



# Accelerating Investments in Women through Certification



*A White Paper of the W+ Standard*  
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# Accelerating Investments in Women through Certification

## *A White Paper of the W+ Standard*

### Introduction

This white paper makes the case for a new and innovative option for a certification system that channels measureable and verifiable benefits directly to women and women's organizations. The W+ Standard (W+) is designed to incentivize investments in women's empowerment through a system that both measures results and puts money into the hands of women, which in addition to the benefits for women themselves, is likely to have transformative impacts on gender inequality, the economy, poverty, climate change, and food security, among other impacts. The W+ Standard is a set of project design and implementation requirements that provides contributors the opportunity to accelerate progress for women and gender equality.

By employing W+, buyers attain a positive social impact that is measurable at the level of individual women at the base of the supply chain and within the boundaries of international development programs. This level of detailed measurement, which is regularly monitored and independently verified, ensures that the impact is highly transparent and reduces risk. Purchasers are able to build economic agency among the most disadvantaged segment of society, namely women, and also contribute to multiplier effects with other individuals in households, as well as surrounding communities, industries, and economies. Through W+, unit owners take part in a breakthrough innovation that is leading the way for investing in results – not just processes- to overcome intractable blocks to women's empowerment and gender equality.

The paper will be of interest to social impact investors, companies with social targets, international development donors and agencies, governments, and the Corporate Social Responsibility (CSR) community. It will also be of interest to a variety of actors along supply chains, including agriculture producer groups, suppliers, processors, vendors, retailers, non-governmental organizations, and consumers that seek transparency and reliability in their claim for supporting women's empowerment, through the use of W+ certification and label.

### The Lack of Investment in Women

The W+ Standard was developed by WOCAN<sup>1</sup> in response the considerable research showing that a significant lack of investment in women and women's organization impedes global goals for sustainable development. According to the World Bank, only two cents of every dollar in international aid funding goes to support programs for girls. To illustrate this, compare the income of all women's and girls' rights organizations globally in 2010, \$106 million, to

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<sup>1</sup> WOCAN is a women-led not for profit that builds capacities for gender integration and women's leadership ([www.wocan.org](http://www.wocan.org))

Greenpeace’s income in the same year— nearly 3 times as much at \$309 million.<sup>2</sup> A separate study found that the majority (73 percent) of initiatives supporting women and girls do not engage women’s organizations as partners. Women’s organizations only receive nine percent of the funding, even though they have “historically been closest to transforming the position of women and girls in societies.”<sup>3</sup>

Why invest in women’s organizations and groups? First, these organizations understand that empowering women can be transformative for households, communities, and the economy, and they often target the most disadvantaged segment of society. Second, they are organizations run by women for women. Third, these institutions provide critical support, particularly in times of need marked by food insecurity or weather extremes linked to climate change. Studies show that while families and peer groups provide the first line of support to households in times of need, formal institutions—such as affinity groups, federations, cooperatives, or NGOs—are the most accessible and effective institutions providing support at times of stress. Acting as institutional safety nets, these groups provide access to land resources, micro-credit, technical inputs, or links to the next level of public institutions such as local government.

However, women’s groups usually do not have the resources or connections to attract enough resources to accomplish their mission, and thus channeling funds to these organizations is a uniquely rewarding opportunity for W+ unit buyers and investors that are attracted to their mission. Due to meager funds available, many women’s organizations are shifting their fundraising approaches away from grants—a 2010 study of 1,100 women’s organizations from 140 countries found that one-third depend on income generation as their primary source of support.<sup>4</sup>

The gap in investing in women’s organizations and women-led businesses at all levels is likely maintaining or worsening gender gaps and women’s potential to contribute to the economy. Even when health and education gaps are closed, there are other political, institutional, and social barriers that block greater economic and political participation for women.<sup>5</sup>

However, emerging research demonstrates the economic potential of investing in women and women-led entities. The World Bank announced in a recent global development report that addressing gender inequalities leads to economic growth and is ‘smart economics.’<sup>6</sup> The United Nations’ Food and Agriculture Organization (FAO) showed that women’s access to decision-making and assets leads to 20-30 percent increases in agricultural productivity. Goldman Sachs’

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<sup>2</sup> Drasser, K. & V. Valenti (2014). The Gender Accelerator: Are Startup Accelerators the Future for Women and Girls? Stanford Social Innovation Review. December 23, 2014. Accessed from: [http://www.ssireview.org/blog/entry/the\\_gender\\_accelerator](http://www.ssireview.org/blog/entry/the_gender_accelerator)

<sup>3</sup> Association for Women’s Rights in Development (2014). *New Actors, New Money, New Conversations: A Mapping of Recent Initiative for Women and Girls*.

