal initiatives at Alterfin intended to help the firm make more efficient investment decisions and better quantify the impact of its investments. Alterfin also wanted to seize this moment to more intentionally formalize a gender focus into its operations. Specifically, this meant:

1. **Developing a gender strategy**, which would be embedded into its ESG Strategy and provide clarity both internally and externally on Alterfin's gender goals and objectives for the next three years.

Through two workshops facilitated by Value for Women, the Alterfin team defined who they ultimately want to impact and what gender outcomes they want to achieve. They then defined the types of businesses the firm needs to target and the type of support it should provide in order to achieve these desired outcomes. With these definitions in hand, Alterfin can now identify how many women-led and women-focused businesses are already present within its portfolio, and in future will be able to set targets for portfolio allocation to these types of businesses.

2. **Integrating gender into the new and improved due diligence tools** being developed across both microfinance and agriculture investments.

Leveraging an ongoing project to update its due diligence process, Alterfin embedded a gender lens in two new tools: 1) a data capture sheet and 2) a due diligence checklist and scorecard. Ultimately the revamping of these tools will allow Alterfin to become more sophisticated on gender in several ways:

- The data collected at the due diligence stage will allow Alterfin to assess each investment decision along various metrics, including gender impact;
- This information will also provide a snapshot of gender impact across the portfolio and be utilized to set targets of how many women-led and women-focused businesses Alterfin aspires to reach going forward;
- With improved data and metrics, Alterfin will be able to better communicate its gender impact, which will contribute to fundraising efforts and help attract shareholders who share its mission and impact objectives; and
- In future, Alterfin will also be able to conduct gender lens portfolio analysis, and contribute to the growing body of evidence on the business and impact case for investing in women-led and women-focused businesses.

*Read more about Alterfin's approach to becoming more gender intentional [here](#).*

Of note is that to ensure blended finance approaches avoid crowding out the private sector or creating market distortions, they must be targeted to address market deficiencies, specifically filling critical gaps, reducing risk, and creating incentives for greater private sector investment without which investment and its outcomes would not be reached.<sup>56</sup>

# 3. TAKEAWAYS: WHAT DOES THIS MEAN?

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Even with the recent plethora of financial and non-financial solutions to promote gender equality in agri-enterprises, the **majority of investors and investees in the space are not putting women's considerations front and center**. For example, research by Value for Women, ISF Advisors, and CGAP on digital agriculture platforms (AgTechs) operating in emerging markets found that while nearly all platforms interviewed collect basic sex-disaggregated data on their end users and workforce, only one out of eight was using that data to better engage with and serve women customers. This is despite AgTechs struggling to reach women; women represent only 25% of AgTech users though half of the smallholder farmers in sub-Saharan Africa are women.<sup>57</sup>

**As we build and invest in the agricultural business models of tomorrow, a gender lens should be built into the DNA of these investments.**

## 3.1 A Lack of Clear Entry Points Is Limiting Investors' Ability to Take Meaningful Action

While the last decade has seen many organizations investing with a gender lens in agriculture and there has been a growing number of resources and best practice examples in the sector, the number of investors taking meaningful, intentional action on gender remains small. **Furthermore, the growing number of agri-investors working hard to finance more women in the sector are in need of guidance on specific actions to not only reach women but achieve meaningful gender-related outcomes through their investments.**

*"We hear [from investors] 'there is too much risk', 'the ticket sizes are too small', 'we don't have the capacity', and 'we don't understand...gender'."*

– CAREY BOHJANEN, FOUNDER, THE RALLYING CRY



**Investors noted that a lack of clear entry points is limiting their ability to take meaningful action.** Without clear entry points, investors may feel they lack the resources, expertise, and time to meaningfully tackle the persistent barriers. And a lack of clarity on the business case for certain types of gender-focused interventions or actions makes it challenging for them to have the conversation with portfolio companies.

Women-led or owned agri-enterprises tend to be **difficult to find** as they aren't connected to the standard networks. Often, these enterprises are at an **earlier stage**, due to a lack of financing, with investment needs that are **too small** to be appealing to many investors, perpetuating the cycle of exclusion. Some DFIs and investors prefer investing through intermediaries due to the perceived high risk of agri-enterprises and their complex operating environment, but intermediaries' flexibility to on-lend to agri-enterprises is limited by rates set by capital providers, which can lead to standardized products and high interest rates that automatically exclude women-led enterprises. In addition, **pervasive, regressive gender norms** are at the core of preventing women's access to leadership positions within agri-enterprises, and need solutions beyond financing. But some investors, namely those deploying debt only, are limited in terms of the type of change they can incentivize within portfolio companies to get more women leading agri-enterprises.

