

Gender Lens Investment in practice: *Moving forward and **beyond***

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Gender Lens Investment in practice: *Moving forward and beyond*



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Blue Orchard Finance
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Innpact
Adriana Balducci
Associate Director,
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European Investment Bank
Carmen Niethammer
Senior Gender Specialist



Publish What You Fund
Sally Paxton
US Representative

Introduction to our panel

Incofin Investment Management

- European AIFM licensed impact investment asset manager
- HQ in Belgium (Antwerp), with regional offices in Colombia, India, Kenya, Cambodia
- Investing in private debt and equity in **emerging markets** for **impact**
- USD 1,4bn Assets under Management
- Investment with **technical assistance** to maximise impact



financial inclusion



agri-food



access to water

Gender Lens Investment in practice: *Moving forward and beyond*

- Strong momentum and growing interest in GLI
- Women empowerment at the heart of microfinance investment strategies
- 2X challenge success in mobilizing capital, paving the way for unified gender approach

How can we refine GLI to ensure meaningful, scalable investment strategies for women?

What role for investors in developing level playing field GLI standards?



Blue Orchard Finance

Valérie Harrington

Associate Fund Manager

BlueOrchard is a leading global impact investment manager

- 20+ years experience in impact investing – Founded in 2001 as a private initiative supported by the UN
- Experts in emerging and frontier markets, while aiming to provide attractive market returns
- Thought leader in impact and ESG management
- Global company with local presence
- Multi-asset manager: Credit, Private Equity, Sustainable Infrastructure
- Manager of largest microfinance fund worldwide
- Sophisticated private, institutional and public sector clients



Provided access to financial and related services to over
255+mn
people



Invested in over
100
countries



USD
9.8bn
invested



A holistic approach on Impact Management: B. Impact Framework

SPIRIT ESG Assessment

SPIRIT Impact Assessment

SDG Mapping & Alignment

ESG Scorecard

Assesses an investee's risks and practices in relation to:



Environment



Social



Governance

The ESG rating is used as an input for origination and monitoring of investments

Impact Scorecard

Assesses the potential impact of each investment along five dimensions:



What

Investment Intent



How Much

Impact KPIs



Who

End Beneficiaries



Contribution

BlueOrchard's Value Added



Risk

Impact Risks

SDG Mapping

Provides an SDG mapping at investee and fund level:



- SDG Universe
- SDG Material Assessment
- SDG Impact KPI's Matrix
- SDG Reporting



LAC Gender Diversity and Inclusion Strategy

Increased economic well-being and resilience of MSMEs and targeted underserved groups, particularly women

PILLAR 1



GDI **Products & Services**

Improve uptake of innovative financial products and services by women and other underserved groups

PILLAR 2



GDI **Performance at Partner Institutions**

Improve equality of opportunities for women and other underserved groups at Financial Institutions

PILLAR 3



GDI **Data & Reporting**

Improve implementation and understanding of gender-smart and inclusive products and strategies



Innpact

Adriana Balducci

Associate Director, Head of
Advisory Services

Innpact - 15 years dedicated to impact finance

At the forefront of impact investing

32

FUNDS SUCCESSFULLY
DESIGNED AND/OR SETUP



22

EMERGING FUND MANAGERS
HAVING A GENDER STRATEGY



50+

IMPACT FINANCE EXPERTS
IN LUXEMBOURG,
MAURITIUS AND EUROPE



\$8+
bn

TOTAL IMPACT
INVESTMENTS DESIGNED
AND ADVISED



150+

IMPACT FINANCE PROJECTS
AND INNOVATIVE SOLUTIONS



Strategy &
Structuring

Impact
Management,
SFDR &
Taxonomy

AIFM
Services

Fund
Management
in Mauritius

Fund
Management
Services

Board
Advisory
Services

Independent
Directorship
Services

Investment
Services

Impact Bonds
Securitisation



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The Case for Gender Lens Investing

Entrepreneurship

- Companies founded by women receive less than half as much funding as those founded by men,
- ...but **deliver twice as much revenue per dollar invested.**

Source:BCG

Leadership

- Gender balanced leadership teams in private equity generate a 20% higher net IRR
- Yet **only 15% of senior investment teams have a gender balance.**

Source: IFC

Employment

- Closing the gender gap in the labor force would boost global GDP by **USD 28 trillion per year by 2025.**
- That's more than the economies of the US and China combined.

Source: McKinsey

Products & Services

- 65% of household purchasing decisions are made by women.
- Women control \$40 trillion of global consumer spending.

Source: World Economic Forum

The Case for Gender Lens Investing

There is a clear **business case** to integrate gender



Source: CDC Masterclass on Gender-Lens Investing

To further women's economic empowerment we use the 2X Criteria

2X Criteria



Fulfilling *one* criteria makes an investment 2X eligible:

	Criteria	Threshold	
Direct Criteria	1 Entrepreneurship	1A. Share of women ownership <i>OR</i>	51%
		1B. Business founded by a woman	Yes/No
	----- OR -----		
	2 Leadership	2A. Share of women in senior management ¹ <i>OR</i>	30% ²
2B. Share of women on the Board or IC ¹		30%	
----- OR -----			
3 Employment	3A. Share of women in the workforce ¹ <i>AND</i>	30-50% ²	
	3B. One "quality" indicator beyond compliance	Yes/No	
----- OR -----			
4 Consumption	4. Product or service specifically or disproportionately benefit women	Yes/No	
	----- OR -----		
Indirect	5 Investments through Financial Intermediaries³	<i>On-Lending facilities</i> : Percent of the DFI loan proceeds supporting businesses that meet direct criteria ⁽¹⁾	30%
		<i>Funds</i> : Percent of portfolio companies that meet the direct criteria ⁽¹⁾	30%

