

On the potential of GLI to further women's economic and social empowerment



An assessment of women-focused enterprises in South East Asia and East Africa

February 2021

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This study was carried out with grant support from the International Development Research Centre (IDRC), Ottawa, Canada. The report presents insights gathered from interviews with more than 20 women-focused enterprises, and their 150 women employees, partners and customers; conducted across India, Indonesia, Kenya and Rwanda. The aim of the study was to assess the impact of such enterprises on the economic and social empowerment of women, and help enhance the case for GLI to support such enterprises in developing countries.

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Authors:

Amar Gokhale, Niharika Agarwal, Agnes Makena

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Disclaimer

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ABBREVIATIONS

ANGIN	Angel Investment Network Indonesia
BCG	Boston Consulting Group
CTG	Cardiotocography
GIIN	Global Impact Investing Network
GLI	Gender Lens Investing
HR	Human Resource
KPI	Key Performance Indicators
MFI	Micro Finance Institution
MSME	Micro, Small and Medium Enterprise
M&E	Monitoring & Evaluation
NGO	Non-Government Organization
PEKKA	Women-Headed Family Empowerment Program
ROI	Return On Investment
SACCO	Savings and Credit Cooperative Organization
SDG	Sustainable Development Goal
SEAF	Small Enterprise Assistance Funds
SME	Small and Medium Enterprise
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USD	United States Dollar
WEF	World Economic Forum

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EXECUTIVE SUMMARY

Gender Lens Investing (GLI) has been gaining increasing attention over the years. Although a majority of the global GLI activity is concentrated in the Global North, investors operating in developing countries have also been adopting the practice; by investing in women-owned enterprises, and in enterprises that have a positive impact on women. The latter include enterprises that provide access to livelihoods to women, or provide goods and services that improve the lives of women and girls. This report is part of a wider study that highlights the potential role for GLI in Southeast Asia and East Africa. An earlier report that was part of this study¹ focused on women-owned enterprises; and this report focuses on enterprises that either create employment opportunities for women or provide goods and services that improve their lives. Such enterprises, termed 'women-focused enterprises' for the purpose of this report, play an important role in empowering women economically.

Women's economic empowerment is critical to realizing women's rights and creating gender equality. Research estimates that increasing women's participation in the workforce by 25% could add USD 5 trillion to the global economy by 2025, while closing the gender gap will result in a 26% increase (USD 28 trillion) in global GDP by 2025.²

Evidence suggests that greater gender equity and increasing women's economic participation are associated with higher growth, more favorable development outcomes, and lower income inequality.³ Studies show that women spend almost 90% of their incomes towards their families, compared to only 30-40% by men.⁴ It is estimated that by 2028 women will control over USD 15 trillion of global consumer spending. Access to critical products and services help improve the quality of life for women and their families, by reducing drudgery and providing benefits such as improved education and health outcomes, increased productive time, and better safety.

Capital has a significant role to play in enhancing the gender-impact of women-focused enterprises. This report endeavors to add to the existing literature on GLI, by highlighting the impact created by such enterprises and by exploring the challenges they face. Such an attempt is made by – a) analyzing the nature of various types of women-focused businesses in terms of their operational and gender-integration models; b) studying their financial needs and identifying barriers to accessing finance; c) highlighting the impact of access to employment and/or products, on women; d) providing recommendations to deepen the gender impact of these enterprises.



¹ 'Mainstreaming GLI: An assessment of women-owned enterprises in developing countries', IDRC - Intellect, Feb 2020

² 'How advancing women's equality can add \$12 trillion to global growth', Sep 2015, McKinsey & Company

³ 'Catalyst for Change: Empowering Women and Tackling Income Inequality', October 2015

⁴ '10 reasons why investing in women and girls is so vital', Global Citizen, Leticia Pfeffer, July 2014

⁵ According to 2X challenge website

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Enterprise segments and analysis

This report is based on the insights gathered from more than 20 women-focused enterprises⁶ and 150 of their women employees/partners and customers. Interviews were conducted across India, Indonesia, Kenya and Rwanda. The study focused on enterprises employing and integrating low-income women, and/ or offering critical products and services to women living in unserved and under-served areas.

Based on the definition of GLI and its investment strategies⁷, the enterprises have been categorized into two segments in order to highlight their unique characteristics and identify the way they impact women.

1. Enterprises integrating women as employees & supply chain partners:

These are enterprises which either employ a substantial number of women in their workforce, or consciously engage women suppliers, distributor and retailers as part of their supply chain.

2. Enterprises focusing on women as customers:

These enterprises offer critical products/ services primarily aimed at women customers and help in improving the quality of life of women, such as maternal healthcare products and diagnostic services, products that promote the financial inclusion of women, clean cook stoves, and menstrual hygiene products, among others.

Enterprises that integrate women as employees and partners have a significant positive impact due to the livelihoods they create. Almost 80% of the women employees/partners interviewed for this research reported an increase in income, or the ability to earn an income where none existed, as a result of being engaged by the enterprises.

The women were able to contribute a higher amount to household expenses, pay for their children's education and save money for their personal use. A woman employed as a trainer with an enterprise procuring products from women weavers in Indonesia said "My income has increased by 40-50%. I have helped improve the family economy and can now afford a better school for my children." Being employed has also resulted in improved agency and financial independence for women; over 65% reported being able to make household and financial decisions independently. A woman distributor for a sanitary pads manufacturer in India recounted how "earlier I had to ask my mother-in-law and husband for money, even for small things. Now I am independent and do not need permissions. I just tell my husband what I am planning to buy."

Further, trainings offered by the enterprises have allowed women to enhance their skills and/or learn new skills. A woman working with an Indonesian wicker weaving enterprise said, "I learned several types of weaves, thanks to the regular trainings conducted by the company. I am now very skilled at various weaves and others view my products as benchmarks." Women employees also reported improved self-confidence with almost 40% of the women reporting a greater sense of freedom; improved mobility, and ability to engage with people outside the community. Women engaged with these enterprises were also perceived as role models and influencers in their community. A woman working with a fashion retailer in Rwanda mentioned that "women in the community call me a super-hero. I have been supporting and motivating women to stand up for their rights, and be able to do it through earning a living by themselves, without waiting on their husbands who often have more than one wife." Additionally, the ability to generate an income has resulted in women having diverse aspirations. Over 30% of the women interviewed aspired to study further or start a business in the future.

⁶ The enterprises part of this study reported annual revenues in the range USD 20,000 to USD 500,000, with profit margins between 10%-20%. Over 50% of the enterprises are women-owned & women-led.

⁷ GLI consists of 3 investment strategies: a) Investing in women-owned or women-led enterprises; b) Investing in enterprises that promote workplace equity (in staffing, management and in their supply chains); c) Investing in enterprises that offer products or services to improve the lives of women and girls

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Interactions with entrepreneurs operating enterprises that integrate women as employees and partners revealed that gender integration was very intentional; with most enterprises engaging women to leverage their specific skill sets and unique attributes, which cater to specific market needs. The intentional focus on integrating women was often driven by personal experiences of the entrepreneurs, which made them realize the importance of economic empowerment for women and a desire to contribute to it. In order to be able to employ women, the enterprises have adopted enabling business models, provided job related and life skills trainings as well as financial support to women, and established women-centric work place policies. Some of the enterprises interviewed also conduct gender sensitization trainings for their staff and strived to better understand the needs of women employees to design policies and processes accordingly. Over 60% of these enterprises started as bootstrapped businesses, of which only 40% were able to raise funding subsequently through a mix of grants, awards, or debt. Only 27% of the enterprises reported being able to access debt in the form of soft loans, indicating that access to commercial capital is challenging and limited. However, 27% of the enterprises also reported that integrating women in business makes it easier for them to access external financing. Enterprises indicated the need for easily accessible funding instruments along with strategic mentorship in order to implement policies to improve gender integration, expand operations and also increase tech integration.

Customers of women-focused enterprises indicated that the products/ services offered by these enterprises helped improve their lives, through better health outcomes, improved mobility, increased productive time and more savings/ increased income. These products filled a critical need or gap for the women customers, and provided specific benefits as a result of using customized products over other alternate and/or generic products available in the

market. This helped improve the customers' standard of living. A customer of a Kenyan portal providing information on parenting and childcare said, "There is no other service that offers the same information and interactions. When I had a new-born, I was able to see meal plans, what to carry for hospital visits as well as lifestyle information, like places to take my children. The platform offers a whole suite of information that is contextualized for Kenya". Specifically, in cases where the enterprises provide access to capital, women reported that absence of the product would affect their financial stability and lead to a regression in the standard of living.

For many women, access to these products provided them with a source of income generation, allowing them to start their own businesses. Over 55% of the women customers of these enterprises are entrepreneurs, while 16% were engaged in some form of employment, providing them with the disposable income to buy the products/ services. For a woman who started a food kiosk with loan from an Indonesian lending platform, the increased income "helped send my 4 kids to school, and is an important support for my life: it helped grow the family income, improve household economy and take care of children well." Also, a significant majority of the women reported having the autonomy to buy personal items, such as sanitary pads, medicines, etc. as well as make household decisions. Additionally, these products also led to associated impacts on the lives of the women customers, such as creating support networks from availing group loans, and inspiring others to engage in income-generating activities. A woman who started a door-mat weaving business through a loan from an online lending platform stated she "had 2 failed businesses before I was able to successfully operate this business because of access to capital. My business flourished and other women from my village also started similar activities, taking inspiration from me."

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Enterprises integrating women as customers operated in the reproductive health and menstrual hygiene, clean water and energy, financial inclusion, child care, and maternal health and diagnostics sectors. Over 60% had an intentional gender focus and created customized products/ services for their women consumers. Since many of these enterprises were owned by women, the intentional focus on women was in part due to the founders' own past experiences with poorly designed products, or due to health issues arising out of lack of suitable products for women. Almost 40% of these enterprises chose to serve rural or low-income areas and informal settlements which are usually un-served/ underserved in terms of accessibility and availability of products. Many enterprises have also adopted enabling policies and practices, including the provision of relevant gender sensitization training to their partners, product usage training for women customers, partnerships for consumer financing, and support in managing social taboos during customer outreach. Many enterprises deployed field teams comprising primarily of women for customer outreach. Almost 60% of these enterprises indicated that women

enterprises indicated that women customers need access to financing to be able to avail their products/ services, since most of them serve low-income communities. Several enterprises also reported the need to address societal norms and educate customers on product/ service usage during their outreach to be able to ensure effective product uptake. Further, close to 50% of the enterprises used debt as a source of capital, and 30% raised equity. The enterprises reported that they face significant challenges in raising capital which inhibits their growth and scale.

The COVID-19 pandemic resulted in reduced economic benefits for almost 64% of the women employees/ partners of the enterprises interviewed; as they pivoted business models and adopted measures to mitigate the challenges arising due to the lockdowns. Provision of targeted financial and non-financial support will enable these enterprises to sustain and scale their operations, to employ more women, improve their products and services, integrate gender-sensitive policies and expand operations to serve more customers.



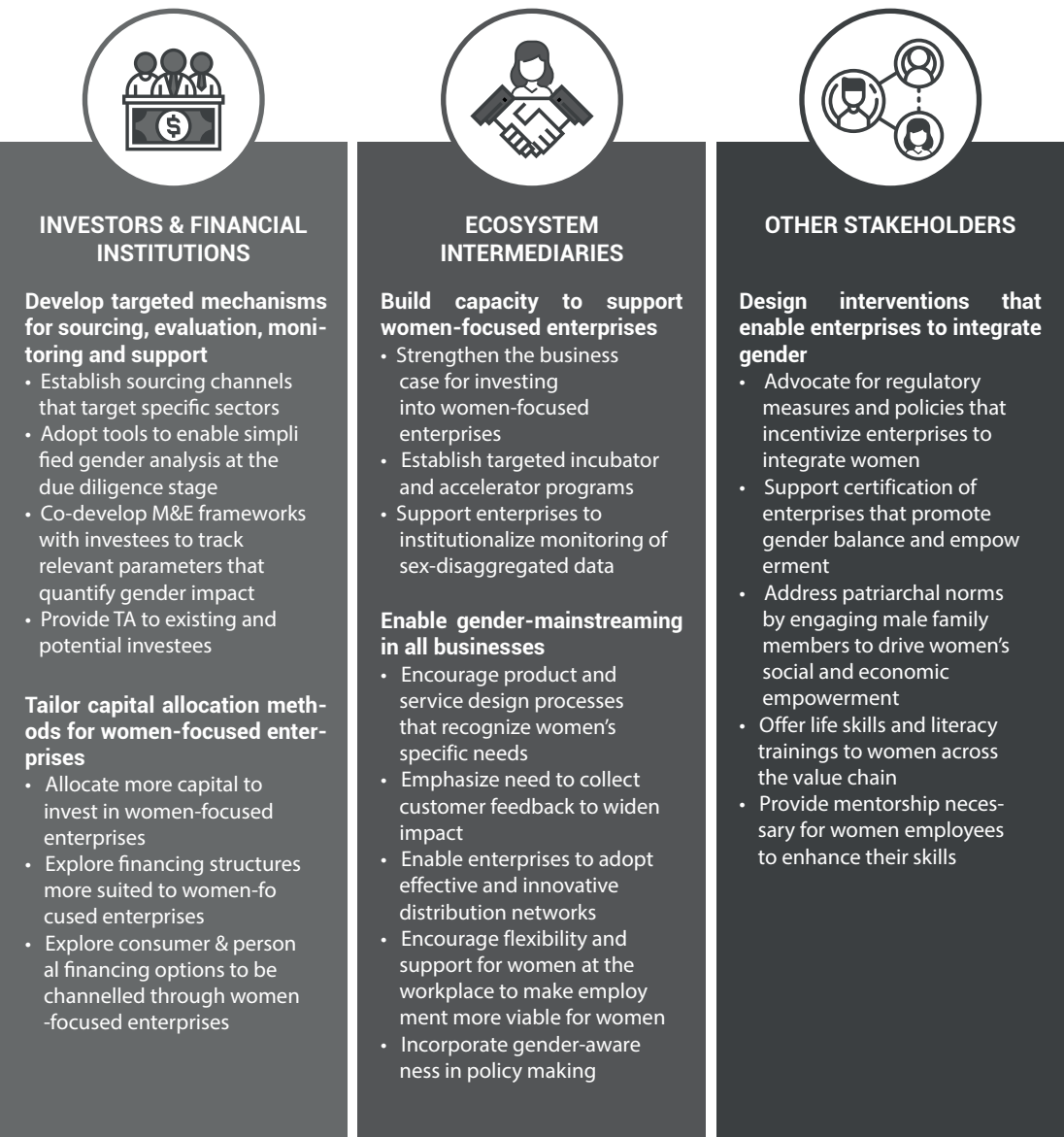
EXECUTIVE SUMMARY

Recommendations

As mentioned earlier, this report is part of a wider study that researches the deployment of GLI in Southeast Asia and East Africa. An earlier report that was part of this study, titled ‘Mainstreaming GLI: An assessment of women-owned enterprises in developing countries’⁸ outlined recommendations for financial institutions to channel capital with

a gender lens to women entrepreneurs. Many of those recommendations are also relevant for supporting women-focused enterprises. The figure below represents additional interventions that can improve access to finance for women-focused enterprises and provide them other support to help deepen their impact on women, and potentially enable the establishment of more such enterprises.

Figure 1: Snapshot of recommendations to improve access to finance and deepen impact of women-focused businesses



⁸ 'Mainstreaming GLI: An assessment of women-owned enterprises in developing countries', IDRC - Intellect, Feb 2020



1. Recommendations for investors and financial institutions

Investors and financial institutions can develop mechanisms for sourcing, evaluation, monitoring and support that are better suited to women-focused enterprises. Sourcing can be informed by research to identify the key sectors in which women-focused enterprises typically operate and sectors that have a high potential for women's employment. Investors can partner with relevant intermediaries in these sectors to source investees. Potential investees can be effectively evaluated through a comprehensive, yet simplified process to gauge their existing and potential gender impact. Standardized tools for such evaluations may include questionnaires for the enterprise and its women employees/ customers to assess organizational policies, business models, customer engagement and customer impact from a gender lens; or a basic framework outlining contextual parameters that are relevant for gender analysis of a specific enterprise. Investors can co-develop monitoring and evaluation (M&E) frameworks and parameters that measure and emphasize on the gender impact, while also being practical for enterprises to track and report. Investors can provide technical assistance to investee companies to increase the level of gender integration and enhance their gender impact, and improve their capacity to raise and subsequently absorb more capital.

Further, investors can tailor capital allocation methods for women-focused enterprises. Most impact investors have limited capital allocated for gender lens investing; and this capital is typically deployed into women-owned businesses. There is a need for investors to increase internal capital allocation towards women-focused enterprises. This can be complemented by collaborations with capital providers and experts who can provide capacity building and other support to investors. Further, adoption of financing structures such as development impact/ outcome bonds, guarantee funds and soft loans, can help financial institutions increase the funds available for gender financing. It is also essential that financial products are tailored to the sector, business operations and stage of enterprise life cycle. Finally, financial institutions may explore consumer financing options for businesses integrating women as customers to increase the enterprises' outreach and impact.



2. Recommendations for ecosystem intermediaries

Ecosystem stakeholders such as researchers, business support providers and M&E professionals can help build a business case for investing in women-focused enterprises by highlighting the impact of such enterprises and disseminating lessons from women-focused incubator & accelerator programs, outcomes from investment in enterprises integrating women, and the potential of creating impact at scale that such enterprises hold. Secondly, there is a need to establish incubator and accelerator programs with a broader focus on women-focused enterprises alongside women-led enterprises. Such programs can be designed to provide tailored support for enterprises to scale and amplify impact on women through gender-aware mentorship that encourages enterprises to incorporate more women in all their business aspects. Lastly, ecosystem stakeholders need to support enterprises in institutionalizing the monitoring of sex-disaggregated data and impact. This will allow enterprises to measure various social and economic outcomes for men and women and identify areas where gender impact can be further increased.

Ecosystem stakeholders can also enable all enterprises to consider gender-related aspects in business. Enterprises can be

supported to ensure that product-design processes account for women's needs and that delivery mechanisms make products and services easily accessible to women. This can be complemented through a process that continuously collects feedback from women customers on their usage experience, desired improvements, and impact. Distribution networks too, can take into account women's level of awareness, access to information channels, and mobility restrictions.

Further, enterprises can be supported to be flexible in employment aspects and provide specific support to women employees to make employment more viable for women, as women typically bear the primary responsibility of the household. Enterprises can be supported to institute mechanisms to eliminate sexual harassment at the workplace, provide safe commute options and childcare facilities, to allow more women to be full-time employees. Eliminating gender bias from all organizational processes, especially hiring and pay policies, should become a key priority for businesses looking to on-board women across their value chains. Ecosystem actors can provide guidance on the effective design and implementation of such policies and processes that help businesses create safe, viable and enabling environments for women to work in.



3. Recommendation for other stakeholders

All enterprises can be encouraged to incorporate a gender lens in their operations through regulatory and policy measures. Governments can support investors or enterprises directly through programs that leverage grant capital or low-cost capital, and flexible repayment options to enterprises that incorporate gender considerations. Certification programs may be introduced for recognizing enterprises that have a positive impact on women. Such certifications will enable enterprises to highlight their impact and attract funding in line with their impact goals. Moreover, recognizing such impact encourages other enterprises to adopt gender-sensitive policies and measures.

Further, there is a need to engage with and sensitize male members of the family to address societal barriers that women face when looking for or continuing employment. Stakeholders such as non-governmental organizations (NGOs) and community-based organizations can partner with women-focused enterprises to create awareness and sensitize family members on the benefits of women's employment, and the utility of products meant specifically for women. Such interventions can be complemented by provision of mentorship and trainings on life skills for the holistic development of women employees/ partners of enterprises. These will help to create inspiring role models and amplify social outcomes.

Based on this understanding, the study also posits a framework of questions to help investors evaluate women-focused enterprises, while also ascertaining their own preparedness for targeting such enterprises. This 'toolkit' aims to guide investors

on factors that will improve their level of awareness about GII, develop intent, and reorient operational aspects to ultimately channel more capital with a gender lens.



