



WOMEN IN AGRICULTURE INITIATIVE

ANNUAL REPORT 2020

Agricultural businesses have the power to deliver transformational services and opportunities to rural women, especially in the face of hardship.

Thanks to our community of changemakers—donors, investors, partners, and rural businesses themselves—we are unlocking that power. Despite the challenges of a global pandemic, in 2020 we provided agricultural enterprises with the tools and resources they need to advance gender equity in rural communities.

With your help, Root Capital's average outstanding balance to gender-inclusive agricultural businesses in 2020 was \$21.1 million, representing 46% of our total lending portfolio. **With our support, these businesses reached 268,000 women farmers and 8,000 women employees—connecting them to markets and providing them with critical training and farm inputs.**

This impact was possible despite severe economic and health challenges generated by the COVID-19 pandemic.

In surveys last year, our client enterprises reported disproportionate impacts on the income, productivity, and wellbeing of women farmers and employees. Women-led businesses were also more likely to report disruptions than those run by men. **But at the same time, we saw numerous examples of women lifting up their communities.** Women-led businesses were significantly more likely to have a pandemic response plan by April than those run by men. And their responses were more holistic, supporting their businesses and their communities. The women of CECAFE cooperative in Peru, who mobilized to address food insecurity stemming from lockdown measures, are just one example (read more on page 5).

As the pandemic persists, our focus on rural gender equity has never been more important. In our Women in Agriculture Initiative (WAI) Business Plan, launched in 2019, we laid out four strategies—Grow, Cultivate, Innovate, and Amplify—an integrated approach that invests in community-led solutions that put women first. In this report, we present our progress across these four strategies in 2020. In the face of new challenges, we're proud of how our global community ensured continued progress for rural women.

2020 BY THE NUMBERS

46%

Outstanding Balance to Gender-Inclusive Clients

46%

Gender-Inclusive Clients

25%

Women-Led Businesses

39%

Women Farmers Reached

35%

Women Participants in Advisory Workshops

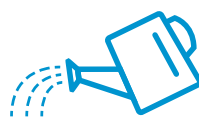
58%

Clients with Gender Inclusion Activities for Farmers or Employees



GROW

Increasing the proportion of gender-inclusive and women-led businesses in our lending portfolio.



CULTIVATE

Strengthening the capacity of women working in agricultural enterprises.

In 2020, Root Capital continued to provide financing to gender-inclusive and women-led businesses, which represented 46% (vs. 47% in 2019) and 25% (vs. 16% in 2019) of our portfolio, respectively. In a financial system that too often excludes women-led businesses, we can report that 80% of our loans to these clients filled critical financing needs unmet by a commercial bank—meaning we’re expanding access to transformational credit when others won’t. This statistic also underscores the importance of growing our lending services to fill persistent financing gaps.

With that in mind, in 2020 we took critical steps to build our pipeline of gender-inclusive and women-led businesses. We conducted market studies across six value chains in 12 countries. These studies identified gender-inclusive and women-led agricultural businesses that could unlock deeper impact through Root Capital’s financing, as well as earlier-stage businesses with high impact potential that could benefit from our capacity-building services. The pipeline established through these market studies, combined with a robust gender lens applied at all stages of our loan evaluation process, will enable us to reach more gender-inclusive businesses and women farmers in the years to come.

We know that it’s often harder for rural women to participate in, and benefit from, training than it is for men. Inequitable educational access, expectations for domestic work, and childcare responsibilities are just some of the factors that inhibit women’s equal participation. In a recent impact study, for example, we found that rural women reported performing 2.5 hours more household and childcare work per day than men—that’s more than two extra eight-hour workdays per week (find more details from the study on page 4). We have uncovered additional barriers to women’s participation in our advisory training, including distance to workshops and women not holding the roles our curricula target or being invited by their businesses to participate.



In this new normal, women have had to undertake new work around the house to mitigate the virus, constantly disinfecting their homes. Women have an overload of work because they are the providers of safety and education.”

— Yeny Yamilet Salazar Reyes, General Manager of AMPROCAL in Honduras

In 2020, we continued to focus on improving women's involvement in our advisory training. Beyond removing logistical barriers by providing childcare and more virtual training, we made the content more accessible to everyone. We created training modules tailored to the specific needs of women, including by choosing learning examples to reflect women's experiences. We also ensured the training applied to roles like accountants and middle managers that are more likely to be filled by women. Our team began delivering these adapted workshops across Latin America in late 2020. As we expand these trainings across the world, we'll tailor them to specific cultural contexts with the support of our team of regional gender specialists.

