

Gender Sector Brief: Food and Agriculture



How to Apply a Gender Lens to the Evaluation of Food and Agriculture Investments

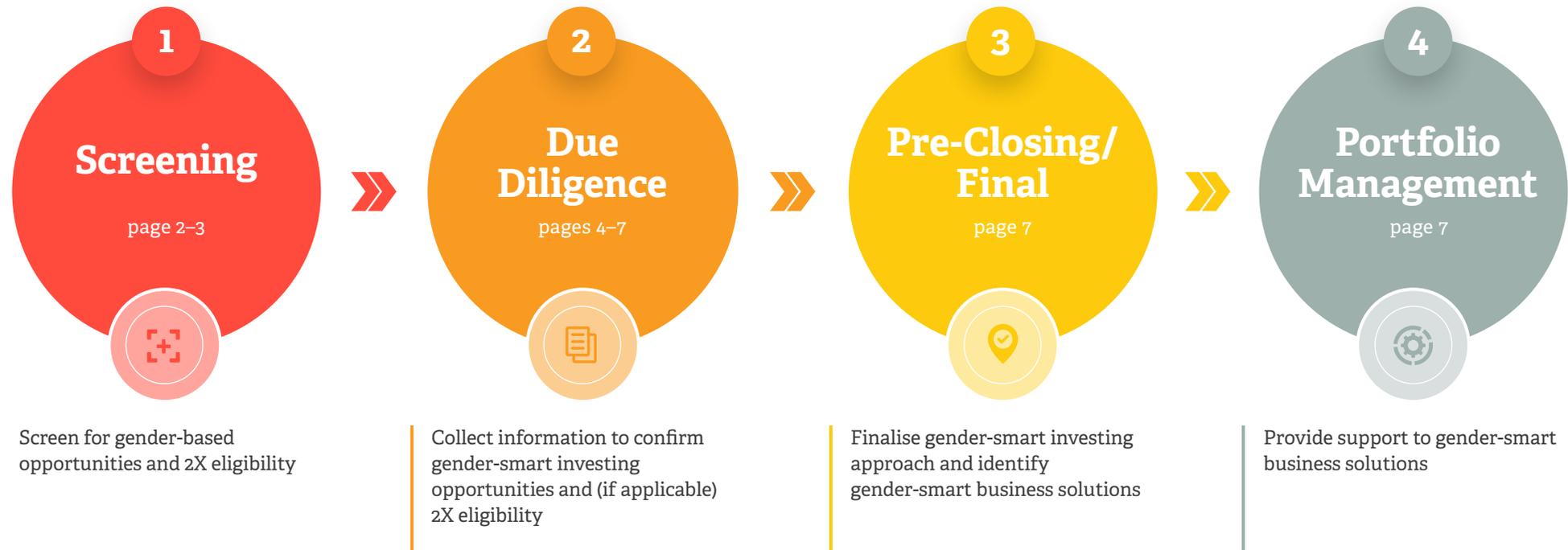
This is a sector-specific diagnostic guide to support investors and fund managers to identify existing and future opportunities for gender-smart investing in the food and agriculture (F&A) sector.

This guide contains questions for investors to ask during screening and due diligence, and suggests possible actions to take depending on the answers to these questions. Depending on the structure of your organisation, responsibility for covering gender due diligence and portfolio management will vary and can be led by investment, environmental, social and governance (ESG), impact, or gender teams, but it is down to the investor or fund manager to determine where responsibility sits.

Gender-smart investing is smart business. We know that companies that perform well on gender inclusivity return greater profit. We also know that women are highly represented across the F&A sector as employees, smallholder contractors, consumers, and community members, yet their value can be overlooked. This highlights a significant business and impact opportunity.

Additional information on the rationale for taking a gender lens to F&A investments and relevant trends in the sector can be found within this brief.

Click on each stage of the deal process to access relevant information:



The investor should answer these screening questions before the deal is submitted for approval. The questions explore gender-based opportunities and focus on the company's smart inclusion of women across its workforce and supply chain, and its efforts to serve female customers.

This guide focuses on gender-based opportunities and gender-smart investing as an investment strategy. For gender-smart investors, screening for gender-based risks and negative impacts is an important aspect of ESG due diligence; guidance on gender-based ESG screening and due diligence is provided in the CDC ESG Toolkit.¹

Screening questions will determine:

1. If the deal meets thresholds and/or qualifies under the 2X Challenge.²
2. If there are potential gender-based opportunities to be explored further in due diligence.