1

INTRODUCTION & METHODOLOGY

1 INTRODUCTION & METHODOLOGY

Gender lens investing (GLI) is the approach to investing with a stated intent to promote economic and/ or social empowerment of women, in addition to achieving financial returns. GLI has been attracting attention over the years. Since research and framework development for the concept was pioneered by thought leaders such as the Criterion Institute⁹ and Catalyst at Large¹⁰, it has received significant attention with much subsequent local and global research. A recent study estimates that globally there exist 138 funds that deploy capital gender lens (as of July 2020), up from 58 funds in 2017.¹¹ The total capital raised by these funds is close to USD 4.8 billion. However, most GLI activity continues to be concentrated in the Global North, with more than 38% of the GLI funds targeting North America as the primary investment geography.¹²

GLI broadly consists of 3 investment strategies¹³ that can impact women as entrepreneurs, employees or customers:

- Investing in women-owned or women-led enterprises
- Investing in enterprises that promote workplace equity (in staffing, management and in their supply chains)
- Investing in enterprises that offer products or services that substantially improve the lives of women and girls

This report is part of a wider study that researches the deployment of the three GLI strategies in Southeast Asia and East Africa. The study aims to understand the support needs and gender impact created by the various types of enterprises that are potential recipients of GLI capital. An earlier report that was part of this study titled, 'Mainstreaming GLI: an assessment of women-owned enterprises in developing

countries'¹⁴ focused on investing in advancing women entrepreneurs, by drawing upon the experience of more than 200 women entrepreneurs across India, Indonesia, Kenya and Rwanda to understand the operational and social factors affecting access to finance for women-owned enterprises.¹⁵

That report segmented women-owned enterprises into Sustenance, Steady State and High Growth businesses, based on the entrepreneur profile and business model deployed. That report also helped build an understanding of the differentiated characteristics, needs, and social and cultural challenges faced by different segments of women-owned enterprises, and the resultant challenges in accessing financing. It also highlighted the need for customized financial products for different stages of the enterprise life cycle of women-owned enterprises, along with business advisory support to drive scalability and sustainability of their businesses.

There exists an opportunity to create a positive gender impact by supporting enterprises that enable women's empowerment by offering employment opportunities or access to critical products/ services. This report focuses on such 'women-focused' enterprises. For the purpose of this report, women-focused enterprises are defined as enterprises that create a positive impact on women either by way of providing them direct employment, or integrating women across the value chain as suppliers and distributors, or serving women as the primary customer segment. The report aims to understand the role of these enterprises in creating a positive (or otherwise) economic and social impact on their women customers, employees and partners, and establish a case for investing in such businesses with a gender lens.

⁹ Criterion Institute is a non-profit think tank that works with social change-makers to demystify finance and broaden perspective on how to engage with and shift financial systems. One of the key focus areas is to break past bias in investment and address gender-based violence through financial systems.

¹⁰ Catalyst at Large provides consultancy, speaking and facilitation in the arena of gender lens investing, working at the intersection of investment, philanthropy, international development, and entrepreneurship to amplify the role of women in impact investing and investing with a gender lens.

¹¹ 'Project Sage 3.0: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens', Catalyst at Large, Wharton Social Impact Initiative, July 2020

¹² Ibid.

¹³ As defined by the Gender Lens Investing Initiative, GIIN (Global Impact Investing Network)

¹⁴ 'Mainstreaming GLI: An assessment of women-owned enterprises in developing countries', IDRC, Feb 2020

¹⁵ Ibid.

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Evidence suggests that access to employment and paid work results in women's socio-economic empowerment. Employment is one of the basic tools which can change the economic and social status of women in the near future and over a long period of time.¹⁶ Even though female workforce participation has been increasing over the years in developing countries, the employment outcomes for women are still limited. While societal norms are the biggest factors influencing women's decision to join the workforce, other factors such as recruitment and work policies of employers, availability of flexible working arrangements, maternity benefits, childcare support and workplace safety also play an important role. The challenge remains that in most places, women still tend to earn less, are employed in less productive and more vulnerable jobs, and are over-represented in unpaid household and care work. Even when earning, most women have limited control over their finances, along with a lack of autonomy to make personal and/or household decisions.

Dixon-Miller writes that employment in non-traditional work empowers women in a way that they potentially become financially independent, get alternative sources of social identity, and exposure to power structures which are independent of networks of kin.¹⁷ Blumberg also argues that boosting or improving women's relative control of income and various other key economic resources can positively enhance both gender equality and development.¹⁸ Further, research also shows that accessibility to paid work can potentially shift the power balance in the family. Kabir says that "women's access to paid work may give them a greater sense of self-reliance and greater purchasing power, but if it is undertaken in conditions that erode their health and exploit their labor, its costs may outweigh its

benefits".¹⁹ In other words, women's access to employment increases their assets leading to economic empowerment, and with more financial stake in managing the family expenses and budget, in the long-term it will also lead to reduced domestic violence and usher in social empowerment.

Several studies suggest that empowering women economically results in social empowerment, not only for the woman, but the society as a whole.²⁰ However, opportunities for paid work focused on empowering women remain limited in most developing countries. Nonetheless, it has the potential to promote financial independence of the women along with providing greater autonomy within the household.

Access to products and services that improve the quality of life and reduce drudgery for women, directly and indirectly enables their social empowerment. Such products/ services may include education-related, healthcare and safety/ security-related products, which have disproportionately higher benefits for women. The impact of products or services created for the larger population is limited on women, in comparison to dedicated offerings that are structured to address specific needs of women. Such products/ services have the potential to ease the personal lives of women, while also promoting their agency at home and within the community, and boosting their self-confidence and recognition. There is thus merit in identifying products and services which benefit and impact women in a holistic manner. Such initiatives are growing globally and an example of this is the femtech sector which aims to improve the health and well-being of women through new digital innovations.²¹

¹⁶ 'Women Empowerment through Employment Opportunities in India', Manisha Raj, International Journal of Management and International Business Studies, 2014

¹⁷ Dixon-Mueller, R. 1993. 'Population policy and women's rights: Transforming reproductive choice'. New York: Praeger

¹⁸ 'Women's Economic Empowerment as the "Magic Potion" Of Development?', R.L. Blumberg, The American Sociological Association, 2005

¹⁹ 'Gender equality and women's empowerment: a critical analysis of the third Millennium Development Goal', Naila Kabeer, Gender and Development (Oxfam GB), March 2005

²⁰ 'The Many Faces of Gender Inequality', A. Sen, The New Republic, 2001

²¹ 'Beyond Women on Boards: How Gender Lens Investing Can Transform Your Impact Strategy', BSR (Business for Social Responsibility), 2020

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According to a study by Goldman Sachs, 65% of all household spending decisions globally (on food, electronics, travel, healthcare and even automobiles and new homes) are controlled by women²² and 30% of all private wealth is held by women²³; the global spending by women is close to USD 18 trillion.²⁴ By 2028, women are predicted to control almost 3/4th of all the discretionary spending worldwide.²⁵ Given that women form such a large proportion of the consumer base, there is a need for businesses to shift focus on building/ customizing solutions to empower women, rather than just 'pink-washing' their offerings.

There is potential to further promote women's economic and social empowerment by channeling capital into such women-focused enterprises.

Economically empowering women most often results in social empowerment for their family as well; from enhanced education for children to better health care awareness that eventually leads to lower mortality rates and reduced poverty.²⁶ The existing contextual understanding of women-focused enterprises has identified new areas of investments which can benefit girls and women. This will help widen the scope of GLI and push capital providers to look at more enterprises with a gender lens, and indeed push enterprises to look within with a gender lens. Many enterprises have the potential of creating a positive gender impact, but they do not incorporate gender in their processes - either because they are unaware, or they do not see value, or they do not know how to; and this report is a step towards designing frameworks that will help them do so.



²² 'Women's Work: Driving the Economy', Goldman Sachs, 2013

²³ 'Gender-Lens Wealth', BCG and UBS Unique

²⁴ 'Want A Piece Of The 18 Trillion Dollar Female Economy? Start With Gender Bias', Forbes, May 2017

²⁵ 'Women: The next Emerging market', Ernst & Young, 2013

²⁶ Agenda 2010 - The turning point on poverty: background paper on gender, United Kingdom Department for International Development, 2010

1 INTRODUCTION & METHODOLOGY

Research Methodology

This report is primarily based on the insights gathered from interviews with more than 20 women-focused enterprises, and 150 of their women customers, employees and value chain partners. These enterprises are located in four countries in Southeast Asia and East Africa; and in line with the previous report in the series, this report also focuses on India and Indonesia in Southeast Asia, and Kenya and Rwanda in East Africa. The methodology adopted for this report consists of:

a. Literature Review – The literature review was undertaken across multiple secondary sources, comprising: (i) academic research papers studying the impact of employment/ income generation on women's economic and social empowerment; (ii) practitioner reports and publications, including country level reports on women's employment, women as consumers, challenges faced by businesses in employing/ procuring from women; (iii) news articles that outlined public and private interventions to support procurement from small women-owned enterprises, and launch of women-focused products/ services targeting low-income populations.

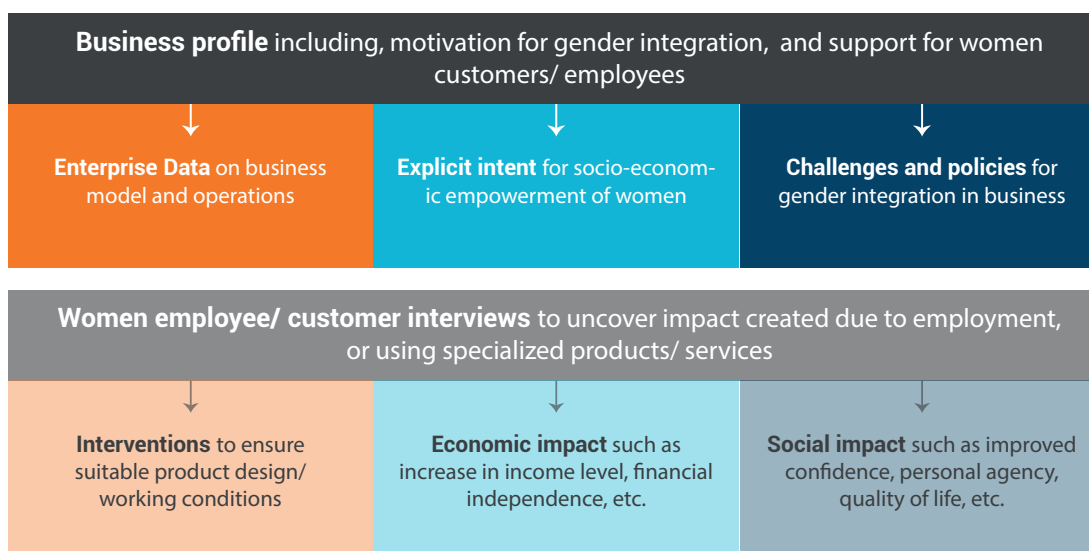
b. Primary research with entrepreneurs –

The study relies heavily on primary research, with entrepreneurs operating a diverse set of women-focused enterprises. The research engaged with more than 20 such enterprises across Kenya, Rwanda, India and Indonesia. The women-focused enterprises were examined for key business attributes including entrepreneurs' profile, motivation to start business, explicit/ implicit focus on gender, challenges in integrating women in business, key financial and non-financial needs, impact measurement metrics/ tools, the socio-economic impact on women, and the impact of COVID-19.

Given that the enterprises include those that have women as employees, distributors, suppliers and consumers, the research team classified the enterprises into two broad segments based on the primary role of women in their value chain –

- Enterprises integrating women in value chain, as employees or supply chain partners (suppliers, distributors or retailers)
- Enterprises offering critical products/ services specifically for women consumers (including maternity care and related products, childcare services, safety gadgets, feminine hygiene products, etc.) improving their quality of life

Figure 2: Framework for assessment of women-focused enterprises and their women employees/ customers



1 INTRODUCTION & METHODOLOGY

c. Primary research with women employees and customers – A significant part of the primary research is focused on gathering data from women employees, value chain partners and customers of the women-focused enterprises. The primary research sought to understand the economic and social impact of being employed with the enterprise, or as a result of using specialized products/ services focused on women. The interviews also explored various interventions that these enterprises undertake, such as trainings and gender-sensitive HR policies to ensure equitable working conditions for women. Government programs and the not-for-profit sector have played a significant role in providing access to critical goods and services for women, especially in developing countries. However, growing recognition of the potential of for-profit enterprises, supported by impact investors,

has resulted in increased private sector activity in this space. Interactions with women customers, employees and partners aimed to understand the impact that women-focused enterprises have had on their economic empowerment as well as social upliftment in terms of income levels, quality of life, confidence level, decision making power in personal life, social agency, financial independence, etc.

These interactions helped develop the cause-effect relationship between the enterprise objectives and gender focus, and the social and economic outcomes indicated by their women customers/ employees. It also provided an opportunity to appreciate the variations in the degree of women's social and economic empowerment across the four countries.



A woman wearing a red sari is working in a kitchen. She is standing and looking down at something in her hands. The kitchen has shelves with various items and a large pot on a stand. The entire image is covered with a red overlay.

2

ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

Women's economic empowerment is critical to realizing their rights and creating gender equality. Evidence suggests that greater gender equity and increasing female economic participation are associated with higher growth, more favorable development outcomes, and lower income inequality.²⁷ For instance, if the gender gap²⁸ was completely bridged, USD 28 trillion would be added to the world economy.²⁹

Studies show that women spend almost 90% of their incomes towards their families, compared to only 30-40% by men.³⁰ Therefore, investing in the economic empowerment of women has the potential to drive progress not only for achieving gender equality and empowering all women and girls (SDG 5), but also for several other goals. It will contribute towards eliminating poverty (SDG 1), reducing hunger and achieving food security (SDG 2), achieving good health and well-being (SDG 3), and fostering quality education (SDG 4).

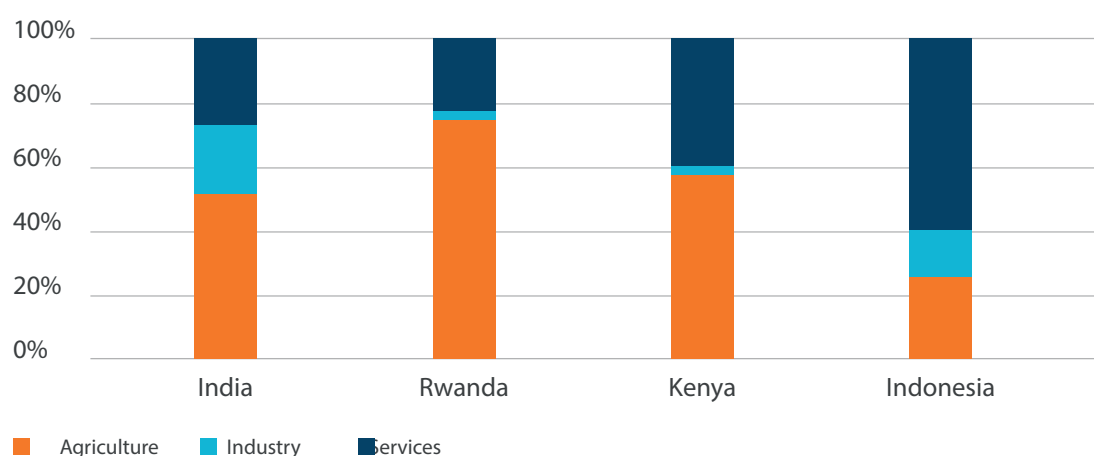
Businesses too, benefit from employing more women. Research suggests that

increasing women's participation in companies can improve returns on investment, reduce employee turnover, and increase annual rates of growth. Moreover, closing the gaps between men and women can increase annual rates of growth.³¹ Moreover, closing the gaps between men and women can increase demand and supply, thereby enhance markets; improve human capital, and create an enabling operating environment.³²

2.1 Where do women work?

Globally, women's workforce participation trails men's workforce participation by 27%.³³ Moreover, a significantly large number of women are employed in unpaid care work and in agriculture (43% in developing countries).³⁴ This holds true for India, Rwanda and Kenya. Indonesia is a notable exception where a greater number of both women and men are employed in the service industry. This is due to the rapid urbanization and rural-urban migration in the country, which has led to a decrease in participation in agriculture and increase in manufacturing and retail industries.³⁵

Figure 3: Women's employment across sectors, by country



Source: Gender Statistics, World Bank, <https://databank.worldbank.org/source/gender-statistics#>

²⁷ 'Catalyst for Change: Empowering Women and Tackling Income Inequality', International Monetary Fund, Oct 2015

²⁸ McKinsey estimates three things are needed for this – gender equality, economic development and a shift in attitudes.

²⁹ 'The Power of Parity: How advancing women's equality can add \$12 Trillion to global growth', McKinsey Global Institute, Sep 2015

³⁰ '10 reasons why investing in women and girls is so vital', Global Citizen, July 2014

³¹ Investing in Women: New evidence for the business case', IFC, 2017

³² 'Ibid.

³³ 'Women in the Workforce – Global: Quick Take', Catalyst, Jan 2020

³⁴ 'The Female Face of Farming', Farming First, FAO, 2012

³⁵ 'Women in the Workforce – Global: Quick Take', Catalyst, Jan 2020

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

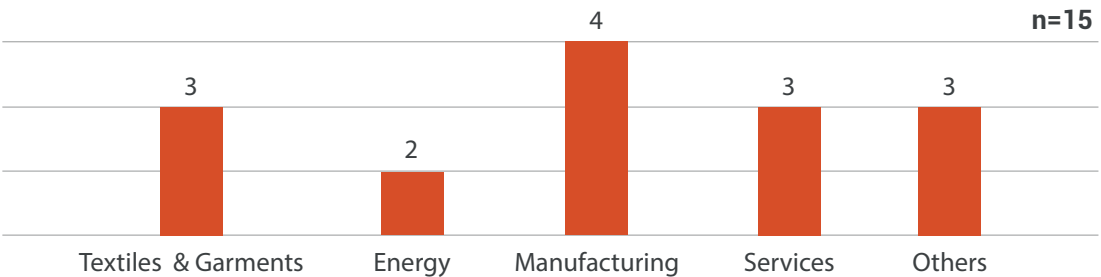
In India, women are mostly engaged in low-paying and casual work. While most rural women work in agriculture, and the textile & handicrafts sector, women in urban India are largely employed in the services sector, and as domestic cleaners, sales representatives, teachers and nurses.³⁶ Where women do report holding designations like directors or chief executive officers, experts estimate that this often refers to self-employment or ownership of small enterprises.³⁷ In Kenya, although more women are employed than men, women constitute only a third of the formally employed workforce.³⁸ This is largely due to women's employment in running smallholder farms across rural Kenya.³⁹ In Indonesia, too, a large number of women work in informal jobs with the hospitality, education, health and social sector being their largest employers. Moreover, women also tend to be employed in private households.⁴⁰ In Rwanda, overall, more women than men are employed;⁴¹ however, employment for men is significantly higher in urban areas. This is largely attributed to the availability of a large number of agricultural jobs, women's low levels of education, and childcare being more expensive in urban areas.⁴²

2.2 A profile of enterprises that integrate women

This study sought inputs from entrepreneurs operating businesses that had over 75% women as employees and/ or as value chain partners. The specific focus was on small businesses that have instituted policies and practices to increase gender integration by employing/ partnering with low-income women, for whom the economic impact is directly and easily attributable. The primary outcome of women's employment/ value chain integration is income generation, and as a result, economic empowerment. The enterprises interviewed across the four countries are from both, manufacturing and services sectors.

Almost two-thirds of the enterprises interviewed are founded or co-founded by women. Women also play key roles within most businesses; they are responsible for roles that span functions, such as sales, marketing, distribution, and administration, across enterprises. For a few enterprises, women form a major segment of the workforce as well as the value chain. For instance, a food processing unit in Rwanda employs over 100 women across its collection centers and over 85% of its suppliers for cassava leaves are also women.

Figure 4: Sectors of operations of enterprises covered in this study



³⁶ 'India's workforce is masculinizing rapidly', Livemint, June 2019. See also, 'Where are India's working women? The fall and fall of India's female labour participation rate', Mitali Nikore, LSE Blog, Oct 2019

³⁷ Ibid.

