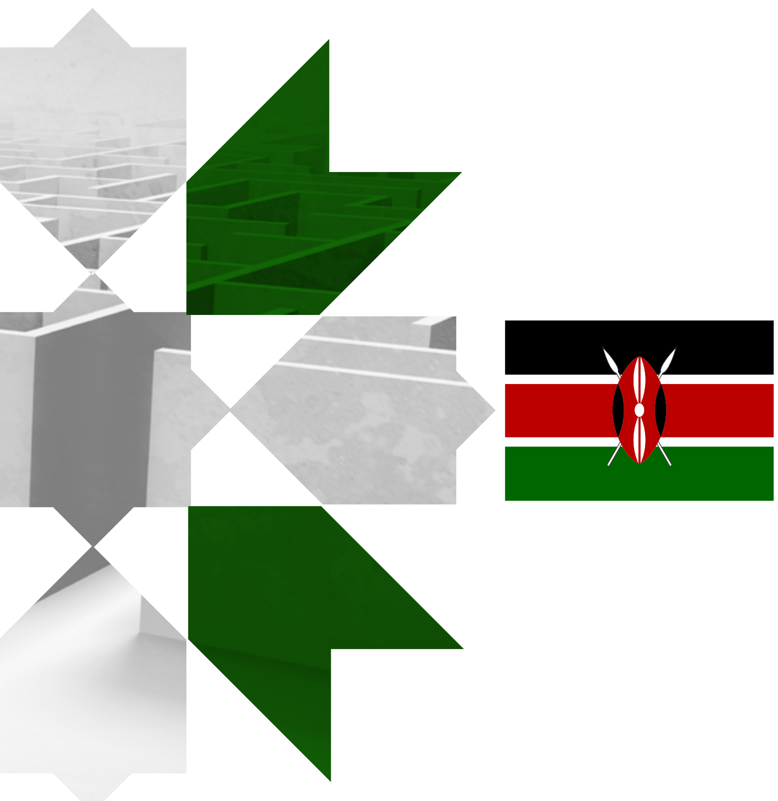
CRITERION INSTITUTE

10 Points Why Gender is Material to Investments in Kenya's COVID-19 Recovery



Since the start of the COVID-19 pandemic, reports have emerged about the gendered aspects of its impacts in Kenya. From spikes in gender-based violence to increasing childcare duties falling on girls and women to the economic fallout in sectors dominated by women workers, this pandemic – like all global crises – is not gender neutral.

While the human and economic risks are well documented, less analysis has been completed about how these patterns will impact investment outcomes. But one thing is clear: the scope and magnitude of the economic and social gender inequalities and the ways in which they are being exacerbated by the COVID-19 pandemic will change how Kenyan investment opportunities perform.

Criterion Institute, in partnership with members of the Addressing Gender-Based Violence in East Africa collective, has identified 10 evidence-backed economic patterns and translated them into investment opportunities and risks. Understanding these patterns is critical for investors to appreciate short and long-term risks, uncover hidden opportunities and invest to capitalize on both. Presenting these will enable government and impact investors focused on Kenya's recovery to invest better for the outcomes they seek.

For each point, we name the proven economic patterns, their relevance to Kenya's recovery, their relevance to investments, and key points to track so that investors have a comprehensive understanding of the COVID-19-related shifts happening in Kenya. In some cases, the data we identify may not be tracked in consistent ways. We include them anyway, because this research highlights, in part, data gaps that are crucial to investment analysis. It is important to note that gender patterns are complicated by class, ethnicity and other identities along which power and discrimination operate. Investors should examine these factors and understand how they relate to Kenya.

Kenya's recovery from the COVID-19 crisis will be long and difficult, and the need to course-correct by incorporating a gender analysis is urgent. If investors do so, they will be able to structure capital flows, so that Kenya's economy is rebuilt with greater stability and gender inclusiveness to the benefit of all.

10 Ways Gender is Material to the Recovery

1. If Kenyan Women Continue to Reduce their Working Hours or Drop Out of the Economy Altogether, Kenya's Economy will be Slower to Recover
2. Investments in Women-led Businesses are an Investment in Kenya's Resilient Economic Recovery
3. Increasing Demands for Unpaid Care is Contracting or Slowing Kenya's Economic Growth
4. Kenyan Companies that Mitigate the Potential Gendered Consequence of Remote Work will be Better Positioned in the "New Normal"
5. Through Response and Recovery, Kenyan Women Will Continue to be the Dominant Purchasers of Essential Goods and Services
6. The Shifts in Kenya's Economy are Revealing Investment Opportunities in the Childcare Industry. Smart investors Won't Undervalue Them
7. Technology is Gendered. As Kenyan Businesses and Investors look to Tech Solutions in the Current Context, a Gender Lens Will Reveal Opportunities and Mitigate Risks
8. Infrastructure is Gendered. As Governments and Private Investors Move Capital to Infrastructure Projects, a Gender Lens will Reveal Opportunities and Mitigate risks
9. Those Investing in Sector-Level Recoveries Will Help Kenya to Build Back Better if Gender Inequalities are Addressed
10. If and How Kenya Responds to the Increases in Gender-Based Violence during COVID-19 Crisis is an Indicator of its Future Political Risk