2X-related questions

1. OWNERSHIP. Was the business founded by a woman or do women own a majority share of the business?

YES	NO	Current %	No data/ unclear

Notes

2. BOARD. Do women represent 30% of the board or more?

YES	NO	Current %	No data/ unclear

Notes

3. SENIOR MANAGEMENT. Do women represent 25% or more of the senior management team?³

YES	NO	Current %	No data/ unclear

Notes

4. EMPLOYEES. Do women make up 40% or more of the workforce?³

YES	NO	Current %	No data/ unclear

Notes

5. CUSTOMERS. Does the business specifically target female customers or design products or services tailored to women's needs, preferences and behaviours?

YES	NO	Current %	No data/ unclear
		N/A	

Notes

6. FOR F&A FOCUSED FUNDS ONLY. Do 30% or more of portfolio companies answer yes to at least one of questions 1-5?

YES	NO	Current %	No data/ unclear
		N/A	

Notes

Opportunities for gender-smart business solutions

7. Is there commitment or capacity to create significant jobs for women, refine product or service offerings to better serve female customers, or to undertake workforce gender diversity efforts?

YES	NO	Current %	No data/ unclear
		N/A	

Notes

ANSWERS

?

No information or unclear answer for any question

YES

Yes – if data indicates room for meeting 2X Challenge thresholds and/or gender-based opportunities

NO

No to all Q1-7; indicates none or extremely limited gender-based opportunities

NEXT STEPS

Ask question(s) again in due diligence stage

- Prepare documentation request
- Collect further information at due diligence
- Flag in the Investment Committee (IC) paper

Continue to assess the deal using ESG requirements related to gender-based risks

³ Investors should count the direct workforce, contracted workers, and suppliers as makes sense in the investee's context. A weighed average of relevant groups must be above threshold or relevant group should be individually above the threshold.

2 Due Diligence

Gender due diligence is the process of gathering gender-related data and information from the potential investee company for analysis to determine whether gender gaps present opportunities that may impact performance or affect an investee company's operations and financials. Deal teams can integrate these questions into existing due diligence workstreams (e.g. ESG, impact, commercial).

The investor will collect the due diligence information and proceed to:

- Confirm 2X qualification (as applicable).
- Confirm gender-based opportunities to take forward compared to other impact investing themes.

2 Due Diligence



Leadership

1. Does the board and/or senior management have strong oversight and a clear governance process to support gender diversity and inclusion? Are there any initiatives in place to promote women in leadership?

Rationale: Confirms commitment and ability to launch initiatives to drive greater gender diversity and inclusion for better corporate performance; identifies opportunities to provide guidance on governance structures and processes.

YES	NO

Notes

Workforce

2. Are there specific policies and programmes to support inclusiveness of both men and women at work? If so, what are they? For example, specific HR policies that go beyond basic regulatory requirements (e.g. childcare support, flexible working hours and standardised pay rates for each role).

Rationale: Determines the level of inclusiveness of existing policies, facilities and programs, and how this will affect key business performance indicators such as retention, absenteeism, turnover, and maternity return rate; highlights opportunities to support the business case for inclusive workforce improvements.

YES	NO

Notes

3. Building on recent or existing data, are there differences between the roles/responsibilities/functions/levels/grades undertaken by men and women in the workforce, including permanent, contracted and seasonal staff?

Rationale: Highlights opportunities to support recruitment, advancement or efforts to support women in leadership roles. If women are segregated into only a subset of roles and are therefore underutilised, or if certain teams, functions or levels are dominated by one gender, the business may underperform due to lack of diversity.

YES	NO

Notes

4. Does the company collect and monitor gender-disaggregated staff data (for example, average salary, turnover, absenteeism, retention, and promotion)? How is the data analysed and to what extent is data used for decision making on gender-related efforts?

Rationale: Highlights a commitment to understanding gender diversity and measuring improvements; helps identify opportunities to improve data collection and areas to support the company and further its strategic priorities.

YES	NO

Notes

Upstream and Downstream Initiatives

5. As applicable – Does the company have any initiative in place to support and contract from female smallholders?

Rationale: Determines if there is an opportunity to support greater inclusion of female smallholder farmers through use of technical assistance and structural constraints related to land ownership and access to finance.