³⁸ 'Women still far behind men in formal jobs, says study', Nation Africa, June 2020

³⁹ 'More women than men in employment while 2.6 million are jobless', The Standard, Feb 2020

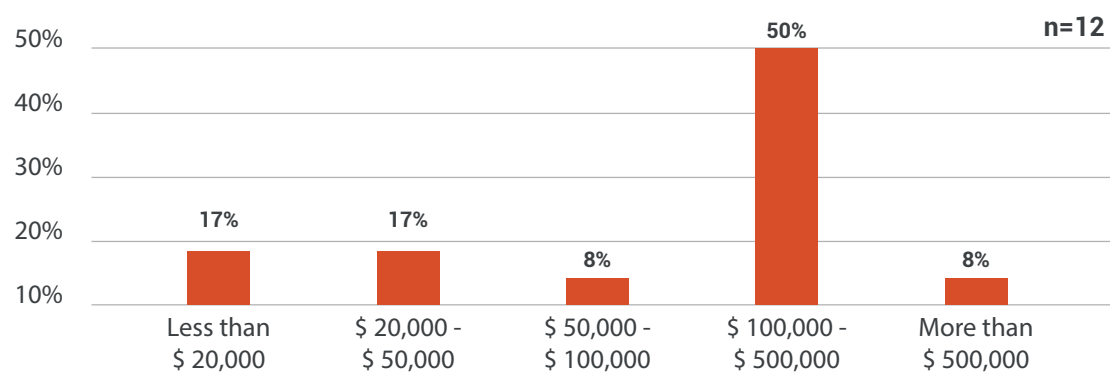
⁴⁰ 'An Overview of Women's Work and Employment in Indonesia', Amsterdam Institute for Advanced Labour Studies, 2010

⁴¹ 'Employment rate, higher for women than men in Rwanda', NISR.

⁴² 'Analysis of Gender and Youth Employment in Rwanda', African Development Bank, 2014

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Figure 5: Revenue of enterprises covered in this study



Note: 3 out of the 15 enterprises interviewed did not disclose their financial information

Most businesses included in the study are profitable and operate as private enterprises. However, their legal status varies depending on the country of operation and size of business. Many are registered as proprietorships, private limited companies and limited liability firms, with one being registered as both, a business and a charity. Typical revenues for these businesses range from USD 20,000 to USD 500,000 per annum, with profit margins between 10%-20%. An enterprise that works with women weavers across Indonesia partners with over 2,000 women as a result of its partnerships with PEKKA and Oxfam.

weaving, tailoring, and agriculture to enable them as such activities can leverage from women’s pre-existing skillsets. The business models for these enterprises leverage certain attributes that are unique to women, while at the same time cater to specific market needs. For instance, a taxi service in India founded with the intention of bringing women into a male-dominated space and providing them with a source of income also caters to a large segment of women customers who feel safer with women drivers. A co-working space in Kenya opts to employ women due to their tact in handling customers and clients, given that the business is heavily focused on client-facing roles.

2.3 Integrating women: an intentional strategy

Almost two-thirds of the enterprises interviewed for this study were started with an intentional focus on employing and/ or integrating women. Several founders chose business models and sectors, such as

“While our vision was to make it a women-oriented business, we realized that for women the extra source of income was priceless.”

- Founder of a business recycling flow-ers into compost and incense sticks


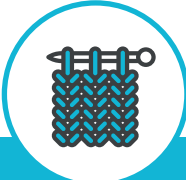

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

In addition to enterprises that consciously integrate women in order to create gender impact, several enterprises also build on attributes specific to women. For instance, in Rwanda, a food processing enterprise began employing women since traditionally, sorting Cassava leaves was a woman’s job. However, most such enterprises eventually realized that women add value to their business in several more ways. The cassava enterprise, for instance, on hiring women as cassava leaf sorters realized their increased motivation and improved agency, and as a result employed them to run the company’s supply shops as well. Another enterprise found that women were more eager to learn new skills and therefore, easier to work with. Similarly, a Rwandan enterprise that

focuses on providing clean drinking water and creating a network of social entrepreneurs, found that women were better business owners and better at repaying loans. As a result, it decided to shift its focus on integrating women as franchise owners.

The motivation for creating a business that consciously integrates women varies across enterprises; and several enterprises were born out of the founders’ personal experiences. Some founders were also inspired to establish women-focused enterprises because they realized the importance of economic empowerment for women and the myriad ways in which it positively impacts women and their families.

Table 1: Examples of gender integration for women’s empowerment

		
After a long stint in the banking industry, the founder moved to the village where she saw the plight of weavers (mostly women) who had few sources of income, earned little and ageing weavers were struggling in poverty. She wanted to help connect these weavers to the market to enable them to earn better incomes from their craft. In 2008, she and her sister founded an enterprise with the vision of creating a better life for the weavers and preserving and rejuvenating the art of Indonesia’s hand - woven textiles	The founders started by providing child and maternal health services, but soon realised that economically empowering women is equally important since better incomes can enable women to avail better health-care. As a result, they started selling wicker products sourced from women weavers to help them earn an income.	The founder having faced gynaecological issues herself, realised the need for safe and affordable pads by rural women. While women in rural India use cloth, they were using unhygienic rags. This led her to develop a reusable, cloth sanitary napkin. She also setup a manufacturing unit with women employees and also partnered with women distributors to sell the cloth pads door-to-door, since menstruation is still a taboo topic in most parts of the country.
Impact Created		
Works with 1000 weavers in Indonesia and reaches an additional 1000 women weavers through a partnership with a global non-profit and a women empowerment program	The enterprise has over 1,100 weavers across 50 villages, increasing their income by 40%	Trained over 180 women distributors since 2016

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For instance, the founder of an Indonesian garment business started by working in education, providing schooling to underprivileged children. She soon realized that educating children is best accompanied by empowering mothers and creating income-generating avenues for them, which led her to work in microfinance and eventually start a social enterprise employing women refugees. Another enterprise that operates in Kenya and Rwanda, providing access to clean drinking water, started to integrate women as franchise owners because it wanted to create gender equity within the enterprise and the communities it works in.

Enterprises that integrate women do so mainly in two ways: by adopting enabling business models; and by putting in place enabling policies and practices.

Several enterprises take into account the convenience and needs of the women in their value chains. Enterprises that involve women in stitching and weaving activities, for instance, permit women to work from home, which allows the women the flexibility to balance their household responsibilities with work. Many enterprises procure and provide women suppliers with raw materials, since the women themselves do not have access to requisite working capital. The enterprises also pay their women suppliers on a per piece basis to establish a regular cash flow for the women, often at a higher-than-market price, to ensure quality and punctuality. Another enterprise partnering with low-income women to establish day-care centers in Kenya provides startup loans to its partners to help establish the day-care centers. Similarly, an enterprise that sells wicker products in Indonesia helps women weavers access financing for raw material procurement through an NGO, in addition to providing raw materials. An Indonesian enterprise has enabled its women partners to become a part of cooperatives – when women buy

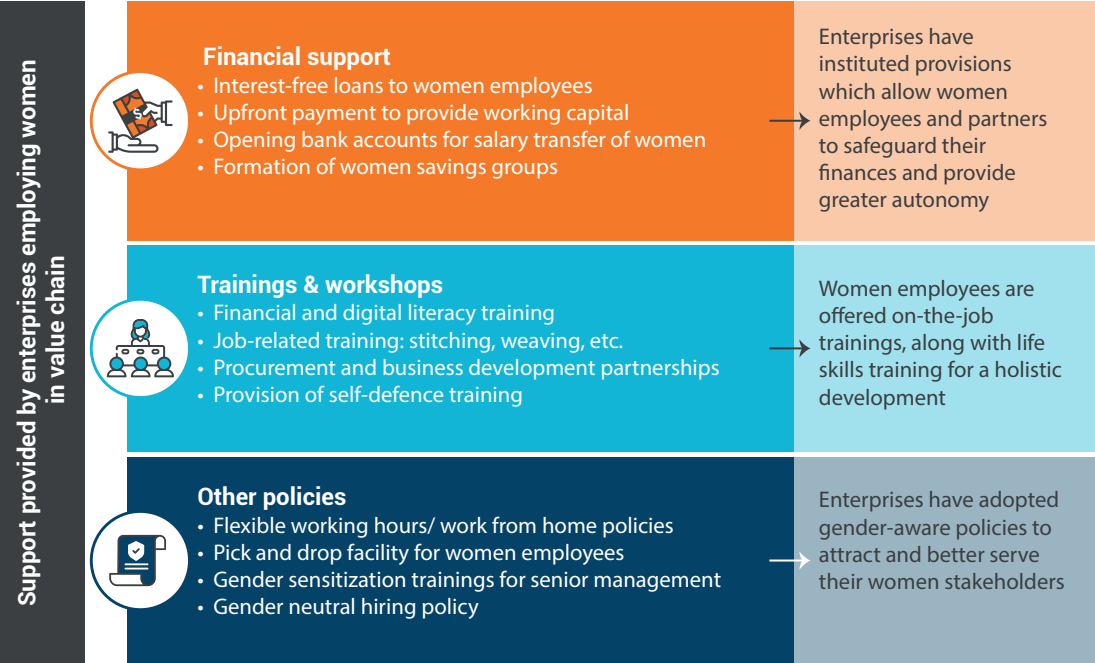
yarn collectively with loans from the cooperative, they pay much less than if they sourced yarn individually. Moreover, several enterprises provide small informal loans to their employees.

Most enterprises also include a training component in their business plan to enable women to either learn or enhance core skills. An Indonesian enterprise, for instance, provides training in stitching on three levels – basic, intermediate and advanced. The Kenyan enterprise working with day-care centers provides training to its partners on guidelines and practices necessary to run a successful day-care. A taxi service provider trains its employees on how to maintain cars, first-aid, basic accounting, and self-defense techniques. Another enterprise trains weavers on quality and design so they can weave aesthetically appealing products. Several enterprises also provide their women partners training on entrepreneurship and money management.

Several enterprises have adopted gender-sensitive policies, such as the option of flexible working hours and stipends for food and travel. Safety of women employees is another area of focus for these enterprises. Cognizant of the possibility that women-drivers may face harassment, an India-based taxi service provides self-defense training and allows its women drivers to end taxi rides without penalties if they feel threatened. Another enterprise provides pick and drop facilities for its women employees. Most enterprises also provide maternity benefits as well as facilities to support childcare. A coffee exporter in Rwanda provides a day-care facility where mothers can leave their children during work working, while still being in the vicinity to attend to their needs. Another benefit is the provision of mandatory breaks. Several enterprises have also incorporated gender sensitization training in their business practices in addition to these women-centric policies.

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Figure 6: Gender-sensitive policies and support provided by enterprises



In addition to instituting gender-sensitive policies to attract and positively impact women employees, enterprises have also adapted their outreach to help target more women. Several businesses rely on women's own networks to bring in more women partners. For instance, an Indian enterprise that manufactures garments and uses discarded fabrics to create products, finds that relying on women's networks enables them reach out to more women as well as to assign points of contact responsible for various groups of women partners.

"When I joined the company, there was no gender mandate or objective. I noticed the lack of gender disaggregated data and sought to change this by conducting a gender baseline study both internally and externally. I used these insights to help make a business case for better gender integration within the company.

- Head of partnerships at an energy access enterprise

Many businesses also include supportive measures to help women safeguard their finances. Several help women open bank accounts, so they have better control over their finances. Taking this a step further, a food processing enterprise in Rwanda groups the women employed at its collection and supply centers into associations, such that their income is directed through a Savings and Credit Cooperative Organization (SACCO). Half their income is directed to savings and half is paid out to the women; at the end of each one-year cycle, the women can use their saved income to start their own business. This is especially helpful since many women farmers supplying to the business find it difficult to access finance for expanding operations.


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Businesses often go beyond workplace-related considerations. Many enterprises focus on the holistic development of women and engage in enabling practices like training them on health and hygiene. Some enterprises even provide food supplies and health care services in emergencies. An Indonesian enterprise has grouped women to form weaver cooperatives so women feel like they are a part of a larger community and can draw support in times of need.

Along with creating enabling business models and instituting enabling policies and practices, enterprises also have to grapple with various external factors that affect their ability to integrate women.

Several enterprises interviewed for the study highlighted that addressing patriarchal norms was the most critical part of integrating women in business operations. The founder of an Indonesian enterprise sourcing goods from wicker weavers realized that most men did not want their wives to get involved in regular work as they felt a woman's primary responsibility was the household. Another enterprise providing access to clean drinking water in Kenya and Rwanda, and integrating women as franchise owners noted that a significant number of women gave up ownership of their shops to their husbands a few months into the business.

Table 2: Policies for Gender Integration in select women-focused businesses

		
Enterprise involved in recycling flowers	Taxi Service that employs women as drivers	Food processing enterprise
<ul style="list-style-type: none">• All employees have a bank account where their salary is transferred, so they have control over their income• The enterprise provides a pick up and drop service for its employees• It also offers a 15-day training period for women to learn the job and assess if they would like to continue full-time employment with the enterprise before they are formally inducted to the company's payroll	<ul style="list-style-type: none">• Women have the flexibility to choose their hours of work so they can balance their household responsibilities too• The enterprise interviews the family members of every prospective employee to gauge whether they are comfortable with a woman family member driving for 10-12 hours a day. The enterprise accordingly reassures the prospective employee's family of the safety measures in place• Women drivers are trained for the job, as well as in self-defense, first aid, and basic accounting• Women are also provided with yoga and meditation classes to alleviate stress	<ul style="list-style-type: none">• The enterprise works with the government to create jobs for girls that are unable to afford further education, especially high school dropouts• It has policies against sexual harassment and child abuse, and also provides maternity leave as legally mandated in the country

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Additionally, enterprises indicated the need to consider women's personal situations and devise mechanisms to address challenges at their homes. Many enterprises have developed targeted policy responses for such issues. For the Indian taxi service provider employing women drivers, the founder realized that since the job required women to be on the road for ten to twelve hours, it was important to gain the family's support. Thus, as a matter of practice, families of prospective employees are engaged with as part of the hiring process and assured of the safety measures and supportive practices in place in order to obtain their buy-in.

In many cases, factors such as presence of influencers and community leaders also impact how well enterprises were able to integrate women. For example, a business owner with franchises across Kenya, Rwanda, Burundi, Uganda and DRC notes the importance of women role models in leadership positions in Kenya and Rwanda. This has increased the number of women looking to enroll as franchise owners in Kenya and Rwanda.

It was apparent that several enterprises lack the resources to collect sex-disaggregated data, hindering formulation and implementation of supportive policies that could aid better gender integration within the enterprise. Certain enterprises also report that women often quit work to get married or have children, which pose significant challenges to the business, especially since they absorb the associated costs. Even when these women continued work, bearing the cost of employees' maternity leave has proven to be a challenge for some enterprises, especially start-ups, as it significantly increased business costs in the absence of any government support or incentive.

2.4 Funding models and access to finance

Most enterprises interviewed have been funded by the founders' own equity. Over 60% started as bootstrapped ventures, with 40% going on to raise formal financing through angel or impact investors. Close to 54% of the enterprises are financed by grants or awards from competitions. Further, 27% have availed loans to raise capital. However, most businesses that have raised debt have done so in the form of soft loans.

"Most investors seek quick returns. Even investors claiming to be impact investors, want good returns and exit within 3 years. This doesn't work for an enterprise like ours."

- Founder of an enterprise selling woven wicker products

Grants may work better in the current situation, as the communities need a lot of work to come out of the crisis. We can opt for soft loans but have to think about equity – we need a really good partner for it to work.

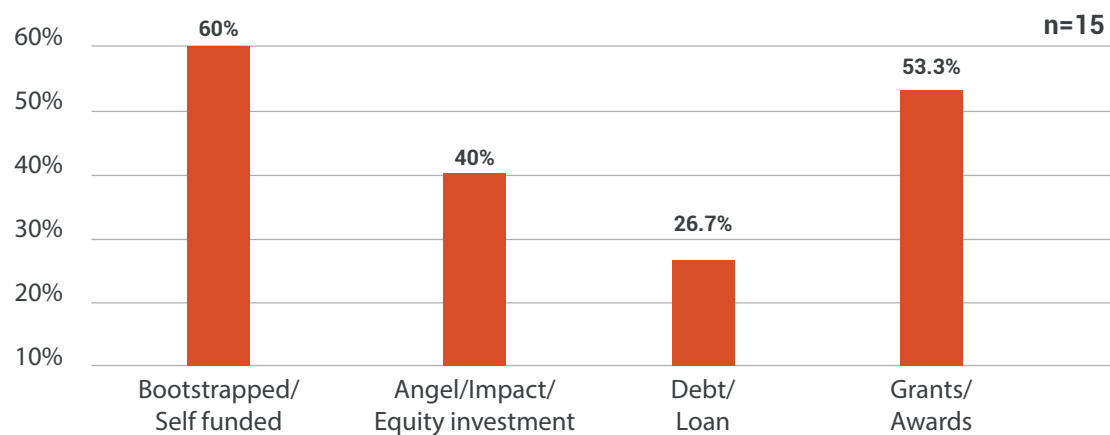
- Founder of an enterprise selling woven wicker products

"Investors come with pre-defined objectives, and we don't want to compromise on our business values by bringing in investors whose goals do not match with ours. We do not want to focus on profits by overlooking our core objective of supporting women."

- Founders of an enterprise focused on textile products

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Figure 7: Sources of capital for businesses integrating women as employees/ partners



Note: Several enterprises reported raising capital from multiple sources

Several enterprises also reported the need for additional capital; however, many do not prefer equity financing. There are several reasons for this: enterprises not wanting to dilute their equity, preference to expand without rigid profitability and scale targets, not wanting to work with investors whose goals do not match the enterprise’s goals, and the feeling that it will be difficult to meet financial targets during the economic slump caused by the COVID-19 crisis. Moreover, some enterprises believe that a significant majority of investors desire a certain level of financial returns, which may be difficult for them to achieve while focusing on their impact creation goals. Businesses also find it difficult to access debt funding because of high interest rates and lack of access to assets for use as collateral.

Twenty seven percent of the enterprises interviewed believe that focusing on and integrating women in business makes it easier to raise capital; though many still

face challenges in raising finance. This is especially true for loans, which are inaccessible either due to high interest rates or the lack of assets to pledge as collateral. There are also significant barriers to raising venture financing, and many enterprises struggle with accessing the right investor networks. For instance, an Indonesian enterprise was unable to raise impact investment, because the investor only funded businesses with an annual turnover of over USD1 million. Many enterprises have also struggled to bridge the information gap between their existing reporting data and evaluation parameters sought by investors. An enterprise operating in both Kenya and Rwanda stated that even though over 65% of its employees are women, it did not want to approach any GII investors because it lacked the time and resources necessary to collect and report on complex gender impact creation metrics. Moreover, some founders lacked knowledge of any GII investors in their geographies.

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Several enterprises indicated that additional funding would enable them to scale their operations and further their gender integration goals. Infusion of capital would help businesses address issues like managing cash flows and several would be able to on-board more women partners with additional funding. Other enterprises indicated it would enable them to collect sex-disaggregated data and implement policies to further their gender integration goals. In addition to capital, most enterprises require business support for marketing their products, expanding their customer base, improving market linkages and increasing tech integration. Further, many enterprises believe that strategic mentoring will enable them to scale and access the right kind of financing.

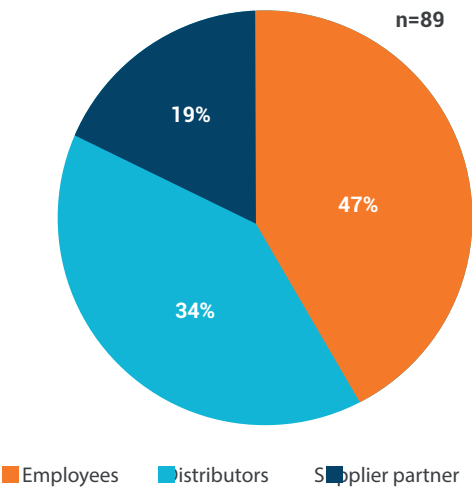
2.5 Impact on women

Over 47% of women interviewed are direct employees, 34% act as distributors, and 19% are supplier partners. Insights from women integrated across these levels indicate that a majority of the enterprises' impact goals – creating a source of employment and therefore income for women – has translated to improved economic outcomes for women. Moreover, women employees and value-chain partners reported a significant positive impact on their personal lives as a result of this livelihood creation.

"The fact I walked away from our small family business and was able to get a job, earn my own money and become financially independent has earned me the respect of my family."

