



ROOT CAPITAL WOMEN IN AGRICULTURE INITIATIVE

Annual Report 2015

OVERVIEW

Root Capital invests in women by investing in agricultural businesses that promote gender-inclusive practices. We finance and build the managerial capacity of rural enterprises, strengthening the agricultural businesses that unlock market opportunities for women to participate as farmers, agricultural workers, and leaders.

Through our Women in Agriculture Initiative (WAI), we study the roles played by women across our value chains, the barriers that women face to fully participating and benefiting from their participation, and identify and seize opportunities to deepen our impact and our clients' impacts on women. In 2012, we set a goal of reaching 200,000 women producers by 2016. We are pleased to report that we accomplished this goal in 2015, reaching 200,000 women producers with our financial products and services.

OUR IMPACT IN 2015

\$31 M / **200K** / **112**

Average Outstanding Balance
to Gender-Inclusive Clients

Number of Women
Producers Reached

Number of Gender-Inclusive
Clients Financed



CLIENT PROFILE

KENIA UBEDA, GENERAL MANAGER, UCCEI

LOCATION NICARAGUA

PRODUCT COFFEE

TRADE CREDIT

**\$300,000 (2010); \$300,000 (2011);
\$500,000 (2012); \$800,000 (2013);
\$1,500,000 (2014)**

CAPITAL EXPENDITURE

\$25,000 (2007); \$30,000 (2012); \$87,000 (2014)

Kenia Ubeda never thought she'd be running a coffee business. "I was an agronomist and a coffee farmer," she says with a smile on her face. "I didn't know the first thing about commercializing coffee."

But the community leaders who tapped Kenia to found and run UCCEI, a farmer cooperative in the coffee-fueled town of Matagalpa, Nicaragua, knew she had what it took. And in 2009, Kenia rose to the challenge and became UCCEI's general manager, overseeing a business currently sourcing from over 900 smallholder farmers in the region.

Today, under Kenia's leadership, UCCEI is booming. The cooperative's two enormous warehouses swell with rows upon rows of white and red sacks of coffee, and over 80 seasonal employees work in near synchronized harmony loading truckloads of beans shipping to roasters across the globe.

In return for their high-quality, specialty coffee, UCCEI provides farmers with higher prices, technical trainings to help producers increase yields, an internal credit fund to help members invest in their farms and their families, and programs

“““

As a woman working in this role, you have to have heart, strength and courage to continue on. Most of the producers we're working with are men, and I've had to be very firm.

—Kenia Ubeda, General Manager, UCCEI

focused on improving health and education. Working with UCCEI, Kenia reports, some farmers have as much as doubled their production – and their incomes.

But running UCCEI hasn't come without its challenges.

"It was hard enough learning to manage the business," Kenia says. "But doing so without any money, any financing...it was very difficult. Thank goodness Root Capital came, and provided us with our very first loan of \$100,000 back in 2010. They trusted us, believed in us, and now we have a \$1.5 million line of credit from them. That financing is so important."

Today, Root Capital provides 80 percent of UCCEI's external financing, and as we've increased our lending, we've also provided Kenia and her team with customized financial training on topics ranging from improved cash flow management to strengthening internal controls. "UCCEI is where it is today thanks to Root Capital," Kenia says.

In addition to financing challenges, Kenia has also been up against significant cultural barriers from day one. "Producers used to say, 'she's a woman, that's not going to work,'" Kenia relays. "As a woman working in this role, you have to have heart, strength and courage to continue on. Most of the producers we're working with are men, and I've had to be very firm.

"Thankfully," she says with a knowing laugh, "being firm comes pretty naturally to me."



RESULTS

FINANCE

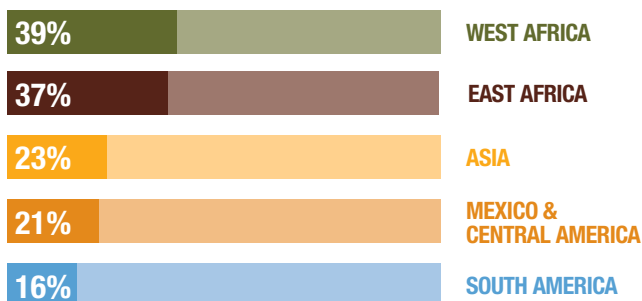
By Root Capital's definition, a gender-inclusive business has either a supplier and non-managerial employee base comprised of more than 30 percent women or is made up of 20 percent women and has a woman leader. Throughout 2015, Root Capital reached 112 gender-inclusive businesses, equivalent to 40 percent of Root Capital's entire portfolio. Through lending to these businesses, we reached nearly 200,000 women producers, up from 117,000 just one year before.