In addition, the fact that workshops in 2020 were held remotely may have helped more women access them. This year, women made up a record 35% of participants in our workshops—up from 23% in 2018 and 30% in 2019—a milestone in the traditionally male-dominated industries in which we work.

This year we also continued to support agricultural businesses as they grow into more equitable and inclusive organizations. We began developing a curriculum for our new gender equity advisory service with our partner Value for Women. Launching in 2021, this service will help our clients identify and address barriers to gender equity within their businesses.



INNOVATE

Supporting agricultural enterprises to design and implement strategies that benefit women.

Informed by the success of our Gender Equity Grants (GEG) program, we continued to invest in community-led innovations that provide opportunities for women in

agriculture. At the same time, we've adapted the model to address urgent shocks and their undue impacts on women.

Our GEGs to support women's resilience in the face of climate change in Central America were initially delayed by the pandemic, and then November's hurricanes. But we're happy to report that all three GEG participants were finishing implementation of their projects by the end of 2020. Value for Women is conducting an assessment of the projects supported by these GEGs—mapping of women's climate vulnerability, training on improved agricultural practices for women, and provision of farm inputs—that will be finalized in the first half of 2021.

As COVID-19 bore down on clients across the world, rural communities in Peru were hit particularly hard—including recipients of previous GEGs. Working with The Wagner Foundation, we provided follow-up grants to four former GEG recipients to preserve their progress and impact during the crisis (read more about how grants helped women respond to COVID-19 on page 5).

During our pilot round of GEGs, disbursed in Kenya in 2016, virtually all recipients created savings and credit cooperatives (SACCOs) for women farmers and employees. These SACCOs have helped women sustainably launch business ventures or make household investments. Building on this success, in 2020 we retooled our existing internal credit advisory services and GEG program to develop a new, comprehensive offering. This service trains businesses to develop and administer SACCOs and provides seed funding to get them started. We will pilot the new SACCOs program with three agro-processors in Kenya in 2021, and three more in 2022. These results will help us determine whether and how to scale this program to other countries. Working with dedicated clients as innovation partners, we can leverage the power of agricultural businesses to democratize access to finance for all.





AMPLIFY

Demonstrating to others how to holistically impact women across agricultural value chains.

The first step in our COVID-19 response was to learn how the pandemic impacted our clients and women in rural communities. From May to July 2020, Root Capital conducted two surveys across our portfolio, collecting data on how the impacts of COVID-19 differed for women entrepreneurs, farmers, and employees. We used these results to inform our response and shared them with the larger sector through webinars and other outreach. We also presented our findings during an “[Ask the Expert](#)” webinar with our partners at the IKEA Foundation and at the [SOCAP virtual conference](#) with our peers at NESST and Acumen. We were joined on that panel by Jane Maigua, a woman entrepreneur at a Root Capital-financed macadamia business in Kenya—the only women-led business of its kind in the country.

In recognition of Root Capital’s success as a gender lens investor, the US Development Finance Corporation named Root Capital as a qualified investor under the 2X Challenge, an initiative of the G7 development finance institutions that has catalyzed more than [\\$4.5 billion](#) of investment in women. As part of the initiative, our founder and CEO, Willy Foote, participated on a panel with other leaders in gender lens investing. Root Capital also joined the [G-SEARCH Consortium](#)—a partnership of six impact investors building evidence around gender lens investing and identifying strategies to embed gender inclusion in the fabric of SMEs. Under this effort, a research partner is conducting an evaluation of our GEG program, in addition to evaluations of gender-lens interventions by other G-SEARCH members. We’re proud to be part of these cross-sector initiatives advancing gender equity around the world.

Finally, we continued to conduct deep-dive impact studies of our work with clients to better understand how agricultural businesses level the playing field and improve livelihoods for women in agriculture. The findings from our latest study of cocoa cooperatives in Peru show that women farmers affiliated with Root Capital clients have greater access to training and higher incomes than their non-affiliated peers. These exciting results demonstrate how our clients help women farmers overcome persistent barriers. In 2021, we will publish five additional studies highlighting outcomes for women in other geographies and value chains.

