



# The Business Case for Gender Integration

Insights from the IAP Challenge Fund



**There is increasing recognition from commercial buyers and suppliers that gender equality and social inclusion (GESI) are key contributors to value chain sustainability. Gender integration in a social enterprise's business model contributes to gender equality while amplifying business outcomes for the company. Inclusive businesses play a critical role in supporting access, agency and voice through economic empowerment of women in their businesses and supply chains and how gender equality can create opportunities and improvements for women, men and marginalised people.**

## Starting the journey

An in-going Gender Analysis helped businesses trace biases reflected in the organisation and operations, while also identifying gender mainstreaming potential. This company analysis brought out internal and external gender constraints along specific value chain nodes, and provided businesses with a diagnostic of strengths and weaknesses against which to focus planning, investment and prioritisation. By means of capacity building and coaching, companies carried out strategic changes: some revised their HR manuals, internal procedures, and policies; others made marketing or supply chain strategies more inclusive. Businesses saw the potential for commercial gains – including increased business productivity and competitiveness – through equitable engagement of women and men as innovators, employees, suppliers, distributors, and consumers. Together, the companies showcase multiple real-life experiences of gender constraints, the strategies introduced to manage them, and the gains made to date.

## Gender-aware distribution agents understand the needs of consumers

Low value transactions, poor infrastructure, dispersed consumers or low product awareness often make low-income markets hard (and expensive) to reach. The use of last mile distributors – effectively salespeople who target these hard-to-reach communities — to make direct sales to customers is an important part of many business models. Businesses who take a gender lens to recruiting, training, and managing these distributors tend to thrive, as their sales agents are from the community and can share valuable insights into customer needs.

Raising Gabdho Foundation (RGF) is a social enterprise that produces and supplies clean energy products, including cooking briquettes made with 100% Agri-waste, energy-saving cook-stoves, and woven cooking baskets. RGF operates in four major food markets in Kampala, Uganda and has a female-dominated consumer base. The technical support from IAP enhanced RGF's commitment to take a gender lens to their marketing strategy. Specifically, RGF reviewed the usability of the products on the part of the customers and considered different distribution and sales models to reach more consumers, including finding sales agents that saw the value in the products. They engaged male and female distributors differently and their use of a digital payment platform opened opportunities for increased access to credit.

Product usability was key in consumer retention. RGF mainly produces three types of briquettes i.e., stone briquettes, stick briquettes, and honeycombs. The honeycomb briquette is mostly consumed by commercial consumers, such as the predominantly-female smallholder poultry breeders and women who operate restaurants within the markets. Customers felt the honeycomb required bigger stoves, which made it more expensive for small-scale operations. With that feedback, RGF knew to procure a machine that could produce a smaller honeycomb briquette that is more affordable and easier to use.

RGF understood the importance of women vendors reaching women consumers. In the four food markets where RGF is present, they engage women as market vendors to resell their products and pays them on commission. With this approach, RGF taps into the vendors' existing customer base (predominantly women), but also uses it to gather consumer insights which would be a costly process for RGF otherwise. But this comes with its own challenge since these agents – who have few personal assets and little access to savings – have limited financial resources to meet the upfront cost to purchase startup stock.

At first the company piloted a solution to provide startup stock (briquettes, storage crates, and cookstoves) on credit, but this resulted in separate operations challenge around following up these small credit amounts with a very large number of women. So the company partnered with a few women's groups within the markets to structure the credit better. Now the group, as a unit, plays the role of wholesale distributor and further supplies stock to its members who are resellers of the product. Not only has this solved the credit issue, it has also allowed expansion with more women joining the distribution chain to reach more customers.

RGF recognized that men around the market tended to work as transporters, delivery persons, and labourers for loading and offloading briquettes. Women did better at the direct sales as they were patient with customers and could wait until the end of the week to receive their sales commissions. RGF linked women agents with male motorcyclists who would deliver the sales made by the women. Understanding these dynamics has helped the company to know how to engage women and men in different activities in their value chain.

RGF digitised their production, sales and distribution through an integrated tracking system and now pays their distributors using mobile money. For RGF, it has increased traceability of the sales as it is interconnected with the company payment platforms. During their work with IAP, RGF registered an improvement in the order intake of stock from the resellers, and sales performance is growing steadily. The company consistently engages 1,030+ women vendors belonging to 36 women's groups as resellers. RGF makes about 50% of their sales through the vendors and can obtain regular feedback on their products from the final users through the vendors. Increased demand and user feedback pushed the company to purchase a carbonizer to increase their production capacity to 250 tonnes per month and to produce better quality briquettes. Finally, the company has received quality certification from the Uganda National Bureau of Standards (UNBS) for their briquette products, a process which requires consumer feedback on products.