1

If Kenyan Women Continue to Reduce their Working Hours or Drop Out of the Economy Altogether, Kenya's Economy will be Slower to Recover

Women's labour force participation is correlated with better economic outcomes. However, since the start of the COVID-19 pandemic, Kenyan women have continued to drop out of the workforce in greater numbers than men. Notable barriers to Kenyan women maintaining their pre-COVID-19 employment rates include business shutdowns and reduced working hours via curfews, school closures leading to growing domestic and care responsibilities and shelter in place orders that have left women vulnerable to gender-based violence. The longer that Kenyan women are either not working at a full-time capacity or are out of the labour force entirely, the higher the barriers to their re-entry are. This will have a sizeable impact on all of Kenya's post-COVID-19 economic outcomes.

Available Research

Kenyan women hold unlimited economic potential. However, their economic participation has been limited in comparison to men's. In 2019, one year before the COVID-19 pandemic began, Kenyan women's labour force participation rate stood at an estimated 72% as compared to 76% amongst men. The UNDP called these economic gender inequalities back in 2016 a "confirm[ation] that Africa is missing its full growth potential because a sizable portion of its growth reserve – women – is not fully utilized". The Center for Foreign Relations using 2015 data supplied from the McKinsey Global Institute agrees, that if Kenyan's women economic participation was fully equal to men's, 22% or US $28 billion could be added to Kenya's GDP by 2025. The cumulative effects of COVID-19's mobility and economic restrictions have caused more Kenyan women to reduce their paid working hours or leave the workforce entirely. UN Women – Kenya, in partnership with other organizations, believes that the gendered consequences of Kenyan women working less can be seen in 20% of Kenyan women having lost all sources of income as compared to only 12% of Kenyan men. Likewise, per a Performance Monitoring for Action study, during the COVID-19 pandemic 84.4% of young women saw disruptions to formal employment in contrast to 80.4% of young men. For Kenya to rebuild per its full potential, gender inclusion efforts need to be mainstreamed into its post-COVID-19 economic plans.

Relevance to Recovery

During the COVID-19 pandemic, of the Kenyan women who reduced their hours or left the workforce, many worked in low-wage positions that operated in the informal sector. If this trend continues, Kenya's overall economic recovery will be slower. Kenyan women need to be given more formal sectors work opportunities and the resources to succeed in higher-wage positions for its economic recovery to be more gender inclusive.

Relevance to Investments

Investors need to be tracking changes in Kenyan women's labour force participation rates at national and county-levels as indicators of the long-term sustainability and stability of its economy. Additionally, reviewing the Kenyan government's spending on gender inclusion efforts and pushing for gender-based budgeting can also help Kenya to create more gender inclusive economy. The government's responsiveness to such efforts can inform their assessments of Kenya's economic opportunities and risks.

Relevant Data and Metrics to Track

- Changes in Kenya's gendered labour force participation rates, pre-COVID to now. The ILO ILOSTAT database has sex-disaggregated data on labour force participation, unemployment rates, self-employment, and participation in the informal sector, among other indicators.
- % of Kenyan women who have lost their job(s)
- % of Kenyan women who have become food insecure
- % of Kenyan women who are considered economically empowered

2 Investments in Women-led Businesses are an Investment in Kenya's Resilient Economic Recovery

Studies show that women-led businesses have often been able to perform better with less investment. People who experience structural inequities and discriminatory biases in business, such as Kenyan women must identify new ways to successfully build new busines models without the resources available to more privileged groups. Therefore, investments in Kenyan women-led businesses present an opportunity to expand Kenya's economy through new ways.

Available Research

Women's entrepreneurship has led to many positive impacts on Kenya's economy, such as spurring new job creation, increasing innovation, and ultimately, leading to economic growth. One pre-pandemic study on Kenyan women's entrepreneurship showed that in 2013 that "the success of participants in operating their businesses has resulted in their being able to support themselves and their families and, in many cases support others in their community". This study also evidenced that, "women who were moving out of poverty...were in fact 'business women'". Yet, despite the importance of women's entrepreneurship to Kenya's economy, they have continued to face challenges in attracting finance to start and grow their businesses via collateral requirements, complete financial records and legal documentation. Per Standard Chartered, "only 2% of $725.6 million in venture capital funding was invested in women-owned (or led) businesses in sub-Saharan Africa in 2018". Kenyan women entrepreneurs have experienced further business challenges during COVID-19. A 2020 a study has showed that of 177 Kenyan women entrepreneurs, only 42% were successful in raising capital. One study which looked at the impacts of COVID-19 on MSMEs in Nairobi and Mombasa reported that, 80% of female-owned businesses, compared to 67.6% of male-owned businesses, faced declines in supply volumes, with women business owners reporting an average decline of 50% in volume compared to 30% reported by their male counterparts. Per Nunda et al., "Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets".