Sector-Specific Thresholds

3.A Women in the Workforce*		
Grp.	Sector	%
Low	Infrastructure, Power, Telecoms	30%
Mid	Financial Services, Manufacturing	40%
	– Heavy, Agribusiness & Food, Professional Services	
High	Healthcare, Education, Consumer Services, Manufacturing – Light ³	50%

**Room for judgement: Investees in unique sectors or geographies may require case-by-case consideration.*



Publish What You Fund
Sally Paxton
US Representative

Publish What You Fund

The Global Campaign for Aid and Development Transparency

European Microfinance Week, Gender Lens Investing

November 18, 2022

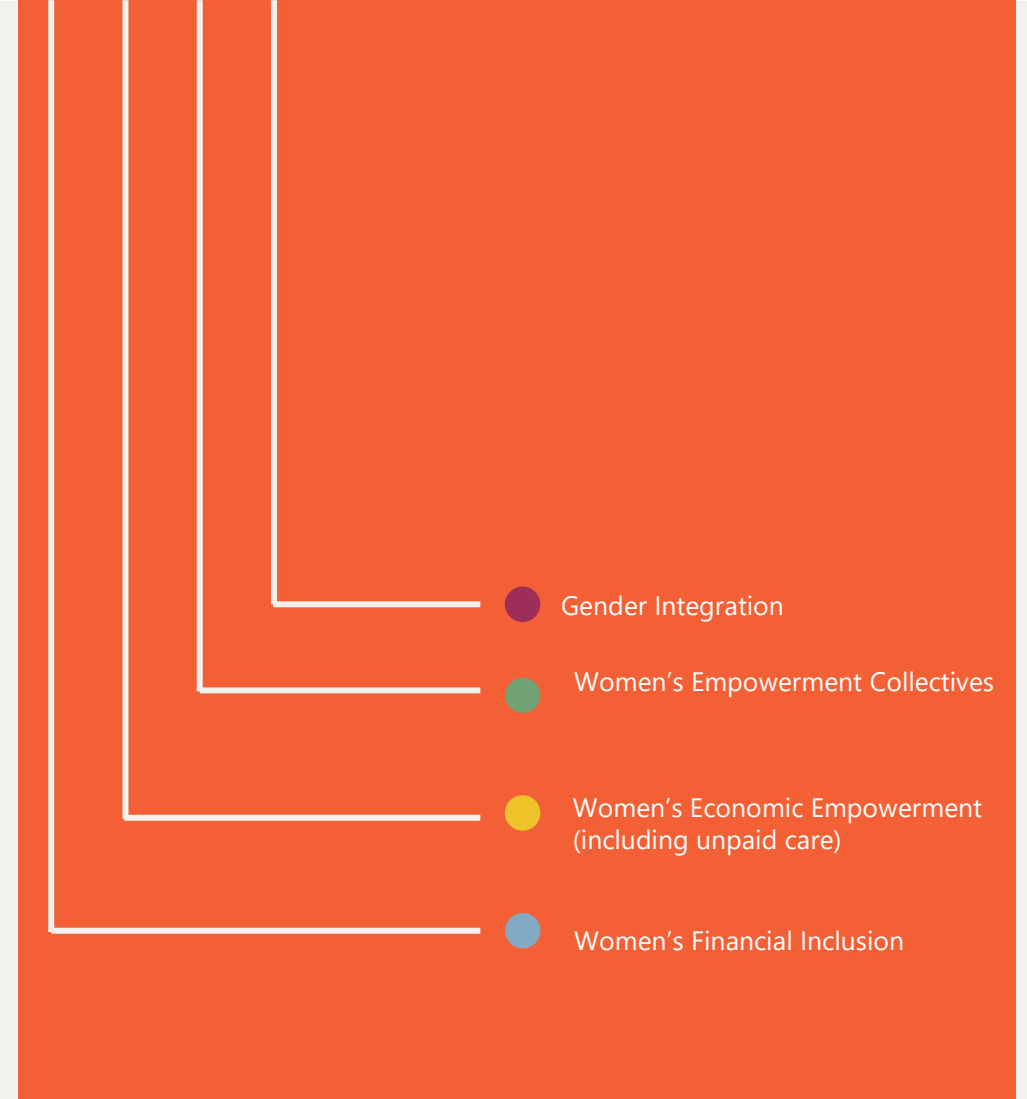
Women's Economic Empowerment

Tracking International Funding

- **What we did; WFI is part of research**
- **Why we did it**
- **What we found and what we didn't**

Reports:

- Nine reports from Kenya, Nigeria and Bangladesh
- Six public expenditure reports on national spending on WEE and WFI.
- Step by step guide to replicate and adapt our research
- Global Transparency Report



<https://www.publishwhatyoufund.org/projects/womens-economic-empowerment/>

What We Tracked

- **Which funders?**
- **What levels of funding?**
- **What kind of instruments?**
- **What was the gender intentionality?**
- **How were projects were designed?**
 - **for WFI, how did projects fit into the market system?**

What did we find?

- **Big picture**
- **Hard to measure investments in gender**
- **Key areas to full realization of WEE and WFI are often not funded**
- **Results data is very scarce**

What should we do?

- **Transparency matters**
- **Use your voice**
- **Raise the ambition for gender investing**

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Panel Discussion



Q&A



Conclusions

THANK YOU !



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