- Recruiter at an executive recruiting agency

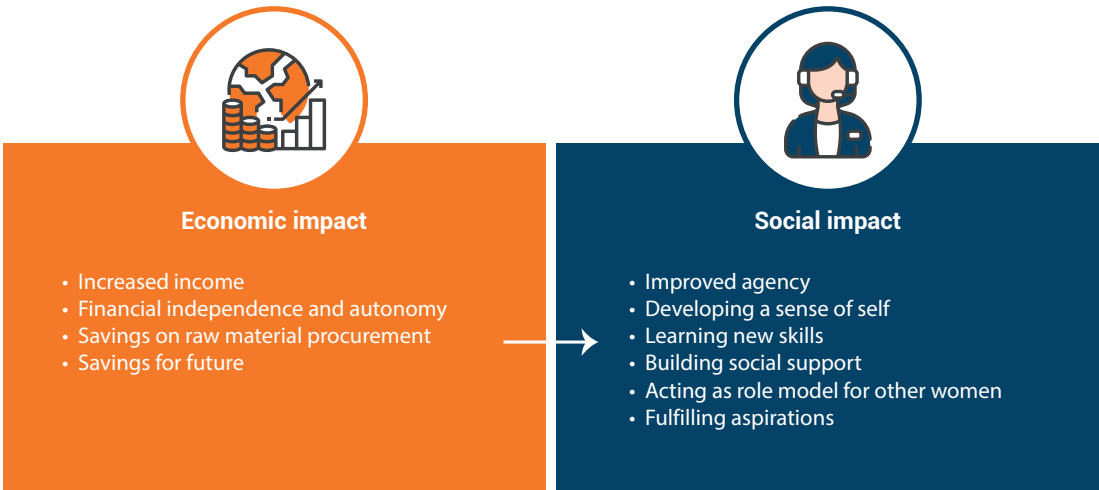
Figure 8: Role of the women interviewed for this study



For instance, an Indian garment manufacturing enterprise's women partners reported a huge shift in their self-confidence and increased ability to be assertive at home. Similarly, multiple women weaver partners of an Indonesian enterprise said that they had evolved into leaders for their communities. A Rwandan food processing enterprise's employee noted that her family and community had become more supportive of girl's and women's empowerment through education and employment as a result of her being able to support her family through her earnings. For many women, the opportunity to work gives them a sense of purpose and the feeling that they are part of a supportive community. Enterprises which periodically measure impact also reported that economically empowering women results in better educational attainment for their children as well as improved quality of life for the family.

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Figure 9: Impact creation on women employees and value chain partners

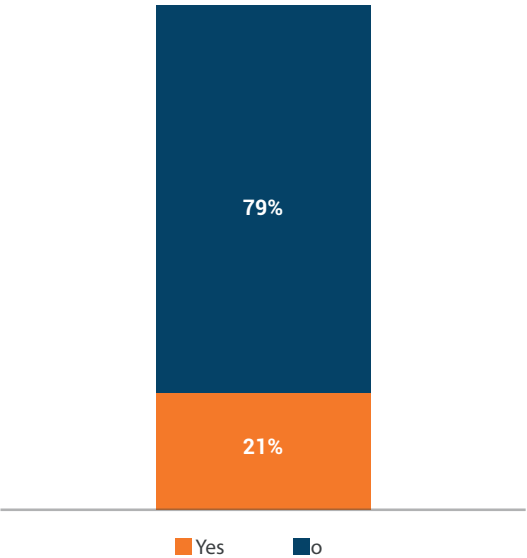


a. Better incomes and improved agency

Women engaged by these enterprises reported a significant positive impact on their personal lives resulting from new livelihood creation, increased earnings and also, the ability to start other income-generating activities in some cases. Most women interviewed as part of this study were either unemployed or engaged in informal and temporary jobs prior to being employed with the businesses interviewed. Seventy nine percent of the women reported being able to earn an income or an increase in their income as a result of their current employment. An employee of a food processing enterprise in Rwanda reported that before she started earning, her family was classified in one of the lowest-income categories and was able to subsist because of the government’s social protection scheme; however, after working for seven years, she has been able to buy land as well as two small houses that she rents out to generate additional income.

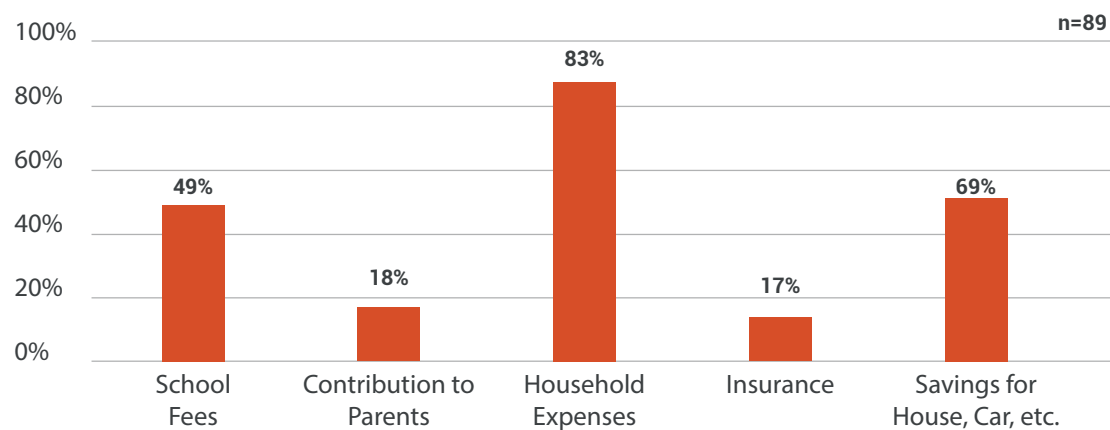
Figure 10: Economic impact on women - income generation

Did the woman have a regular source of income before being engaged by the enterprise ?



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Figure 11: How women spend their earnings



Note: Most women reportedly contribute towards multiple expenses.

Women largely spend their income on savings and household expenses. A significant number of women are able to save a portion of their salaries, and over 95% reported that their income enables them to pay for the children’s school fees, look after their parents and contribute to household expenses. Notably, health insurance

premiums form an important component of monthly expenditure for women in Rwanda. This is linked to Rwanda’s mandatory health insurance policy, which has resulted in over 90% of Rwanda’s population being covered by health insurance,⁴³ one of the highest penetration rates in Sub-Saharan Africa.⁴⁴



⁴³ Universal health coverage in Rwanda: a report of innovations to increase enrolment in community-based health insurance, Andrew Makaka et al, The Lancet, Oct 2012

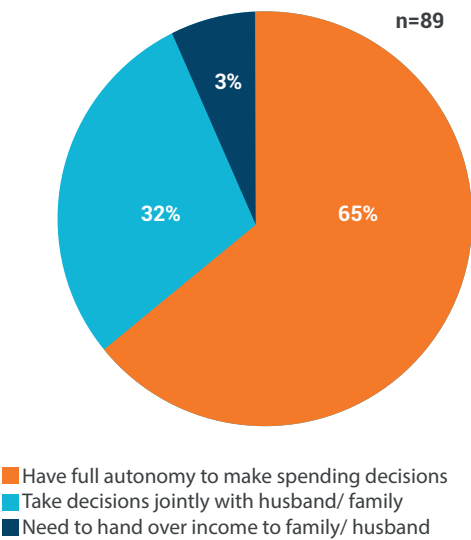
⁴⁴ The political path to universal health coverage: Power, ideas and community-based health insurance in Rwanda, Benjamin Chemouni, June 2018

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Almost 65% of the women employees/ value-chain partners reported having the autonomy to spend their salaries. While some of these women are in a position to do so because they are widowed or single and in many cases the sole earning member of the family, such instances accounted for about a third of the women interviewed. Only 3% women feel compelled to hand over their salaries to their husbands, while 32% make spending decisions jointly with their husbands. Single women and single mothers indicated that the ability to take care of their own needs is one of the most significant benefits of being formally employed. Most single women spend a portion of their income to fulfil the needs of their parents. Several shared that it enables them to pay for their on-going education and a few even paid school fees for children in the extended family. Along with fulfilling basic necessities, income generation also enables a number of women to pay the people they employed, buy assets such as land and cattle, and invest in their entrepreneurial ventures. For instance, a woman employed by an enterprise that sells fashion goods and handmade crafts was able to start a supermarket by using her savings.

In addition to a direct increase in their income, many women reported the ability to save money because the enterprises they worked with encouraged them to do so by introducing enabling mechanisms. For instance, a food processing business in Rwanda encourages its women suppliers and employees to become part of SACCOs to save a portion of their income every month. Women who participated in such savings groups report having bought assets in the form of land and cattle, or having built a house as a result. Notably, nearly 40% women interviewed in Rwanda reported saving a significant portion of their income either as part of savings groups or in blocked savings accounts.

Figure 12: Financial independence of women employees/ partners



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b. Developing a sense of Self

Earning an income has resulted in a positive impact on decision-making abilities and the sense of self. While many women continue to take decisions jointly with their husbands, they reported greater involvement in decision-making at home. They are more self-reliant and feel that they do not have to depend on someone else for their needs. Moreover, almost 38% of the women reported a greater sense of freedom. For instance, women who were previously not allowed to step out of the house, are now able to travel to work.

Before stepping out of the house, I would feel scared thinking about the kind of people I would come across. But by driving the vehicle in the night, I have garnered enough self-confidence, due to which I am able to face the world boldly. My self-respect has also multiplied."

- Employee of a taxi service provider

Additionally, women engaged with such enterprises reported increased confidence and the ability to voice their opinion. Several women also reportedly feel that they have respectable jobs as a result of working with the enterprises interviewed. Over half the women interviewed indicated that they commanded greater respect in the communities they live and work in, as a result of their work. More significantly, women reported a change in how their family members view them.

"When I initially started, people had lots of problems that I am driving a car late at night. They felt it was not right. Now the same people tell their daughters to learn from me."

- Woman driver with a taxi service provider

"My children see me as a role model because of my tenacity."

- Woman working with an enterprise selling woven wicker products

"A lot has changed in my life from the day I started having an income. My in-laws now perceive and consider me in a different way. I have also seen a change in my husband's consideration. Now he always asks for my views before making a decision."

- Woman supplying to a food processing enterprise

The women are also perceived as role models, who inspire and influence other women in the community. Most women indicated that their friends as well as other women and girls in the community approach them for advice and several want to work with the same businesses as them. For instance, a woman working for a food processing enterprise in Rwanda was invited to address teenage girls in her district who had dropped out of school because they were pregnant. Multiple women suppliers of an enterprise reported that other women have even emulated them and started supplying to the same enterprise. Some women employees and partners have also begun training people from their community, especially in skills like sowing to enhance their employability.

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

"Women in my community call me as super-hero. I have been supporting and motivating women to wake up and stand for their rights, as well as to work and earn a living without waiting on their husbands who often have more than one wife."

- Team leader at a fashion retailer

"Looking at me, three of my friends also want to start working as they like how independent I am. In fact they want to join the organization I work with."

- Distributor for a sanitary pad manufacturer



c. Learning new skills and building support structures

Although most women reported being able to earn an income and an increase in income as the most significant benefit of being employed, they also indicated that it gives them the opportunity to enhance skills, learn new skills, and build networks. For women partners, engaging with their respective enterprises provided opportunities for them to learn how to manage and grow their businesses. Several women have also built support structures in the form of friends and industry peers in the course of their work; some women joined savings groups due to their increased social interactions, which again resulted in economic empowerment. Others are able to collaborate with more women or smaller enterprises to sell their products and increase earnings further. Women also expressed that working with other women creates an empathetic working environment, which they value.

"In the past I couldn't weave all the products, but with the training offered by the enterprise, I can now weave various types of products."

- Woman supplier for a woven wicker products enterprise

"The benefits of working with this enterprise are increasing relationships and income. You get to know several friends from several circles."

- Woman distributor for a cloth diaper manufacturer

"Some of the greatest benefits are meeting a network of other women, agents like me who are accessing clean water and selling it at a low price to their community."

- Distributor for an enterprise providing access to clean drinking water

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

Many women employees emphasized the importance of the support they receive from family and friends. Most women reported that their family is supportive of their careers, and many related instances where family members pitched in to help with household responsibilities. Many also reported family members helping with their work. However, others noted that despite their husbands being supportive of them working, they do not receive any household help from their husbands. This limits the time they can spend on their work and makes it difficult for them to advance in their careers.

"Family is supportive. My husband helps to embroider the webbing and make sure that the size of the webbing is right."

- Supplier for an enterprise selling woven wicker products

"My husband is an auto driver and sometimes he makes the food because he realizes that I will be tired from work."

- Employee of an enterprise focused on textile products

However, for many women this support came only after their families witnessed their earning capacity and their ability to contribute to the household income. For instance, a woman supplying cassava leaves to a food processing business in Rwanda shared that her husband initially labelled the work as "a waste of time." However, this attitude changed when she started earning well. Several women also shared that despite families being supportive of their careers, there was little change in their day-to-day responsibilities – they were still expected to cook, clean and manage chores and care responsibilities.

d. Fueling their aspirations

Although most women started working with the objective of earning money, they have diverse aspirations for their future. Being healthy and able to take care of their families and children is a strong source of motivation for most women. They want to provide quality education for their children and wish for a better future for them. In addition, many want to be able to buy a home for their families. Several younger women also expressed their desire to continue their education. Another strong aspiration centered on being useful to their communities and being able to create jobs for other people. For instance, several women expressed the desire to start their own NGOs. Women in Rwanda expressed more entrepreneurial aspirations as compared to women in India and Indonesia, and many wished to start their own business. For instance, a woman working for a coffee farm wanted to establish her own coffee brand in the future; another wanted to start her own design company, while a third woman wanted to open her own café. Many women partners also expressed a desire to buy more land and expand their operations.



30% of the women surveyed aspired to continue their education and /or start their own business in the future

"My motivation is to be useful for families and communities to create jobs and provide maximum benefits for everyone."

- Distributor for a cloth diaper manufacturer

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS

"Biggest hope was to continue my education after high school, but I couldn't because we had to leave our country. I want to be able to learn English and computers."

- Employee of a garment manufacturer employing refugee women

"My dream is to buy more land to become a more professional farmer, grow other crops along with beans vegetables and potatoes. I want to be able to sell my crops domestically and if possible outside Rwanda."

- Supplier for a food processing business

Despite the gains in economic empowerment and agency, increased levels of confidence and the ability to fulfil aspirations, many women face challenges in balancing their professional and personal life. Many women faced significant normative barriers. One founder recalls an instance when a man burnt the raw material to stop his wife from weaving. However, she persisted, weaving at her neighbor's home in secret. Eventually, when the husband realized that the supplemental income was helping meet the household's needs, he too became involved with the enterprise, procuring and supplying raw materials to other weavers in the vicinity as well. Many single working women mentioned facing family and community pressure to get married. They feel that despite their accomplishments, their families do not recognize their efforts or fulfillments unless they get married. Some married working women felt judged by their friends, family and community for not giving more time to family especially if working in high pressure jobs and roles that required their time during the weekends.

2.6. The COVID-19 challenge

The COVID-19 crisis has posed fresh challenges for most businesses. Several had to shut down their operations for a few months and many businesses faced cancellation of orders, especially enterprises that supply to the hospitality industry. Enterprises that supply to educational institutions or rely largely on tourists for sales also suffered severe losses. Further, enterprises selling goods through exhibitions or those focused on luxury goods witnessed a drastic drop in sales. As a result, many enterprises were unable to pay salaries. Since sales were affected, women distributors and suppliers also saw a reduction in income.

Over 64% of women employees and value-chain partners reported a significant loss in income and therefore their purchasing power. However, there were several instances where women did not suffer a drastic reduction in income. This was primarily due to the nature of their work and/ or the industry they worked in. For instance, women employees of a Rwandan enterprise that provides access to clean drinking water indicated that they faced limited pay cuts, because the enterprise provides an essential service and chose to reduce the salary of its agents rather than lay-off employees. Employees of a cassava leaves supplier reported some reduction in income; however, since the enterprise continued to operate during the lockdown in Rwanda, women farmers were able to continue supplying cassava. However, certain farmers that were located away from collection centers were more severely affected. Women partners of many enterprises were also reportedly cut off as a result of lockdowns, thus being unable to access raw materials or make sales.

2 ENTERPRISES INTEGRATING WOMEN AS EMPLOYEES & SUPPLY CHAIN PARTNERS



Over 72% of female employees noted facing economic challenges due to COVID-19 affecting their work industries. This was especially higher for those involved in service industries.

Businesses tried to mitigate the challenges arising due to the pandemic by adopting measures such as adapting their products and increasing online sales. While women have faced disproportionate challenges during the pandemic, enterprises have strived to support their employees, and in some instances even transitioned their operating models to be able to continue providing a source of income for their women employees and partners. For instance, businesses involved in garment manufacturing started producing masks to create a source of income for their women tailors. However, some enterprises, like an Indian garment manufacturer, faced resistance from employees' families given the risk of COVID-19 infection, and the expectation of managing household chores since the husband and other family members were at home because of the lockdown. The pandemic also led several enterprises to increase their focus on integrating digital tools in the business model so that customers can continue accessing their products. For instance, an enterprise focused on selling reusable sanitary pads started online sales by providing a WhatsApp link that its women distributors can share with their network of clients.

Many enterprises have also utilized the lockdowns to explore ways to enhance impact-creation. An Indian enterprise that recycles used flowers, approached farmers growing flowers and trained them to recycle flowers and other produce that were going to waste during the lockdown. They have also developed partnerships with farmers, so that farmers can supply them with their unused flower crop in the future. An Indonesian business has used the time to re-strategize, hiring a new director to take over the position of the CEO, so the founder can focus on strategy and expansion.

Conclusion

Despite challenges, these enterprises have established their potential to enable women's economic empowerment, which positively affects women's decision-making abilities, confidence and sense of self. Women engaged in income-generating activities also create positive gains for their families. Most women reported the ability to save, pay for household expenses and children's fees as positive outcomes of their jobs or roles as value-chain partners. It is apparent that women-focused businesses create significant impact; however, they continue to face challenges. Most face patriarchal norms while integrating women as well as during the course of operations. Moreover, access to finance is one of the most significant hurdles for many enterprises. Infusion of capital can potentially enable these businesses to grow their operations, in turn allowing them to integrate more women. Further, several enterprises will be able to tap into the required expertise to acquire more customers, create better market linkages and institute better policies. Hence, targeted capital infusion becomes a critical need to deepen their gender impact.

A photograph of an elderly woman with white hair and glasses, wearing a purple top and a striped sari, weaving on a traditional wooden loom. The scene is set in a simple, possibly outdoor or semi-outdoor, environment. The entire image is overlaid with a semi-transparent blue filter. The woman is focused on her work, with her hands positioned to manipulate the threads of the loom. The loom itself is a large, sturdy wooden frame with many vertical threads stretched across it. The background shows some structural elements of a building and a small container on a shelf.

3

ENTERPRISES SERVING WOMEN AS CUSTOMERS

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Globally, a significantly large number of products and services are designed without considering the needs of women, despite women making more purchasing decisions than men and driving 70%-80% of all consumer purchases.⁴⁵ This has led to personal protective equipment, for instance, that is built to standard male sizes and therefore unwieldy and difficult for women to operate in.⁴⁶ The New York Committee for Occupational Safety and Health notes that “standard hand tools like wrenches tend to be too large for women’s hands to grip tightly.”⁴⁷ Re-designed favelas in Mexico, built to accommodate nuclear family units, fail to take into account how the traditional community-centric unstructured slums allow multiple generations to live together and reduce the childcare burden on mothers.⁴⁸ Product design that considers the specific requirements of women is absent even from products that are largely used by women. For instance, the introduction of different types of clean stoves, as a way of reducing the environmental impact of fumes from traditional stoves has met with varying levels of success. In 2013, a study examined the user experiences for five such stoves in Bangladesh and found that all five variants increased cooking time and required more attending to.⁴⁹ This prevented women from multitasking and also required them to change the way they cooked, affecting how widely the stoves were adopted. A similar program in India failed because the clean stoves required more frequent maintenance than traditional stoves.⁵⁰ Structural repairs in the targeted rural areas were considered a man’s responsibility, and since most men did not prioritize the fixing of these stoves, women went back to cooking on traditional stoves.

