



**THE
IMPACT
PROGRAMME**

DEEP DIVE: SEKAF INSIGHTS

COMPANY: SeKaf

SECTOR: Agriculture

COUNTRY: Ghana

FUND: Injaro Agricultural Capital Holdings

Impact Programme Deep Dives use a stakeholder-centric approach to measurement. They gather feedback on the products and services produced by companies (known as 'outputs'), and the material effect of these products and services on people's lives ('outcomes').

Research is based on five key principles:

- **Participatory.** Listening to data needs across companies, fund managers and asset owners to focus on metrics that can be decision-useful for all parties.
- **Value-added.** Helping businesses understand how they are creating value for their customers, suppliers and employees.
- **Right-sized.** Using research methods that are proportionate to the scale of impact and aligned with company culture.
- **Confidential.** Ensuring the safety of commercially sensitive data, and protecting the right of respondents to anonymity.
- **Independent.** Engaging researchers external to company and fund management to reduce bias and boost impartiality.

Deep Dive findings inform portfolio-wide impact reporting, and feed into business strategy and operations – helping to improve customer segmentation, supply chain management, brand positioning and marketing.

Deep Dives are in-depth research on the social performance of portfolio companies in the [CDC Impact Fund](#), which is part of the DFID Impact Programme. Each Deep Dive collects data from people experiencing impact. This information is then turned into insights for both businesses and their investors – as well as generating learning for the wider impact investing market.

HEADLINE IMPACT

- SeKaf has a supplier base of 6,000 shea nut collectors and processors, the majority of whom are women living below the poverty line.
- Two-thirds of suppliers have recorded income increases as a result of selling to SeKaf.
- This additional income supports supplier livelihoods by allowing them to cover critical household expenses such as buying food and paying school fees.
- SeKaf supports micro-saving and lending groups in supplier communities, which provide women with an important source of finance both for subsistence and business expansion.

COMPANY OVERVIEW

SeKaf is a social enterprise that produces unrefined organic shea butter and shea-based bath and beauty products under the TAMA® brand name. SeKaf is a portfolio company of Injaro, an impact-oriented fund manager focused on West Africa who has received investment from the CDC Impact Fund¹.

SeKaf sources from shea nut collectors and shea butter processors from 17 communities located around Tamale in northern Ghana. It also provides a range of supporting services such as training, as well as sponsoring a community micro-savings programme.



CDC's Impact Fund invests in funds and other intermediated vehicles that deliver high development impact. In 2014, the Impact Fund invested USD 15 million into Injaro Agricultural Capital Holdings, an agricultural fund managed by Injaro Investments.



“SeKaf has improved my life because I am able to support my children in school and feed them”

Shea nut collector

RESEARCH FOCUS

Demand for shea butter has grown in recent years, so SeKaf is in the process of upgrading its processing capacity to allow for a fivefold increase in production. To support this increase, SeKaf needs to expand and strengthen its supplier base. SeKaf therefore sought feedback from its current suppliers to understand the factors driving supplier acquisition and retention, and what it could do to further develop a relationship within supplier communities.

This involved carrying out stakeholder surveys to understand two dimensions of impact: *Who* are the suppliers experiencing change, and *what* economic and social value is being created?

To answer these questions the Impact Programme worked with the [Acumen Lean Data](#) team to conduct in-person surveys with a representative sample of SeKaf suppliers. 251 collectors and 42 processors were interviewed over a two-week period in February 2018.

RESEARCH FINDINGS

- **SeKaf reaches under-served suppliers.** All of SeKaf’s 6,000 suppliers are women, and the majority (eight out of ten) live below the poverty line. Half live in extreme poverty, compared to a national benchmark of 9.6%².
- **SeKaf has a positive impact on the livelihoods of shea nut collectors and their families.** SeKaf pays a premium over the market price for organic nuts. This provides shea nut collectors with a vital supplementary income stream during the 4-month shea season³.

Two-thirds of collectors report income increases as a result of selling to SeKaf – which is used to cover expenses related to family such as buying food at local markets, and paying for school fees, clothing and other household goods. Most collectors (71%) still have another source of annual income besides selling to SeKaf, primarily farming.

- **SeKaf plays a central income-earning role for shea butter processors.** For the vast majority of processors, SeKaf is their sole income source. Only 7% earn money from other activities such as processing rice, selling foodstuff and trading in the market. As well as covering household expenses, one fifth of processors used the income from SeKaf to invest in expanding their own businesses or trading activities.
- **SeKaf is providing women with access to finance.** SeKaf supported the establishment of Village Savings and Loans Associations (VSLA) in shea nut collection communities. Women are trained to establish self-financed and self-managed micro-saving and lending groups. Two-thirds of SeKaf suppliers are now members of the VSLA, with half having taken out a loan in the past year. For almost all suppliers, the VSLA is currently their only source of credit⁴. Suppliers also report strong agency over the use of these funds: 65% of processors and 75% of collectors who had taken out a loan said they were the sole decision-makers for how to use it.
- **SeKaf is offering women with opportunities to improve their livelihoods.** 72% of collectors report an improved quality of life as a

result of selling to SeKaf. The effect is even greater on processors, where 98% reported an improved quality of life, with almost half reporting a significant improvement since they started making shea butter for SeKaf. Most of these were attributed to the income increases, and what this means for households: An improved ability to care for family needs such as food and school fees, along with greater financial inclusion from the savings and loans.

The multi-stakeholder [Impact Management Project](#) considers five dimensions of company impact on people and planet:

- **Who** experiences change, and how underserved are they?
- **What** outcomes does the change relate to, and how important they are to the people (or planet) experiencing it?
- **How much.** How much of the change occurs in the time period in terms of depth, scale and duration?
- **Contribution.** How does the change compare and contribute to what is likely to occur anyway?
- **Risk.** How likely is the outcome to be different from what is expected?

² World Bank, 2013

³ The shea nut season coincides with the long dry season in Northern Ghana when household food stocks can run low, making income during this time particularly important.

⁴ 96% of respondents had not taken a loan from anywhere else in the past shea nut collection season

- **Small-scale shea nut collection and processing is not easy.** An estimated three million rural women in Ghana make a small income from shea butter. But it is hard work. Women take the woven bags provided by SeKaf and venture into the bush to collect nuts that grow in common lands. Scorpions, snakes and bees are the biggest threats and several women bear the scars of these unpleasant, but all too common encounters. Nuts are then crushed, roasted, ground and cooked – in a very hot and very manual process. Processors indicated they inhale a lot of fumes, and are exposed to flames that can cause burns. No wonder, then, that despite the SeKaf premium, associated services and resulting livelihood gains, 86% of respondents still reported challenges collecting shea nuts.

WHAT HAPPENED NEXT?

These findings gave SeKaf new insight into the value the company creates for shea nut collectors and processors. It also highlighted a number of challenges, helping focus on areas for improvement as the supplier-base continues to grow. SeKaf is currently working to boost access to SeKaf services – training, VSLA, woven bags and community warehouses – across all suppliers, and plans to explore mechanisms to provide protective clothing and equipment to guard against snakes and other threats in the field.

“I had nothing and was doing nothing but now, working with SeKaf, I get income”

“I thank God that SeKaf is here to support us, because it helped reduce the hardship in financing the family”

SeKaf processors



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For further information on the Impact Fund, go to:
www.theimpactprogramme.org.uk/investments-dfid-impact-fund | www.cdcgroup.com



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