

A photograph of a woman wearing a vibrant, multi-colored patterned headscarf and a matching shawl. She is smiling and looking towards the camera. The background is a blurred wooden structure, possibly a fence or a building. The image is framed by a red diagonal shape on the left and a blue diagonal shape on the right.

WOMEN IN AGRICULTURE INITIATIVE

ANNUAL REPORT 2021

When women have equal opportunities, everybody wins. This is as true in metropolitan board rooms as it is in rural communities where women farmers, agronomists, and entrepreneurs help their communities thrive.

However, women are up against steep challenges. The pandemic forced millions out of the workforce, threatening hard-won gains in gender equity. According to International Finance Corporation and McKinsey & Company, **women-led small and medium-sized businesses face a financing gap of \$320 billion**. The negative impacts of this lack of financing grow as the climate crisis continues to worsen. Climate change has a disproportionate impact on women; without access to finance, they don't have the tools they need to build resilience.

Root Capital launched the Women in Agriculture Initiative (WAI) in 2012 to expand access to finance to more women-led and gender-inclusive businesses. Over the past 10

years, with the support of the Wagner Foundation, it has evolved to build opportunities for rural women through investing, training, and sharing lessons. **Over the past decade, we've nearly doubled the number of women farmers we reach annually** from 117,000 in 2014 to 208,000 today. Root Capital is connecting women with premium markets, building their resilience, and helping them to lead in their communities.

In 2021, Root Capital launched a five-year strategic plan with ambitious goals to build holistic resilience for agricultural enterprises and the farming families they reach. The WAI is a central pillar in this strategic plan as we deepen gender equity through four strategies: Grow, Cultivate, Innovate, and Amplify. (Learn more about our planned impact in the next five years in the callout box on page two.) This update shares key highlights from 2021 across those four strategies and reports against our progress toward 2025 goals. **We're only as strong as our community of supporters, entrepreneurs, and changemakers.** Thank you for joining us in this journey!



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

Root Capital is committed to expanding access to finance for under-served communities. This need is particularly acute for women-led and gender-inclusive businesses in rural communities. **In 2021, we reached all-time highs in our portfolio with gender-inclusive businesses representing 55% and women-led businesses representing 27% of our portfolio.** These numbers were up from 46% and 25% respectively in 2020.

Now, we're working with private sector partners to extend even more financing to gender-inclusive businesses. In July, we launched a new gender lens investing project with philanthropic support from the Walmart Foundation. This partnership will leverage an additional \$25 million in financing to early-stage gender-inclusive and women-led businesses in Mexico and Central America; all while working with other agricultural finance institutions to build the business case for gender lens investing.

Meanwhile, a new project with the Visa Foundation will unlock financing for similar businesses across the globe. Over the next three years, this \$2.5 million donation will allow us to catalyze even more financing for women-led and gender-inclusive businesses. Together, we'll reach tens of thousands of rural women with the tools they need to thrive.

Strategic Plan 2025: Gender Equity

In 2021, Root Capital launched our five-year strategic plan, building on two decades of impact in rural communities. This plan envisions a new horizon alongside farming families—especially the women farmers, workers, and leaders driving change. By 2025, we will:

- Provide access to \$130 million in financing each year for gender-inclusive businesses;
- Proactively seek out and support 350 women leaders at agricultural enterprises so they can build inclusive prosperity at their organizations;
- Train over 100 businesses on the importance of gender inclusion and help them design programs to expand opportunities for women.

To reach these goals, we need your support. If you're interested in expanding opportunities for rural women, please contact giving@rootcapital.org.

2021 BY THE NUMBERS

\$80.5M

Disbursed to Gender-Inclusive and Women-Led Businesses*

55%

of Lending Clients Were Gender Inclusive

27%

of Lending Clients Were Women Led

36%

of Farmers Reached Were Women

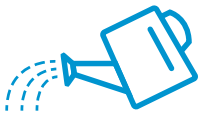
36%

of Advisory Training Participants Were Women

75%

of Clients Implemented Gender Inclusion Policies or Programs

*Women make up more than 30% of farmers and employees OR the enterprise is women led and women make up more than 20% of farmers and employees.



CULTIVATE

Strengthen the capacity of women working in agricultural enterprises.

Women are less likely to participate in training than their male peers due to lower literacy, unequal domestic responsibilities, and other barriers. **This means these women miss out on critical knowledge that can grow their leadership skills, strengthen their businesses, and build their climate resilience.** We're taking bold new steps to build gender inclusion across our portfolio while honing our services to meet the needs and talents of women farmers, employees, and entrepreneurs.