Aside from these glaring gender gaps in accessing basic products and services, women in developing countries are unable to access critical products and services such as menstrual health and hygiene products, care work support, maternity health services, etc. Lack of access to products essential for menstrual hygiene has a direct impact on girls’ education.⁵¹ Systemic and cultural factors such as cost, child marriage, household chores and care work, gender-based violence, conflict and crisis, and trafficking, also contribute to women’s lack of access to education.⁵² As a result, women form two-thirds of the world’s 796 million illiterate people.⁵³

In addition, globally, women still lag men in access to healthcare, financial services, water and sanitation. For instance, while 72% men have access to a savings bank account, only 65% women have the same access; a statistic that has remained unchanged since 2011.⁵⁴ This lack of access has a domino effect on the lives of women, leading to a lack of opportunities as well as a lack of knowledge about products and services that can potentially improve women’s lives. For instance, lack of access to savings products and financial inclusion takes away from women’s agency and decision-making power, resulting in dependency on their husbands/ fathers for even the most basic needs. Similarly, lack of clean or alternative cooking products leads to the usage of fuel wood, which produces harmful fumes and has a negative impact on women’s health. Since women have the primary responsibility of cooking for the family, exposure to such harmful fumes puts them at a greater risk of respiratory illness.

⁴⁵ Women Drive Majority of Consumer Purchasing and It’s Time to Meet Their Needs, Amy Nelson, Inc.

⁴⁶ ‘The deadly truth about a world built for men – from stab vests to car crashes’, the Guardian, Feb 2019

⁴⁷ Ibid.

⁴⁸ Caroline Criado-Perez, *Invisible Women: Exposing Data Bias in a World Designed for Men*, Chatto & Windus, London, 2019

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ ‘The quest to make sanitary pads accessible by all women’, The New Times, July 2019

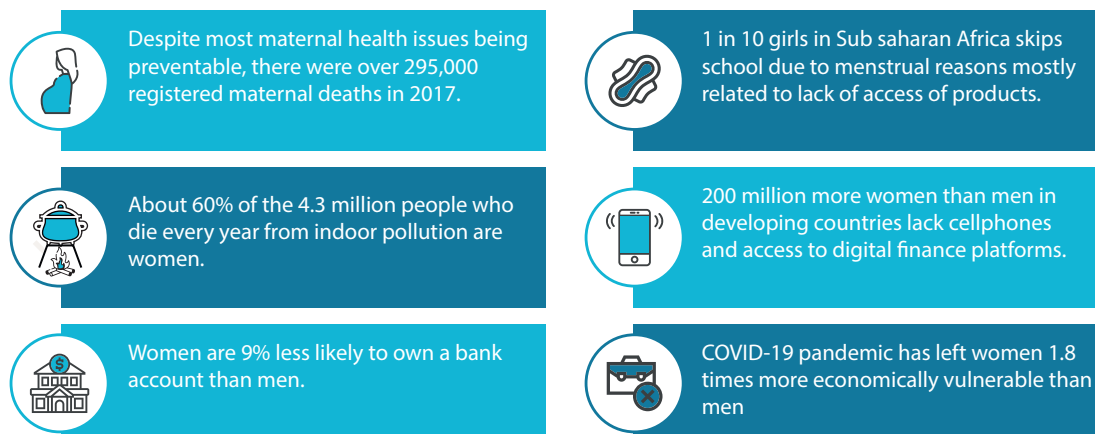
⁵² ‘Girls’ Education: 7 Obstacles and How to Overcome Them’, Global Citizen, Sep 2019

⁵³ ‘Facts & Figures: Rural Women and the Millennium Development Goals’, UN Women

⁵⁴ ‘Financial Inclusion for Women: A Way Forward’, G20 Insights, Oct 2019

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Figure 13: Lack of access to products/ services for women



3.1 What services do women need?

The 63rd session of the Commission on Status of Women held in 2018 illustrates the importance of social protection systems, access to public services, and sustainable infrastructure for gender equality and the empowerment of women and girls. It also highlights the enabling role of products and services in achieving these goals: “the efficacy of social protection systems depends on the quality and affordable health care services and the transport options required to arrive there; and girls’ educational attainment requires an adequate supply of qualified teachers, a decent work environment and sanitation facilities that enable menstrual hygiene management.” Thus, businesses that provide some of these essentials enable women to further access interventions aimed at creating gender equality.⁵⁵

While there are many areas where women lack adequate support, the McKinsey Global Institute has identified ten impact zones that account for more than 75% of the gender gap, in order to propel and prioritize action.⁵⁶ The ten zones reflect the types of gender inequality and their geographic

concentration, and conversely, pinpoint areas where intervention is required. These zones also serve as a guide for identifying areas where women-focused products and services are required.



⁵⁵ Sixty-third session of the Commission on the Status of Women (CSW 63); UN Women, Nov 2018

⁵⁶ ‘Women Matter-Time to accelerate: Ten years of insights into gender diversity’, McKinsey & Company, Oct 2017

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Figure 14: Ten priorities for action



Source: Women Matter-Time to accelerate: Ten years of insights into gender diversity, Oct 2017, McKinsey & Company

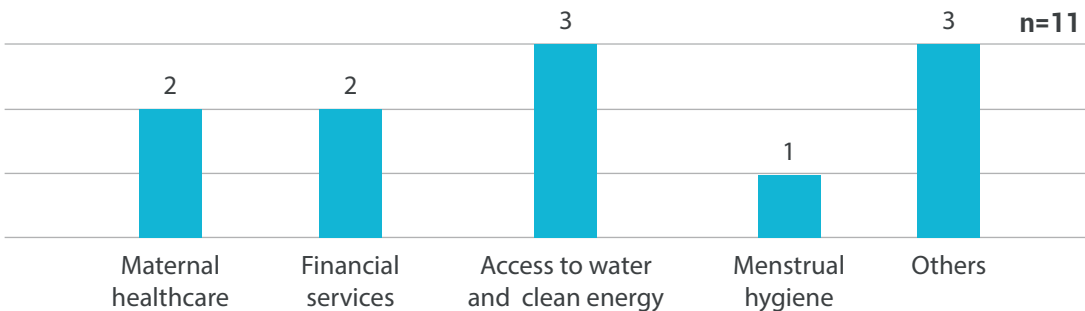
For this study, 10 enterprises that fulfil a need and bridge the gap in women’s access to critical products/ services were interviewed in order to obtain a clearer understanding of the challenges they face and the role they play in women’s lives.



3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

3.2 A profile of enterprises interviewed

Figure 15: Sectors of operations of women-focused enterprises serving women customers



Source: Women Matter-Time to accelerate: Ten years of insights into gender diversity, Oct 2017, McKinsey & Company

Women-focused enterprises included in this study provide products and services that are critical to the quality of life and well-being of women and operate primarily in the menstrual healthcare, reproductive healthcare, financial services, and clean energy sectors. Over 50% of the enterprises interviewed have a vintage of 4-5 years, and none of the businesses is more than a decade old. All of the businesses are registered; however, their legal status differs across sectors and countries. Several enterprises are registered as private limited companies while one is registered as a for-profit social enterprise. Many of these enterprises also have a large number of women employees. This is largely because women’s networks consist of other women who are potential consumers and women are better suited to talk about and sell women-centric products. For instance, 45% of the employee base for a Rwandan enterprise providing clean cooking fuel as a service is made up of women since they are primary users of cooking solutions and better understand challenges that customers may face.

Over 60% of the businesses interviewed were established with an intentional focus on gender and specifically create products and services for women customers. Moreover, over 40% of the businesses consciously chose to work in rural or low-income areas and informal settlements. For instance, an enterprise in Kenya was set up with the intent to improve the childcare system for low-income mothers in informal settlements. The business aims to improve the quality of service at day-care facilities in such informal settlements by providing them with training and business support. Moreover, it also provides childcare training to low-income mothers. Similarly, a microfinance and peer to peer lending enterprise was set up in Bogor, Indonesia to provide aspiring women entrepreneurs access to finance.

“We wanted to start a manufacturing business addressing the toxicity of soap by creating an environmentally safe product that can be used in a safe manner for women.”

-General Manager of an environment-friendly cleaning products manufacturer

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Table 3: The genesis of a women-focused business model

Case study: Enterprise focused on reproductive health	
<p>The two founders, an obstetrician and practitioner in the field of maternal and child health, started the business with the aim of reducing Indonesia's high maternal, infant and neo-natal mortality rates. Indonesia reports the maximum number of such deaths amongst South East Asian countries. The low number of obstetricians per million births is a key factor contributing to this. Further, women in rural areas have limited or no access to obstetricians and have to rely on midwives. Hence, the</p>	<p>co-founders decided to work with and aid midwives by providing them with an app and CTG device to track the health indicators of pregnant women as well as of mothers and new-borns. The enterprise trains midwives on the use of the app and CTG device, and the data is shared with obstetricians and gynaecologists who recommend treatment plans. In a pilot run in 2019, the firm recorded a 70% reduction in maternal mortality and a 60% reduction in anaemia in pregnant women, which is often the cause for stunted growth of children.</p>
Case study: Enterprise focused on supporting low-income mothers and day-care facilities in informal settlements	
<p>The founder moved to Nairobi in 2012 after spending 15 years as community program manager and impact fund manager. During her career, she supported and invested in small and medium enterprises that had a social and environmental impact. In Nairobi, the founder became interested in supporting a day-care centre in a slum. However,</p>	<p>she soon realised that this was one of the many informal slums where poor working mothers left their children to go to work. The founder wanted to improve the quality of day-care services available to these women and established the firm to transform existing day-care facilities by providing training and business support.</p>

As a result of this intentional focus on women, the customer base for the enterprises interviewed is comprised almost entirely of women. A few businesses have acquired women customers as a result of their business models. In Kenya, for a low-cost medical diagnostics provider, 60%-70% of its customer base avails of maternal health diagnostics since there is more demand for such diagnostic facilities. An Indian clean cook stove manufacturer that sells high-efficiency cook stoves, although targeted at households, has mostly women customers,

since typically cooking is a woman's responsibility. A Rwandan enterprise supplying clean cooking fuel also reported a similar experience, with a majority of its customers being women. An Indonesian enterprise providing a diagnostic tool for maternal healthcare found that pregnant women are more comfortable talking to female medical staff as compared to men. Hence, the enterprise reached out to midwives to sell its digital services and currently serves over 20,000 midwives across remote islands in Indonesia.

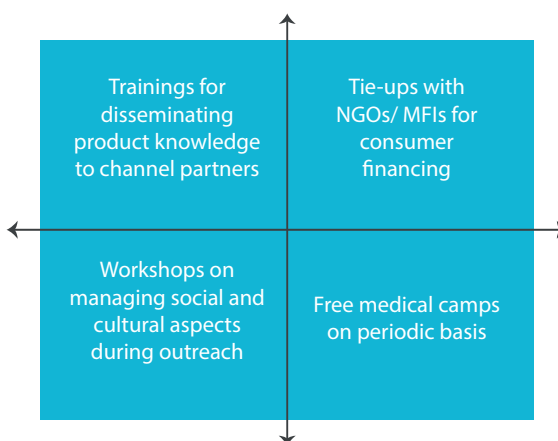
3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

In addition to creating products and services for women, most enterprises have adopted enabling policies and practices, including the provision of relevant training for their partners. For instance, a Kenyan enterprise focused on improving day-care facilities runs a boot camp for its partners on the safety, health and accommodation standards and also conducts health assessments for them. In addition it sells equipment such as pressure cookers at affordable rates to aid the day-care centers. Several manufacturers and service providers also provide guidance to customers on how to use their products. A Kenyan enterprise manufacturing toxin-free soap conducts training for both its household users (which are mostly women, as women are the primary users of cleaning products), as well as the cleaners/facility staff of commercial clients, on efficient use of the soap. A digital platform and diagnostics aid for midwives in Indonesia conducts a monthly training on how to assess and track health markers for their patients. A sanitary pad manufacturer in India trains its distributors on managing social taboos, product knowledge and sales. Moreover, 70% of its customers also reported having been trained on how to wash and reuse the sanitary napkin. Enterprises that provide loans for starting businesses often train their women customers on how to run a small business, money management, book keeping, etc. For instance, an Indonesian peer-to-peer lending platform engages with religious groups and community leaders to educate women about their products and enables them to form groups to avail their group lending services. It also provides trainings for women entrepreneurs to manage and grow their businesses. Customers of a Kenyan lending enterprise receive training on money management, savings, etc.

Products and services offered by such enterprises are often characterized by innovation in product design, sourcing, recruitment and service delivery. For instance, an

Indonesian enterprise focused on maternal and reproductive health created an app and a diagnostic device to better track health parameters of its customers. Another partnered with AI and robotics companies to provide affordable diagnostics to its consumers. These enterprises adopted varied strategies for reaching their customer base. For instance, the aforementioned enterprise partnered with a midwives association as well as the ministry to reach more customers. An Indian clean cook stove manufacturer provides its stove through microfinance institutions (MFIs) in order to reach a larger number of rural women.

Figure 16: Support provided by enterprises



Many enterprises provide various kinds of support to their women customers. An Indonesian enterprise helps midwives by promoting them on social media and an Indonesian peer-to-peer lending platform works with health care firms to distribute free spectacles to its borrowers every year. The latter also provides customers with digital learning tools as well as periodic information sessions on how to manage their business. Some enterprises have created livelihood opportunities for their customers. For instance, an online portal on childcare also offers its customers the opportunity to sell its products and earn commissions.

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Enterprises also provide customers access to finance. About 60% of the enterprises reported that their women customers require access to finance. This was especially true for businesses operating in low-income communities as well as those that provide devices that required some capital investment, such as buying diagnostic devices. Several such enterprises enable their customers to access finance through various mechanisms. A Kenyan business that provides business and training support to day-care facilities also provides loans to its partners. Another Kenyan enterprise providing diagnostic services partners with financing agencies so doctors have to pay only 10%-20% of the total cost of diagnostic devices upfront. A clean cook-stove manufacturer in India partners with MFIs to provide the stove as a bundled product with loans, so women customers can pay back the cost through monthly instalments. A Kenyan lending enterprise provides access to finance through products that cater to the specific needs of its women customers, such as asset financing, water, sanitation and hygiene loans, and pay-to-own loans for smartphones, among others.



60% of the enterprises reported that their women customers need consumer financing support to be able to buy their products

However, some of these enterprises had to address societal norms and educate customers. Across the four target countries in the research, women grapple with various societal and patriarchal norms, such as bearing the primary responsibility for household chores and care work, restricted mobility, limited interactions with male community

members, limited financial independence, and personal agency, among others. This results in women having limited social support structures and lack of knowledge about issues surrounding their own health and well-being. Additional support from these women-focused enterprises, along with their products/ services, helps women to overcome some of these limiting factors.

3.3 A profile of women customers

Over half of the women customers of the enterprises interviewed are engaged in some form of employment. Some of the women reported having worked earlier, but not being engaged in income-generating activities at the time of their interview, as a result of pregnancies, the on-going pandemic, or their husbands having transferrable jobs. A few women are homemakers and others have just completed their studies or are undertaking professional courses.

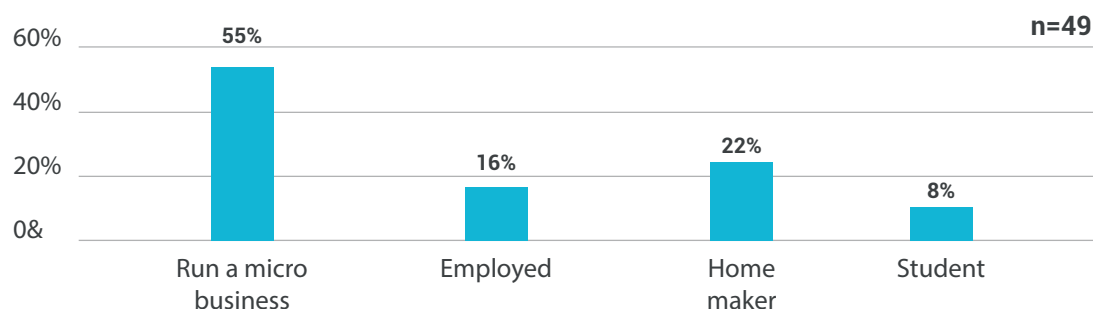
“The (peer-to-peer lending) firm not only provides loans but also business training and financial management”

- Owner of a brick and mortar molding business



3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Figure 17: Profile of women customers



Of the customers who reported being engaged in income-generating activities, a significant majority operate their own businesses. Most women who earn an income reported having control over their own finances. However, women who are not employed indicated that their husbands provide for them, and they are able to make spending decisions, either independently or jointly.

Women who are employed or run a business mostly use their income to pay for their children's education expenses. Many women also contribute to household expenses and several indicated that they are saving to purchase a home, buy livestock, etc. This expenditure pattern overlaps with the aspirations of the women interviewed, with the highest aspiration for most women being to build a better future for their children and provide them with a good education. Several women also want to set up their own business. Women who are already running their own enterprises want to save and invest towards expanding their business.

"I want to finish paying school fees first and then save and buy a plot of land and keep livestock in the next two years."

- Women tailor with a garment manufacturer

"I want to send my children to college. There is a special pride if my children graduate from college. I will be happy if my dream as a parent to send my children to a good school, comes true."

- Women owner of a food business selling chicken porridge and meatballs

A significant majority of women feel that they have decision-making power in household matters. Most women made decisions such as buying medicines and sending children to school either on their own or jointly with their husbands. This decision-making power translated to their ability to purchase the goods and services offered by the enterprises interviewed. Notably, women reported more independence in making decisions related to purchasing personal products and household items, as compared to decisions related to taking loans, which are often taken jointly. Research indicates that this pattern is true of many other developing countries. For instance, a study conducted in Ecuador, Yemen and Uganda found that women had high sole decision-making power in matters related to their own health and much lower decision-making power while purchasing large assets.⁵⁷

⁵⁷ 'Do women have decision making power?', World Economic Forum, Nov 2015

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

3.4 Funding models and access to finance

Despite the significant impact that women-focused enterprises create for women, most face gender-related challenges as they build and expand their operations. For instance, due to the taboo attached to menstruation, an Indian sanitary pad manufacturer has had more success pitching its products to schools with women principals, as compared to schools with male principals. An Indian cook stove manufacturer reports being unable to integrate women distributors since most do not have a safe means of transport to conduct demos at different locations.

These enterprises also face significant funding challenges that have inhibited their growth through their entrepreneurial journey. Overwhelmingly, most businesses report access to funding as one of their most significant challenges. Over half of the businesses reported being bootstrapped or self-funded initially. Others reported long-term patient capital, long-term debt, and working capital as sources of finance. Challenges to fundraising differed amongst the businesses interviewed, including a misalignment with investors, a lack of impact data, and the limited knowledge about investors willing to invest in high-risk social enterprises.

Figure 18: Capital sources for enterprises serving women customers

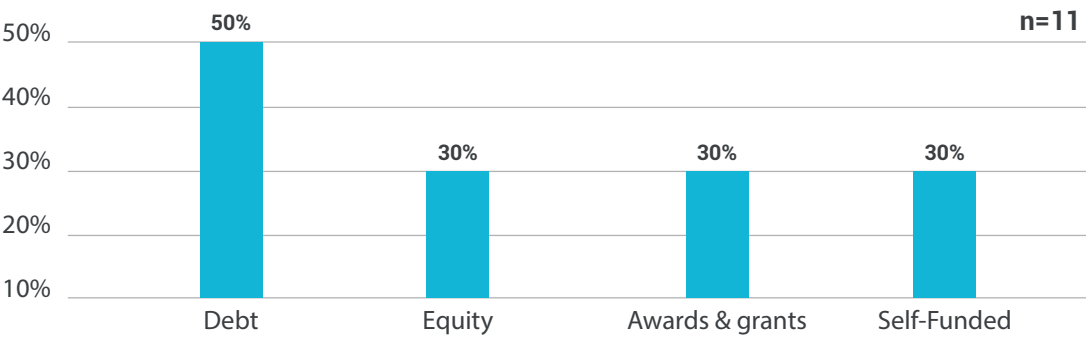
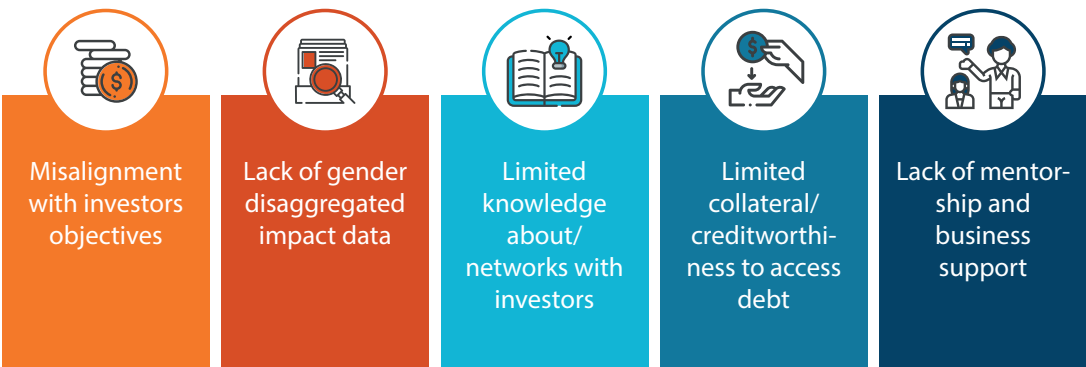


Figure 19: Challenges faced in raising capital



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Several enterprises also feel they benefit from mentorship as they scale up. Moreover, some businesses require assistance in tracking and measuring their impact, while others require aid in accessing strategic partnerships and investor networks.