Relevance to Recovery

Women-led businesses tend to be built for resilience and, therefore, they are critical to Kenya's COVID-19 rebuilding efforts as they increase its propensity for economic stability and future growth. Supporting Kenyan women entrepreneurs is an effective approach for expanding Kenya's economy in new ways.

Relevance to Investments

Investing in Kenyan women-led businesses is particularly attractive, because of their strong economic resiliency. Capital needs stretch from microfinance all the way through to small and growing businesses, growth businesses, high-growth businesses, and larger established businesses. It is important for investors to understand the right financing required for the right type of women-led business and to structure their capital through a vehicle which best supports their recovery.

Relevant Data and Metrics to Track

- Leadership demographics of Kenyan businesses receiving investment capital, by size of business; The World Bank Enterprise Surveys provide data on the percentage of firms with female participation in ownership and firms with top managers. The IFC SME Finance Forum provides sex-disaggregated data on the finance gap for MSMEs and gender breakdown of MSME ownership
- Leadership demographics of Kenyan businesses receiving government stimulus, by size of business
- % of Kenyans shifting their primary occupation from being an employee to being an entrepreneur; sex-disaggregated data

3 Increasing Demands for Unpaid Care is Contracting or Slowing Kenya's Economic Growth

Unpaid care is one of the biggest threats to the growth and stability of Kenya's economy. The COVID-19 pandemic has stretched Kenyan girls and women's ability to perform both unpaid care work and other tasks. Some have had to leave school and/or their jobs to meet caregiving needs; for many who remain, the demand of caregiving reduces their ability to be present and productive. This is causing declining economic efficiencies and outputs and jeopardizing Kenya's COVID-19 full economy recovery.

Available Research

Providing unpaid care can strengthen social bonds while reducing household expenditures, however it can also be a very emotionally and physically draining, as well as time-consuming activity. Pre-COVID-19, women in sub-Saharan Africa provided the bulk of unpaid care work by supporting children (both their own, fostered and/or orphaned), elderly, physically and mentally disabled or debilitated persons, persons with choric illnesses, as well as others in their social networks who suffered from other forms of hardship. The ILO estimated that Kenyan women spent around 104 minutes as compared to men spending 45 minutes on daily childcare. This unequal distribution of unpaid care work negatively impacted girls and women's financial situation and their economic potential. During the COVID-19 pandemic, the burden of unpaid care has continued to disproportionately fall on Kenyan women and girls. A Government of Kenya COVID-19 assessment has revealed that 53% of women as compared to 15% of men have spent time teaching children.

For some parents, providing quality care to their families is not a viable economic option. The Flone Initiative reports that COVID-19's school closures have put a strain on already scarce food resources at home by not having children be supported through school feeding programs. Per the Flone Initiative's study, 2% of respondents have had to leave their children with a neighbour while they looked for work and some parents have sent their children to live with relatives to ease the pressure of caring for them. These streses will have a huge impact on Kenyan girls and women's labour force participation, as well as their own mental and physical health.

Relevance to Recovery

The burden of unpaid care presents serious operational risks to Kenyan companies that don't provide job security and flexible working arrangement for workers that have caregiving responsibilities. Absenteeism, presentism, and turnover rates will vary from company to company; however, all companies' performances will be affected by workers who are feeling strained by their additional caregiving roles. In counties where schools do not quickly re-open, the ongoing burden of providing care will be felt harder. Additionally, sectors that employ a disproportionate number of women will be hit harder. If Kenyan girls and women don't have access to compensation for the care work performed, then their livelihoods are at-risk which poses challenges for Kenya's economic stability and future growth outlook. This is a self-perpetuating cycle.

Relevance to Investments

Investors need to keep abreast of unpaid care work trends and understand how these affect their investees at the enterprise and market levels:

Enterprise: Kenyan companies need to be responsive to staff that are feeling overburden by their additional caregiving responsibilities and provide the necessary supports to stabilize their workforce and maintain productivity levels.

Market: Kenyan ecosystem players to need work with their stakeholders to identify and disseminate good practices for supporting workers who are also caregivers.