*“Some of the most dynamic businesses we have worked with are women-owned... We tend to see that within those women-led businesses, there is more focus on bringing up women in leadership, having more supportive workplaces.”*

– **ELIZABETH ECKERT**, CHIEF OF PARTY,  
ALLIANCE FOR INCLUSIVE AND NUTRITIOUS FOOD  
PROCESSING, TECHNOSERVE





Beyond investing in women-led agri-enterprises, investing in enterprises that source from women producers is another powerful way to achieve gender impact. However, investors note that reaching **women in agricultural supply chains– as producers** – can be particularly challenging. This is primarily because women producers are often excluded from downstream activities that would bring them into frequent and direct contact with agri-enterprises and/or cooperatives. Women working in agriculture only own 5-18% of agricultural land in emerging markets and are therefore inhibited from making decisions about its use.<sup>58</sup> This can also make them less likely to be members of cooperatives. Their time poverty often prevents them from participating in physical markets and training. Rural women in low-income countries work as many as 12 hours more per week than men, mostly due to the imbalance of household activities like caring for children and preparing food.<sup>59</sup> Social norms restrict their participation in numerous aspects of agricultural markets, including training, purchasing, and sales,<sup>60</sup> which makes them more likely to engage with middlemen or farm-gate transactions than with agri-enterprises.

*“We can do a lot for individual women who are running businesses, but what are we doing for the rest of them?”*

– **TIMOTHY STRONG**, HEAD OF AGRICULTURE FINANCE,  
OPPORTUNITY INTERNATIONAL

**The clearest entry point for achieving gender impact within agri-enterprises, according to the investors we work with, is through their workforce.** Women’s outsized role in the agricultural sector tends to be reflected in the workforce composition of agri-enterprises, with many investors noting that the 2X criteria employment threshold of 40% is the least challenging criterion to meet. Actions to support gender inclusion in the workforce of agri-enterprises are also considered to be fairly straightforward to implement within portfolio companies. Not only do these types of actions lie squarely within investors’ perceived sphere of influence but there is also a growing body of evidence that demonstrates the positive impacts of these types of interventions on business performance, by increasing employee satisfaction, well-being, and retention.

### 3.2 Greater Alignment and Leaner Methodologies for Measuring Gender Outcomes in the Agriculture Space Are Needed

Investors, financial institutions, donors, and stakeholders that work directly with agri-enterprises are looking to both achieve and demonstrate outcomes for women in agriculture, particularly women producers and workers in agricultural value chains, agri-enterprises, and/or cooperatives. Yet today there are two challenges to this:

- **Aligning GLI standards with agricultural enterprise nuances.** The 2X criteria and IRIS metrics have helped to define gender lens investments and provide standardized impact metrics. While 2X Global has developed some light guidance on how to align agricultural investments with 2X criteria, there is still a need to develop agriculture-specific guidance to account for the nuances of agricultural value chains in emerging markets (e.g. how to measure gender inclusion in farmer cooperatives).
- **Developing lean, industry-recognized methodologies to measure gender-related impact.** For many impact investors in the agriculture space, their investment thesis is about achieving poverty reduction and improved livelihoods. When applying a gender lens, these become about improving women's empowerment and improved livelihoods. However, current methodologies to measure women's empowerment and livelihoods, such as the well-known Women's Empowerment in Agriculture Index (WEAI),<sup>61</sup> require significant resources to implement (e.g. household surveys). If outcome or impact measurement is too expensive or there is a lack of agreement on how to measure, then it will be harder for investors and businesses to do this measurement. This will raise investor and stakeholder concerns around 'impact washing' and 'pinkwashing' and significantly hinder uptake of these innovations at scale.

### 3.3 There Is a Need to Understand How the Plethora of New Financial Approaches Are Catalyzing Investment in Gender Inclusive Businesses and Incentivizing Gender Impact

The financial approaches described above to bridge gender gaps in agriculture are a welcome addition to the gender, business, and finance field. However, **most of these approaches are recent and we do not know enough about how they are achieving their main stated outcomes** to: 1) catalyze more investments in gender-inclusive and/or women-led businesses and 2) incentivize organizational change that redresses gender inequalities in agriculture.

Stakeholders in the field will need to better understand whether specific incentives are leading to increased gender lens investments or organizational changes or whether these changes would happen without the incentives. Better understanding is complicated by the fact that most of these financial approaches are seeking to address under-investment in both agriculture and women-led businesses. The field needs more case studies, such as the Aceli example outlined above, that share their experience and improve understanding of how financial approaches can catalyze GLI.








