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Promoting gender-responsive business models in DRC

Lessons from ÉLAN RDC





CONTEXT

Introducing ÉLAN RDC

ÉLAN RDC is a DFID-funded market systems programme working across ten highly differentiated and geographically dispersed provinces in the Democratic Republic of Congo (DRC). The programme uses a facilitative and incentive-driven approach to address systemic constraints and structural barriers preventing poor people from benefiting from market systems. ÉLAN RDC currently works across six market groupings: access to finance (branchless banking and SMEs), perennial agriculture, non-perennial agriculture, river transport, renewable energy, and the business enabling environment. The primary objective of the programme is to increase incomes of over 1 million poor men and women cumulatively by £126 million by 2021.

The programme's approach to Women's Economic Empowerment

Recognising poor women's particular disadvantage in accessing and benefiting from economic opportunities, ÉLAN RDC seeks to facilitate changes to gender-blind and/or discriminatory behaviours of market actors – including private companies – to realise sustainable results for poor and disempowered women, at scale. In addition to the programme's primary objective of poverty reduction, ÉLAN RDC aspires to contribute to women's greater economic empowerment, recognising this as a meaningful vehicle for broader social empowerment and gender equality. ÉLAN RDC aims to realise impact for poor women that goes

far beyond a superficial focus on female participation and incremental income increase, instead working towards more transformative empowerment outcomes including improvements in women's roles.

Purpose of this paper

This learning paper aims to document ÉLAN RDC's experience of piloting and scaling gender-inclusive business models. Despite a heightened focus among market systems programmes on realising women's economic empowerment outcomes, very few case studies have been published of **successful business innovations that align impact for women with incentive-driven, commercial models**. This learning paper provides a series of examples of how ÉLAN RDC has worked with private companies to pursue

market-led approaches that economically empower women, at scale. It is intended to share tried and tested ideas with other market systems programmes, so that they can draw on and adapt the models for their own particular context and partners.

Gender-Inclusive Business Model

What is a gender-inclusive business model?

Among the ÉLAN RDC team, much debate has been had on what we mean by a 'gender-inclusive business model'. Is it simply a commercial model that – owing to the sector, roles, or product/service on offer – has particular relevance to women? Does it have to provide disproportionate good to women (over say, men)? And can it apply to both the supply and demand side, we wondered?

Ultimately, the programme agreed on the following definition for gender-inclusive business models:

- ▲ On the **supply side**, it is a model that does not negatively discriminate against women (as prospective or existing employees, suppliers or distributors), and which, wherever possible, take measures to respond to women's different needs, preferences, and responsibilities;
- ▲ On the **demand side**, it is a model which designs, develops, markets, and distributes products and/or services that cater to women consumers' particular needs and preferences.

ÉLAN RDC's wider conceptualisation of gender-inclusive business models is depicted in Figure 1 (top left on next page).

Business models promoted by ÉLAN RDC with strong impact for women

Over the programme's five years (2014-2018), ÉLAN RDC has piloted and scaled a broad range of business innovations designed to increase poor men and women's ability to access and benefit from functioning market systems. Certain of these business models have proven to be particularly impactful for women, four of which are depicted in Figure 2 (bottom right on next page), and are discussed in detail on the following pages.



Figure 1: ÉLAN RDC's Conceptualisation of Gender-Inclusive Business Models
WHAT IS A GENDER-INCLUSIVE BUSINESS MODEL?