Relevant Data and Metrics to Track

- Volume of unpaid caregiving work; sex-disaggregated data; a 2018 ILO study, Care work and care jobs for the future of work, includes in-depth information and data on the care economy, including domestic workers and child care providers
- Gender responsive budgeting: national and county-level spending on daycare facilities and number of public transport linkages to such facilities
- National and company-level paid leave policies
- Labour force participation rates; sex-disaggregated data
- Turnover rates by sex
- Percentage of women who don't return to work because of unpaid care duties
- The ILO's ILOSTAT database has sex-disaggregated data on employment-to-population ratio by presence of children in the household, which could provide context about how much of an impact childcare is having on Kenya

4

Kenyan Companies that Mitigate the Potential Gendered Consequence of Remote Work will be Better Positioned in the "New Normal"

The consequences of shifting to remote working environments are gendered. While remote work has been shown to yield positive gendered consequences (for instance, Kenyan women are given greater scheduling flexibility), it also has caused disproportionately more negative consequences for Kenyan women. This is due to a variety of factors, including: 1) the disproportionate domestic responsibilities they shoulder, 2) their reduced access to technology, 3) the increased potential that they will experience violence in the home, and 4) the increased potential that they will experience online harassment. Companies that innovate by piloting new ways to support their employees through these shifts will likely be high performers in the long run as they will be rewarded by greater employee loyalty.

Available Research

Working from home can allow greater flexibility over the trajectory of workers' schedule, however it can also cause significant disruptions to productivity as more competing demands for workers' time emerge, shared resource arrangements must be made, and workers are hit with new workplace challenges. Pre-COVID-19 pandemic Kenyan women and girls completed nearly all domestic work. Oxfam's Household Care Survey from 2019, showed that of the 42 men it surveyed, 71% had never seen another man wash clothes, 62% had never seen another man clean the house and 45% had never seen another man prepare meals. The COVID-19 pandemic has only increased the time that Kenyan girls and women are spending on domestic activities and reduced their opportunities to find paid work. Innovations for Poverty Action reports that due to COVID-19 lockdowns and work from home arrangements women are twice as likely to take on more unpaid domestic work, such as cooking, and cleaning as compared to men and "about half of both men and women reported this increase in domestic work has had a negative impact on their ability to earn money".

Before the COVID-19 pandemic hit, the World Bank already believed that in 2019 Kenya's gendered digital divide was limiting the pace of its digital economy growth, because "women remain underrepresented in tech and persistent gender gaps remain in relation to mobile internet penetration (4%), awareness of mobile internet (16%), as well as spending on mobile services (29%)". The Alliance for Affordable Internet now states that, "the Covid-19 crisis has underlined that the internet – and the devices that allow people to access it – are not luxuries. These are lifelines". The higher demand for devices and internet access has left "some women [forced to] connect [to the internet] occasionally using their partner's smartphone, which not only compromised immediate access but added the burden of negotiating power relations".

Prior to COVID-19, Kenyan girls and women were often the targets of gender-based online hostilities. In 2016, the African Development Bank reported that these "gender-based cyber attacks have resulted in death, health challenges and court cases". The uptake in gender-based violence associated with the COVID-19 pandemic has only worsened these trends. Most recently, the difference in social media users' treatment of Brenda Ivey Cherotich; Kenya's first confirmed COVID-19 patient as compared to that of Brian Orinda; Kenya's third confirmed COVID-19 patient illustrates how Kenyan women are more likely to be victimized by online harassment.

Despite the government of Kenya enacting laws and signing international human rights frameworks to try to prevent and respond to gender-based violence, in 2019, 45% of women experienced physical violence and 14% of Kenyan women aged 15-49 were victims of sexual violence. In the COVID-19 era, gender-based violence has become a higher area of concern. The National Crime Research Centre of Kenya has established that, "the number of gender-based violence cases recorded between January and June, 2020 has increased by 92.2% as compared to those between January and December, 2019" with 71% of all the reported gender-based violence victims being girls and women. The UN has declared the gender-based violence atrocities that are happening in Kenya and elsewhere as a "shadow pandemic".

Relevance to Recovery

Many Kenyan companies have shifted to a remote working model with some supports being given to employees to adjust to this "new normal". The East African reports that Kenyan Safaricom and Nation Media Corp have acquired and provided laptops, dongles and tech tools to equip their employees to work from home. East Africa Breweries also launched My Learning Hub, an online training and skills platform to assist its employees in enhancing their professional skillset, receiving advice as to how to adjust to remote working and other wellbeing resources. Given these investments in work from home supports, Corporate Staffing Services' research shows that three quarters of respondants would like to entrench the work from home culture in their organizations once the pandemic is over. Without taking into consideration the unique challenges faced by women in working from home, companies risk having their performance levels drop as women try to manage their other competing responsibilities.