"Even if investors call themselves impact focused, return/ money always comes first."

- **Co-founder of a clean cook stove manufacturer**

"Impact creation for women should make it easier to access capital; however, we have not got any impact capital yet."

- **AVP, Business Development at a peer-to-peer lending service**

Several enterprises also indicated that they want to raise additional funds to expand their operations and reach more customers. However, only two of the total eight enterprises interviewed reported that fundraising was easier as a result of impact creation on women.

3.5 Impact of women-focused enterprises on women customers

Most women expressed that the products and services provided by the enterprises included in the study improve their quality of life. Women customers recounted several benefits as a result of using the products and services offered by the enterprises interviewed. For the customers of a low-cost flooring provider in Rwanda, the change from dirt floors freed up time that was previously spent cleaning and maintaining such floors. For an Indian cook-stove manufacturer, customers highlighted fuel efficiency and portability as key benefits. Customers of a

reusable sanitary pad manufacturer indicated that the product provides comfort and the freedom to travel. Several others mentioned that since disposal was a problem, using a reusable pad makes a significant difference to their period experience. Customers of a clean fuel provider in Rwanda found that the fuel pellets are fast burning and aided cooking times. More importantly, they do not release toxic fumes as is the case with more traditional fuels.

"I joined the platform in 2018 when my daughter was 3 months old. It assisted me in getting information on baby issues such as feeding, weaning and dealing with colic etc."

- **Customer of an online portal on parenting and childcare**

Figure 20: Impact creation on women as a result of product/ service usage



Impact on women from product usage

- Improved health outcomes resulting in lowering healthcare expenditure
- Increased mobility due to lower barriers to movement
- Increased productive time for business activities
- Better knowledge & networks leading to improved business outcomes
- Ability to contribute to household expenses

Businesses added value to women's lives by filling critical gaps and by providing them with the means to engage in income-generating activities or improve their income levels.

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

a. Filling critical gaps

Women customers reported that in absence of the enterprises interviewed, they would not have been able to access such products and services at all. Customers of a Kenyan microfinance provider feel that they would not have received asset loans from any other entity. Similarly, many customers of an Indonesian microfinance and peer-to-peer lending company indicated that they were unable to access capital before partnering with the company. Several others mentioned that they consider borrowing money from informal lenders, but shy away as a result of high interest rates. Customers of an online portal that provided information on parenting and childcare indicated that no other portal offers the type of information and avenues for interaction available on the site. Moreover, they are able to access information on topics like meal plans and information on hospital visits, specifically contextualized to Kenya.

"I don't think there is any other community that offers the same information and interactions like this one. When I had a new-born, I was able to see meal plans, what to carry for hospital visits as well as lifestyle information, like places to take my children. The platform offers a whole suite of information that is contextualized for Kenya; I have not seen this anywhere else."

- Customer of an online portal on parenting and childcare

Many women reported specific benefits from using targeted products and services as compared to products and services used in the past. In most instances, the products and services used earlier were not tailored to fit their needs. Hence, women prefer the current enterprises which have created bespoke offerings for them. Some of the benefits reported with these businesses

include affordability, easier physical access, better quality of products/ services, etc. For instance, many women customers of a peer-to-peer lending provider reported that they were dissatisfied with the financing provided by banks as it consumed time to disburse and came with very high interest rates. Customers of a Rwandan clean fuel supplier spend less time cooking due to the efficiency of the fuel pellets, and are able to better manage other household tasks.

"Previously, I experienced fraud when applying for a business loan. After that, I was more careful in choosing cooperatives or other financial institutions. I also borrowed fifty million rupiah from a financial institution for my son's tuition fees. However, I had to pay seventy million rupiahs with interest. Then, my life changed when I met executives from this enterprise."

- Owner of a chicken farming business

Consequently, almost all the women customers interviewed stated that the products/ services from these enterprises are integral to their standard of living. Not only did customers deem the products and services useful, they indicated that the product or service has improved their life significantly and it would be difficult for them to find a replacement since these products and services are filling certain critical gaps. For many women, unavailability of the particular product or service would compel them to regress to a situation where their needs are not met, or where the available alternatives are not beneficial for them. Moreover, in many cases, especially where the enterprise provided capital, women feel that unavailability of the service would delay their life and/ or business goals and negatively affect their financial stability and therefore their well-being.

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b. Providing the means to earn a livelihood

Several enterprises provided women customers with avenues for income generation. While lending service providers naturally offer women the means to earn a livelihood as a result of their core offerings, several other businesses also provide avenues by which their customers could enhance incomes. For instance, an online portal that provides information on parenting and childcare offers its customers the opportunity to sell its products and earn a commission. A Kenyan enterprise that provides business and training support to day-cares creates gains in efficiency and quality that often enables its partners to better their incomes.

As a result of these income-generating activities, women are able to contribute to household expenditures, pay school fees, and also expand their business operations. For an Indonesian peer-to-peer lending platform, women customers reported an increase in family income as a result of starting businesses with the loan obtained through the enterprise. Moreover, women are able to rapidly expand their existing businesses since loans enable them to buy raw material and tools such as brick making implements and bikes for transportation as well as employ more people and generate more sales. This too resulted in an increase in their income, enabling women to take care of household expenses, especially education expenses for their children. Forty percent of women that availed of loans through an Indonesian lending platform reported the ability to pay children's school/ college fees as a significant benefit.

"The financing has been very useful in paying fees for my son who is studying medicine in the university. I lost my husband and so I am the sole breadwinner of the family."

- Woman who started tailoring business with loan from lending platform

"From having one place to now having four places. In the past, I could only produce 5,000 packs, now I produce 15,000 packs."

- Owner of an oyster mushroom business

"I am able to grow my business by adding more employees and breeding more chicken."

- Owner of a chicken breeding business

"The loan enabled me to buy materials, acquire a sewing machine on lease and repay it slowly. I was paying \$36 every month for 12 months until I repaid the loan. I took out another loan of \$500 to buy materials, sew and sell clothes after which I took third loan also."

- Owner of a tailoring business

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

c. Other benefits

In addition to their primary usage, these products and services also provide additional benefits or have a positive collateral impact in the customers' lives. Women using a reusable sanitary pad produced in India indicated that in addition to being skin friendly, the product does not require frequent disposal as with other sanitary napkins, making it environment friendly as well. Users of a sustainable cook stove found that the flame does not blacken vessels. Peer-to-peer lending enterprises have the greatest positive collateral impact on women customers, since the availability of capital allows women to start/ expand their business and earn better incomes, which in turn affects their purchasing power and related outcomes. Many women also reported that they recommended the product or service to their friends and family. In several cases, women inspired their neighbors and friends to start their own ventures. Women also found support in the networks they have become a part of, as a result of availing group loans.

Customers of many enterprises feel that there is potential to further improve the product and services offered. Given the positive outcomes from product usage, in some cases, the cost is reportedly not a very high consideration for most women customers. However, customers of the reusable sanitary pads business in India want the pads to be available more widely, rather than just through appointed distributors, and to include more sizes. Several users of the clean cook stoves in India indicated that though it consumed less fuel, it took longer to cook food and it was not possible to control the intensity of the flame. These factors affect how often they use the stove for cooking. For a capital provider in Kenya, women indicated their need for lower interest rates and the introduction of livestock loans. For a Kenyan portal providing

information and products related to maternal health and childcare, customers desire more diversity in the products offered.

3.6 The impact of COVID-19

COVID-19 has had a detrimental impact on most businesses. Several enterprises lost their customers or saw a decline in revenues as a result of the health crisis. The crisis had a negative impact on revenue for a Kenyan day-care provider, an Indian cook stove manufacturer, an Indian sanitary pad manufacturer, and an Indonesian peer-to-peer lending solution provider.

However, the crisis also provided some enterprises with an opportunity to come to the aid of its customers. For instance, an online platform providing information on maternal health and childcare in Kenya was able to provide information on how mothers could explain the crisis to their children and nannies, and how mothers could manage their finances. An Indonesian business that provides a digital diagnostic tool to midwives was able to educate midwives on online consultations, thus making them more accessible than hospitals and community health centers while also safeguarding the health of both midwives and expectant mothers in the pandemic. As a result, visitations for midwives improved to 1000 per month, compared to 200 per month before the pandemic. Enterprises also made adjustments to help their customers deal with the crisis. For instance, an Indonesian lending platform offered payment holidays and restructured loans to enable their customers repay loans over a longer period. An Indian sanitary pad manufacturer launched a WhatsApp-based digital solution through which customers can place orders with their distributors and get easy access to products even during the lockdown.

3 ENTERPRISES SERVING WOMEN AS CUSTOMERS

Notably, despite the negative impact on the business, access to products and services continued through the COVID-19 crisis and there was a significant increase in demand for services in the financial and healthcare sectors.



All women customers interviewed indicated that the enterprises ensured accessibility and availability of their products/ services during the pandemic

While COVID-19 affected most customers, either through a slowdown in their business or a complete loss of income/ employment, many women customers reported minimal impact, and a handful indicated that their businesses had benefited from the crisis.

For instance, a tea shop was able to stay open for business through the lockdown, since the owner lived in the commercial area, and witnessed a surge in business.

Conclusion

Enterprises that provide products and services for women fill a critical gap and improve women's lives by addressing their specific requirements. Many customers indicated that these products and services were a significant improvement over products that they had used earlier. Moreover, in many cases, women did not have access to such products and services before encountering the enterprises interviewed. They also indicated that they would face significant adverse effects in the absence of such products and services. Most such enterprises also enabled women to utilize these products and services by providing supporting mechanisms such as trainings and access to finance. However enterprises faced several challenges in making their products and services available to customers. They had to take into account the limited ability of their customers to access finance, especially to buy expensive items such as diagnostic devices. They also had to educate their customers on the potential benefits of using their products and services. This was especially difficult where enterprises encountered patriarchal norms and practices. A significant challenge for most enterprises was access to funding. The availability of capital will allow many enterprises to improve their products and services and expand operations so they are able to serve more customers. Hence, there is an urgent need to provide these enterprises with enabling capital that is aligned with their goals.



A woman wearing a dark hijab and a matching long-sleeved garment is smiling warmly at the camera. She is holding a large, shallow, light-colored tray filled with white rice. Her right hand is raised, with a small amount of rice on her fingers. The background is slightly blurred, showing some outdoor elements like plants and a wooden structure. The entire image has a blue tint.

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As is evident, women-focused enterprises create a significant impact on the economic and social lives of women by engaging them as employees, partners and customers. Therefore a need emerges to scale such enterprises and enhance their impact. However, such enterprises often face various challenges in accessing capital and business support in order to sustain and scale up. This report focuses on highlighting the impact created by women-focused enterprises and suggesting interventions that can enhance not just access to finance but also other support for such businesses, to amplify their impact on women.

This report is part of a wider study that researches the deployment of GLI in Southeast Asia and East Africa. An earlier report

that was part of this study titled, 'Mainstreaming GLI: An assessment of women-owned enterprises in developing countries'⁵⁸ outlined recommendations for financial institutions to channel capital with a gender lens to women entrepreneurs. Many of those recommendations are also relevant for supporting women-focused enterprises and a snapshot has been provided in the table below.

This chapter explores additional interventions that can improve access to finance for women-focused enterprises and provide them further support to help deepen the gender impact that they create and potentially enable the establishment of more such enterprises.

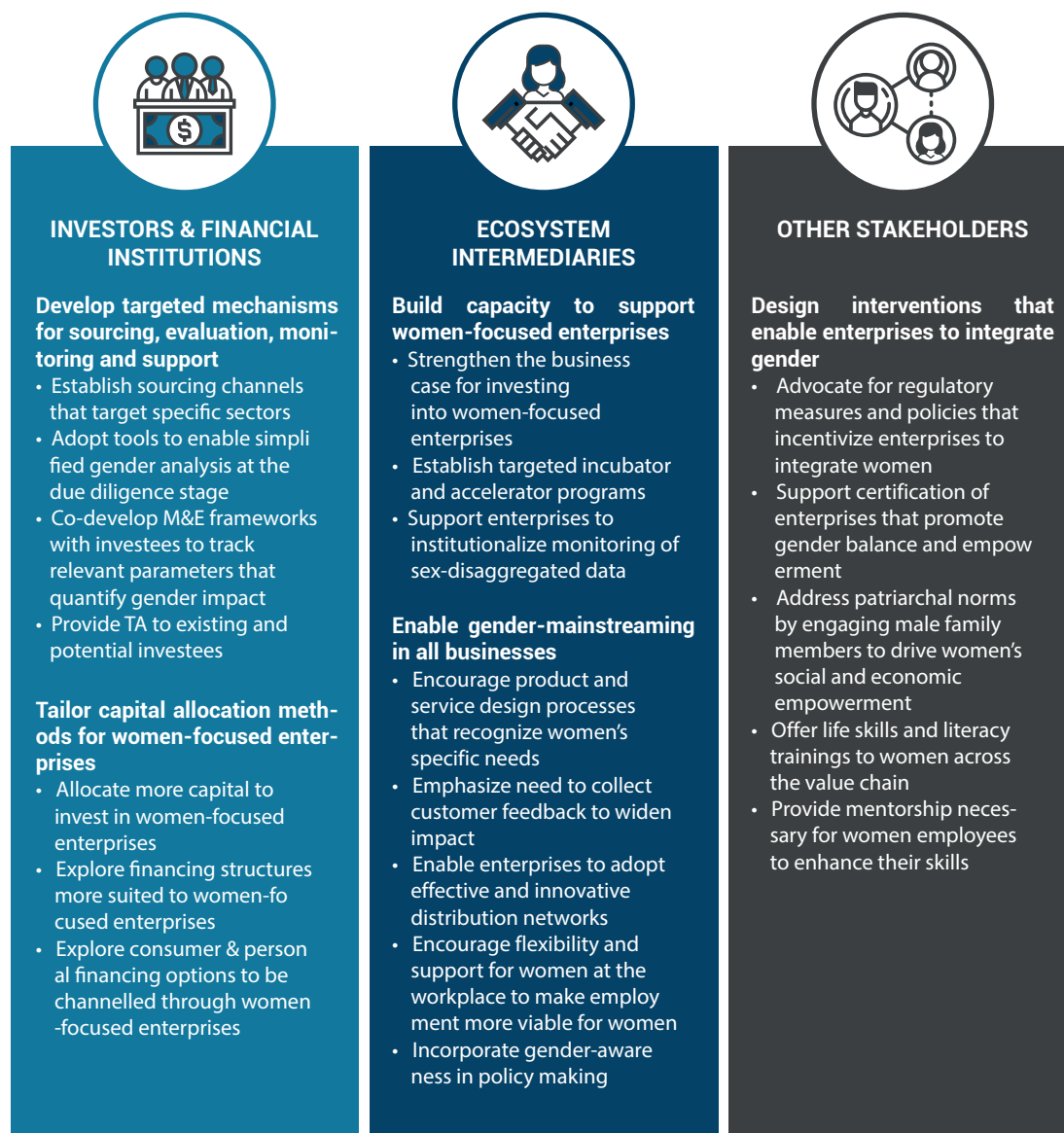
Table 4: Recommendations to improve financial access for women entrepreneurs

	
Financial interventions <ul style="list-style-type: none">• De-risk banks that lend to micro and small women-owned businesses• Explore alternatives to collateral-based lending• Design/adopt appropriate financial instruments to address financial needs of women entrepreneurs• Explore alternate credit assessment frameworks for women entrepreneurs	Non-Financial interventions <ul style="list-style-type: none">• Engage male family members to drive women's economic and social empowerment• Offer banking products and services that provide women greater control over their finances• Organize gender sensitivity trainings for FIs and investors• Provide capacity building support to women entrepreneurs• Institutionalize recording and monitoring of gender disaggregated data by FIs

⁵⁸ Mainstreaming GLI: An assessment of women-owned enterprises in developing countries', IDRC - Intellectap, Feb 2020

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Figure 21: Recommendations to improve access to finance and other support to women-focused enterprises



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4.1 Recommendations for investors and other financial institutions

(i) Develop targeted mechanisms for sourcing, evaluation, monitoring and support that are suited to women-focused enterprises

The situation

Women-focused enterprises and their socio-economic impact often remain undiscovered and/ or undervalued. Enterprises are often unable to demonstrate their impact and lack access to investor networks. Sourcing processes of investors are often limited by the ability of their networks to identify women-focused enterprises and conduct relevant due diligence at a pre-investment stage, which comes at a cost. Additionally, investors may lack the tools necessary to effectively evaluate the gender impact of such enterprises. There is, however, an opportunity for investors to expand their pool of applicants to include more women-focused enterprises, and adopt gender analysis tools and metrics that capture the true impact of such enterprises.

Recommendations

a. Establish sourcing channels that target sectors and/ or geographies where women-focused enterprises operate. Research reveals that there are certain sectors that hold a high potential for women's participation as employees, value chain partners and/ or customers. Investors can target such sectors; for instance, the textile & handicrafts, agriculture, and services sectors in India⁵⁹, smallholder farm and other agriculture related sectors in Kenya and Rwanda⁶⁰, and hospitality, education and healthcare sectors in Indonesia.⁶¹ Investors should undertake targeted research of such sectors to strengthen their understanding of the needs and challenges of

enterprises operating in them. Further, partnerships and processes that enable enterprises from these sectors to receive the support they require in approaching investors should be explored. The Gender Lens Investing Action Plan developed by the Criterion Institute is a useful tool for investors to build gender-intentionality in sourcing women-entrepreneurs; and a similar approach can be adopted by investors to reach women-focused enterprises. The investment thesis can be repositioned through research backed understanding of the gender impact in certain sectors. For instance, Patamar Capital's traditional model for pipeline development relied upon informal referrals, recommendations through networks, attending business-related events as well as existing relationships with actors such as accelerators, incubators and other investors, within the broader entrepreneurship ecosystem. However, many of these sources were male-dominated and so in order to reach and tap into a pool of investment-worthy women-focused enterprises, Patamar proactively attends women-focused events and uses these as gateways to further expand its network.⁶² Investors looking to target women-focused enterprises can similarly tweak their existing sourcing channels and approaches to be able to build a pipeline of businesses that impact women.

Teja ventures, a pan-Asia venture capital fund, has adopted a gender lens that targets businesses that are women-led or focuses on women consumer-led markets or create a positive impact on women. The fund launched a global start-up competition, "She Loves Tech" that enables promising women tech entrepreneurs and women impact startups to showcase their businesses to investors and influencers from across the world. Teja Ventures has built a deal-sourcing advantage as a result of their partnership with "She Loves Tech."

⁵⁹ 'Where are India's working women? The fall and fall of India's female labour participation rate', Mitali Nikore, LSE Blog, Oct 2019

⁶⁰ 'Women still far behind men in formal jobs, says study', Nation Africa, June 2020

⁶¹ 'An Overview of Women's Work and Employment in Indonesia', Amsterdam Institute for Advanced Labour Studies, 2010

⁶² 'How to Invest with a Gender Lens: A guide for investors in emerging markets', Investing in Women, Value for Women, July 2020

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b. Adopt tools to enable simplified gender analysis of potential investees at the due diligence stage. It is critical for investors to adopt a comprehensive, yet simplified process for analyzing the existing and potential gender impact of investees, at the pre-investment stage. Approaches may include questionnaires for the enterprise and its women employees/customers to assess organizational policies, business models, customer engagement and customer impact from a gender lens; or a basic framework outlining contextual parameters that are relevant for gender analysis of a specific enterprise.

SEAF has developed a proprietary tool, the Gender Equality Scorecard (GES)©, which provides an assessment of women's economic empowerment and gender equality for investment opportunities. Moreover, the tool can also be used to evaluate portfolio companies' gender lenses. The GES© is based on six gender aspects:

1. Pay equity;
2. Workforce participation;
3. Benefits & professional development;
4. Leadership & governance;
5. Workplace environment;
6. Women-powered value chains.