## Address supply chain inefficiencies with gender-sensitive initiatives

Eastern Agricultural Development Company Ltd (EADC) is a Ugandan agricultural social enterprise whose core business is producing, processing, and trading iron-rich and fortified beans and orange flesh sweet potatoes sourced from over 3,000 small-holder farmers. The company collaborates with farmer cooperatives that source from farmer groups 70% and provides a market for aggregated produce.

The company depends on an out-grower model to ensure consistent supply and quality of products. Working through formal arrangements with cooperatives, the company benefits from operational advantages such as bulk sourcing of beans at pre-negotiated rates. One of the key challenges to any out-grower scheme is the side-selling to itinerant traders. During early assessments, EADC found this was primarily done by women to meet an immediate financial need. This is because women were doing the bulk of the bean production work, but receiving little or no returns from the formal sale of beans sold by their husbands. Consequently, the company was gradually registering a reduction in the quantities of bean bought back from farmers through the contracted bulking centres. Further, for farmers to qualify as company suppliers, they needed to have at least ½ an acre of land. Unfortunately, that eliminated many women who had no access to land due to cultural limitations and land fragmentation. This limited how EADC could address the challenge of side selling to secure the needed volume.

Trainings also posed a challenge. Due to social norms, married women in the rural Elgon region did not regularly participate in training activities because it had the potential to accelerate domestic violence if not handled well. They often missed agronomy trainings, yet were heavily involved in production processes — e.g., planting, weeding, harvesting and postharvest handling. Those that were trained still lacked the financial capacity to invest in the required techniques, thus reducing the overall effectiveness of the GAP (Good Agronomical Practices) and PHH (Post Harvest Handling) trainings EADC provided to out-growers. If the side selling was affecting the quantity of beans, the training issues were affecting the quality of beans - the ones who got trained (the men) were not the same ones that implemented (the women).

With some support from IAP, EADC introduced the cooperatives to the AgriProFocus Gender in Value Chains practical toolkit, as a tool they could use to promote better engagement of their male and female members at household level. This type of joint household training and planning helps households reach a more equitable sharing of responsibilities, decisions, and benefits. The approach teaches that gender inequity affects household economic performance and that conversely farming households can improve their economic performance and livelihoods through improved intra-household collaboration. The cooperative leadership are using the approach to promote collaboration at household level and highlight gains from farming as a family business.



The cooperatives are channels to changing gender roles. They are training women champions in specific districts to participate in aggregation and bulking. With continuous messaging and dissemination of information at community level, most cooperatives are involving women in key leadership roles, especially in managing bulking centres. The company is offering an attractive sales commission to women aggregators/agents and equips the collection centres with weighing scales, storage bags, and storage pallets.

EADC has also supported women to lobby members from within their cooperatives who own large idle pieces of land to rent those out to the women. EADC guarantees the purchase of the produce from these women, and with that they are able to pay the land rent dues. This helps interested women farmers become EADC out-growers in their own name, reduces the risk of side selling, and enables the women to become members of the supplying cooperatives. More women participating in the agronomy trainings has directly led to improved bean quality supply. Women no longer having to side-sell to get some money has increased the quantity of beans. This, combined with the greater attention to detail that the women in cooperative leadership roles, bean sorting, and bean packing all demonstrate, has seen EADC benefit tremendously from having a more gender-sensitive supply chain.

**“The 3 women’s groups in Namisindwa district that I [helped establish] have embraced bean production as a business. Majority of the women don’t own land but are able to rent land, produce and supply beans as a group. I was trained by EADC to engage in aggregation activities and now have a facility with basic equipment. I am in a position to buy beans from these women groups and supply to EADC at a good price. One of my daily activities is to mobilise these women, keep them engaged, encourage a savings culture, and use the platform to learn and improve their families.”**

**-Theresa N, one of the women champions in Namisindwa district.**

## **Deliberate gender equality and social inclusion (GESI) transforms company culture and policy**

TruLuv is a dynamic female-led agribusiness, established in Addis Ababa, Ethiopia, that produces all-natural healthy snacks. The foods are made with Ethiopia’s unique natural ingredients and flavours sustainably sourced from local smallholder farmers, and crafted by a group of dynamic Ethiopian women. Nutrition is a growing concern in urban Ethiopia, as the population is increasingly consuming processed foods, animal products, and other foods with high fat and oil concentration. The company’s ambition is to produce healthy granola snacks and make them available in the Ethiopian market.