Relevance to Investments

Investors need to inquire with Kenyan companies about what supports they are providing to their employees to productively work from home and push for accommodations to be given that address employees' unique home situations. Investors' interest in ensuring that companies resource their employees to deliver their best work will outlast the COVID-19 pandemic and will help build better companies that are poised to deliver alpha.

Relevant Data and Metrics to Track

- Sector and/or industry and/or geography shifts in remote work
- Research that evaluates the gendered nature of work over the coming months/years at the industry and/or sector and/or geographic levels
- Research on the gendered division of time spent on paid and unpaid tasks
- Gender-digital divide in Kenya; ITU and DHS have data on mobile phone ownership access and Internet access
- Shifts in domestic violence during recovery and post-COVID, at country level; UN Women, DHS, and the WHO have data on GBV, including intimate partner violence prevalence
- Shifts in online harassment occurrences and reports in sector and geography

5

Through Response and Recovery, Kenyan Women Will Continue to be the Dominant Purchasers of Essential Goods and Services

Kenyan women have major influence over consumer spending trends. The COVID-19 has altered the frequency and quantity of household items purchased; however, it has not entirely eroded household spending. Kenyan women's decisions on essential goods and services will be a core shaper of its economic recovery.

Available Research

Women are Kenya's greatest untapped economic influence. Pre-COVID-19 pandemic, In 2013, EY was already predicting that the global incomes of women would reach US $18 Trillion by 2018 and per Women Deliver by 2028 women are likely control close to 75% of discretionary spending worldwide. Per the 2014 Kenya Demographic and Health Survey, among women aged 15 – 49, 83% decided solely what food should be cooked each day and 56% made decisions about major household purchases either by themselves or jointly with their husbands. In spite of the gendered economic fallout of COVID-19, Frost & Sullivan believed that globally in 2020 "women [were] expected to control US $43 Trillion of consumer spending though voluntary private consumption or an exchange of goods and services". During COVID-19, Kenyan women consumers have retained their visibility and bargaining power over household purchases as Kenya has remained an offline shopping market. Additionally, for every 10 COVID-19 deaths amongst Kenyan women 14 Kenyan men died creating more women-led households. Businesses that do not account for women's influence their product design and marketing will miss out on the opportunity to expand into new markets and boast sales.

Relevance to Recovery

Due to the economic fallout of COVID-19, Kenyan consumer patterns have shifted towards essential goods and services. Women's decision-making power, especially over household purchases will allow Kenyan women to still have great financial influence. The ways in which Kenyan women are shifting (or maintaining) their spending priorities will signal which industries will grow or lag in Kenya's recovery.

Relevance to Investments

In analyzing Kenya's COVID-19 economic recovery, Kenyan women's spending patterns will be crucial indicators of its potential post-COVID-19 pandemic growth. Moreover, investing in industries and sectors that women support offers an effective approach to portfolio allocation and diversification. For example, if Kenyan women are already the largest purchasers of health care and their needs are going up—and if the pandemic reduces traditional access to care—health innovations and disruptions that target women and girls, already an undervalued investment opportunity, will potentially become a larger market. Likewise, women's interest in having their children engage in remote learning can have large implications on the growth of Kenya's edtech sector.

Relevant Data and Metrics to Track

- Kenyan women's spending patterns by county, disaggregated by industry; DHS has data on women's participation in household decision-making on purchases
- Changes in spending patterns compared to a pre-COVID-19 period, disaggregated by industry and gender
- Industries experiencing growth and those experiencing contraction

6 The Shifts in Kenya's Economy are Revealing Investment Opportunities in the Childcare Industry. Smart Investors Won't Undervalue Them

Prior to COVID-19, the childcare industry was one of the fastest-growing in the world. Due to prolonged school closures, the COVID-19 pandemic has greatly accelerated the trend for extra childcare support. While the childcare industry in Kenya has been marked by family or community members providing care and unregulated microbusinesses filling the gaps, there are still many investable opportunities in both government-backed and privately-run childcare businesses. Creating more childcare options will also unlock new job opportunities for childcare providers, many of which will allow girls and women to earn livelihoods.

Available Research

Accessing quality, affordable, and reliable childcare is a major concern for Kenyan parents. Pre-pandemic, Kenya was already experiencing a youth bulge. In 2019, youth constituted 36.07% of Kenya's population. Despite the high number of children who require care, the government did not invest in creating childcare facilities for children age three and under. The private and public sectors also did not step in to support the development of childcare centres and/or normalize accommodation for workers that have competing childcare responsibilities. One study from 2016 evidenced that Kenyan public and private universities "lack[ed] policies that promote job flexibility or daycare centres which women need to improve their work-family balance practices". When the COVID-19 pandemic hit, Kenyan families, similar to their global peers, had to scramble to find alternative childcare as facilities closed down in droves related to rising poverty levels, lockdowns prohibiting their operations and features about increased exposure to the crisis. Since the Kenyan government's COVID-19 stimulus plan did not address childcare concerns in its labour market policies, the private sector has been forced to support workers facing childcare coverage gaps. In Kenya, online platforms are increasingly providing an easier way for gig workers in the childcare sector to find paid work and locate new clients. This system is also particularly helpful for childcare providers who want to expand their childcare businesses yet are time poor and/or resource constrained in their ability to market their services.