Findings About Root Capital’s Impact on Rural Women in Peru

In our latest impact study, we collected data from 300 members of three Peruvian cocoa cooperatives that receive financing and business advisory services from Root Capital. We also surveyed a comparison group of 250 cocoa farmers not affiliated with our clients in nearby communities. We found that:

- Cooperative membership is strongly correlated with access to key farm services, with members of Root Capital clients significantly more likely to receive cocoa training and input assistance than non-members. This effect was particularly sizable for women. While women from the comparison group reported receiving significantly less technical and input assistance than their male counterparts, **women members of Root Capital-financed cooperatives accessed these services at the same rate as men.** These businesses are leveling the playing field for rural women, improving their farm productivity and livelihoods.
- Women affiliated with Root Capital clients were **nearly 60 percentage points more likely than women in the comparison group to hold social and environmental certifications** that earn them higher prices for their crops and allow them to access exclusive international markets.
- In focus groups, women members reported professional development from cooperative training on cocoa production, farm management, and household dynamics. **They also reported personal development**, including financial independence, feeling more empowered, and deeper trust in their relationships with their spouses.

For more information, read [our blog post](#).



STORIES OF IMPACT

Pivoting to Address Emergency Needs of Rural Women

In early March, the typical hum of the sorghum harvest in Meru, Kenya became chaotic and uncertain. Roads began to close, shops shuttered their doors, and contracts were put on indefinite hold. The pandemic had arrived in Meru, and farmers and agro-processing employees—most of whom are women—were forced to adapt. As Root Capital responded to the rapidly evolving situation, it was clear that we needed partners on the ground who understood the challenges and were invested in solutions. We needed agricultural businesses.

Shalem Investment Ltd., co-founded by Ruth Kinoti, has worked with Root Capital for nearly a decade to access \$1.9 million in financing, serving 35,000 farmers and employees—23,000 of whom are women. Far from health outposts and government services, the people of Meru couldn't wait for a national response. Fortunately, the team at Shalem was ready to spring into action as community leaders.

Leveraging the existing infrastructure of our GEG program—which was first piloted with Shalem and two other businesses in 2016—we quickly provided a grant to fund food, soap, and personal protective equipment (PPE) for Shalem's farmers and employees. As a trusted partner to remote communities, Shalem was able to reach farming families that lacked access to public health services.

In Guatemala, the majority-women coffee cooperative CODECH SA helps its farmers obtain organic certification and earn higher incomes. But organic crops require more attention, including more frequent application of organic pesticides and fungicides. With pandemic protocols limiting travel to their fields, farmers risked exposing their plants to disease and crop loss. So the cooperative designed a project, financed through a grant from Root Capital, to provide automatic organic sprayers. The project was targeted to women farmers, who often lack access to productive inputs like these and are more likely to limit their farm visits due to domestic responsibilities. In total, the project ensured 175 women could improve their incomes during the pandemic.

CECAFE is a coffee cooperative in the highlands of northern Peru. Using a GEG from Root Capital, the cooperative built a women-run coffee roastery and restaurant. When the pandemic hit, the women of CECAFE decided to use remaining GEG funds to address food insecurity. They established food gardens and fish ponds to ensure women could access fresh food for their families without having to make dangerous trips to population centers.

The pandemic brought each of these businesses different challenges necessitating different solutions. But, in each case, the approach was the same: equip agricultural businesses with the resources they need to maximize women's leadership and impact.



My situation has improved, and my life is very different from those women who are not in the cooperative. I have been able to get a job and receive benefits like training from the cooperative, and I can get credit for small projects.”

– Esperance Nyirahabimana
Farmer, Maraba cooperative
Rwanda

CUMULATIVE IMPACT SINCE 2012

GOAL BY 2022: 443K

WOMEN FARMERS REACHED

554K

GOAL BY 2022: 13.5K

WOMEN EMPLOYEES REACHED

14K

GOAL BY 2022: 100

WOMEN ENTREPRENEURS
REACHED

106

Thank You

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Launched in 2012, Root Capital’s Women in Agriculture Initiative supports agricultural enterprises to generate opportunities that are inclusive of women throughout their value chains. To learn more, visit rootcapital.org.