YES	NO

Notes

2 Due Diligence



6. Does the company have any initiatives in place to support women in its supply chain?

Rationale: Determines if there is an opportunity to support the company and its supply chain (aggregators, distributors, suppliers) with gender-inclusive procurement, extension services (input provision, out-growers) or partnerships with financial institutions.

YES	NO

Notes

7. As applicable – Does the company’s services or products disproportionately benefit or serve women?

Rationale: Determines if there is an opportunity to highlight and support the company’s efforts to serve women customers. Products that disproportionately benefit women are defined as products that address gaps in nutrition or health outcomes.

YES	NO

Notes

Skills and Training

8. What training schemes are in place to support the quality and quantity of production, transformation, or climate adaptation and resilience? If yes, does it offer women-only schemes?

Rationale: Identifies industry skills gaps and ways for the company or project to expand its talent pool and ‘future proof’ its business in the long term. Evidence shows that women are highly adaptable and responsive to such training programmes.

YES	NO

Notes

9. Does the company offer any community training programmes that support women (e.g. financial literacy training, climate resilience training or land entitlement)?

Rationale: Highlights opportunities for differentiation through value-added services and enables the investor to identify what other services might be beneficial to raise the infrastructure provider’s presence, public reputation and image.

YES	NO

Notes

USEFUL DATA AND DOCUMENTATION

- Gender-disaggregated data on internal staff (including ownership, board, senior management, middle management, and all employees including seasonal and contractors).
- Gender-disaggregated supply chain data (as relevant- smallholders, aggregators, distributors, suppliers) - by total # and \$ procured.
- Organisation diagram/chart by gender.
- Gender or inclusion strategies/policies; actions plans; HR policies to support women in the workforce (e.g., parental leave policy).
- Documentation on initiatives to advance gender diversity in the workforce (e.g. mentorship programmes, childcare provision).
- Documentation related to specific products/services targeted to female smallholders, supply chain and community members.

For questions 5-9, the relevant company counterparts to ask the question would be the E&S and/or commercial teams.

2 Due Diligence

3 Pre-Closing/ Final

Gender-smart business solutions to consider

If opportunity identified based on Leadership question:

Advancing Management's Commitment to Gender & Women's Leadership on boards and senior management through placement, expanding networks and special initiatives

If opportunity identified based on Workforce questions:

Driving Gender Diversity and Inclusion in the Workforce with quality D&I and equal opportunity solutions, including through gender action plans and diagnostics

If opportunity identified based on Upstream and Downstream Initiatives questions: **Driving Gender-Inclusive Supply Chains** through upstream and downstream strategies to increase gender diversity and participation of women

If opportunity identified based on Skills and Training questions:

Building Value Adding Training Programmes and Initiatives to tackle gender gaps in upskilling and reskilling and unlock economic opportunities for women and girls

Next steps

- Identify and align further develop gender-smart business solutions
- Discuss proposed opportunity and approach with investee
- Where required, develop a Gender Action Plan (GAP), including targets, roles and responsibilities, allocated resources and timelines

Action as relevant:

- Integrate agreed gender-smart business solutions into the deal structuring
- Include gender metrics in reporting template
- Write up case for gender within the Investment Committee (IC) paper

For more guidance on the investment cycle and portfolio management, including CDC case studies, please refer to the CDC Gender Toolkit.

The annex contains:

1. Further information on the business and impact case for taking a gender lens to F&A investments and relevant trends facing the sector.
2. Screening and due diligence questionnaires and data and information request form. These can be sent directly to the potential investee if remote or desktop-based due diligence is being used.

Why take a gender lens to Food and Agriculture investments?

IMPROVING SUPPLIER PRODUCTIVITY AND INCREASING YIELD

Women are present throughout the agribusiness value chain, but often play a prominent role in the labour-intensive segments of production, processing and retail.

According to the Food and Agriculture Organization (FAO), reducing gender inequalities in access to productive resources and services could produce an increase in yields on women's farms of between 20 percent and 30 percent⁴, as well as diversifying agribusinesses' supplier base.