<sup>4</sup> Drasser, K. & V. Valenti (2014). The Gender Accelerator: Are Startup Accelerators the Future for Women and Girls? Stanford Social Innovation Review. December 23, 2014. Accessed from: [http://www.ssireview.org/blog/entry/the\\_gender\\_accelerator](http://www.ssireview.org/blog/entry/the_gender_accelerator)

<sup>5</sup> Slater, Alyson (2014). Measures of a woman’s worth: gender gaps and economic empowerment. CSR Asia. October 29, 2013. Accessed from: <http://www.csr-asia.com/csr-asia-weekly-news-detail.php?id=12314>

<sup>6</sup> World Bank (2012). World Development Report on Gender Equality and Development.

analysis of the Japanese economy indicated that closing the gender gap in employment and focusing on gender diversity could help companies and the country itself significantly boost the economy.<sup>7</sup> And US Fortune 500 companies with the highest representation of women on their Boards (19 to 44 percent women) were found to enjoy 16 percent higher net income as a percentage of revenue than companies with no women on their Boards.<sup>8</sup>

Purchasers interested in contributing to social impacts (economic, educational gains... etc.), or for women in particular, may have found it difficult to assess the impact because no mechanism has existed to measure, unitize, and validate those impacts. At a recent event on the importance of gender data, former New York City mayor Michael Bloomberg noted in his remarks, “If you can’t measure it, you can’t manage it.”<sup>9</sup> The application of the W+ to the first project in Nepal has shown that rigorous yet low cost impact measurement is indeed possible, using methods that WOCAN has developed to incorporate qualitative as well as quantitative metrics. The W+ builds upon the variety of new data efforts on women’s empowerment—for example the World Economic Forum’s Global Gender Gap Report—and takes one step further in offering firsthand measurement of social impacts. This quantitative and in-depth approach also contributes to the valuing of women’s empowerment in the broader equation of economic growth.

## Why Address the Gap through a Standard

There is evidence that standards and certification schemes are delivering positive outcomes. A study conducted by the [Committee on Sustainability Assessment \(COSA\)](#)<sup>10</sup> found that on average, coffee and cocoa farms participating in a certification program were more productive and environmentally responsible and farmers were more likely to receive training and higher net incomes than conventional farms, based on data from 18,000 surveys. The existence of voluntary standards and certification systems has made it possible for public and private institutions to adopt procurement and permitting policies favoring more sustainable goods and services than would be feasible if they had to rely on their own capacity to evaluate the performance of each product or project.<sup>11</sup>

However, through a survey of existing standards in 2011, WOCAN found none that addressed specifically how women at the “bottom of the market” were benefiting from an activity or supply chain. A few incorporated gender, but did not provide rigorous indicators, and sometimes referred only to an avoidance of doing harm. WOCAN determined that this was a

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<sup>7</sup> Matsui, K. et al. (2014). Japan: Portfolio Strategy: Womenomics 4.0: Time to Walk the Talk. Goldman Sachs.

<sup>8</sup> Catalyst (2007). The Bottom Line: Corporate Performance and Women’s Representation on Boards.

<sup>9</sup> Walker, Lauren (2014). Could Big Data Be the New Gender Equality Tool? Newsweek Magazine. December 16, 2014. Accessed from: <http://www.newsweek.com/could-big-data-be-new-gender-equality-tool-292355>

<sup>10</sup> COSA. 2013. The COSA Measuring Sustainability Report: Coffee and Cocoa in 12 Countries. Philadelphia, PA: The Committee on Sustainability Assessment

<sup>11</sup> Mallet, P, 2013. ISEAL Emerging Standards Module: Overview. London, UK: ISEAL Alliance.

gap in benefits to women could be best addressed by a standard specific to women’s empowerment, based on its experience with efforts to ‘mainstream’ gender within existing policies and programs where the focus was frequently diluted and therefore ineffective, by providing a market-based incentive and reward for good practices. As well, WOCAN believed that a focus on women would have a stronger market appeal to consumers and companies, with a clearer message than could be understood through a gender framework. Other standards are now looking to incorporate gender and women’s empowerment, perhaps in response to an understanding of the importance of this to sustainable development goals and sustainable supply chains; however, only the W+ specifically tracks progress in the lives of individual women at the base of the supply chain, rather than within factories or companies themselves.