In 2015, the average outstanding balance to gender-inclusive businesses was \$31.0 million, representing 30 percent of Root Capital's total average outstanding balance. Throughout the year, we disbursed \$51.7 million to gender-inclusive businesses, equal to 34 percent of total disbursements.

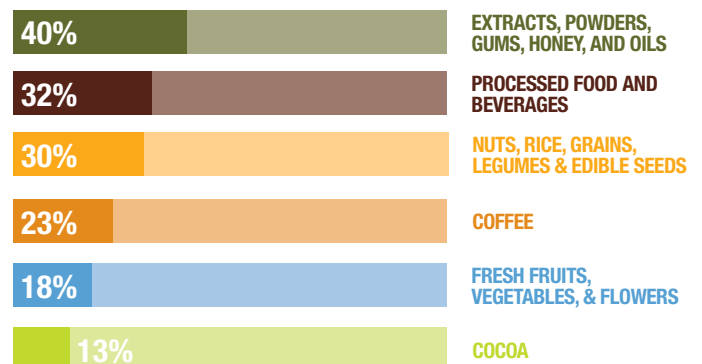
Root Capital defines a woman-led business as one in which the main decision maker is a woman. Of the 112 gender-inclusive businesses receiving financing from Root Capital in 2015, 29 (26 percent) of them were led by women. Nearly a quarter (24 percent) of our gender-inclusive clients had an internal credit fund that served women with loans for on-farm and personal investments, and 105 (38 percent) of all Root Capital's clients offered programs designed specifically for women, such as maternal health clinics.

In West Africa, the proportion of total women producers reached was higher than in any other region at 39 percent, due to portfolio growth in women-dominated industries such as shea and cashew. In coffee, the industry that makes up the largest percentage of Root Capital's overall portfolio, nearly one quarter (23 percent) of producers in 2015 were women.

AVERAGE PARTICIPATION OF WOMEN PRODUCERS BY REGION



PARTICIPATION OF WOMEN PRODUCERS BY INDUSTRY





“My situation has improved, and my life today 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, member of Maraba, a Root Capital client in Rwanda

ADVISE

In 2015, we provided financial, agronomic, internal credit and mobile advisory services to 54 gender-inclusive businesses receiving Root Capital financing.

In early 2015, Root Capital’s Advisory team began piloting [this checklist](#) for our financial management trainers in Central America and Mexico to use to increase the participation of women in our various financial management and technical assistance workshops. Since then, it has been implemented more broadly across our global advisory programs. Throughout 2015, 30 percent of participants at centralized workshops were female representatives of enterprises, ranging from administrators to accountants to managers.

Notably, in Q4 2015, Root Capital’s Advisory team convened our first ‘communities of practice’ workshop in Lima, Peru where participants from 20 farmer organizations exchanged their experiences with gender inclusion initiatives. At the end of the two-day workshop, participants had made upwards of 50 commitments to increase women’s participation, ranging from policy changes like altering membership statutes so that entire families belong to the cooperative, rather than just the land owner, to training commitments like requiring husbands and wives to participate in workshops together. In 2016 we will convene more of these communities of practice, contingent on philanthropic funding.

CATALYZE

Through 2015, Root Capital made several contributions to the emerging space of gender-lens investing.

In early Q1, Root Capital’s work supporting women in agricultural value chains was featured in Veris Wealth Partners’ Women, Wealth & Impact: Investing with Gender Lens 2.0. In February, at the Latin American Impact Investing Forum in Mérida, Mexico, Director of Business and Product Development, Elicia Carmichael, participated on a panel called, “Closing the Gap: Diverse Approaches to Women’s Inclusion.” A month later, Senior Impact Officer, Asya Troychansky, presented at the United Nations International Women’s Day Forum in New York City on a panel on gender lens investing. Cecilia Yañez, Senior Investment Analyst, at Root Capital’s partner organization, ACCDER, also spoke about Root Capital’s Women in Agriculture Initiative at the National Meeting of Women Cocoa Producers, organized by the Peruvian Association of Cocoa Producers (APPCACAO).

In September, Root Capital Senior Vice President Catherine Gill, joined by Iliana Martinez, the General Manager Root Capital client Cooperativa Esquipulas, participated in the Global Women’s Network Summit at the George W. Bush Presidential Center. During their plenary panel, “The Power of Public Private Partnerships: Collaborating to Improve the Lives of Women and Girls”, [Catherine and Iliana discussed how Root Capital has successfully collaborated with leading private and public sector players](#) to provide economic opportunities for women in agriculture around the world.