REDUCING EMPLOYEE ABSENTEEISM, TURNOVER AND RETRAINING COSTS

Beyond engaging women as farmers and suppliers, attracting and retaining women in professional roles allows agribusinesses to capitalise on the diversity dividend in their management and employee teams. Gender-smart interventions that provide women with equal access to opportunities and resources, and enable them to do their job better, can in turn translate into a more productive, loyal and satisfied workforce.

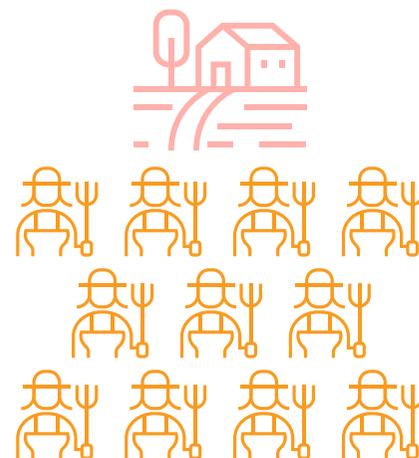
Creating a supportive environment for female workers can positively impact their attendance and retention, resulting in significant cost savings.⁵



FUTURE-PROOFING THE BUSINESS AROUND SHIFTING DEMOGRAPHICS

The "feminisation of agriculture" has been documented in developing countries, as men migrate farther away and for longer for off-farm employment, while women – more constrained in terms of time and mobility – are more likely to continue agricultural work.⁶

Investing in building a strong female supplier network and internal workforce is therefore critical to tap into, rather than getting caught out by, this demographic shift.



BUILDING A POSITIVE CORPORATE REPUTATION:

The International Labour Organization (ILO) estimates that over 60 percent of all working women in Southern Asia and sub-Saharan Africa remain in agriculture, often unpaid or poorly paid, while being concentrated in time- and labour-intensive activities.



Purchasing from female farmers or gender-equitable cooperatives enhances social impacts on female farmers involved in these groups. Also, adopting gender-inclusive policies and practices within agribusiness leadership and the workforce can also attract investors and open the door to export and other high-value markets.⁷

Why take a gender lens to Food and Agriculture investments?

CONTRIBUTING TO GLOBAL NUTRITION CHALLENGES:

Realising female farmers' full potential through equal access to inputs could reduce the number of undernourished people in the world by 100-150 million, or 12-17%.⁸



100-150 million reduction



Similarly, women are clearly the most critical target group from a nutrition standpoint. The evidence is clear – when women farmers have the opportunity to earn and control income, they are more likely to focus their spending on their children's nutrition, education and health. Improving the knowledge and status of women within agriculture would deliver significant improvements to agricultural production, food security, child nutrition, health and education.

INCREASING WOMEN'S JOB QUALITY AND LEADERSHIP IN AGRICULTURE

Women account for more than 50% of the agricultural labour force in South Asia and sub-Saharan Africa, with agriculture considered the most important source of employment for women in these geographies.⁹



Nonetheless, female farmers face disproportionate barriers to land ownership, market information, farming inputs, equipment, technology, credit, and hired labour.¹⁰ Prevailing gender norms and discrimination mean women typically farm less profitable crops, face an excessive work burden, and that much of their labour remains unpaid and unrecognised. Women are also considerably less likely to be active in commercial farming than men¹¹.

These constraints translate into a gender gap in agricultural yields and income, meaning female farmers tend to have lower output per unit of land.¹²

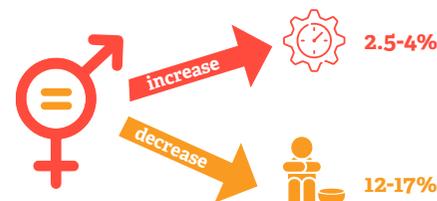


This affects the entire value chain, from the livelihoods of smallholders and viability of farmer cooperatives, to the operational continuity of companies involved in aggregation, processing, and export of agricultural commodities.¹³

INCREASING INCLUSIVE ECONOMIC DEVELOPMENT

Addressing gender gaps is key to driving inclusive economic development in Africa and Asia, while realising widespread social and health benefits for families and communities. Critically, however, when key firm characteristics are controlled for, gender gaps in productivity virtually disappear.

