GENDER TRANSFORMATIVE BUSINESS MODELS IN AGRICULTURE BOOST BUSINESS PERFORMANCE WHILE TACKLING THE ROOT CAUSES OF INEQUALITY

H.M. Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), opens "Gender Transformative Business Models: Opportunity to Action," a virtual event hosted by IDH the Sustainable Trade Initiative and the Consultative Group to Assist the Poor (CGAP), Monday 15 November.

Gender equality is a fundamental human right; it is also an engine for economic growth. Though women contribute roughly 40-50% of all farm-related labor and activities in developing countries, they represent fewer than 20% of the world's landholders. Often their access and control of resources, particularly income, is comparatively lower than that of men. If women were empowered with equal access, <u>evidence shows</u> agricultural output in developing countries could rise by 2.5%-4%, to feed an additional 100-150 million people.

This represents an enormous opportunity for businesses; to drive value creation and contribute to greater global food security while also improving their business performance. Two-thirds of companies surveyed by the International Labour Organization agreed that diversity initiatives improve their business outcomes. Sixty-one percent of enterprises in the agricultural, forestry, and fishing sectors reported that gender diverse policies have contributed to increased profits and productivity, according to data from IDH's 2020 Gender Toolkit.

However, big shifts are needed to make these changes, which come with trade-offs and require investment. Recent data insights from IDH Farmfit show that of the 58 companies IDH worked with to provide improved services to farmers, 2% of the companies were 'gender transformative', 28% were 'gender intentional' and 70% of them were 'gender unintentional', meaning that they did not take steps to consider the differing needs and constraints of men and women. Investments in gender transformative businesses do not always directly pay off and touch on cultural norms grounded in society that are difficult to change.

"I urge companies to accelerate investments in gender transformation," H.M. Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), said in her opening remarks. "These investments will boost your company's competitive edge and improve the lives of millions of rural women."

"IDH recognizes the challenges that businesses face in making the needed shifts. We are convening the private sector to support them in making use of this opportunity. We work with them to integrate gender transformative practices into their business and grow their potential," Cesar Maita, Senior Gender Expert IDH.

The virtual event included over 400 participants and 20 speakers from private and public organizations, financial institutions, and service providers working directly with the rural poor across value chains. These organizations have an essential role to play in transforming the agricultural sector. Learn more about the event and speakers on the event website.

"At IDH, we are committed to gender equality across our organization with 100% gender transformative programs by 2030. We co-create innovative business approaches that are gender transformative because we know that it makes for better, more resilient business," said Iris van der Velden, Director of Innovation and Insight at IDH.

IDH's work is rooted in data, which shows that gender equality can be an essential source of value creation for companies. Based on the <u>results of IDH programs</u> the inclusion of an intentional gender approach has demonstrated strong outcomes. For example, A 50% increase in the number of women in supervisory roles, in the flower sector in Kenya, led to a dramatic reduction in gender-based violence. In the coffee sector, training of both women and men increased productivity by 131% versus a 95% increase among groups where only men were trained. Peer-to-peer networks in the Ethiopian flower sector resulted in a 37% increase in confidence among female workers, plus greater job satisfaction and motivation.

About IDH – The Sustainable Trade Initiative

IDH strives for flourishing markets with better jobs, better incomes, and a better environment. When IDH is successful, companies rebalance the relationships between the workers they employ, the customers they serve, and the planet that serves all of us. IDH's work is made possible because of the funding and trust of multiple European governments and private foundations.

For more information, go to <u>www.idhsustainabletrade.com</u> or follow <u>@IDHTrade</u> on Twitter and <u>LinkedIn</u>.

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