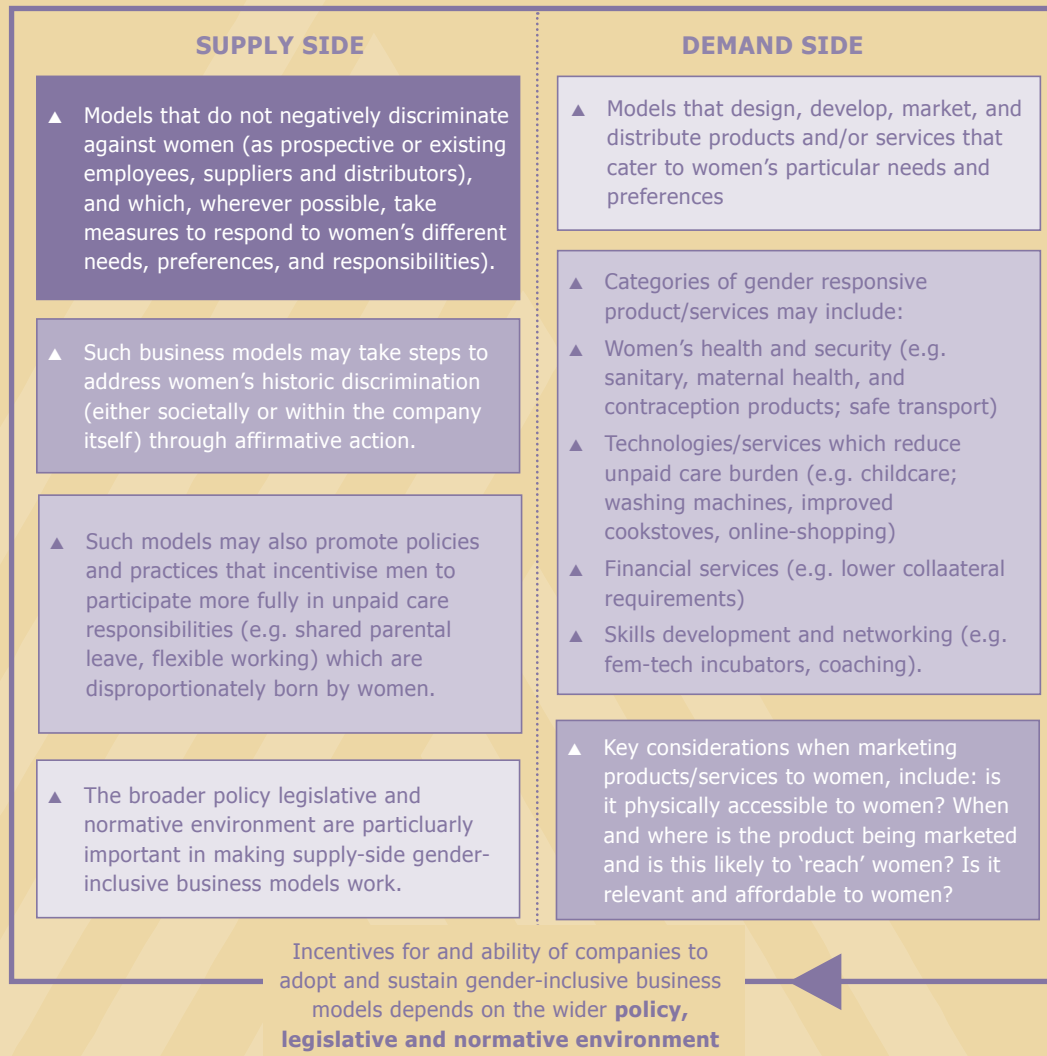
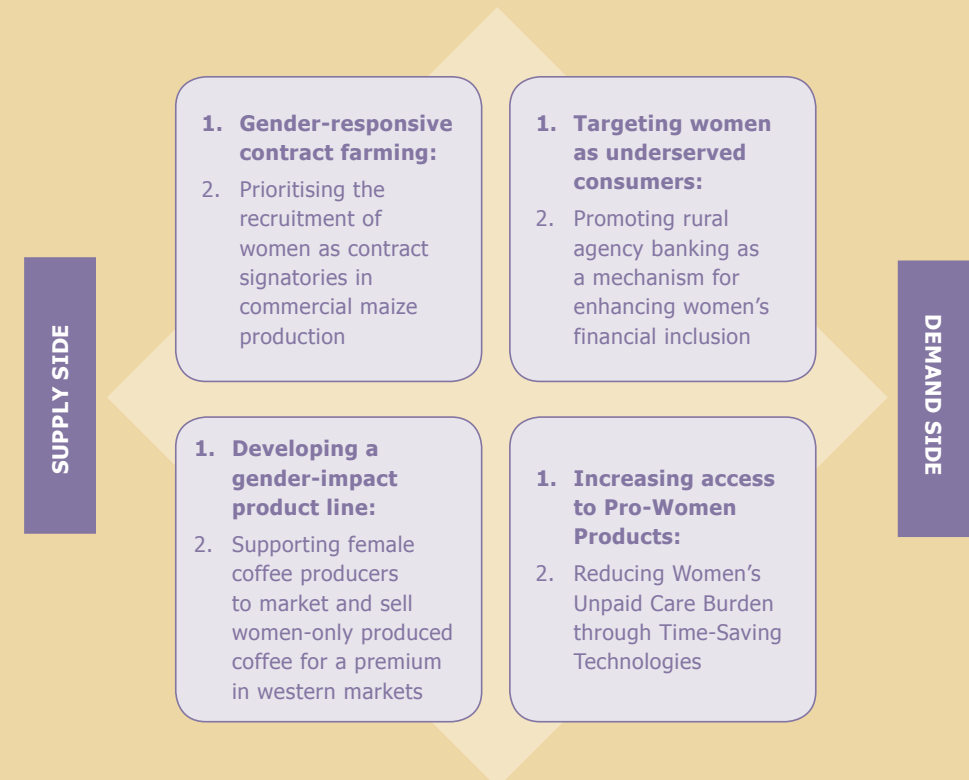