Overall productivity in developing countries would increase by 2.5-4% if women were to have equal access to inputs and thus achieved equal yields. This could reduce the number of undernourished people in the world by 100-150 million, or 12-17%.¹⁴



More generally, mass male migration is driving a so-called 'feminisation' of agriculture, which has implications for women's agency and agricultural productivity, as mediated by factors such as land tenure and access to agricultural extension services.¹⁵ For agribusinesses to remain competitive and future-proof, strategies to proactively anticipate and capture the shifting supplier and workforce demographics are therefore key.

CONTRIBUTING TO CLIMATE MITIGATION, ADAPTATION AND RESILIENCE

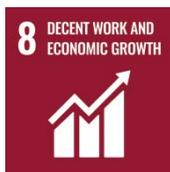
In most emerging markets, gender gaps tend to be exacerbated by climate change vulnerabilities.¹⁶



Women's unequal participation in decision-making processes and labour markets compound inequalities and often prevent women from fully contributing to climate-related planning, policy-making and implementation. Nonetheless, women play a critical role in the response to climate change, due to their local knowledge of sustainable resource management and leadership in sustainable practices in households and communities.¹⁷

SDG INVESTING

Adopting gender as an investment strategy can catalyse investors' contribution to the Sustainable Development Goals (SDGs). There is significant potential for investors to align with the SDGs, shaping gender outcomes in line with: **SDG 5 on gender equality, SDG 8 on decent work, SDG 11 on sustainable communities, SDG 13 on climate action, as well as SDG 14 on life below water and SDG 15 on life on land.**



EMERGING GENDER AND FOOD AND AGRICULTURE TRENDS

**Climate Change and Natural Disasters:**

Low income households are often forced to sell their productive assets, reduce their meals or leave their livelihoods in search of work. This disproportionately impacts women as the primary caregivers of their families and who make up 45-80 percent of the food-producing workforce in developing countries. Investors can support their investees to develop an integrated approach to build greater resilience, among at-risk communities, particularly women.

**Net-Zero Economy Transition:**

Feeding nine billion people by 2030 – while protecting the vital natural systems which sustain our planet – will be one of the core challenges of a just rural transition towards a low-carbon economy. As part of a just rural transition, agriculture will need to move away from carbon-intensive approaches towards more sustainable food systems. Other F&A sectors, such as sustainable forestry, will also become more important. However, efforts to reduce greenhouse gases (GHGs) in the F&A sector can also bring disruptions to livelihoods and women's agricultural activity. Women already face a range of barriers due to unpaid care work, social norms, educational barriers, and legal barriers to entry in a range of industries. In addition, women's jobs and livelihoods in agriculture are vulnerable to the effects of climate change through heat stress, flooding, and other impacts. Rural women's employment and entrepreneurship in the F&A sector should therefore be protected and promoted by investors, through investing in low-carbon businesses and supporting the low-carbon transition.

**Migration:**

Male movement to other sectors, or migration to urban centres, has led to an increasing share of female participation in agriculture over the past 40 years, both in smallholder farming and agricultural wage labour. Given that women farmers in many regions 1) have comparatively less access than men to improved inputs, land and other assets, and agricultural finance; and 2) face significant additional time burdens for caregiving and household chores, the feminisation of agriculture could, if not managed carefully, result in declining household-level income and food production, with negative effects on the wellbeing of women and their households.

**Intelligence of Everything:**

Women make up 45-80 percent of the food-producing workforce in developing countries. Artificial Intelligence (AI) and big data could help to improve productivity (e.g. automated drip irrigation systems) and risk mitigation (e.g. weather index-based insurance).

ADDITIONAL RESOURCES

The following resources can further guide investors and fund managers on their gender-smart investing approach in the sector.

Climate Investment Funds (CIF)

Gender and Sustainable Forest Management: Entry Points for Design and Implementation

IDH

Gender Guide – Agribusiness (2017)

ICRW

Gender-Smart Investing Resource Hub: Agriculture

IFC

The Business Case for Women's Employment in Agribusiness (2016), Investing in Women along Agribusiness Value Chains (2016) and Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains (2013)

Value for Women

Gender Self-Assessment Tool for Agribusiness, Gender Inclusion for Climate-Smart Agribusinesses (2018)

FAO

Country Gender Assessments: National Gender Profiles of Agriculture and Rural Livelihoods

Gender Screening Questionnaire: Food & Agriculture

This questionnaire is to be completed by investees and/or clients during the screening stage of the deal process to enable potential investors to better understand the current level of gender diversity and inclusion, initiatives to support women entrepreneurs, and efforts to serve female users and customers. Some of the questions are derived from the 2X Challenge.