## 4. FROM INSIGHTS TO ACTION: ENTRY POINTS TO INCREASE THE SHARE OF AGRICULTURAL INVESTMENT CAPITAL BEING DEPLOYED WITH A GENDER LENS

There is a critical need for an acceleration of investments that drive more equitable and inclusive agricultural value chains. Based on our 10 years of experience working with investors that deploy capital and support to the agricultural sector, and building on our conversations with key stakeholders during the last year, **we have developed the following framework that outlines entry points for investors to apply a gender lens across the investment process.**

The framework outlines specific actions investors can take at each step of the investment process. Recognizing that every investor has their own investment thesis, approach, and strategy, the goal of this framework is to provide investors with a range of potential actions they can take depending on the available resources, team capacity, and organizational motivation to implement them. To this end, actions within this framework have been categorized according to the estimated level of intensity needed for implementation.

**After the framework is a more detailed explanation of each of the entry points.**

## Framework: Entry Points Along the Investment Process to Increase the Share of Agricultural Investment Capital Being Deployed With a Gender Lens

 <b>Origination</b>	 <b>Screening/ Evaluation</b>	 <b>Structuring</b>	 <b>Pre-/Post- investment engagement</b>	 <b>Impact measurement / Exit</b>
<p>Collect basic gender data on companies entering pipeline to surface potential bias embedded in origination process <b>(Q, \$\$\$)</b></p> <p>Make your gender commitment public, and use gender inclusive marketing and communications approaches <b>(Q, \$\$)</b></p> <p>Seek deal sourcing channels that target greater numbers of women <b>(Q, \$\$)</b></p> <p>Set targets for women-led and gender inclusive applicants according to organizational priorities <b>(M-T, \$)</b></p> <p>Create specific funding opportunities that target women-led and gender inclusive agri-enterprises <b>(M-T, \$\$)</b></p> <p>Conduct market studies to understand women's participation in different value chains, and map potential investees <b>(L-T, \$\$\$\$)</b></p>	<p>Add gender sections to the investment memo <b>(Q, \$\$)</b></p> <p>Incorporate gender into evaluation tools to surface gender-forward business practices within potential investees <b>(M-T, \$\$\$)</b></p> <p>Ensure that screening and evaluation criteria do not perpetuate gender biases or barriers prevalent in agriculture <b>(M-T, \$\$\$)</b></p> <p>Review and adjust application requirements and investment criteria to better respond to local context and existing barriers faced by women agripreneurs <b>(M-T, \$\$-\$\$\$)</b></p> <p>Diversify the Investment Committee <b>(L-T, \$-\$\$\$)</b></p> <p>Diversify investment teams <b>(L-T, \$\$-\$\$\$)</b></p>	<p>Set gender-related targets or milestones linked to financing by incorporating gender inclusion actions into loan agreement or loan terms, and provide support for companies to meet the terms <b>(M-T, \$\$\$-\$\$\$\$)</b></p> <p>Develop financing options that meet women's needs <b>(M-T, \$\$\$\$)</b></p> <p>Use blended finance approaches to promote gender equity <b>(L-T, \$\$\$\$)</b></p> <p>Address gender-based risks in underwriting <b>(L-T, \$\$\$\$)</b></p>	<p><b>Pre-investment.</b> Provide business development services or connections to services for early-stage women entrepreneurs, to help make them investment ready <b>(M-T, \$-\$\$)</b></p> <p><b>Post-investment.</b> Integrate gender considerations into existing technical assistance offering or business development support services <b>(M-T, \$\$)</b></p> <p>Offer gender-lens TA to implement gender-forward business practices within portfolio companies and/or within their supply chains <b>(L-T, \$\$-\$\$\$)</b></p>	<p>Ensure that the definition of exit expectations and KPIs takes into account the barriers women face and the impact of those barriers. <b>(M-T, \$\$\$)</b></p> <p>Collect, analyze, and use sex-disaggregated data and monitor performance against gender-related KPIs, especially if linked to financing <b>(M-T, \$\$\$)</b></p> <p>Conduct quantitative and/or qualitative analysis on a subset of portfolio companies <b>(M-T, \$\$\$-\$\$\$\$)</b></p>

### Level of Effort / Estimated Financial Costs

- \$ No cost:** less than US\$1,000 and 2 days of employee full time equivalent (FTE) per year
- \$\$ Low cost:** between US\$1,000 and US\$10,000 and/or 2-5 days of employee FTE per year
- \$\$\$ Medium cost:** between US\$10,000 and US\$50,000 and/or 5-50 days of employee FTE per year. May require external counsel or advisory services
- \$\$\$\$ High cost:** above US\$50,000 and/ or above 50 days of employee FTE per year. Requires external counsel or advisory services

### Time Scale

- Quick win (Q):** less than 3 months from beginning to end
- Medium term (M-T):** 3-12 months from beginning to end
- Long term (L-T):** can take months or years to come to fruition





## Origination

A common refrain among capital providers that invest in the agricultural sector is that investment-ready women-led businesses are hard to find. However, applying a gender lens to origination or client acquisition strategies can help investors and financial institutions uncover new opportunities.