### Why Putting Money in Women’s Hands is Critical

The purpose of W+ is to provide resources that women control, and resources for women’s empowerment activities. Putting money directly into women’s hands has proven to be transformative for their lives, as well as those of their family and community members.<sup>12</sup>

Why the focus on directly channeling to women? Women’s economic agency is one of the main factors driving economic and political empowerment, yet gender inequalities often bar women from accessing money and other critical resources. In the international development community, it is widely observed that women are more likely to reinvest this revenue in family and community, which can extend the social impact of investments targeting women, while men are more likely to spend more funds on entertainment and recreation.



By some accounts, women reinvest 90 percent of their income back into households, whereas men only reinvest 30 to 40 percent.<sup>13</sup> In Brazil, children’s survival probability increased by about 20 percent when income was in the hands of the mother, and in Kenya, income in the hands of

<sup>12</sup> Kabeer, N. (2012). Women’s economic empowerment and inclusive growth: labour markets and enterprise development. SIG Working Paper. DFID and IDRC.

<sup>13</sup> Borges, Phil, with foreword by Madeleine Albright. 2007. Women Empowered: Inspiring Change in the Emerging World; Plan UK (2009). Because I am a Girl. The State of the World’s Girls 2009.

mothers results in their children being about 17 percent taller, due to greater spending on health and nutrition.<sup>14</sup> Women’s financial security is also impacted by these priorities, as they use their own savings or borrowings on their families’ health when medical attention is needed. These multiplier effects of women’s spending were captured by Booz & Company in their 2013 report on women in the global economy: “Positive steps intended to economically empower women not only contribute to the immediate goals of mobilizing the female workforce, but also lead to broader gains for all citizens in such areas as economic prosperity, health, early childhood development, security and freedom.”<sup>15</sup>

However, development assistance projects often assume “trickle down” benefits to women, though the tenet has been repeatedly proven false. When projects do count women as beneficiaries they may not deliver benefits directly to women. Such projects may also require women’s participation to fit into the broader project plans, rather than putting women in the driver’s seat or changing the project to ensure that it fulfills women’s needs.

Directly receiving income can transform women’s lives in the following ways:

- *Entrepreneurship and investing in financial security:* Women need loans for small businesses and financial services, or the ability to save for building a business.
- *Decision-making:* Women who earn an income are more likely to be able to make decisions about how household money is allocated.
- *Safety and wellbeing:* Owning assets and holding the title to those assets is important, and title ownership correlates to reductions in domestic violence.<sup>16</sup>
- *Family education:* Women need a way to save for school fees and to reduce economic shocks that can result in removing a child from school.
- *Resilience:* Having cash along with other resources is a critical component of resilience for women when their communities must respond to weather events related to climate change and food insecurity, for example.

According to the Roadmap for Promoting Women’s Economic Empowerment launched by ExxonMobil and UN Foundation, “female autonomy is an important determinant of rural women’s earnings and influences the success of interventions targeting women farmers and rural entrepreneurs.”<sup>17</sup> This autonomy has a lot to do with revenue in women’s hands.

How women invest the income they receive (beyond any benefits that income-generating projects provide) is where the innovation, creativity, and transformation of women’s economic agency happen. Women need resources to invest beyond basic household needs. While finance

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<sup>14</sup> World Bank. Why is Women’s Economic Empowerment Important for Development? Accessed from: [http://siteresources.worldbank.org/INTGENDER/Resources/womens\\_economic\\_empowerment.pdf](http://siteresources.worldbank.org/INTGENDER/Resources/womens_economic_empowerment.pdf)

<sup>15</sup> 2013, Booz & Company, “Empowering the Third Billion: Women and the World of Work in 2012.”

<sup>16</sup> Iskenderian, Mary Ellen (2013). Women’s World Banking: What Women’s Empowerment Means to Me. BSR Blog. April 3, 2013. Accessed from: <http://www.bsr.org/en/our-insights/blog-view/womens-world-banking-what-womens-empowerment-means-to-me>

<sup>17</sup> Buvinic, M. et al. (2014). A Roadmap for Women’s Economic Empowerment. UN Foundation and ExxonMobil.

is a central barrier to women’s entrepreneurship, they also face non-financial barriers, including time available for entrepreneurial activities, intra-household bargaining, restrictions on mobility, human capital, infrastructure, etc.<sup>18</sup> Since women face gender imbalances that place restrictions on their starting and building businesses, the influx of significant resources could provide the additional income and other assets that women need to invest and take the risk. This is why direct share payments to women are a necessity of the W+, on top of any project-sourced income.