In 2021, Root Capital launched an updated set of guidelines to ensure we aren't just inviting women to the table, but knocking down barriers so they can equally participate. As a result of these efforts, women made up 36% of participants in our advisory workshops, up from 30% just two years prior.

Supporting the needs of individual women isn't enough; we need to equip enterprises with the tools to embed gender inclusion in their policies and operations. For that, we launched our gender equity advisory services this year. Through these services, our advisors train business leaders on the importance of gender equity while conducting in-depth audits on each business' gender inclusion practices. Together with the business, we create an action plan tailored to the business' capacity and needs in order to build long-term inclusion at the enterprise. (Check out page five to see this service in action at Pacayal Coffee.) **Since launching in early 2021, we've expanded these services to reach 20 businesses.**

Because women are acutely impacted by climate change, our approach to the climate crisis continues to center on their needs. When evaluating our clients' climate vulnerability, we factor in gender-specific climate risks to ensure women are included in critical adaptation activities. Our Agronomic Talent Partnerships program in East Africa connects promising young agronomists with agricultural enterprises where they can help farmers practice regenerative agriculture. We recently set a goal of gender parity in this program and are proud to share that 42% of participants in 2021 were women, representing significant progress in a historically male-dominated field.



INNOVATE

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

Since 2016, Root Capital has helped agricultural enterprises expand opportunities for women through our Gender Equity Grants (GEGs). Root Capital advisors work with rural leaders to design locally led solutions that build gender equity. With a one-time grant from Root Capital, businesses are able to realize these projects, like providing childcare for women employees, helping women diversify their income, or launching an all-women coffee brand.

As the challenges facing rural women have changed, so too have our GEGs, pivoting to address pandemic impacts and climate change. This year, we published a report on our [climate-focused GEGs](#) in Mexico and Central America, which found that women improved their agricultural knowledge and businesses implemented changes to boost gender equity. As a result, positive benefits have rippled through the focus communities.

One of our first GEG projects in 2016 took the form of a Savings and Credit Cooperative (SACCOs) for employees at a macadamia processor in Kenya. Women often struggle to borrow money for education expenses or farm improvements, **but through a SACCO, they can invest in their future.** Building on the successes of that initial project, we've launched a formal SACCO training to close the finance gap for women in rural communities. This year, we trained staff at three macadamia businesses in Kenya to ensure their ability to sustainably launch and maintain their SACCO. We also provided each business with \$10,000 in seed funding to launch their projects. We look forward to sharing our lessons from this experience in 2022.

Finally, to ensure we're investing in innovations that will truly boost gender equity, we partnered with the International Food Policy Research Institute this year to test an update to their Women's Empowerment in Agriculture Index. Co-developed with a global consortium, this metric will allow us to more holistically evaluate our gender equity work and ensure that we are managing toward the greatest impact.



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

While we've made great strides toward gender equity in rural communities, we know that a truly equitable world is only possible when we work together. This year, we brought lessons from our work to new audiences while deepening our knowledge sharing with longstanding partners.

In August, Root Capital was invited to participate in a roundtable hosted by Queen Máxima, the United Nations Special Advocate for Inclusive Finance for Development. This event brought together agricultural entrepreneurs, leading nonprofits, and other stakeholders to discuss the intersection between financial inclusion, gender equity, and agriculture while advising the Queen on advocacy for future UN meetings.

Also over the summer, Root Capital partnered with Confluence Philanthropy for a presentation during its annual practitioners' gathering, including sharing an article about the event.

As a founding member of the Council of Smallholder Agricultural Finance (CSAF), Root Capital continues to use that platform to tackle the specific challenges to gender equity within the agricultural finance sector. This year, we worked with Value for Women (VfW) to publish a [case study](#) about Root Capital's journey to becoming a gender lens investor. We then partnered with VfW for a training of CSAF members focused on how to embed gender inclusion in all aspects of their work including through workshops on gender-inclusive lending for in-country staff across Latin America.

A Decade of Impact With Rural Women

In 2022, Root Capital is celebrating a decade of the WAI. That's 10 years of gender lens investing, 10 years of expanding women's access to training and education, and 10 years of working with women leaders to improve opportunities for everyone in rural communities. We're so grateful for the supporters who have allowed us to get this far and look forward to celebrating with you this year.



In the past, women would work on the farm, but at harvest the money would be paid to the man... [now,] women have bank accounts... we've seen enormous growth on the part of the women."