The following actions can help investors adjust their pipeline development efforts to identify and reach more women-led and gender-inclusive businesses.

- **Collect basic gender data on companies entering the pipeline to surface potential bias embedded in the origination process**

Understanding and addressing gender-related disparities in the progression of enterprises through an investor's pipeline can help maximize the number of women-led and gender-inclusive enterprises in a portfolio. By tracking enterprises' progress through each step of the origination process (starting from initial outreach and lead generation), investors can measure attrition and help surface any explicit or implicit bias in the process. If the proportion of women-led enterprises is dropping from one pipeline stage to another, for example, it is worth investigating to understand why it may be the case and ensure that processes are not unconsciously biased against women-led enterprises.

- **Make your gender commitment public, and use gender-inclusive marketing and communications approaches**

Investors should ensure their external communications material recognizes women in their many roles within the agricultural sector, including as enterprise leaders and owners. Investors can also seek to disseminate images of women and men in non-traditional roles and integrate more inclusive language.

*For some guidance on how to do this, please see the [Value for Women Communications and Gender Checklist](#).*



### ■ **Seek deal-sourcing channels that target greater numbers of women**

Time poverty, mobility constraints, and lack of access to markets can influence when, where, and how women agripreneurs –especially those working in rural areas– access information. As a result, women often miss out on opportunities to access the capital and support needed to grow their businesses. Investors can promote funding or financing opportunities through channels that are most likely to reach women entrepreneurs. This can include developing partnerships with local networks of women agricultural entrepreneurs, enterprise leaders, women’s producer associations, and organizations working with early-stage enterprises (e.g. NGOs, market facilitators, accelerators, and intermediaries).

### ■ **Set targets for women-led and gender-inclusive applicants**

Setting targets helps move from gender intention to gender action, and can encourage investment teams to expand client sourcing and acquisition efforts beyond traditional channels. There are three important prerequisites for an investor to undertake these actions:

1. *Have a clear definition in place for identifying women-led and gender-inclusive businesses.* Increasingly, investors and financial institutions are coalescing around the 2X criteria.
2. *Have a reliable baseline.* By understanding how many women-led and gender-inclusive businesses are currently entering the pipeline, and understanding how they are moving through each stage of the investment process, investors can then define achievable and relevant targets.
3. *Have an understanding of women’s roles in the investor’s priority agricultural value chains.* That is, when setting gender targets for a portfolio of investments in a particular value chain, an investor will need to understand whether women tend to participate in that value chain as producers, agro processors, entrepreneurs, and/or customers so that targets are aligned to the context.

*For an example of an investor’s gender-lens definitions and approach to target-setting, see Root Capital’s case study outlining its GLI journey: [Pursuing Gender Equality Through Investments in Rural Communities](#).*





- **Create specific funding opportunities that target women-led and gender-inclusive agri-enterprises**

This action can help increase capital allocated to these enterprises, celebrate investor efforts toward gender equity, and demonstrate investor commitment to investing in women-led and gender-inclusive agri-enterprises. This can include creating a specific fund, of course, but other approaches include allocating a share of a fund's capital to women-led or gender-inclusive agri-enterprises, organizing pitch competitions, and hosting social entrepreneurship awards targeted at women agripreneurs and/or agri-enterprises that are disproportionately benefitting women as leaders, employees, or producers. For some of these actions, investor or LP buy-in is needed.

- **Conduct market studies to understand women's participation in different value chains, and map potential investees**

It's sometimes the case that women-led or gender-inclusive enterprises are operating outside of investors' regular networks. Filling information gaps through market research can help investors gain an understanding of the barriers to reaching these enterprises. Market studies can also help investors understand women's participation as leaders, employees, and/or producers in different parts of the agrifood system, to help inform or direct investment toward specific crops or sectors of activity.

*For an example of an investor that conducted gender-focused market studies, see Root Capital's case study [Pursuing Gender Equality Through Investments in Rural Communities](#).*



## Screening/ Evaluation

Unconscious and often unintended gender biases present in decision-making can result in less investment in women-led or gender-inclusive enterprises. Investors should identify the manifestations of these gender biases during the evaluation phase and devise solutions to mitigate them in order to raise the likelihood that investable enterprises are not screened out. Some specific actions that can be taken are outlined below.

- **Add gender sections to the investment memo**, to better capture women's representation at all levels of the investee company, and/or highlight the potential impact on women. These sections can summarize the gender-related risks, biases, and opportunities identified during due diligence. Including a specific section of content for gender in the investment memo helps to standardize the inclusion of a gender lens in the evaluation process.