## The Solution of Gender Lens Investing

Gender lens investing has emerged as a strategy to invest in women-led enterprises, offer women and men equal opportunities, or drive positive impacts for women and girls<sup>19</sup>. Taking a broader view, the gender lens focus makes it possible for investors to have an impact on an entire underfunded arena of economic development—gender inequality. This macro approach for social impact investing is in line with the recommendations of the Omidyar Network, which notes, “Impact investors can massively increase the number of lives they touch by concentrating investments in specific industry sectors in specific geographies, and by investing in a range of organizations to accelerate the development of industry segments.” They go on to note that investment is particularly acute at the earliest stages of innovation.<sup>20</sup>

The business community is expanding its focus to include women’s empowerment, signaled by an increasing number of high profile commitments. For example, Unilever announced a new partnership with the development organization Oxfam to enhance women’s livelihoods in Thailand. Through initiatives like these, Unilever seeks to double the size of its business while reducing its environmental impact and delivering increased social value.<sup>21</sup> Investments in women may attract investors who are paying more attention to what their money is supporting. In a U.S. Trust survey of high-net-worth investors, which asked how important environmental, social, and political factors were in evaluating a potential investment, 65 percent of female respondents considered these factors to be “somewhat” or “extremely” important, compared with 42 percent of male respondents.<sup>22</sup>

While very promising, this new arena of gender lens investing has shown some limitations. First, it is geared toward investing in women entrepreneurs, and usually only individual entrepreneurs. Not all women want to be entrepreneurs, and women’s organizations are also left out. Second, companies that make high profile commitments run a major risk by being unable to track and assure progress, and transparently show how they have contributed to women’s empowerment. The existing CSR instruments and standards fall short of providing a

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<sup>18</sup> GPFI/IFC 2011. Strengthening Access to Finance for Women-Owned SMEs in Developing Countries.

<sup>19</sup> Keefe, Joseph (2013). Gender Equality as an Investment Concept. Pax World Investments.

<sup>20</sup> Bannick, M. and P. Goldman (2012). Priming the Pump: The Case for a Sector-Based Approach to Impact Investing.

<sup>21</sup> Oxfam (2012). Unilever and Oxfam launch pilot project to enhance women’s livelihoods for a sustainable future in Thailand. August 15, 2012. Accessed from: <http://www.oxfam.org/en/pressroom/pressreleases/2012-08-15/unilever-and-oxfam-launch-pilot-project-enhance-womens>

<sup>22</sup> Ford, Lynne (2014). 2014: The Year of Women Investments? Calvert Investments News and Commentary. February 3, 2014. Accessed from: <http://www.calvert.com/newsArticle.html?article=21002>

framework for program design and monitoring specifically on gender or women's empowerment. The W+ Standard is designed to address these gaps by investing directly in individual women and women's organizations, and measuring for women's empowerment.

## How W+ Works

W+ is creating a new market for *social capital*<sup>23</sup> that is drawing the attention of impact investors, corporations, the CSR community and international development agencies. Moving beyond conventional aid to innovative results-based financing, the W+ is a gender accelerator that facilitates the application of a gender approach at scale for the growing ecosystem of actors in impact investing as well as corporations that are looking to add value to their supply chains and brands through the use of the W+ label, bringing higher prices/premiums to women suppliers at the sourcing level. The W+ is applicable to a wide range of economic development and environment projects, including but not limited to those of forestry, renewable energy, clean water, agriculture, and others.

Contributors can benefit from the W+ through three primary ways:

- Purchasing W+ units provides corporations, individuals and investors with quantified results of women benefitted that can count towards internal targets for women's empowerment.
- Corporations and investors can seek higher profits from W+ labeled products and services
- Financial institutions can provide loans to organizations producing W+ units for the market.

The W+ Standard was developed from 2012-2014 by WOCAN, a women-led membership organization of over 1000 professionals with gender expertise in 95 countries. The W+ tracks women's empowerment in six areas—Time, Income & Assets, Health, Leadership, Education & Knowledge, and Food Security—and each certified project measures progress in at least one of these domains.