SEAF uses the scorecard to identify potential investees and guide its investment strategy. The scorecard is also used to promote gender integration within existing investee companies.

Investors can utilize tools like the gender-smart investing resource hub created by the International Centre for Research on Women⁶³ to screen potential investments through a gender lens as well as advise companies on how to better integrate gender lens into their operations and supply chain. Similarly, the 2X Challenge⁶⁴, which mobilizes capital for women-owned, women-led and women-supporting enterprises in developing countries and emerging markets lays down criteria to define 'investing in women', which can be adopted by investors to qualify potential women-focused investees.

Further, investors can adopt features from existing gender analysis frameworks used in policy formulation. While most such frameworks look at gender analysis holistically and include parameters related to community participation and social relations, they contain elements that may be useful for investors to consider in their gender analysis. For instance, the 4R method provides an understanding of the gender patterns that exist in organizations and their impact, and provides the tools to address gaps. The 4Rs under the framework examine gender distribution at all levels within the organization (Representation), allocation of resources among men and women (Resources), the reasons for the gender representation and resource allocation (Realia), and the formulation of objectives and measures to achieve gender equality (Realization).⁶⁵

Source: 'How to Invest with a Gender Lens: A guide for investors in emerging markets', Investing in Women, Value for Women, July 2020

⁶³ 'The tool was developed with funding from International Development Impact Program and support from the CDC Group.

⁶⁴ 2X Challenge

⁶⁵ 'Gender analysis: Gender Mainstreaming Tool', European Institute for Gender Equality

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c. Co-develop M&E frameworks with investees to track relevant parameters that quantify gender impact. Once women-focused enterprises have been identified for investment, investors can work with them to better understand their business models and impact objectives, and the parameters that they already monitor. This will help devise monitoring and evaluation frameworks which take into account the ability of the enterprises to capture impact-related data, while being in line with best-practices of impact assessment. There are several resources that can help investors design metrics that measure desired outcomes, such as the IRIS+ system developed by the Global Impact Investing Network. The IRIS+ database aligns to SDGs and incorporates inputs from the Impact Management Project, which is a forum of more than 2,000 practitioners and aims at creating consensus around how the impact investment sector understands and measures impact.⁶⁶ Moreover, investors can leverage indicators used by development agencies such as – the United Nations Statistics and Indicators on Women and Men⁶⁷ which provide 52 quantitative and 11 qualitative indicators that address specific issues related to gender equality and women's empowerment including population, family, education, work, health and, political decision-making; and the World Bank's Database of Gender Statistics⁶⁸ which provides a comprehensive resource of gender-disaggregated data on demography, education, health, access to economic opportunity, agency, public life, etc. These indicators will allow investors to analyze and understand gender-related concerns that need to be addressed, and define parameters which can adequately measure gender impact of enterprises. Alternate frameworks may also be utilized to measure impact, such as monitoring mobile usage patterns or time diaries of women over a period of time.

d. Provide technical assistance to existing and potential investees to sustain and enhance their gender impact. In order to deepen the impact of women-focused enterprises and improve their capacity to raise and subsequently absorb capital, investors should support investees through technical assistance programs which focus on gender integration across the business, formulating and implementing gender-enabling policies, and tracking impact data. In addition, investors could consider providing support and training for functions such as business development, marketing and outreach. Investors can also assign investees to gender and sector experts from their network. This will enable enterprises to access support on integrating a gender-focus across all aspects of their business, providing financial and social support to the women they employ/ serve, and institutionalizing an M&E process to report gender disaggregated data and impact on regular intervals, among others. Investors can also work with capacity builders and intermediaries in the gender space to support potential investees who have the capability to create extensive gender impact but may need hand-holding to become investment ready. Support can range from basic registration, to training in pitching and financial reporting. Positive outcomes from such support can be used to build the case for GLI at a macro level and raising capital at a micro level. Project Sage, an initiative by the Wharton Social Impact Initiative that maps private equity, venture capital and private debt funds with a gender lens, reports that most funds highlight the need for investees to receive more technical assistance. However, there is often a lack of resources to enable this. Several funds have raised philanthropic capital to fully or partially subsidize technical assistance on gender-related outcomes for their investees.⁶⁹ Such sources of capital can also be leveraged by gender lens investors to provide technical assistance to women-focused enterprises.

⁶⁶ 'Turning Impact Intention into Impact Evidence: How to Put the GIIN's IRIS+ Metrics into Action', Next Billion, July 2019

⁶⁷ Minimum set of Gender Indicators, United Nations

⁶⁸ Gender Data Portal

⁶⁹ 'Project Sage 3.0: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens', Wharton Social Impact Initiative, Catalyst at Large, July 2020

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In addition to providing \$1.2million in credit, Root Capital created a Gender Equity Grants Program for its investee, Shalem Investment - a grain aggregator that purchases and processes beans, soya, millet, and sorghum from 7,000 producers, most of whom are women. The Gender Equity Grant focuses on enhancing women's participation, skills and leadership, and enabled Shalem Investments to examine barriers for women, and as a result, offer crop insurance and training on sustainable agricultural practices to contracted farmers. This in turn enabled women farmers to grow new-drought tolerant crops with better yields.

Source: 'Shalem Investments: Overcoming Barriers for Women Farmers in Kenya', Root Capital

(ii) Tailor capital allocation methods for women-focused enterprises

The situation

The limited pool of capital available with impact investors, especially for GLI, affects the amount of capital available to women-focused enterprises. Given this, and the challenges faced by investors in sourcing women-focused enterprises, GLI is often interpreted as investing in women entrepreneurship⁷⁰, which results in a large portion of GLI capital being deployed to women-led/ owned businesses. Further, many women-focused enterprises indicate that the financing solutions available to them do not cater to their specific needs or that the attached terms prove to be unviable. This mismatch is often exacerbated by the businesses' lack of access to collateral and

revenue model, which makes it difficult for them to meet repayment terms. Moreover, women-focused enterprises often do not qualify for pure-play equity because their business models are not designed to provide the returns that equity investors seek. Also, employees, value-chain partners and/ or consumers of women-focused enterprises require financing support. There is thus an opportunity to adopt alternative financing structures that cater to the specific needs of individual businesses.

Recommendations

a. Allocate more capital towards investing in women-focused enterprises. Given the potential socio-economic impact that women-focused enterprises have and their overlaps with typical impact investing mandates, investors can allocate capital within existing funds for GLI into such enterprises. Investors can formalize their commitments by explicitly including a gender focus in their vision and mission statements, defining their gender lens investing priorities, and also aligning their investment thesis to target certain sectors and/ or types of businesses that have the potential for significant gender impact. For instance, the Impact Investment Exchange closed the USD 12 million Women's Livelihood Bond which provides capital to impact enterprises and MFIs, which in turn empowers underserved women by providing them access to micro credit and micro savings products.⁷¹ Further, investors can collaborate with capital providers and experts who can provide capacity building and other support to investors to target women-focused enterprises. For instance, Investing in Women, which promotes GLI in the impact investing space, offers incentives to adopt a gender lens through its provision of blended finance for investors who wish to invest with a gender lens.⁷²

⁷⁰ Gender Lens Investing Series: SEAF on Busting Misconceptions with a Proven Investment Strategy', AVPN, June 2020

⁷¹ 'How to invest with a gender lens', Investing in Women, Australian Aid, Value for Women

⁷² Ibid.

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b. Explore financing structures more suited to women-focused enterprises. Increased capital allocation through structuring such as development impact/ outcome bonds, guarantee funds and soft loans can be explored to meet the needs of women-focused enterprises. For instance, gender bonds bridge the gap between the capital needs of businesses and investor's desire for economic returns. Keeping in mind the business models and market needs of women-focused enterprises, targeted financing products that provide patient capital aligned to enterprise growth rates and pay back periods can be structured. For instance, the interviewed enterprise that sources bamboo handicrafts from rural women suppliers may require working capital to make upfront payments and hence an instrument offering low-cost working capital loan such as revolving credit may be useful. The enterprise offering clean cook stoves may find inventory financing more relevant given its unsold inventory which can act as collateral.

In 2020, IFC invested USD 200 million in gender and green bonds issued by an Indonesian bank, OCBC NISP.⁷³ IFC has previously also invested USD 75 million in a gender bond issued by a Turkish bank, Garanti.⁷⁴ While funds from the bond were earmarked for women-owned small enterprises, similar issues for businesses that focus on meeting certain gender integration criteria could be explored. Further, innovative financing mechanisms that leverage support from philanthropic and social organizations could be tapped into. For instance, the Bill and Melinda Gates foundation issued a loan guarantee to a school in Houston, allowing the school to raise USD 67 million at low interest rates and saving it close to USD 10 million in interest payments.⁷⁵ Globally, there also exist investment options that focus exclusively on impact creation on women. For instance, the US Trusts Women and Girls Equality Strategy is a proprietary

quantitative strategy that allows investors to invest with a gender lens across traditional asset classes like US equity and taxable corporate fixed income.⁷⁶ The Morgan Stanley parity portfolio allows its clients to invest in companies that fulfil certain criteria such as pay equity, and a minimum number of women on their boards. Investments into such vehicles, can directly contribute to positive gender outcomes.⁷⁷

ICCO Cooperation, a Dutch NGO is the sponsor investor for Capital 4 Development Asia fund, and provides de-risking features such as a USD 10 million first loss facility and a preferred return rate for other investors in the fund. The fund invests in innovative growth stage SMEs in India, Indonesia and Philippines and has earmarked 30% of their capital for women-owned/ led SMEs.

Source: 'Gender Lens Investing Landscape: East and Southeast Asia', Sasakawa Peace Foundation, Catalyst at Large, July 2020



⁷³ 'IFC invests \$200m in a gender bond to empower women-owned SMEs', Smart Energy International, March 2020

⁷⁴ 'World's First Private Sector Gender Bond Finances Women-Owned SMEs in Emerging Markets', SME Finance Forum, Apr 2019

⁷⁵ 'A New Approach to Funding Social Enterprises', Bugg-Levine A., Kogut B., and Kulatilaka N., Jan-Feb 2012

⁷⁶ 'Women and Girls Equality: A clear focus for social investing', Bank of America, U.S. Trust, 2013

⁷⁷ 'Investing to advance women: A guide for individual and institutional investors', US SIF Foundation

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c. Explore consumer and personal financing options to be channeled through women-focused enterprises. Debt providers can also explore the possibility of financing not only the businesses, but also the women that they employ/ serve. MFIs can partner with enterprises providing access to critical products and services for women. MFI partnerships will not only improve uptake of the enterprise's products by offering flexible financing options, but also undertake product distribution given their reach across the most remote and rural regions in developing countries. Other debt providers may offer low-cost revolving credit for enterprises employing women, to fulfil capital needs of employees when it arises. Additionally, commercial banks may partner with women-focused enterprises to provide working capital to women suppliers through reverse factoring; wherein the women supplier can get the outstanding value of their invoice paid early, while the enterprise can delay the actual payment of the invoice (which will now be paid to the bank), thus increasing cash flow.⁷⁸ Since most women suppliers of

these enterprises are very small businesses, it is challenging for them to get individual loans from banks and such partnerships forged by the enterprises fulfill their working capital needs.

Arc Finance in Nepal identifies and partners with innovative clean energy and water access enterprises to promote end user finance. The Renewable Energy Microfinance and Microenterprise Program (REMMP), in collaboration with USAID, is focused on financing for sustainable energy including microfinance, remittances, asset finance, crowd-funding and pay as you go mechanisms. The end goal of REMMP is to increase consumer financing among low income populations to gain access to clean energy services so as to improve livelihoods and quality of life, while mitigating climate change risks.

Source: Arc Finance Projects



⁷⁸ 'Concept Paper on Trade Receivables and Credit Exchange for Financing of Micro, Small and Medium Enterprises', RBI website

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4.2 Recommendations for ecosystem intermediaries

(i) Build capacity to support women-focused enterprises

The situation

Lack of tailored support and incentives for women-focused enterprises constrains their ability to scale and also creates the perception of a limited pool of investees for financial institutions. There are several challenges associated with integrating women, and businesses have to deal with patriarchal norms as well as barriers to reaching women. Moreover, lack of financing and business support act as barriers for women-focused enterprises to scale and enhance their impact. By providing enabling mechanisms, supportive structures and incentives, there is an opportunity to enable such businesses to create greater impact. Further, the presence of a supportive environment will also enable the creation of more businesses that focus on women.

Recommendations

a. Strengthen the business case for investing in women-focused enterprises by showcasing impact and bridging the information gap. Ecosystem stakeholders such as researchers, business support providers, and M&E professionals can help build a business case for investing in women-focused enterprises by highlighting their impact on such enterprises and disseminating lessons from women-focused incubator & accelerator programs, outcomes from investment in enterprises integrating women, and the potential of creating impact at scale that such enterprises hold. Publishing such outcomes as case studies will also help to build a business case for GLI.

For instance, Investing in Women, in partnership with Ernst & Young, has published case studies on the GLI strategies of firms like Patamar Capital and SEAF.⁷⁹ Data-backed research providing insights into the performance and potential of such enterprises is crucial and will help stakeholders gain confidence to invest into the space. Development agencies, consulting firms, etc. often provide insight into the potential of women-led businesses. However, there is limited availability of such data for women-focused enterprises that are not necessarily founded or led by women. Additionally, it is often challenging for investors to understand the benefit from investments with a focus on girls and women.⁸⁰ Seeing success stories of investments by peers will help build the business case for investors to invest in women-focused enterprises and improve capital deployment into such businesses. It will also allow businesses to understand investor expectations in terms of data and information required for due diligence, targets for revenue and impact growth during the investment period, and returns to exit the investment.



⁷⁹ Case Studies, Investing in Women, Australian Aid

⁸⁰ 'The state of the field of gender lens investing', Criterion Institute, October 2015

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b. Establish targeted incubator and accelerator programs for women-focused enterprises. Incubators and accelerators can provide the support necessary for women-focused enterprises to grow from inception to scale, amplify their gender impact through gender-aware mentorship that encourages enterprises to incorporate gender in all their business aspects, and become investment ready. For instance, Spring Accelerator provides nine months of technical expertise, investment readiness support and mentorship to businesses that are committed to fulfilling the specific needs of adolescent girls through innovative products and services.⁸¹ Such programs will acquaint enterprises with the type of data and information that investors track during due diligence. This will, in turn, help eliminate the data mismatch and lead to smoother enterprise evaluations subsequently. In addition, operations and impact related data from such enterprises can help establish best practices for the ecosystem.

Frontier Incubators developed the Gender Lens Incubation and Acceleration toolkit, along with Sasakawa Peace Foundation's Asia Women Impact Fund. It guides incubators and accelerators on how their processes and activities impact men and women. The toolkit helps incubators and accelerators become more gender inclusive, by identifying and integrating gender within their own structure and process, in program design and across their engagements with the entrepreneurial ecosystem.

Source: Gender Lens Incubation and Acceleration Toolkit

c. Support enterprises to institutionalize the monitoring of sex-disaggregated data and impact. To adequately showcase their impact, enterprises require training and support to develop mechanisms that enable periodic monitoring and reporting of impact data, particularly gender impact metrics. Collecting this data will allow enterprises to measure outcomes for men and women on various social and economic dimensions and help in identifying areas where gender impact can be further increased. Regularly monitoring sex-disaggregated data will also enable enterprises to quantify and showcase their impact on women. This will aid them to approach gender-focused impact investors for financing, as well as other support providers for mentorship, market linkages and networks which can help amplify their impact. Indeed, investors themselves can benefit from such sex-disaggregated data.

The Reserve Bank of India in 2000 instructed all public sector banks in India to track and maintain sex-disaggregated data of their total lending portfolio. This led to innovative reforms and mechanisms to measure women's share of credit and savings, and helped in reversing negative perceptions and social attitudes about women as clients in the financial market. The total credit to women increased from INR 10.6 million in 2009 to INR 17.4 million in 2013, and all 26 public sector banks experienced an increase in the share of credit to women as a percentage of the net bank credit from 2.4% in 2001 to 7.57% in 2013.

Source: 'Women's Financial Inclusion Case study: Using Sex-Disaggregated Data to Promote Women's Financial Inclusion in India', The Commonwealth, 2015

⁸¹ 'The Accelerator: Overview', Spring Accelerator

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(ii) Enable gender-mainstreaming in all businesses

The situation

While women-focused enterprises are able to create a positive impact on women, most other enterprises follow a gender-blind approach that disadvantages women. Tools and frameworks typically used to ideate, structure and enhance business processes, such as business modelling and value proposition canvases, do not integrate gender-related aspects. Various studies also indicate that products and services are largely designed and tested with the average male customer in mind. For instance, standard tools and PPE are often made taking into account the size of an average man. Further, patriarchal norms and systemic social factors force women to opt for lower paying, more vulnerable jobs. Workplace policies, availability of flexible working arrangements, maternity benefits, childcare support and workplace safety are critical influencers for women at work and can have a positive impact on increasing the economic participation of women.

There is an opportunity to create tools that enable businesses to recognize the specific needs of women as workforce participants and consumers. Designing processes that take into account women's specific requirements will help create products and services that better meet their consumption needs. Policies that make the workplace equitable for women will not only improve women's workforce participation and as a result income generation, but also lead to positive benefits for their family as well as

the global economy. This presents an opportunity for incubators and accelerators to support other businesses in adopting a gender lens and integrating more women across various aspects of the business value-chain – as employees, suppliers, distributors and even customers.

Recommendations

a. Encourage product and service design processes that recognize women's specific needs, rather than just 'pink-washing' offerings. There is often a gap between factors that influence a woman's buying decision and the aspects that are considered by companies for product development. Most products that claim to be targeted at women merely contain minimal and surface-level customizations, rather than truly incorporating elements that cater to the need of women customers. It is imperative for product and service design processes to take into account the unique needs of women to be able to create a gender-inclusive product/ service. Businesses should question male-centric design features during product development and consider the needs of other users to undertake relevant customizations. For instance, Goldieblox provides construction toys and books that appeal to girl's verbal skills and interest in storytelling, to develop early interest in engineering and problem solving as a way of addressing the gender gap in STEM-related fields.⁸² Koss, a company that specializes in speakers, headphones and earphones, took women's unique needs into consideration and designed earbuds made for the size of women's ears.⁸³ It is also important for enterprises to be encouraged to maintain a gender diverse product development team, since male-dominated teams will often lead to male-focused or at most gender-blind products.

⁸² 'The top 10 innovations that made women's lives better in 2016', Fast Company, Dec 2016

⁸³ '4 Ways to Successfully Market Tech to Women', Inc.

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b. Emphasize the need to collect feedback from customers on their product/ service usage experience, improvement needed, and how product impact may be widened.

Highlighting the need for enterprises to connect with women customers on the ground, to collect their feedback and understand market insights, will enable enterprises to continuously upgrade and/ or diversify their offerings and cater to the changing needs of their women customers. This will, in turn, enable better impact creation on the end users. Additionally, dedicated customer interaction teams on ground can enable businesses to undertake outreach in a targeted manner and develop a strong network of potential community-based partners, who can aid business operations and help reach customer groups.

c. Enable enterprises to adopt effective and innovative distribution networks.

Ecosystem actors can enable businesses to build distribution networks that will enable them to reach the women customers. Even businesses that create highly women-specific products, such as those related to menstrual hygiene and maternal care may lack the right distribution channels to be accessible to a wider customer base. Given the mobility restrictions on women in most rural areas across developing countries, women are often unable to access even the local store to buy necessities such as sanitary napkins. Further, enterprises that offer maternity and menstrual hygiene products may have to deal with cultural norms that still consider these as taboo subjects. In order to overcome these barriers, businesses may need to adopt differentiated distribution models, such as door-to-door selling, or engaging more women distributors so women customers may be more open to discussing problem areas and

buying from them. Ecosystem participants, such as accelerators, incubators and mentors need to guide businesses to examine such distribution models and adopt those that are most effective for them. Moreover, highlighting these specific concerns during business modelling will enable businesses to develop innovative solutions that increase the adoption of products and services, such as training women customers so they can appreciate the use and value of products, and so that enterprises can build relationships with their clients, on-board new ones and collect feedback.

d. Encourage flexibility and support for women at the workplace to make employment more viable for women.