Figure 1: Four Gender-Inclusive Business Models Promoted by ÉLAN RDC Business Models



1. Gender-Responsive Contract Farming:

Prioritising the Recruitment of Women as Contract Signatories in Commercial Maize Production

What was the business model promoted?	Supporting a commercial farm to pilot and scale an out-grower scheme on concession land to address constraints to farmers' productivity and value capture, while increasing the volume of maize produced for the commercial farm.
How was this gender-inclusive?	<ul style="list-style-type: none"> ▲ ÉLAN RDC used the pilot intervention to test and then demonstrate the commercial case for prioritising the recruitment of women as contract farmers. Conventionally these women are not able to be contract signatories, owing to a lack of land titles and discriminatory gender norms. ▲ By supporting the commercial farm to prioritise the recruitment and retention of women into contract farming positions, the business model aimed to offer women greater income security; access to improved inputs and mechanisation; the direct receipt of income; sustained opportunity for capacity development through regular training; and an entry route into cash crop industries.
How was the gender business case made?	<ul style="list-style-type: none"> ▲ ÉLAN RDC sought to disprove the widespread perception of women's lower productivity levels in commercial agriculture. Because no localised counter-evidence existed, the programme had to create this to be able to make the gender business case. To do this, ÉLAN RDC supported the commercial farm to conduct small-scale comparison tests with 50 farmers, providing men and women with equally sized plots of land, and the same access to extension services, including training in modern agricultural practices and equal access to quality inputs. ▲ The tests revealed compelling evidence of women's greater productivity levels in commercial maize production, with women producing 5,500kg maize per hectare, vs 5,100kg for men when provided with the same inputs. In fact women benefitted disproportionately from the intervention (baseline: men's average yield = 1,970kg; women's average yield = 1,082kg), therein levelling the playing field between men and women. This served as convincing evidence for the farm to prioritise the recruitment of women as contract farmers the subsequent maize seasons: in 2015, the commercial farm recruited all of the female applicants (comprising 31.7% of total contract farmers), and in 2016, 60% of new recruits were women.
What was the commercial and WEE impact?	<ul style="list-style-type: none"> ▲ Commercial Impact? The priority recruitment of women into contract farming positions helped the commercial farm to increase its productivity, with female contract farmers having demonstrated equal or greater productivity levels across three concurrent agricultural seasons. The commercial farm's Operation Manager also noted a significant reduction in side-selling since the increased recruitment of female contract farmers and an increase in the quality of maize produced. ▲ WEE Impact? Women participating in the contracting farming model earn more income, have an increased influence over its use, and demonstrate greater economic resilience outside of the harvest period. There is compelling and self-affirmed evidence of women adopting more beneficial roles in the market system, both through formalisation and increased job security, but also in the form of improved working conditions, including a reduction in heavy manual labour and reduced working hours.
Lessons learnt	<ul style="list-style-type: none"> ▲ Contract farming is often perceived as a business model that disproportionately benefits men because of the typical requirement for land titles and its high value-capture nature – meaning that men tend to 'crowd in' to such roles. However, this case study demonstrates how – providing the gender business case is made – contract farming can be gender-inclusive, with transformative benefits for women and business. ▲ Although this gender-inclusive business model was a success for ÉLAN RDC, challenges existed in realising broader scale and encouraging other actors to 'crowd in' due to the geographical isolation of the farm, and political economy issues in the closest neighbouring farms ▲ More information on this business model, and its impact for both female contract farmers and the commercial farm, can be found in ÉLAN RDC's Women's Economic Empowerment Learning Series: Case Study 1 Exploring empowerment outcomes for poor women participating in commercial maize production in Haut-Katanga.