- **Incorporate gender into evaluation tools to surface gender-forward business practices within potential investees** by adding gender-specific indicators or incorporating gender into the scorecard weighting. Many due diligence processes, as designed, are not systematically capturing all of the potential gender-related opportunities in potential investees' business models. Evaluation tools should ideally capture both quantitative (e.g. number of women in leadership roles; percentage of women employees) and qualitative (e.g. gender inclusive workplace policies beyond regulatory requirements) indicators of gender inclusion within potential investees. Roll-out of new or adapted evaluation tools should be accompanied by training to front-line staff, to ensure that these are well understood.

*For an example of a gender evaluation scorecard that combines both quantitative and qualitative indicators of gender inclusion, see Appendix 1 in Root Capital's case study [Pursuing Gender Equality Through Investments in Rural Communities](#).*



- **Ensure that screening and evaluation criteria do not perpetuate gender bias or barriers prevalent in agriculture.** Gender biases prevalent in agriculture may impact the perceived viability of investment in women-led enterprises. For example, women's inability to produce a credit history or point to previous financing obtained doesn't necessarily mean they are not a viable investment opportunity; instead, it could be due to systemic bias and discrimination within financial institutions, which makes it harder for them to access external financing. The following actions can be implemented to avoid this pitfall:
  1. *Systematizing processes*, through checklists and question guides, can minimize the chance of bias since the opportunity to assess subjectively is reduced.
  2. *Training and building capacity of the investment teams* to help mitigate the risk of bias creeping into how they evaluate women-led enterprises.
  3. *Training and raising awareness at the investment committee level*, to help mitigate the risk of bias creeping into how they evaluate proposals.
- **Review and adjust application requirements and investment criteria to better respond to local context, and existing barriers faced by women agripreneurs.** Certain application requirements might be inadvertently excluding high-potential enterprises from entering investors' pipelines. For instance, in many rural areas, women are more likely than men to lack the access to technology and the digital/financial literacy to be able to complete online applications or provide rigorous financial statements. Their caretaking and household responsibilities might make them less likely to be able to accommodate last-minute site visits. Investors can either adjust application requirements to take these barriers into account or can provide support (e.g. funds to prepare audited financial statements; help to complete application forms) to improve women's ability to get to the evaluation stage.
- **Diversify the Investment Committee** to include at least 30% women, and ensure they have equal voice and decision-making power. In the short term, if there are no women partners or women in the firm with the experience required, then consider including outside experts and/or LPs to join the committee.

- **Diversify investment teams.** Diversity in investment teams leads to expanded deal sourcing through broader networks, as women can tap into networks that might be invisible to or unknown to men. But gender-related barriers in certain contexts may be leading to women either self-excluding or being looked over at the recruitment stage for these positions. Travel expectations for due diligence and monitoring visits can make the role of investment officer incompatible with women's unpaid care or family-related responsibilities. In some contexts, it may be considered either inappropriate or unsafe for women to travel unaccompanied to rural areas. Investors can address some of these challenges by:
  1. Recruiting locally-based investment officers to reduce the time/distances covered in field-based activities;
  2. Working with women investment officers to find solutions for overcoming issues relating to cultural acceptance or safety in certain contexts.



### Structuring

Actions at this stage of the investment process focus on either (1) tailoring financing options in a way that increases women-led enterprises access to and benefits derived from investment capital, or (2) incentivizing or encouraging gender-inclusive practices in all portfolio companies regardless of leadership or ownership composition.

- **Set gender-related targets or milestones linked to financing by incorporating gender equity actions into loan agreements or loan terms, and provide support for companies to meet the terms**

Investors can set milestones with their investees in the term sheet and/or the final deal agreement that outline specific gender-related outcomes to be met over the investment period. Examples of gender-related milestones can include:

- Increases in women's participation in the leadership, workforce, or value chain of the company,
- Development and implementation of gender-inclusive policies or practices (e.g. paid parental leave beyond regulatory requirements; development of a return-to-work policy; establishment of an internal gender committee).
- Collection and analysis of sex-disaggregated data in the investee workforce, value chain, and/or client base.

In many cases, agri-enterprises may need additional resources to meet some of these milestones, in which case investors can provide support in the form of grant funding, Board support, or technical assistance support, if available.



### ■ **Develop financing options that meet women's needs**

Women entrepreneurs in the agricultural sector often struggle to meet the requirements for applying for capital from formal sources. To reach more women-led enterprises, investors and financial institutions need to develop financial offerings that better suit their needs. This may mean lowering ticket sizes, adjusting collateral requirements, or even shifting to alternative forms of collateral such as moveable assets. It can also mean designing products that are better suited to early-stage women-led enterprises, or better suited to the particular challenges agri-enterprises face, for example:

- *Convertible revenue-based financing* which allows flexibility in paying back investors, including considering seasonality;
- *Drawdown account*, which is similar to an overdraft but allows the entrepreneurs to use only what they need to provide working capital for enterprise operations and growth and only pay fees on what they have used.