Relevance to Recovery

A thriving childcare industry is vital to Kenya's economic recovery. Providing families with childcare options that serve their needs and are easy to access mitigates the need for Kenyan women to reduce their hours or leave the workforce entirely. It also allows childcare workers to find employment. Given Kenya's high youth population, companies that support innovation in this industry are well-poised to take advantage of gains associated with both economies of scale and scope.

Relevance to Investments

Since Kenya's childcare industry has been fragmented and dominated by informal workers, it has been historically undervalued by investors. This means that investors have missed opportunities to invest in these businesses which have been created to support families' changing family dynamics. As investors now look to boost Kenya's productivity post-COVID, they must understand new trends about gender labour patterns, infrastructure spending and the power of private-public partnerships.

Relevant Data and Metrics to Track

- Birth rates by county
- Consumer sentiments toward outsourced childcare
- Availability of before school, after school and evening childcare options by county
- Number of on-site daycare centres at public and private workplaces by county
- Number of job openings in Kenyan childcare facilities
- Kenyan government's spend on childcare (indicators can be found in gender-based budgeting)

7 Technology is Gendered. As Kenyan Businesses and Investors look to Tech Solutions in the Current Context, a Gender Lens Will Reveal Opportunities and Mitigate Risks

Technology is gendered. Kenya's gender-digital divide—that Kenyan women and girls have less knowledge of and access to tech—has been well documented. Additionally, less Kenyan women than men working in the Silicon Savannah has led to more gendered use cases of tech emerging. Be it e-commerce skills for sales agents, programming and engineering skills for fintech solutions and agricultural-based extension services or communications skills associated with promoting health information on social media and social networking sites, gendered gaps in tech jobs have tremendous implications women. Simply put, paying attention to gender dynamics will result in new tech opportunities—and better investments.

Available Research

Kenyan women have unlimited potential to thrive in the tech sector, if given the right resources and opportunities to do so. Pre-COVID, Kenyan women faced a severe digital divide with only 72% of Kenyan women as compared to 81% of Kenyan men having mobile internet awareness in 2019 and there being a 30% gender gap in the average number of tech use cases per week in 2019. GSMA had argued in 2019 that, "closing the mobile gender gap also represents a significant commercial and economic opportunity". To address these issues, the Kenyan government promised in its COVID-19 stimulus plan to "enhance connectivity of businesses to ICT by extending the National Optic Fiber Backbone Infrastructure in trade centres, public buildings and public spaces to boost e-commerce" and to "promote household access to and use of ICT by providing devices, such as smartphones that are 4G enabled and affordable". Given that none of these responses tackle Kenyan women's digital divide issues, UN has labelled such efforts as a gender insensitive COVID-19 response. Luckily, the private sector has started to invest in Kenyan women's technology potential. Huawei has been offering online trainings to equip Kenyan women entrepreneurs with knowledge of how to apply artificial intelligence, big data, and cloud computing to enhance their business operations. These sessions have caused a new generation of Kenyan women entrepreneurs to "re-evaluate their ability to adapt to change and embrace technology so as to not be left behind or declared redundant". More public and private sector technology investments need to do the same.

Relevance to Recovery

The global pandemic has accelerated Kenyan businesses' integration of technology to solve new problems. Investors have rewarded technology-enabled businesses which were seen as responsive to changing business environments. If the gender digital divide persists, then Kenya's economy will be at-risk of not addressing the needs of half of its population. Conversely, companies that support Kenyan women in gaining equal access to digital skills, knowledge, tools, and networks will be able to capitalize off new commercial applications of technology. These businesses will become more resilient, sustainable, and competitive.

Relevance to Investments

A gender analysis is necessary to identify opportunities and mitigate risks when it comes to technology. As the COVID-19 pandemic continues to create new customer needs, Kenyan companies that provide equal access to technology for women and men will likely spot new market opportunities that will allow them to consolidate their market share and/or create new markets. There are also opportunities for governments to work with the private sector to invest in digital infrastructure to enable women and girls to participate in Kenya's economy more fully. From a risk mitigation perspective, investors can look at which companies are leaving women and girls behind and choose to move their capital to better actors, who will likely have better outcomes.