2. Developing a Gender-Impact Product Line:

Supporting Female Coffee Producers to Market and Sell Women-Only Produced Coffee for a Premium in Western Markets

What was the business model promoted?	Supporting coffee cooperatives to pilot and scale a business model in which coffee produced exclusively by women is quality-controlled, exported, marketed and sold to Western markets, where ethnically-minded consumers are willing to pay a premium for produce with a clear social impact. This price premium, in turn, is passed onto the female producers, who in more conventional business models are often not recognised – or financially rewarded – as genuine farmers, despite their primary role in coffee production in Eastern DRC.
How was this gender-inclusive?	<ul style="list-style-type: none"> ▲ ÉLAN RDC sought to demonstrate that by specifically targeting women and improving the terms of their engagement in coffee production, private sector actors could increase the quantity and quality of their coffee, and diversify their product offering, therein increasing their revenue, and improving the reliability and resilience of their supply chain. ▲ In turn, this enabled large numbers of women engaged in coffee production (but often unrecognised and/or unpaid) to improve their access to lucrative export markets, increase their income (and the control they have over it), take on new leadership roles, and improve their status.
How was the gender business case made?	<ul style="list-style-type: none"> ▲ To convince the Muungano cooperative to adopt a more gender-inclusive business model, ÉLAN RDC together with TWIN (an INGO), presented a clear commercial case based on: <ul style="list-style-type: none"> o the potential to improve quantity and quality of coffee and therefore increase revenue and income for its members; o the opportunity to tap into a growing and lucrative ‘social impact’ product market and therefore increase value capture for its members as well as differentiate itself from others in the market; o the possibility of accessing new buyers and exporters, therein improving supply chain resilience and reliability. ▲ With Muungano’s buy-in secured, ÉLAN RDC and TWIN supported the cooperative to adopt a more gender-inclusive business model, through activities including: <ul style="list-style-type: none"> o Increasing the quality of coffee produced by using demonstration plots; training washing station managers on quality control standards; and supporting these managers to provide targeted information on good agronomic practices to female farmers so as to reduce defects. o Developing an Internal Control System to enable full traceability of cherries to female farmers, so as to provide assurance to end consumers of the social impact associated with purchasing women-only produced coffee. o Building female leaders by hosting leadership trainings and cultivating a culture of confidence, to ensure the longer-term viability of business models that are inclusive of women (beyond the lifespan of ÉLAN RDC’s support). o Engaging men and women in shifting gender dynamics at the home by drawing on the Gender Action Learning System (GALS) methodology to challenge gender stereotypes in societies and as a planning tool to map out their future in terms of household gender relations and coffee farming. o Marketing women-only produced coffee through clear messaging on social impact to key processors / exporters interested in targeting an ethnically minded customer base. o Sharing emerging evidence of the commercial case for the business model to drive wider replication and adaption by other actors to realise systemic change.