Transitioning from a start-up to an established business required the company to formalise informal practices. The company prides itself on having a majority female workforce, and leadership is passionate about creating opportunities for women’s empowerment in their business. With exposure to key gender concepts and practices through IAP support, TruLuv realised good individual intentions cannot guarantee successful business growth. Codified policies and procedures were needed to guide the growth trajectory of their company.

The company invested heavily in a review of its human resource policies to both ensure equal opportunities and benefits to all employees, and to increase the likelihood of retaining skilled and experienced female staff. Medical insurance is not common for employees working in businesses the size of TruLuv in Ethiopia. For those that have it, the package is limited, mostly excluding essential issues like maternity. But TruLuv chose to enhance the medical coverage to cover maternity wellness for female employees and the families of those employed.





Further, the company put in place a 4-month paid maternity leave, followed by a flexible working hours to allow employees to gradually transition back into the work setting. The company also recognized that there is a risk that comes with having a lot of women employees of a reproductive age group; thus they put in place strategies to manage this risk in case many staff go on maternity leave at the same time. The company has put in place a nursery with a caretaker to motivate employees to come back to work after maternity leave. The nursery has also become a stress reliever for most of the other staff as during their break time they can play with their babies.

In parallel the company implemented a 30-day paid paternity leave, to allow male employees whose wives have had babies the space to support their families. The national labour laws provide for 3 paid paternity leave days. Although a female-dominated company, management was intentional about empowering men and making the conditions for work favourable to them too. This speaks to the depth of thinking TruLuv undertook when it reviewed its HR policies to make them fit their growth strategy. Other improvements also took place. The wording on sexual harassment and workplace harassment in general has been strengthened in the manual. Staff now have clarity on how to handle and report harassment issues. The company has not received such reports but feels better prepared to handle cases if they arise.

Finally, the company is investing and providing equal access to professional development programmes. Internal learning courses in English language and ICT are now available for staff.

Work schedule adjustments are made for employees going to night school so they can have a better work-life balance.

**“One of our staff (anonymous) joined the TruLuv as a cleaner and over the years has gradually transitioned to an expert granola maker. The company has played a role in giving her access to skills training (on the job) coupled with coaching to enable her master and transition through different roles. This growth also comes with salary enhancement and responsibility over other staff members. To date, she is one of the best granola makers within the company.”**

**- Blayne Tesfaye, CEO TruLuv**

TruLuv is operating in an environment where losing and replacing staff is much more costly than making the long-term investment to retain them. They understood what was needed to recruit and retain talent, increase sales revenue, and get better performance from staff and agents. Employee loyalty and engagement has increased due to employee satisfaction and the company has a high retention rate. The company is gradually realising their return on investing in skills development. A good degree of institutional memory is retained, and the company supports a continuous culture of innovation to improve the product — the granola bar and bites – as well as the company processes and procedures. This gives TruLuv a competitive edge over their competitors.





## A smart business is a gender-smart business

Small and growing inclusive businesses can apply a gender lens in their business operations to gain a competitive edge in the market. Taking the time to understand gender-based constraints, and then proactively addressing them, can lead to increased business model innovation. It also enhances model profitability and sustainability. Businesses need to have efficient data collection systems to collect gender desegregated data. However, it is critical to look beyond the numbers and to monitor the changes in the practices and gains of women and men along the supply/distribution chain.

A preliminary gender assessment, an engaged leadership team, and new gender-informed initiatives open opportunities to re-balance gender inequalities in ways that helps women increase access to paid work, training, skills, and agency to use new skills and make decisions about their businesses and voice. It also empowers women to take up their central role in market systems. Thinking about gender in a business is not an ESG box-ticking exercise nor something only large companies should pay attention to. It is a business imperative for all companies, regardless of size, that increases profitability. Gender equality makes business sense.

SNV is a global development partner deeply rooted in the African and Asian countries where we operate. With 60 years of experience and a team of approximately 1,600 people, we strengthen capacities and catalyse partnerships that transform agri-food, energy and water systems. Working on the core themes of gender equality and social inclusion, climate adaptation and mitigation, and strong institutions and effective governance, we tailor our approaches to different contexts to achieve large-scale impact and create sustainable and more equitable lives for all.

### For Further Details

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