### ■ **Use blended finance approaches to promote gender equity**

Donors and investors can use blended finance to enable investments that are otherwise too costly or risky to make. For Value for Women's perspective on the role blended finance can play in increasing the flow of capital to women-led and/or gender-inclusive enterprises, see Section 2.3 of this brief.

Examples include:

- *Guarantee or first loss funds* that help transfer some of the risk from investors so that they are more willing to invest in earlier-stage enterprises or those operating in more volatile markets.
- *Results-based financing* approaches that help reduce the costs (and therefore barriers) to investors or enterprises to reach more impact. For example, to identify and reach more women producers, enterprises must adjust their sourcing approach, which takes resources. Linking payments (to cover those resources) upon reaching pre-identified goals can help them achieve that impact. *For an example of an investor using a pay-for-results approach, see Root Capital's [SIINC program](#).*
- *Leveraging technical assistance funds* to help agri-enterprises become more investment ready and reduce investors' risk. This can include facilitating access to accelerators or incubators.

- **Address gender-based risks such as gender-based violence (GBV), unequal pay, discrimination, health, and safety in underwriting through covenants**

Investors can include covenants (terms) into the deal by: (a) setting the requirement, tied to a disbursement, that a GBV risk assessment be undertaken, or (b) requiring that risk mitigation steps be taken by the investee if GBV is found to be a substantial risk. Similar terms are often introduced for other risks such as environmental risks (e.g. deforestation) or human rights-related risks (e.g. child labor). Depending on the stage of the risk the investee is in, either of these options may be appropriate.

## BOX H

### CASE STUDY: MANGO FUND

### Lowering Minimum Lending Thresholds to Better Meet the Needs of Women

Established in 2011, Mango Fund is a woman-led impact investment fund that invests in local entrepreneurs that use technology to do in-country value addition. It provides asset financing and working capital loan structures ranging from US\$10,000 to US\$75,000 to SMEs operating in a range of sectors, such as agro-processing, technical farming, manufacturing, consumer packaged goods, and medical services.

In 2017, Mango Fund conducted rapid market research and found that few women-led SMEs in Uganda were participating in value addition activities due to the large upfront capital requirement of these activities. Women-owned enterprises tended to be in lower-value sectors that have fewer barriers to entry, such as retail, trading, and services. Moreover, the few women participating in sectors that Mango Fund typically invests in had capital requirements tending to fall under Mango Fund's minimum loan threshold of US\$10,000. As a result of these barriers, few women-led enterprises were making it into Mango Fund's portfolio. Off the back of this research, Mango Fund lowered its minimum loan threshold to US\$5,000, to better meet the needs of women entrepreneurs in the Ugandan market.

*To learn more about Mango Fund and their journey to become a gender lens investor, see [Value for Women's case study, produced as part of a USAID INVEST-supported initiative with Aceli: Mango Fund Case Study: How a Ugandan Investment Fund Is Doubling the Number of Women-Owned Businesses in Its Portfolio](#)*





## Pre- / Post-investment engagement

Offering high-quality, pre- and post-investment support to agri-enterprises can be transformational in terms of increasing their productivity and growth while delivering higher returns and/or overall portfolio stability and growth for investors. The following recommendations can help investors ensure that men and women are getting equal access to and deriving equal benefits from pre- and/or post-investment support.

### ■ **Pre-investment: Provide business development services or connections to services for early-stage women entrepreneurs, to help make them investment ready**

There are multiple ways that investors can facilitate women agripreneurs' access to investment or financing, including:

- Providing support to fill in loan/funding applications
- Providing in-house mentorship and/or networking opportunities,
- Delivering business support trainings tailored to the specific needs of women entrepreneurs.

Aside from directly providing these services, investors can also connect women to in-country business support organizations running accelerators, fellowship programs, or other initiatives targeting women business leaders, or early-stage entrepreneurs or fund managers.





- **Post-investment: Integrate gender considerations into existing technical assistance offerings or business development support services**

For investors or financial institutions that have limited resources to build new non-financial support offerings, this approach can help ensure that women are able to fully participate and benefit from their existing offerings. The purpose is to address specific issues that may disproportionately limit the participation of and benefits to women, for example:

- Including women in the design stage of any capacity building or training programs can help take into account any mobility and safety issues that may limit women's ability to attend;
- Providing a child care stipend, or setting up a creche beside the training venue, can help account for women's family and caregiving responsibilities and ultimately can impact their attendance;
- Planning the gender composition of training groups, and making use of a variety of participatory methods, can help address women's lack of self-confidence speaking in front of groups or work around gender norms or dynamics in the community that make women feel less able to speak up in front of men

Finally, capturing sex-disaggregated data on participation, needs, and preferences is crucial to improving the overall efficacy and impact of the post-investment support.