<p>What was the commercial and WEE impact?</p>	<ul style="list-style-type: none"> ▲ Commercial Impact? The gender-inclusive business model drove significant improvements to the commercial performance of the Muungano cooperative, with 'café-femme' (exclusively female-produced coffee) enabling Muungano to drive up quality and secure high-value contracts connecting women-produced coffee with ethnically-conscious consumers. Once up and operating, the business model has shown strong signs of commercial viability, primarily because of a willingness among Western consumers to pay the premium for women-produced coffee. The commercial attractiveness of this business model has led to the replication and adaption of the model by at least two other neighbouring cooperatives, Umoja and Amka. ▲ WEE Impact? Women participating in the 'café-femme' model have meaningfully increased their income and now have a greater influence over how this is used. Women expressed significant improvements in their economic roles, many of whom have entered a new, high-value sector; increased their value capture; benefited from improved working conditions; taken on leadership roles, and/or improved their status within their family, community, and workplace. Moreover, 55% of men working at Muungano have granted plots by to their wives, registering it in their name.
<p>Lessons learnt</p>	<ul style="list-style-type: none"> ▲ While the benefits associated with the café-femme model validate its place within the commercial coffee ecosystem in Eastern DRC, there are challenges to its more widespread adoption. The up-front investment required is substantial and, without donor support, it is unlikely that cooperatives will have the financial means or risk appetite to transition into a café-femme model. The risk of stirring up social tensions and exacerbating women's time poverty through the privileging of women's labour is also a reality, alongside the limited absorptive capacity of the ethically-conscious, high-end market for women-only produced coffee. ▲ Nonetheless, café-femme does now constitute a key market offering within DRC coffee production, with replication taking place in at least two other cooperatives, and a women's coffee and cocoa producer platform (Initiative des Femmes Congolaises dans le Café et le Cacao) established, supporting cooperatives to secure purchases from international buyers. ▲ More information on this business model, and its impact for both female producers and commercial cooperatives, can be found in ÉLAN RDC's Women's Economic Empowerment Learning Series: Case Study 3 Exploring empowerment outcomes and the upgrading of women's economic and social roles in South Kivu's coffee sector

3. Targeting women as underserved consumers:

Promoting Rural Agency Banking as a mechanism for enhancing women's financial inclusion

What was the business model promoted?	<p>Supporting FINCA to scale a rural agency banking model. This provides poor men and women with an alternative form of financial services with benefits including:</p> <ul style="list-style-type: none"> ▲ Significant time savings: reduced time commuting to banks and a faster transaction service; ▲ Greater convenience: much greater flexibility in opening days and working hours; ▲ Enhanced safety and trust: greater security (felt especially by women) through depositing close to home and with a well-trusted individual in the community; ▲ Promoting saving: increased uptake of formal savings accounts (particularly among women) and more frequent deposits, encouraging saving habits.
How was this gender-inclusive?	<ul style="list-style-type: none"> ▲ ÉLAN RDC recognised that this business model had the potential to benefit poor women in particular, given their more limited access to formal banking services, due to high collateral requirements and women's particular mobility constraints. ▲ The rural agency banking model offers women an alternative to informal finances such as savings groups, which are highly subscribed to among poor women, but which come with limited formal enforcement; can be open to abuse; and often involve money loss.
How was the gender business case made?	<ul style="list-style-type: none"> ▲ ÉLAN RDC sought to demonstrate to FINCA the commercial case for targeting an underserved consumer segment in financial services: low-income women. FINCA quickly recognised the business gains of capturing this customer grouping, given the sheer size of this segment and international evidence around women's higher loan repayment and savings rates. ▲ ÉLAN RDC and FINCA then co-created a pilot to test the attractiveness of rural agency banking among male and female consumers, and undertook qualitative research to understand the customer experience, with a particular focus on women. ▲ These learning were then used by FINCA to adapt the business model to further increase uptake among women. In practice this meant: <ul style="list-style-type: none"> o Reviewing the effectiveness of existing distribution channels and increasing the number of female agents, based on evidence that women often prefer to buy and sell from other women (often owing to higher trust levels); o Ensuring that marketing messaging explicitly targets women and is aimed at increasing their awareness of rural agency banking, its benefits, and its affordability, delivered through channels relevant and accessible to women.