Relevant Data and Metrics to Track

- Amount of investment in Kenya's digital infrastructure
- Gender digital divide in Kenya
- Number of workers with digital skills; gender disaggregated
- Number of open technology jobs not being filled because of labour shortages
- Number of workers involved in the planning, delivery, and marketing of new technology; gender disaggregated
- Assessment on the different use cases and impacts of men and women users

8

Infrastructure is Gendered. As Governments and Private Investors Move Capital to Infrastructure Projects, a Gender Lens will Reveal Opportunities and Mitigate Risks

As is the case of many economic disasters, public and private investors are now moving significant capital into "shovel-ready" infrastructure projects to rebuild Kenya's economy post-COVID-19. Incorporating a gender lens to Kenya's infrastructure investments is critical. Firstly, intentionally creating infrastructure jobs for Kenyan women can help to increase the number of women in the labour force and stimulate economic growth. Second, if a gender lens is incorporated into an infrastructure project's planning, building, and marketing, then there is a greater likelihood that Kenyan girls and women's safety and wellbeing will be increased to the benefit of all.

Available Research

Despite UNOPPs labelling infrastructure as a public good that plays a critical role in enabling access to basic services, livelihoods and development opportunities, Kenyan girls and woman do not have equal access to or use of public infrastructure. Pre-COVID-19, in 2019, the World Bank reported that Nairobi's public transport sector failed to protect women from sexual harassment with roughly 80% of Nairobi women having experienced or witnessed sexual harassment while travelling. Additionally, the World Bank revealed that, "Nairobi women consider matatus to be the only viable option given that boda-bodas are more limited in their routes and are inconvenient when traveling with children and/or packages". COVID-19 has led to greater consensus that Kenya's infrastructure sector is not gender neutral. The Flone Initiative's 2020 study has evidenced that, "52% of women in the matatu sector have lost their jobs as a result of matatu owners closing down their business due to restrictions imposed to contain COVID-19". Additionally, women who don't live along the matatus service routes have had to find alternative transport methods. Some of these alternatives take them longer to get home and leave them open to facing police brutality if found being outside after COVID-19 curfew hours. To combat these high rates of gender inequalities, Kenya's infrastructure projects need to embrace the needs of Kenyan girls and women as both employees and customers.

Relevance to Recovery

Infrastructure is one of the sectors in which disproportionate amounts of capital will be directed over the coming months, as the Kenyan governments looks to stimulate its economic recovery by spurring rapid job creation. Applying a gender lens will increase the likelihood that these projects lead to increased service usage, consumer satisfaction and greater economic opportunities for all.

Relevance to Investments

Since infrastructure projects are medium to long-term investment opportunities, using safeguards during the initial project screening phase does not sufficiently mitigate the risk that gender inequalities will not emerge during the later parts of the project's investment lifecycle. Instead, investors must continue to ask for gender data throughout the investment process to maximize the returns that gender inclusion can have on an infrastructure project's business performance, innovation, company reputation and profitability.

Relevant Data and Metrics to Track

- Kenyan government and private sector spending on infrastructure
- % of spending on infrastructure projects that address women's safety and well-being
- Gender divide in access to the infrastructure
- Gender divide in risks caused by construction and maintenance of the infrastructure; ILOSTAT has sex-disaggregated data on construction staff, occupational health and safety

9

Those Investing in Sector-Level Recoveries Will Help Kenya to Build Back Better if Gender Inequalities are Addressed

Despite the high presence of women in core sectors of Kenya's economy, high rates of gender inequalities have persisted. COVID-19 has revealed that sectors, such as agriculture should be viewed as riskier due to the baked-in instabilities associated with shocks causing disruptions that disproportionately affect Kenyan women. As Kenya rebuilds, how sectors mitigate or reduce gender inequalities should be weighed in assessing their level of risk.

Available Research

Women's empowerment in the agriculture sector is fundamental to also increasing Kenya's agricultural productivity. Pre-COVID-19, in 2019, approximately 59% of Kenyan women were employed in agriculture. Despite Kenyan women's high rate of participation, gender inequalities limited the sector's growth potential and productivity rates, because women had unequal "access to, control over and utilization of productive resources, such as land, livestock, labour, education, extension and financial services and technology". Additionally, Kenyan women farmers having low uptake of risk mitigation financing instruments, such as insurance and agricultural finance made them ill-prepared to deal with the supply chain disruptions and subsequent, economic fallout caused by COVID-19. Innovations for Poverty Action reports that from June 2020 - 2021 women sold less than male farmers and asked for cash at a higher proportion then men as traditional coping strategies were exhausted and financial strife persisted. The Alliance for a Green Revolution in Africa (AGRA) explains that, "It is therefore crucial to assist women with inputs, farm labour, mechanization and advisory services to help them weather the immediate effects of this crisis". AGRA recommends equipping women farmers with gender-inclusive digital services to access inputs, market products and access financing can assist them in facilitating greater rural supply chain linkages and strengthening Kenya's overall food security system. These fundamental changes in how Kenya's agriculture sector operates can help Kenyan women farmers to better respond, recover and build resilience from the COVID-19 pandemic.

