

In 2016-17, Root Capital and Value for Women joined forces to pilot tailored strategies for gender inclusion in investments in small and medium enterprises (SMEs) in Kenya. Gender Equity Grants (GEGs) were created to support businesses in implementing gender inclusion strategies that advance women's participation, skills and/or leadership. They also add to the growing evidence that investing in women is not only fair, but makes good business sense.

GENDER EQUITY GRANTS



3 Kenyan SMEs



USD 20,000 each



One year to test

STRATEGIES FOR GENDER INCLUSION



Workplace savings, credit cooperatives and financial literacy trainings to employees and farmers

Daycare center to support working parents with young children



Agricultural support like crop insurance and skills trainings to improve yields and opportunities to generate off-season income

Crop collection centers to reduce distance to markets and risks of theft, violence, exploitation and crop losses



OUTCOMES AND IMPACT

Social



- Increased savings and incomes
- Greater financial independence and decision making of women
- Reduced care burden, and cost and time savings associated with childcare
- Improved child health
- Cost and time savings by aggregating produce at collection centers; reduced stress due to assured buyer and prices
- Greater physical safety and security
- Enhanced skills leading to increased productivity, crop diversification, family nutrition, confidence, and respect
- Strengthened relationships within the family
- Changes to traditional gender roles through employment of women in alternative jobs like brick making

Business Performance



- Decrease absenteeism and tardiness with related gains in productivity
- Increased worker satisfaction
- Mutual loyalty between employee and company
- Cost-savings and reduced post-harvest losses
- Enhanced visibility and reputation of company in community
- More consistent supply base

CONCLUSION: The piloted activities and strategies found gender inclusion can enhance rural livelihoods and family dynamics, help close gender gaps, and improve business performance for agricultural SMEs by unlocking women's potential.



GENDER EQUITY GRANTS:

Evaluating Key Benefits for Businesses, Workers, and Farmers

Women represent the majority of the world's poor. Despite producing 60-80% of food in developing countries, they often face gendered barriers that limit their ability to be productive, control assets and incomes, and benefit equitably from their hard work.

To redress these imbalances and demonstrate the social and business case for gender inclusion, Root Capital partnered with Value for Women (VfW) to identify opportunities to improve gender equality within our client agricultural businesses. We conducted a diagnostic exercise with three clients in rural Kenya—The Village Nut Company, Sagana Nuts, and Shalem Investments—and then collaborated with them to develop strategies to improve women's overall quality of life and their representation in the business. Root Capital provided clients with Gender Equity Grants (GEGs) of \$20,000 to implement these strategies over one year. The businesses were also required to invest some of their own financial and human resources in the planned activities.

In late 2017, we contracted VfW to assess the social and commercial impacts of these pilot GEGs—including through in-person interviews and focus groups. Varying by intervention, notable benefits were reported at the individual, household, and company level. Below is a brief summary of these activities and the reported results.

What Are Gender Equity Grants?

Gender Equity Grants support agribusinesses to test tailored gender inclusion strategies by off-setting some of their initial investment and risk. They build evidence for the business case for gender inclusion by demonstrating what impact investors and agribusinesses can collectively accomplish to improve gender equality.

GENDER INCLUSION STRATEGIES

The selected businesses piloted several gender inclusion activities, including:

- **Savings and loans programs, as well as financial trainings** to improve employees' and farmers' access to finance services; financial management skills; and ability to cope with income fluctuations at the household level.
- **Daycare center** to support working parents and reduce staff absenteeism and turnover.
- **Agricultural trainings** to improve the skills and practices of farmers and increase off-season income-generating opportunities. One client (Shalem) also offered crop insurance to farmers.
- **Collection centers** to reduce farmers' distance to markets and their risk of crop theft or loss, personal violence, exposure to harsh weather conditions, and exploitation by middlemen.

These activities were selected through a participatory process in which female employees, producers, managers, and other stakeholders identified specific barriers to women's participation and leadership, and developed ideas for overcoming these barriers using the GEG.