<p>What was the commercial and WEE impact?</p>	<p>▲ Commercial Impact? According to the Partnership for Financial Inclusion field notes #5, FINCA's female agents business is more profitable than the male business. "Women-run businesses make more profit on average than those run by men; this trend continues when they become agents and women also tend to make more money as agents. Since women sell lower value goods, achieving higher revenue is assumed to be because women are more in a volume business where they generate a higher number of (low value) sales in general, boosting their revenues through quantity of sales (though we did not obtain figures about the number of items sold). At the same time, women seem to be more entrepreneurial since they put more money back into their business inventory rather than keeping it on a bank account which yields little interest." https://www.ifc.org/wps/wcm/connect/16fafca1-dbbc-4e0f-be83-4daf75aabadf/Field+Notes+5+-+Women+DFS+Agents.pdf?MOD=AJPERES</p> <p>▲ WEE Impact? Female clients of Rural Agency Banking models have benefited from access to formal banking services, which provide greater opportunity to save, borrow, and have a bankable history – a prerequisite for accessing larger forms of finance. This has been a critical development in their financial empowerment, with women taking greater control over their own income, spending, and saving. Critically, many of the challenges to women accessing formal financial services have been overcome by the rural agency banking model, including women's restricted mobility, and security concerns which make travelling the average 60-120 minutes to a formal bank unfeasible or undesirable.</p>
<p>Lessons learnt</p>	<p>▲ The social trust that underpins saving groups is hard to replicate within the agency banking model, meaning that many poor women are reluctant to deviate from their 'tried and tested' informal financing. Engaging women as agent staff goes some way to addressing this, however more structural shifts to social norms are needed to systematically progress women from informal financial to rural agency banking.</p> <p>More information on this business model, and its impact for both female contract farmers and the commercial farm, can be found here:</p> <p>Executive summary (English)</p> <p>Full report (English)</p> <p>Résumé exécutif (français)</p>

4. Increasing access to Pro-Women Products

Reducing Women's Unpaid Care Burden through Time-Saving Technologies

What was the business model promoted?	Supporting Improved Cook Stove (ICS) producers and distributors in DRC to improve production quality; increase volume; and strengthen their marketing & distribution capacity. This will help to address constraints to poor consumers' access to – and ability to finance – high quality ICS, as well as build their knowledge of the associated benefits of the product.
How was this gender-inclusive?	<ul style="list-style-type: none"> ▲ ÉLAN RDC recognised that this business model had the potential to disproportionately benefit poor women because, as the primary users, household financial savings resulting from the use of ICS would be captured principally by women; the known health benefits of ICS would be primarily felt by women; and the time savings associated with reduced heating times had the potential to significantly reduce the unpaid care burden, which is borne almost entirely by women in DRC. ▲ The programme also acknowledged the potential for progressive shifts in women's roles, through improved working conditions and the liberation and reallocation of women's time from within – to outside of – the home.
How was the gender business case made?	<ul style="list-style-type: none"> ▲ ÉLAN RDC firstly sought to disprove the perception among ICS producer and distribution companies that women have little to no purchasing power and do not influence the decision to purchase of ICS. This misperception meant that several of ÉLAN RDC's partner ICS companies had developed their marketing strategies to primarily target male consumers, believing them to be the sole decision makers. ▲ By undertaking qualitative research, ÉLAN RDC demonstrated to partner ICS companies that women were, in fact, instrumental in making the decision to purchase an ICS – and did so either in consultation with, or independently of, their husband. ▲ This learning was then used by ÉLAN RDC to make the gender business case for supporting ICS producers, including Halt Bank (a producer-distributor in Lubumbashi) to reframe their marketing and distribution strategies with the needs, preferences and behaviours of female consumers in mind. This meant working with Halt Bank to: <ul style="list-style-type: none"> o Recruit and train women as sales agents to tap into women's existing networks; o Develop a marketing campaign specifically aimed at increasing women's awareness of ICS, its benefits, and its affordability delivered through channels relevant and accessible to women (run as a country-wide renewable energy awareness campaign); o Develop costing models – including instalment-based payment – to make ICS more affordable and accessible to poor women.
What was the commercial and WEE impact?	<ul style="list-style-type: none"> ▲ Commercial Impact? By improving production quality and quantity, and adapting their marketing and distribution strategies to better target female consumers, Halt Bank sold 2,001 ICS to poor households in Lubumbashi, an significant increase in their average annual sale of 1,200 ICS in the years prior to ÉLAN RDC's support. ▲ WEE Impact? Households purchasing ICS realised significant cost savings, much of which has been captured women. More transformational still, is the significant reduction in hours spent by women on unpaid care, which according to the women themselves stands at between 4-5 hours daily. Collectively, the financial and time savings have helped women to establish or expand existing productive activities, facilitating or strengthening their own income streams.
Lessons learnt	<ul style="list-style-type: none"> ▲ The ICS partners' marketing strategies focused primarily on the financial savings and health benefits that can be realised by purchasing the product, with no explicit acknowledgement of its timesaving properties and the implications of this for women's care burden. To further increase the number of household purchasing ICS, the marketing campaign could have more proactively promoted the 4-5 hour daily time savings, alongside the other advertised benefits, to more powerfully market ICS to poor women. ▲ More information on this business model, and its impact female consumers, can be found in ÉLAN RDC's Women's Economic Empowerment Learning Series: Case Study 2 Exploring empowerment outcomes for poor female consumers using improved cook stoves in Lubumbashi