Relevance to Recovery

Investment capital that is directed into Kenyan sectors that employ a disproportionate number of women need to consider how gender inequalities are being addressed to support women in maximizing their full economic potential. Otherwise, these sectors are likely be rebuilt to be just as unstable as they were prior to the COVID-19 pandemic.

Relevance to Investments

Investors look to make money based on their prediction of an opportunity's future earning potential. Investors need to understand how companies' rebuilding plans are going to address gender inequalities and reduce their susceptibility to employee-related shocks given that there is a correlation between higher stability of employees and better productivity with better customer and partner relationships. Likewise, investors must push sectors to co-create working groups which assess gender practices against economic resilience and supply chain stability. Investors can influence business decisions by making bets on companies and sectors that they think will perform well from both a financial and gender impact perspective.

Relevant Data and Metrics to Track

- Gender wage parity and other equitable labour policies and practices
- Gender diversity in company and sector level leadership positions
- ILOSTAT has data on women in managerial positions, including senior and middle management, in addition to employment distribution by sex, occupation, sector
- Gender analyses in country's policy responses to the sector

10 If and How Kenya Responds to the Increases in Gender-Based Violence during COVID-19 Crisis is an Indicator of its Future Political Risk

Though it is not routinely factored into analyses of market risk, violence against women is a strong indicator of state stability. Tracking Kenya's type and prevalence of gender-based violence can help investors to better analyze its political risk profile over the longer-term.

Available Research

Research shows a correlation between the security of women and the security of nations, with levels of violence against women being a better predictor of state peacefulness, compliance with international treaty obligations, and relations with neighboring countries than indicators measuring the level of democracy, level of wealth, and civilizational identity of the state. The Women, Peace, and Security (WPS) Index tracks data about women's equality (inclusion, justice, security) in 167 countries and reflects that countries are more peaceful and prosperous when women are accorded full and equal rights and opportunities.

Relevance to Recovery

Kenya's 2019 WPS rating of 98 out of 167 countries demonstrated that it has a long way to go to achieving state stability. As gender-based violence has increased during the COVID-19 crisis, with higher rates of physical and sexual harassment, child marriages, female genital mutilation and early age pregnancies being reported, these challenges put the outlook of Kenya's long-term political stability at further risk. How Kenya responds to these increases in gender-based violence during COVID is a signal of its future political stability.

Relevance to Investments

Political instability is a crucial component of market risk. As violence against women is a strong predictor of future stability, investors considering that in 2019, only 49% of Kenyan women aged 15 years and older reported that that they "felt safe" walking alone at night in the city or area where they lived can help them to use better understand the severity of gender-based violence and how this relates to their investment's risk profile. Additionally, this type of information can help them to better price investments in Kenyan counties where incidences of gender-based violence are higher, and/or finance the reduction of gender-based violence mitigation strategies in counties where they want to invest to de-risk them.

Relevant Data and Metrics to Track

- Changes in rates of violence pre-COVID to now; UN Women, DHS, the WHO, GIWPS, UNICEF have data on gender-based violence and UNODC has some data on femicide, human trafficking, sexual violence and exploitation
- Historical patterns of violence in Kenya (to compare rates of change) on the global database on violence against women
- Country's ranking on the WPS Index
- Kenya's government response to violence, including:
    - Changes in funding for violence services in response to the pandemic
    - Changes in laws and regulations, and enforcement thereof, in response to the pandemic
    - Definition of violence: what is considered violence and what is not
    - Prevalence data on difference forms of violence against women; UN Women's Global Database on Violence Against Women is one source of data

The following people contributed to this report: Carolyn Burns, Criterion Institute; Christina Madden, Criterion Institute; Easter Okech, Kenya Female Advisory Organization (KEFEADO); Lisa Taylor, Equilo; Joy Anderson, Criterion Institute; Kerry Li, Criterion Institute; Margaret Mbugua, Echo Network Africa; Peninah Kimiri, Daughters of Kenya; Orpa Ogot, Ability Africa Foundation; and Shadrack Oyier, Ability Africa Foundation.

This document follows the 2020 publication of 10 Points Why Gender is Material to Investments in the Recovery, which was developed by Joy Anderson and Tia Subramanian of the Criterion Institute with invaluable input from leaders in the field of gender lens investing who are pushing for transformational changes in financial systems.