CDC is a founding member of the 2X Challenge, a DFI initiative to mobilise \$3 billion for investment in business activities that benefit women by 2020. To qualify, investments must meet the criteria for female entrepreneurship, leadership, employment or consumption. More details on the 2X Challenge can be found at 2xchallenge.org

	YES	NO	Current %	No data/unclear
1. OWNERSHIP. Was the business founded by a woman or do women own a majority share of the business?				
Notes				
2. BOARD. Do women represent 30% of the board or more?				
Notes				
3. SENIOR MANAGEMENT. Do women represent 25% women or more of the senior management team?				
Notes				
4. EMPLOYEES. Do women make up 40% or more of the workforce?				
Notes				
5. CUSTOMERS. Does the business specifically target female customers or design products or services tailored to women's needs, preferences and behaviours?			N/A	
Notes				
6. FOR F&A FOCUSED FUNDS ONLY. Do 30% or more of portfolio companies answer yes to at least one of questions 1-5?			N/A	
Notes				
7. OPPORTUNITIES FOR GENDER-SMART BUSINESS SOLUTIONS. Is there commitment or capacity to create significant jobs for women, refine product or service offerings to better serve female customers, or to undertake workforce gender diversity efforts?			N/A	
Notes				

Gender Due Diligence Questionnaire: Food & Agriculture

This questionnaire is to be completed by investees during the due diligence stage of the deal process. Its aim is to enable investors and fund managers to understand the current level of internal gender

diversity and inclusion, identify initiatives to support women entrepreneurs, and acknowledge efforts to serve women clients and users.

Leadership

1. Does the board and/or senior management have strong oversight and a clear governance process to support gender diversity and inclusion? Are there any initiatives in place to promote women in leadership?

YES	NO
Notes	

Workforce

2. Are there specific policies and programmes to support inclusiveness of both men and women at work? If so, what are they? For example, specific HR policies that go beyond basic regulatory requirements (e.g. childcare support, flexible working hours and standardised pay rates for each role).

YES	NO
Notes	

3. Building on recent or existing data, are there differences between the roles/responsibilities/functions/levels/grades undertaken by men and women in the workforce, including permanent, contracted and seasonal staff?

YES	NO
Notes	

4. Does the company collect and monitor gender-disaggregated staff data (e.g. average salary, turnover, absenteeism, retention, and promotion)? How is the data analysed and to what extent is data used for decision-making on gender-related efforts?

YES	NO
Notes	

Upstream and Downstream Initiatives

5. As applicable – Does the company have any initiative in place to support and contract from female smallholders.

YES	NO
Notes	

For question 1, the senior management team would be the relevant company counterpart to ask the question. For questions 2-5, the HR lead would be the relevant company counterpart to ask the question.

Gender Due Diligence Questionnaire: Food & Agriculture

	YES	NO
6. Does the company have any initiatives in place to support women in its supply chain		
<i>Notes</i>		
7. As applicable – Does the company’s services or products disproportionately benefit or serve women?		
<i>Notes</i>		
Skills and Training		
8. What training schemes are in place to support the quality and quantity of production, transformation, or climate adaptation and resilience? If yes, does it offer women-only schemes?		
<i>Notes</i>		
9. Does the company offer any community training programmes that support women (e.g. financial literacy training, climate resilience training or land entitlement)?		
<i>Notes</i>		

USEFUL DATA AND DOCUMENTATION

- Gender-disaggregated data on internal staff (including ownership, board, senior management, middle management, and all employees including seasonal and contractors).
- Gender-disaggregated supply chain data (as relevant- smallholders, aggregators, distributors, suppliers) - by total # and \$ procured.
- Organisation diagram/chart by gender.
- Gender or inclusion strategies/policies; actions plans; HR policies to support women in the workforce (e.g., parental leave policy).
- Documentation on initiatives to advance gender diversity in the workforce (e.g. mentorship programmes, childcare provision).
- Documentation related to specific products/services targeted to female smallholders, supply chain and community members.

For questions 5-9, the relevant company counterparts to ask the question would be the E&S and/or commercial teams.

ADDITIONAL NOTES