What are key ingredients for a successful gender-inclusive business model?

Looking across the four gender-inclusive business models presented in this Learning Paper, a series of 'key ingredients' for market-led gender impact present themselves.

These include:

COMMERCIAL VIABILITY

- ▲ The business model must make genuine commercial sense for it to be attractive to the partner and sustainable in the long run.
- ▲ This means calculating:
 - o the investment involved (which can sometimes be higher when targeting women owing to lower literacy levels etc) including the cost of market making (being the first mover);
 - o the potential increase in revenue; and
 - o the time horizon for the return on investment.

PITCH & PACKAGING

- ▲ The way the business case is pitched and packaged is key!
- ▲ The partner's buy-in will depend on the:
 - o Inherent quality of idea (opportunity), ie. whether it is context-appropriate, translatable to the market, based on sustainable incentives
 - o Quality of evidence: is it appropriate technicality, well grounded in business, is the data is also context adjusted?
 - o Inherent quality of idea (solution): is it context-appropriate, translatable to the market, based on sustainable incentives?

PARTNER APPETITE

- ▲ BUT...the partner's openness to exploring gender-responsive models is also critical. The partner's appetite to try gender-inclusive business models may depend on:
 - o The relationship/trust the programme has with business: does the MSD programme have a pre-existing relationship with the business or are they new relations? Is the MSD programme viewed credibly as a facilitator?
- ▲ Placement of idea: Is the programme pitching to the right organisational level/ driving individuals?

FLEXIBILITY OF NORMS

- ▲ If certain norms are particularly entrenched or 'sticky' it may not be feasible for a gender-inclusive business model to work as anticipated (e.g. owing to women's limited mobility), indeed it may put women at risk.
- ▲ Conversely, those business models that work with more flexible norms, and / or circumvent the more entrenched norms (e.g. by developing distribution models that proactively address women's more limited mobility) can be extremely successful.

TAPPING INTO WOMEN'S EXISTING NETWORKS

- ▲ A common feature of all 4 gender-inclusive business models showcased in this Learning Paper is their engagement with existing women's networks.
- ▲ This can be a critical way in which to effectively access large numbers of women in a trusted way.



What can we learn from failure?

In addition to identifying key ingredients for a successful gender-inclusive business model, ÉLAN RDC has also developed a series of learnings from failed attempts to develop and operationalise business innovations that positively impact women. These learnings include:

- ▲ Sometimes there may not be a clear business case for the increased or improved inclusion of women (and this is okay!);
- ▲ Some gender norms are too difficult to overcome or circumvent, particularly within the timeframe of a typical MSD programme and when using facilitative principles;
- ▲ Sometimes MSD programmes need to work more directly with women and/or communities to sensitise them to the benefits of improved and/or increased female participation, either by flexing our understanding of facilitation techniques or by partnering with civil society organisations who may be able to engage more directly with the end target population;
- ▲ Sometimes failure is not because of the model itself rather the way it is pitched, the partner, or broader economic factors!

Conclusion

This Learning Paper has set out four clear examples of tried and tested business models that are both commercially attractive to the private sector and which have supported women's economic empowerment outcomes in DRC. Drawing from these 'real life' examples, the Learning Paper identifies five key ingredients for designing and operationalising gender-inclusive business models, together with a series of 'lessons learnt' from failed attempts to get gender-inclusive innovations up and running. It is hoped that by sharing these business innovation ideas and the practical steps involved in adopting and operationalising them, that ÉLAN RDC can support the wider uptake of gender-inclusive practices within the market systems development community.