Suitable employment strategies result in significant pay-offs for women, including improved living standards, social cohesion and personal agency. However, it is important for enterprises to offer relevant support for women to be able to realize the benefits of being employed. Despite being employed, most women still have the primary responsibility of household and care work. Gender-blind workplaces often make it difficult for women to juggle work and home. Creating awareness around these issues, as well as highlighting the pay-off of a diverse workforce will encourage enterprises to institute policies which create an equitable environment for both men and women employees. For instance, flexible working hours and work from home policies can help women manage household work with personal responsibilities, making them more amenable to participating in full-time positions. Support facilities such as maternity leaves also provide women with the necessary time to undertake care work, while childcare facilities allow women to continue working without having to quit due to increased responsibilities at home.

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For instance, Salesforce has been ranked in the 'best places to work for women' list for both 2019 and 2020, for its women-centric policies. In addition to parental leave, it has a gradual return-to-work policy and provides membership to breast milk shipping services and 10 days of back-up childcare.⁸⁴

Ecosystem actors can link smaller businesses to providers of crèche facilities in the vicinity at a low-cost. Further, they can create awareness around the importance of creating a safe and friendly work environment for employees, especially women as a way of making the workplace gender inclusive. Instituting sexual harassment policies is compulsory in several countries such as the United States, India and Japan, and regulations often lay down detailed guidelines on the process for dealing with complaints. However, policies that focus not just on dealing with complaints but also include gender-sensitive measures such as creating awareness around the issues of gender and including women members on internal committees can ensure a truly secure environment for women. Ecosystem actors can help businesses access experts who can guide them on designing effective policies on such issues.

e. Incorporate gender awareness in policy making to ensure that policies are fair.

Recruitment policies that are not just gender-neutral but gender-sensitive, allow enterprises to create workplaces that are fair. Moreover, creating policies that support equal pay for equal work, designing fair KPIs for growth, offering skill development and training opportunities for women employees, are ways of improving gender integration across levels. Ecosystem actors can create awareness on how certain hiring practices such as asking women applicants the extent of evening work hours, marital

status or childcare arrangements, are discriminatory. Further, they can aid businesses in designing pay policies and KPIs that are equitable and fair.

4.3 Recommendations for other stakeholders

(i) Design interventions that enable businesses to integrate gender

The situation

Many businesses report the need to deal with patriarchal norms while integrating women, both as employees and customers. While women-focused enterprises are able to create a positive impact on women, there is a need to address their specific challenges to deepen the impact. It is imperative to create awareness around the benefits working women may bring to their families, as well as the community as a whole. Interventions which create such awareness and address patriarchal and cultural norms will enable more businesses to integrate women. There is also an opportunity to provide capacity building and trainings to women in order to empower them, build knowledge around their personal rights and inculcate the ability to exercise personal agency.

Recommendations

a. Advocate for regulatory measures and policies that incentivize businesses to integrate women. Women-focused enterprises spend significant time and resources onboarding and training women employees and partners for their business.

⁸⁴ 5 Reasons Why Salesforce is a Great Place for Women to Work', Salesforce Blog, May 2017

4 RECOMMENDATIONS

Government-backed schemes and/ or private sector programs which incentivize enterprises for prioritizing gender integration can help ease enterprises' burden, improve women's roles within businesses and promote social and economic empowerment. For instance, the Indian government has been considering offering tax incentives to businesses that employ women above a certain threshold to incentivize employing more women.⁸⁵ Governments can offer grants to businesses employing women, or institute capital schemes under which women-focused enterprises are eligible to receive low-cost capital and can avail flexible repayment options. Other options such as wage subsidies, direct payments to enterprises hiring predominantly women workers, tax credits incentivizing the provision of childcare, parental leave and training can also be used to support gender goals of businesses. For instance, the Jordan New Opportunities for Women (Jordan NOW) program gave women job vouchers, which pays up to 6 months of the minimum wage for a woman, if she is hired by an enterprise. The vouchers allowed companies to recognize the woman's capabilities for the job before actually hiring them while offsetting any perceived costs of engaging with women applicants.⁸⁶ Such interventions will encourage enterprises to invest towards building capacities of women employees as well as develop customized offerings for women consumers. Additionally, such incentives allow enterprises to invest towards creating a work culture and policies that help retain women employees and partners.

In 2014, Japan launched a program that provides financial rewards to companies that encourage women to attain leadership positions. However, there was limited uptake of the program and experts estimated that lack of affordable childcare as well as companies' failure to provide mentorship and training were significant challenges.

In 2013, the Malaysian government started offering tax incentives to encourage businesses to train women that had re-joined the workforce after a career break. The incentive was available to companies when they hired a woman who had been out of the workforce for at least two years, in a managerial role, and provided her with a career development program designed by a government partner, Talent-Corp. The government partner also created a database of women professionals that wanted to return to work and connected them to potential employers. Companies could avail a double tax deduction, up to USD 8965, on costs incurred for training these women within a year of their hiring. Companies had to additionally demonstrate that they had a culture supportive of diversity.

Source: 'Women at Work: How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?'; World Bank Group, July 2019

b. Support certification of enterprises that have played a role in promoting gender balance and empowerment. Several certifications recognize enterprises that are creating substantial positive impact on women through their business – either by providing them employment, procuring from very small women-owned businesses or helping them access product/ services to improve their quality of life. For instance, UNDP launched the Gender Equality Seal Programme to promote gender equality and empower women. The program lays down criteria around eliminating gender pay gap, increased participation of women in decision-making, work-life balance, access to non-traditional jobs, and integration in value chains. The program has already certified more than 600 companies across sectors, impacting over 1.5 million male and female workers.⁸⁷

⁸⁵ 'Government at work to give women a bigger role', Economic Times, June 2019

⁸⁶ 'Incentivizing equality: Investment-led development as a win-win for all', World Bank, March 2017 Link

⁸⁷ 'Gender Equality Seal for Public and Private Organizations, UNDP

4 RECOMMENDATIONS

Similarly, the EDGE Certified Foundation Geneva works to improve gender balance in within the hiring programs of companies by undertaking detailed surveys and audits of the organizational policies and culture.⁸⁸ Such certifications will enable enterprises to highlight their impact and attract funding in line with their impact goals. Moreover, recognizing such impact encourages other enterprises to adopt women-centric policies and measures.

c. Address patriarchal norms by engaging male family members to drive women's social and economic empowerment.

Addressing patriarchal and social norms is one of the biggest challenges faced by women-focused enterprises; one which prevents them from leveraging the full potential of women as employees and/ or parts of the value-chain, and also limits the agency that women may derive as a result of it. Many businesses engage with the women's families while employing/ partnering with them so that the families are supportive of their work and understand the benefits of using women-focused products and services. Local community-based/ religious organizations and NGOs that work with large populations of women can forge partnerships with such Women-focused enterprises to create a narrative around increasing women's role as employees, partners and customers in businesses. The enterprises can provide information on internal policies and activities, while the NGO will be able to leverage its experience in conducting targeted awareness generation campaigns to sensitize male family members of the impact of women being employed or using certain products/ services. These organizations can further select supportive male members and develop them as champions/ key opinion leaders, as people are more amenable to listening to someone from within their community. Sensitizing male family members will also get them more involved in household

responsibilities to support the economic participation of women. Further, it will enable men to understand women's differentiated product needs at various life stages, adverse health and other effects of using stop-gap products, and thus support relevant decision-making in the household.

d. Offer life skills and literacy trainings to women across their value chain.

With the limited availability of a skilled female workforce, sector-specific trainings for unskilled and semi-skilled women can help increase the number of women that can be employed or integrated in to the value chain by businesses. Women employees may also require support outside the workplace. Despite contributing to household income, women often lack financial independence owing to lack of training in financial management. Digital and financial literacy trainings will allow women to manage their incomes on their own, take household and personal decisions independently, and experience true economic empowerment. For instance, Unilever has, since 2016, worked with International Finance Corporation, IDH (the Sustainable Trade Initiative) and the Kenya Tea Development Agency (KTDA) to deliver financial literacy training to tea smallholders in Kenya. They aim to reach 128,000 farmers – of which half are women.⁸⁹ Enterprises may tie-up with local start-ups or NGOs to make women aware of their social and workplace rights through periodic workshops and group session, while also providing them a safe space to manage any emotional and social issues. Additionally, a provision for life skills trainings will allow women to become more confident to work outside home. Enabling women to become more financially independent and confident creates role models for other women, which can help increase the pool of employable women. Further, enhancing the agency of women challenges patriarchal attitudes and norms, which are significant hurdles to gender integration.

⁸⁸ 'The Gender Equality Certification That Is Proposing Economic Benefits For Companies In India', Forbes, Sep 2015

⁸⁹ 'Opportunities for women: Enhancing women's access to training & skills', Unilever, 2017

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ECOM Agroindustrial Corp, one of the world's top coffee traders realized that to meet growing demand it needed to partner more closely with suppliers. The company found that knowledge gaps between men and women coffee farmers was a key barrier to growth, since women are often unable to access training in coffee cultivation, processing or marketing. Partnering with ECOM, IFC created gender specific trainings to increase productivity. For groups where both men and women were trained, productivity increased by 131% compared to 95% for men only groups.

Source: 'Investing in Women: New evidence for the business case', IFC, Oct 2017

e. Provide mentorship necessary for women employees to enhance their skills and grow their confidence. Several women employees indicate that they draw inspiration from their female bosses or women founders of their businesses. Enterprises led primarily by men need to create such

female role models at leadership positions, who are approachable and can mentor women looking to excel in the work, thereby increasing gender integration across all levels of the organization. Enterprises can also institute a formal mentorship program, which assigns women employees with mentors to provide guidance on their work life. A study by Micro-Mentor indicated that small businesses with mentorship programs report an 83% growth in revenue, while those without such programs saw only 16% increase.⁹⁰ A 2019 report by LinkedIn estimated that employees who spend more than 5 hours a week in learning and mentorship programs tend to feel a greater sense of purpose and are less stressed.⁹¹ Further, businesses can establish training programs focused on women which could include job-related and other soft skills trainings through female trainers, workshops with women employees to understand their need areas while promoting workplace engagement, leadership development programs for women in mid-management positions, among others.



⁹⁰ 'Mentorship Programs for Women: Advancing Your Employees and Your Business', MasterCard Biz, Dec 2019

⁹¹ '2019 Workplace Learning Report: Why 2019 is the breakout year for the talent developer', LinkedIn

A woman is shown from the waist up, standing on a staircase. She is carrying a large white bucket balanced on her head. She is wearing a patterned headscarf and a light-colored t-shirt with a graphic. She is holding a smartphone in her right hand and looking down at it. The background shows the railing and steps of the staircase.

5

GENDER LENS INVESTING TOOLKIT

5 GENDER LENS INVESTING TOOLKIT

There exists a glaring gap in the participation of women in formal economic activities. According to the International Labor Organization, the labor force participation for women is close to 49%, while it is 75% for men.⁹² Even when women work, they tend to be employed in low-quality, vulnerable jobs with little improvement forecast for the future. The World Development report states that a large majority of women across Asia and Sub-Saharan Africa are not part of household decisions, even when it involves spending their own earned income.⁹³ There has been, however, a global focus on closing the gender gaps and achieving SDG 5. Prominent interventions have been those aimed at more women entrepreneurs at various stages of business being able to access capital for their business needs. According to The Wharton Social Impact Initiative, the number of funds investing with a gender lens has grown from 87 to 138, with capital commitments more than doubling from USD 2.2 billion to USD 4.8 billion between 2019 and 2020.⁹⁴ One of the most notable programs is the 2X Challenge, which has surpassed its fundraising targets and catalyzed more than USD 4.5 billion funding to women-owned/ led businesses and funds, as well as women-focused enterprises.⁹⁵ The fund's various initiatives have impacted thousands of women so far in emerging countries.

The most common strategy adopted by gender lens investors has been investing in women-owned and women-led businesses. The report 'Project SAGE 3.0' by Catalyst at Large lists 138 funds investing with a gender lens. An analysis of the report suggests that out of the total 138 GLI funds that exist globally, close to 23% funds invest solely in women-owned/ led businesses, and women in investment roles, while another 57% of the funds consider women entrepreneurship as one of the primary gender lens investing strategies; only 20% of the funds are focused on women in employment, value chain and as customers.⁹⁶

A focus on women's entrepreneurship is critical towards closing the gender financing gap, as well as economically empowering them and creating resilience among women, which affects the social and political spheres of their lives. However, in order to meet SDG 5 and achieve gender equity and empowerment for all women and girls, attention has to be given to their integration across business value chains, not only as owners/ leaders, but also as employees, suppliers and distributors, as well as the access to critical products and services that improve their quality and standards of life. This can be achieved by supporting women-focused enterprises that may be female or male founded, but result in significant impact on gender relations.

Women-focused enterprises face unique challenges in accessing capital given their employee and customer demographics. Consequently, the investing ecosystem needs to tailor its processes to them. There already exist some programs that focus on women-focused enterprises in addition to women entrepreneurs. The Spring Accelerator, for instance, supports businesses seeking to innovate and make a significant positive impact on the lives of adolescent girls across East Africa and South Asia. It uses an investor toolkit⁹⁷ which outlines the challenges faced by girls and women, along with the opportunities for investing in businesses that solve some of those challenges. The toolkit guides investors on driving gender impact in their existing portfolio, along with identifying more businesses that impact women. The accelerator has supported over 75 businesses in 9 countries across South Asia and East Africa in 17 sectors over the course of the past 5 years. Frameworks for investors and capital suppliers have been developed to identify, evaluate and invest in women-focused enterprises.

⁹² 'The gender gap in employment: What's holding women back?', International Labour Organization, Mar 2018

⁹³ 'Economic inequality by gender', Our World in Data, Nov 2019

⁹⁴ 'Project SAGE 3.0: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens', Catalyst at Large, Wharton Social Impact Initiative

⁹⁵ 2X Women's Initiative, DFC, US International Development Finance Corporation

⁹⁶ 'Project SAGE 3.0: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens', Catalyst at Large, Wharton Social Impact Initiative

⁹⁷ 'Investor toolkit with a focus on girls and young women', SPRING Accelerator, 2018

5 GENDER LENS INVESTING TOOLKIT

The 2X Challenge⁹⁸, which is a consortium of the G7 and other DFIs working to mobilize capital towards women empowerment, prioritizes investing in women and aims to close the gender employment and credit gap and also provide access to critical products for women. It helps DFIs review their existing evaluation criteria and promote uptake of a gender inclusive approach. The criteria for 2X Challenge include 5 parts under which key gender metrics are evaluated: (i) Entrepreneurship – whether the founding team comprises women, or if women have a majority ownership; (ii) Leadership – a minimum share of women on the executive board or within senior leadership; (iii) Employment – at least 30% women in employment or any qualitative indicator for gender integration; (iv) Consumption – if the product/service specifically benefits women and girls; (v) Investments through financial intermediaries. The criteria constitute a framework to help DFIs understand gender smart investing and adopt the practice both pre- and post-investment. The tool thus aims to direct capital to advance women's economic empowerment and gender equality. It is important to note the specific inclusions of 'Employment' and 'Consumption' metrics above, which are specifically applicable to women-focused enterprises.

The Navigating Impact Project⁹⁹, led by the Global Impact Investing Network, identifies key metrics and best practices for different investment themes. The evaluation metrics are based on specific impact/ outcome themes such as gender equality in agriculture, improving products and services to respond to gender inequities, financial inclusion, women's empowerment with clean cooking solutions, gender pay gap, among others, and are aligned with the IRIS+ standards. Each impact theme includes a series of strategic goals which may be common for investors and enterprises, such as improved

access to training and information, improved profitability, etc. Each goal further includes an evidence map to help identify the best approach to achieving impact, a set of metrics to indicate progress towards the goal, and resources/ best practices to help measure and report impact effectively. The tool aims to build on the expertise of investors, researchers and market builders looking to invest in impact creation. Sasakawa Peace Foundation, Asia Women Impact Fund and Frontier Incubators created a Gender Lens Incubation and Acceleration (GLIA) Toolkit¹⁰⁰ to support ecosystem intermediaries become gender inclusive. It helps incubator and accelerator programs to better integrate gender across 3 parts of the ecosystem: (i) Within their own organization – gender inclusion and diversity in the organization culture, structure and operations; (ii) Program design – so that they benefit and generate value for all genders without discriminating against founders of any gender; and (iii) Engage with the broader entrepreneurial ecosystem – by playing a more active role in supporting and advocating for all genders and managing investor-entrepreneur relationships.

5.1 Toolkit for investing in and supporting women-focused enterprises

Building on the existing guidance documents, a framework of questions that helps financial institutions and ecosystem intermediaries include gender considerations in their processes is outlined below. This toolkit aims to guide financial institutions and incubator/ accelerator programs on factors that will improve their level of awareness about GLI beyond women entrepreneurship/ leadership, integrate gender-sensitive parameters in their evaluation frameworks, and reorient operational aspects to ultimately channel both financial and non-financial support with a gender lens.

⁹⁸ 2X Challenge

⁹⁹ 'The Navigating Impact Project, GIIN

¹⁰⁰ 'Gender Lens Incubation and Acceleration Toolkit

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Table 5: Suggested framework of the Gender Lens Investing toolkit



GLI Awareness & Intent Related

- What existing data and resources have you accessed to understand the landscape of women's employment in your geographies of operation?
- What existing data and resources have you accessed to understand the impact of women's employment on their economic and social empowerment?
- What existing data and resources have you accessed to understand that gaps in women's access to critical products and services in your geography of operation?
- What existing data and resources have you accessed to understand the impact of women's access to products on their economic and social empowerment?
- Do you have a stated goal to target businesses that positively impact women?
- Do you currently seek sex-disaggregated data about the employees and/or customers of the companies you invest in?
- Does your communications process convey to potential investees the intent to track such data?
- Have you earmarked capital specifically to be invested in such women-focused enterprises?
- What partnerships do you have in place that enables pipeline creation to support this goal?
- Have you conducted a gender audit of your company?
- Do you provide gender sensitization training to your sourcing and investment teams?
- Do your publications have a gender lens and convey the gender impact of your investments?
- What peer learning initiatives have you participated in that inform your understanding of gender lens investing?



Risk Related

- Do you use specific metrics to create the risk profile of women-focused enterprises?
- Have you considered any interventions that can reduce the risk associated with investing in women-focused enterprises?
- Does the capital used to target women-focused enterprises need to be drawn from specific sources?
- What sources of capital can be used to target women-focused enterprises?
- Have you explored sources of capital that have a mandate to target women-focused enterprises?



Operations Related

- Is your sourcing strategy informed by any market research to identify sectors/geographies of women's employment and/or their product/service needs?
 - Do you provide guidance to investee companies to mainstream gender?
 - Do you earmark a portion of the investment amount to be spent exclusively on improving the gender-sensitivity of the investee?
 - Do you have any women involved in the design and development of various financial products & services?
 - Do you provide flexibility in the product offering - such as ticket sizes, loan tenures, documentation requirements and interest rates?
 - Do you have any customized offerings to provide financing for women employees/ customers of investee companies? Do you think they are needed?
 - What is the percentage of women in your investment committee, mentor pool and TA providers? Do you mandate partners to maintain a certain percentage?
- How many women are there in your sales / lead-originating / sourcing teams?
- Do you have any gender-related targets for your sales / lead-originating / sourcing teams?
- Is your staff trained on gender biases and gender mainstreaming to enable them to develop offerings with a gender lens?
- Does your due diligence process include a review, with a gender-lens, of policies and processes of the investee company?
- Do you mandate a gender audit of your investee company?
- Do you interact with women employees/customers of your investee companies over the investment period?



Value-Added Services Related

- Do you provide technical assistance to investee companies to make them more gender-sensitive?
- Have you conducted market research to identify needs for non-financial support for women-focused enterprises?
- What partnerships have you explored to provide such support?
- How can you help your investee companies engage more with women as employees and/or customers?



Post-Disbursal Related

- Do you have any gender-related benchmarks that you mandate your investee companies to reach over the investment period?
- Have you included metrics that track socio-economic indicators of women employees/customers of your investee companies over the investment period?
- Do you measure change in the level of gender integration within the investee company as a result of capital deployment?
- Does your M&E process capture voice-of-employee or voice-of-customer of your investee companies?



IDRC

PO Box 62084 00200,
Nairobi, Kenya

Phone: (+254) 709-074000



INTELLECAP ADVISORY SERVICES PRIVATE LIMITED

Tetezi Towers, Ground Floor, Off George Padmore- Marcus Garvey Road
Junction, Kilimani Nairobi, Kenya

www.intellecap.com