- **Post-investment: Offer gender-lens TA to implement gender-forward business practices within portfolio companies and/or within their supply chains**

It could be, however, that women within agri-enterprises have specific capacity-building needs that aren't currently being met by existing TA or business development services offerings. Offering gender-lens technical assistance can support portfolio firms to apply a gender lens across their business model, and up and down the value chain, to create gender-equitable workplaces, products and services, and supply chains. This type of technical assistance may require outside gender expertise beyond what the investor has available in-house. Investors can also develop partnerships with local service providers, academic institutions, or training providers to offer women at different levels within agri-enterprises access to capacity building and training.

*For an example of how gender-lens technical assistance can help agri-enterprises address gender disparities while improving business performance, read about Value for Women's work with Kentaste in the context of an 18-month initiative with AlphaMundi Foundation: [Achieving Social & Business Impacts Through Gender-Smart Strategies](#).*


## Engaging the Portfolio Recommended Entry Points When It's Not Feasible to Offer Tailored Support

Not all investors or financial institutions have the capacity to offer tailored support to portfolio companies. What are the entry points that they can use with portfolio companies?

### 1. Have guided conversations with enterprises about their gender practices

For instance, investment teams might mention to a company in the due diligence phase that gender is an organizational priority -- and then follow up with gender-related questions to drive home this prioritization. The idea is to start a conversation in the due diligence phase and to continue this conversation via regular monitoring, to encourage improvements, in a light but consistent manner. The content of the questions will vary depending on what's important to the investor, but the 2X criteria are a useful starting point for defining areas of exploration. This way of engaging with companies is fairly common for investors who are starting to work on gender with investees. It's a way for investors to dip their toes.

### 2. Get portfolio companies to complete a gender self-assessment survey

One investor that Value for Women has worked with in the past, Capital for Development Partners in Asia, takes this approach-- and they've developed a Gender Self Assessment that they guide companies to fill out. This Self Assessment is a holistic tool. It includes the composition metrics, as well as asking about a company's employment practices and the benefits and opportunities they offer to women and men employees. Value for Women's gender self-assessment tool, the  [Gender Smart Nexus](#), can also be used for this purpose. It is a 2X Challenge-aligned tool that provides companies with a holistic view of the gaps and opportunities for gender actions at different levels of the organization. Once the survey is completed, the tool automatically generates a report outlining concrete actions enterprises can take based on their organizational priorities.

### 3. Apply for grants

Investors can also leverage grant funding to help them deliver technical assistance with a gender lens through third-party service providers. AgDevCo's Smallholder Development Unit (SDU), which included a focus on gender inclusion, was funded by FCDO and the Mastercard Foundation. (*Explore AgDevCo's results and lessons learned from the SDU [here](#).)* Alterfin, an impact investor focusing on rural development in emerging markets, has recently launched a technical assistance facility for its portfolio thanks to funding from various sources. And Root Capital's Gender Equity Grants were made possible thanks to grant funding from donors that had a particular interest in Root Capital's Women in Agriculture Initiative.



## Impact measurement / Exit

In many cases, internal and external stakeholders, including investees, may need convincing that GLI is the smart thing to do and not just the right thing to do. Collecting, analyzing, using, and sharing sex-disaggregated data and insights is perhaps the most important action investors can take, as it helps build the business case for investing in agri-enterprises with a gender lens. Monitoring the performance of gender-related KPIs and defining the terms of the exit is an issue that will come up at different points throughout the investment cycle. Thus, the actions proposed below can be undertaken at any key portfolio monitoring point, including exits.

- **Collect, analyze, and use sex-disaggregated data and monitor performance against gender-related KPIs,** especially if linked to financing. Impact investors can leverage standardized metrics, such as the 2X criteria or the GIIN's Core and Additional Metrics under the [Increasing Gender Equality in Agriculture](#) impact area, to organize their data collection efforts and use this data to identify gender gaps and inform strategy development. The collection and analysis of sex-disaggregated data should extend beyond social impact indicators. It is crucial to gather such data for business and financial indicators as well, establishing a connection between GLI and business performance. This linkage serves to strengthen the business case for gender lens investing and secure the longevity of gender equality efforts.