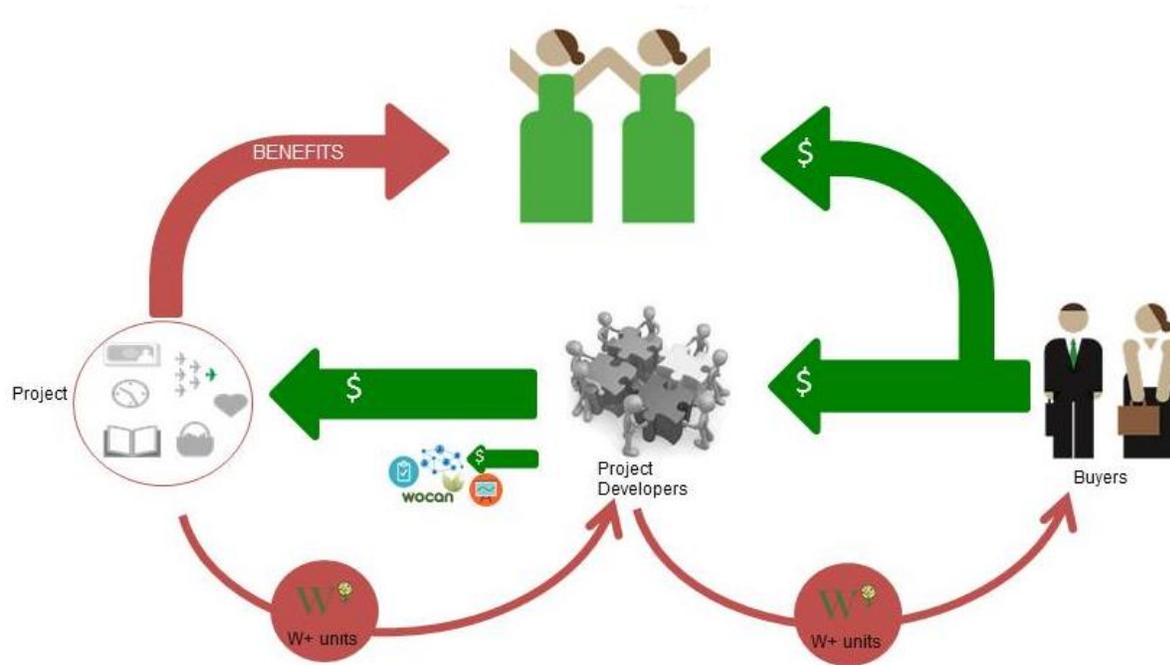
The measurement of results in these domains results in quantified W+ units that contributors can purchase in order to demonstrate the outcomes achieved through their contributions in these areas, and channel funds to women beneficiaries and their groups. Companies can use the W+ label for its W+ certified activities along a supply chain, bringing higher prices/premiums to women suppliers at the sourcing level.

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<sup>23</sup> Social capital is the expected collective or economic benefits derived from the preferential treatment and cooperation between individuals and groups.

## STAGE 1 Certification

## STAGE 2 Marketing / Sales



To embark on W+ certification, existing or new projects or initiatives assess how the W+ can be integrated into the project and submit a Project Idea Note (PIN). Project developers then produce a Project Design Document to be registered through the W+ system. Once projects are underway, their outcomes are monitored and measured, and then verified by an external auditor who has been accredited by WOCAN. Projects that obtain satisfactory results are issued W+ certificates for a specific number of units, which are listed in the W+ registry. Project developers may choose to then sell these units to corporations, investors or individual buyers, but must also make Direct Share Payments to women beneficiaries. The pricing of each project's units is calculated based on a formula that captures how projects have impacted women's lives—for example, the W+ Time Unit for a biogas project in Nepal was calculated using the country's living wage for an eight hour day. For each Unit, 50 percent of the unit price is channeled back to local women's groups in the project community in the form of Direct Share Payment, through a reliable financial institution. The remaining amount covers the costs of the project developer, auditor, administration, and provides a profit margin to project developers.

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the outcomes achieved through their contributions in these six areas, and channel funds to women beneficiaries.

The first W+ project was completed this year in Nepal, where women in rural villages replaced their wood generated stoves with those generated by biogas, relieving them of the need to collect fuel wood from the forest. This change saved the women over two hours every day - time that the women could use to increase their income, take on leadership roles in the community, learn new skills, grow additional crops, care for children and the elderly, improve their health, support their community and benefit from rare leisure time.



1. Distributed by WOCAN through financial mechanism

2. To WOCAN for marketing, communication, advocacy, governance, capacity development

3. Cost of the project inputs, monitoring

4. Sales brokers

5. Cost of third party verification

6. Issuance and registration fees paid to WOCAN

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To find out more about W+, visit [www.wplus.org](http://www.wplus.org), or  
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