INDIVIDUAL IMPACTS

After one year of GEG implementation, women reported a number of benefits at the individual level. For example, with access to small loans, financial training and services, and alternative income-generating activities, women described an **increase in household savings**, as well as their own **financial independence**.

At The Village Nut Company, the on-site daycare facility **lessened the care burden** for working mothers. Several reported reduced stress knowing that their children's nutritional and educational needs were being attended to.

Women farmers also experienced **cost and time savings** thanks to Shalem's crop collection centers, which allowed them to aggregate their harvest and sell to a single



“Because of the collection center, we feel safe and our harvests do not get ruined in the rain, and we know we get a good price.”

– Sylveria Nkui, lead farmer, Shalem

buyer. This also reportedly **increased women's physical safety and security** as they no longer had to wait by the side of the road after dark to sell their crops.

Additionally, women who were trained in productive new skills (e.g., crop diversification, financial management, nutrition, and/or brick-making) conveyed **reduced stress, increased confidence, and improved self-respect**. In theory, these skills also have the potential to increase women's yields and incomes over the long-term.

BUSINESS IMPACTS

The piloted strategies increased stakeholder **satisfaction and loyalty** to the companies—something that may lead to better worker and/or supplier retention over the longer-term. Investments like the crop collection and daycare centers were highly visible within local communities, which reportedly **enhanced the companies' reputations** as positive, caring workplaces.

The time savings and stress reduction experienced by women also contributed to decreased absenteeism and tardiness, with corresponding **gains in productivity and cost savings**. These changes have the potential to positively affect business performance. Some managers also reported that joint projects like the savings groups help build **cohesion in the workplace** because employees are collectively invested in their success.

Client businesses also stand to reap the benefits of the training they provided female employees and producers in new skills. The increased crop quality and yields that participants reported after the training means that companies may have a **better supplier base** from which to generate revenue.

Business Conditions

The three companies that piloted the GEGs are rural agribusinesses with 13 to 90 employees, sourcing from several hundred to several thousand farmers. Many of the companies' farmer suppliers live in remote areas disconnected from government services, and are highly reliant upon seasonal agriculture.

“In general women are more driven at work because of the SACCO. We hired more women in 2017, but even holding the number of workers constant, their productivity has actually gone up because of the motivation they feel here from the SACCO activities.”

– Manager, Sagana Nuts



LESSONS LEARNED

The assessment also noted some challenges in fully implementing GEG activities. These included unforeseen issues, such as drought, as well as constraints on time and capacity that are typical with small and growing businesses.

Despite those challenges, the GEGs helped businesses successfully link resources with targeted solutions. The activities funded by the GEGs were a direct response to women farmers' and employees' expressed needs: to diversify their income streams, reduce work-related costs and risks, and resolve uncertainties related to childcare. Women farmers and employees reported that they would not have otherwise been offered these interventions if it weren't for the Gender Equity Grants.

At the same time, the GEG program is strengthening the business case for gender inclusion and showing that targeted interventions to improve gender equality can work. The findings and recommendations from this study will inform Root Capital's future GEG strategy and processes.

Root Capital invests in the growth of agricultural enterprises so they can transform rural communities. Launched in 2012, Root Capital's Women in Agriculture Initiative (WAI) aims to promote greater economic opportunity for women by promoting gender-inclusive practices at our client businesses. The Gender Equity Grants program—a key activity of the WAI—is supported by the IKEA Foundation, Wagner Foundation, and Dietel Partners.

Value for Women (VfW) specializes in developing tools and approaches to support gender inclusion and women's empowerment, with a specific focus on small and growing businesses. This assessment summary was produced in partnership with Sarah Mills, Value for Women's Programme Lead - Gender, Business and Agriculture.

Wagner Foundation is a Boston-based private foundation whose mission is to build just and robust communities throughout the world by supporting resilience, health, creativity, and fairness to bring people closer together. Honoring the potential in all people, we look to help individuals build the skills necessary to be agents of change in their own lives and active members of their communities.