## Illustrative Examples of Gender-Related KPIs to Track Social and Business Impacts of Investments in Agri-Enterprises

	2X aligned	How to apply to investments in cooperatives	Advanced option
<b>Ownership</b> Number/percentage of shares held by women	Yes	Look at the percentage of women members, for cooperative structures where ownership is helped by members. Be sure to differentiate between women receiving cooperative benefits and women who have voting power. <sup>62</sup>	Understand how membership plays out for married couples; are men the members by default? Do spouses access the same benefits? If not, how could benefits also be extended to spouses?
<b>Leadership</b> Number/percentage of women in senior leadership positions	Yes	No difference	
<b>Workforce</b> Number/percentage of women in workforce	Yes	No difference	Disaggregation by level and part-time/seasonal versus full-time, to uncover gender differences in different types of employment.
<b>Suppliers</b> Number/percentage of women farmers supplying to agri-enterprise	Yes, counts under "employment"	NB: Not all suppliers are members. Typically men are the members of a cooperative, however, their spouses may also be suppliers to the cooperative.	Understand the distinction between membership and supplier status—are women less likely to be members? How does that impact the benefits they receive from their buyer/coop?
<b>Suppliers</b> Units/Volume purchased from women suppliers	No	Coops can have guaranteed purchases from producers, and also sometimes have credit schemes whereby credit is given pre-harvest and repaid in the form of delivery of crop. Same for inputs - inputs provided pre-harvest, then paid for via crop delivery.	Sex-disaggregate average volume purchased to uncover gender gaps in supply. Additional analysis could be done to understand why gaps exist, <sup>63</sup> and determine actions agri-enterprises could take to help narrow these gaps.
<b>Suppliers</b> Prices paid to women vs men	Could count under the qualitative indicator if they have a policy around equal pay.	Cooperatives often receive different types of premiums (especially if they are specialty producers of high-value commodities like coffee and cacao.) <sup>64</sup> Fair Trade premiums go to the cooperative, and cooperative members decide how to use it. If the cooperative membership is mostly made up of men, they may not make decisions about how to use that money in a way that benefits women.	Sex-disaggregate and analyze prices to suppliers and assess why a price gap might exist, <sup>65</sup> and determine actions agri-enterprises could take to help narrow these gaps.

- **Ensure that the definition of exit expectations and KPIs takes into account the barriers women face and the impact of those barriers**

There is ample data from adjacent sectors demonstrating that investments in women-led enterprises perform on par with those led by men. However, investors must be careful to manage their expectations for women-led enterprises, and not ask more of them than they do enterprises led by men. A women-led enterprise may not match aggregate patterns and, particularly in the case of enterprises operating in the agricultural sector, must contend with several barriers that impact their growth. For example, in many contexts, women face more difficulties when hiring external labor on their farms as compared to men because of restrictive social norms that may prevent them from hiring men to work for them. In addition, evidence from Niger and Tanzania suggests that women owners or managers generate lower returns from men laborers compared to when men laborers work for male farm owners/managers, limiting their farms' total potential output and income.<sup>66</sup>

- **Conduct quantitative and/or qualitative analysis on a subset of portfolio companies**

Several actions can help deepen investor and business understanding of results and impact of gender lens investing strategies within portfolio companies, including:

- *Sex-disaggregating portfolio-level KPIs* to demonstrate the performance of women-led and/or gender-inclusive enterprises, compared to men-led and/or non-inclusive enterprises;
- *Conducting case studies on a sub-set of portfolio companies*, to uncover qualitative insights and data on the relationship between gender-lens actions and business performance;
- *Incorporating light-touch qualitative research during regular monitoring visits*, such as focus group discussions with cooperative members.

Sharing these insights with the sector, through publicly-facing reports and case studies can also help fill a critical information gap in the sector, help debunk persistent myths about the lack of GLI opportunities in agriculture, and help investors attract patient capital to support blended finance approaches to meet their gender equality goals.

# CONCLUSION

The agricultural sector has, to date, been plagued by low levels of investment. Yet agriculture, and agri-enterprises specifically, matter massively for gender inclusion and equality. And despite advances in closing the gender finance gap in agriculture in emerging markets over the last decade, including on measurement and innovative financing mechanisms, there continues to be a large gap.

And so we began this brief by asking how investors can level the playing field for women in agricultural livelihoods. To do so, today investors have multiple entry points to apply a gender lens across their investment process to drive more equitable and inclusive agricultural value chains. This can look like setting targets for women-led and gender-inclusive applicants, ensuring that screening criteria do not perpetuate gender bias or barriers prevalent in agriculture, using blended finance approaches to promote gender equality, or monitoring performance against gender-related KPIs. Regardless of an investor's starting point, resources, team capacity, and organizational motivation, there are many actions that any investor can take today.



# ENDNOTES

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- 62 Oftentimes women are not the member of the cooperative for the household but receive the same benefits as the member. However, to include women in this count, they should have decision-making/voting power.

63 Are women and men producing the same volumes? If yes, then why is the buyer purchasing more/less from women or men? Do they keep it for consumption? Is it lower quality? Lower production? If so, why? Is it related to land size? Land productivity? Why? Less quality inputs or less productive practices?

64 These premiums are based on certifications, including Fair Trade, Organic, and Utz. For Organic and Utz, cooperatives get a per-unit premium that is passed onto the farmer directly.

65 Prices to men and women may differ because of quality of supply, volumes sourced or bias/discrimination within the agri-enterprise/off-taker.

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