**— Ruth Kinoti,
Shalem Enterprises Ltd., Kenya**





IMPACT STORY

Pacayal Coffee, La Paz, Honduras

In the early 2010s, coffee leaf rust swept across Honduras, killing crops and leaving thousands of farmers scrambling to put enough food on the table. Diseases like this one—which was brought about by warmer, wetter conditions—are predicted to happen with increasing frequency as climate change accelerates. Against this backdrop, Karen Carrillo and her brother, Edgar, set out to help their neighbors through the power of small business. **In 2014, the pair founded Pacayal Coffee to connect smallholder farmers with higher prices on the international market.**

As an early-stage, woman-led business with no collateral, Pacayal couldn't access the finance it needed to grow. In that first year, farmers had to sell their crops on credit, waiting months before they could be paid for their coffee. Only seven farmers took the plunge—many others, living harvest to harvest, were forced to resort to the relative security of selling their coffee for rock-bottom prices to local brokers.

Root Capital first provided Pacayal with a loan in 2017 for \$500,000. **Since then, the business has grown tremendously and is helping women in the community improve their livelihoods.** In 2016, Pacayal sold less than \$1.5 million worth of coffee. In 2020, that number rose to over \$3 million. During that period, we quadrupled the size of their loan and ensured they had the credit they needed to improve livelihoods for their 244 farmers and employees—48% of whom are women. We've supported that growth with over 70 days of training on topics as varied as financial planning, human resources management, and digital business intelligence.

More than just an economic engine, Pacayal Coffee has a strong social mission with particular dedication to the education of its members, families, and the broader community. **Pacayal used money from their Fairtrade premium to donate desks to a local school as well as uniforms and backpacks to local children.** These efforts weren't just aimed at the business' members, but at uplifting everyone in the community.

When COVID-19 hit and schools closed, the enterprise used part of their resilience grant from Root Capital to ensure children in the community could continue to learn. Karen's team purchased textbooks and even helped equip homes with internet connectivity to ensure students could access online resources.

Now, we're helping Pacayal build their long-term inclusion and resilience through our gender equity advisory (GEA) services. In 2021, our advisors trained Pacayal employees on the unique challenges faced by women farmers, workers, and leaders before working with the business to identify specific gaps in Pacayal's gender-inclusive practices. Now, we're working with Pacayal to execute against their gender equity action plan by training their members on the importance of gender inclusion and ensuring it's embedded in everything they do.

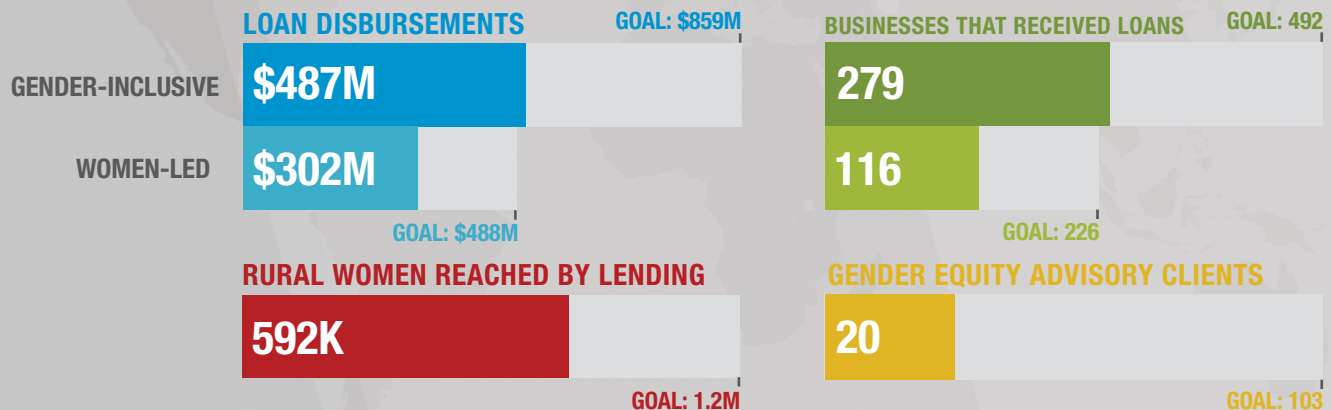
Karen and her team are driving serious impact in their corner of Honduras. While the threats of climate change and cycles of poverty persist, Pacayal Coffee is building the inclusion and resilience to thrive through partnership with Root Capital.



Women have always been discriminated against. But when I joined APROCASSI in 2006, I saw this new reality: a reality where women could work, could advance. A reality where women could have power.”

– Dora Lisa Carrión Gómez
Former president, APROCASSI
Peru

PROGRESS TOWARD 2025 GOALS



Thank You

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Women
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International Food Policy Research Institute
Visa Foundation
Wagner Foundation
The Walmart Foundation



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 and to support this work, visit rootcapital.org or email giving@rootcapital.org.