GLI LATAM FORUM: GENDER LENS INVESTING FORUM

Women represent more than 50% of the population. They are the engine of the global economy not only through paid or unpaid work, but also through consumption with an estimated 64% of decision-making for purchases made by women around the world. However, there are still challenges that make it difficult for women to thrive. There are still gaps when it comes to leadership roles and access to opportunities and capital, limiting women’s ability to become independent and fully empowered. According to the World Economic Forum, if we don’t act now, it would take us at least two hundred years to reach economic gender equality1.

The good news is that we can all take action to change this. As part of its mission to advance gender equality, Pro Mujer held the first Gender Lens Investing Forum LatAm on February 18, 2020. More than 120 leaders, experts and investors actively participated at the event in Mexico, working together to share experiences, good practices and to co-create innovative solutions that promote gender lens investing in Latin America. This report summarizes the main conclusions that emerged from the event.

Using capital as a catalyst to make social and environmental changes has gained traction among different markets especially through impact investment and the increasing adoption of investment standards that seek greater sustainability (such as PRI and ESG)\(^1\). Over the last 10 years, this investing approach has gained traction around the world calling the attention of investors seeking to invest more resources to advance equality, such as the 2X Women’s Initiative, Fondo Mujer, Acumen Latin America Early Growth Fund, ILU Women’s Empowerment Fund, and VIWALA.

Gender lens investing holds the potential to generate economic returns and contribute towards gender equality. Studies and research repeatedly demonstrate that businesses with more women in leadership have stronger performance. Additionally, investing in women creates a tremendous multiplier effect. When women earn a competitive income, they often invest in their family’s health and education, creating a ripple effect across generations\(^2\).

**Gender lens investing addresses existing gaps when it comes to investments in women-led businesses and businesses that have a direct and positive impact on women and girls. Ultimately, traditional investment methods need to be examined and investors encouraged to assume different risks. Gender lens investing allows us to develop innovative ways to transform the investing process and generate the tools to make it happen. For example, flexible capital (e.g. revenue-based loans, blended capital) and catalytic capital are needed to support businesses that require smaller loan amounts. Patient and hybrid capital that bring together donations, loans, and investments help social enterprises to become sustainable. There is also a need to incorporate investor networks in sectors that traditionally have not had profitable business models, yet have great potential for impact; for example, midwifery and family planning companies.**

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1 PRI: Principles of Responsible Investment [www.unpri.org/](http://www.unpri.org/)

ESG: Environmental, Social, Governance

There is a pressing need for technical assistance and support tools.

“[Gender lens investing] is not about philanthropy. This actually is a good business”
-Susana Garcia Robles from Capria Ventures and LAVCA during the Gender Lens Investing Forum Latam.

Even though there is increasing interest to add a gender analysis into the investment process, much work remains to be done to encourage and facilitate its wider practice. A first step can be an expressed full commitment from senior management teams, executive boards, companies, investment funds, banks, and others.

Ultimately, to transform this approach into an operating model at large scale, structural changes must be made.

Technical assistance mechanisms must be developed in addition to diverse tools that enable the implementation of a gender approach in each step of the investment process including selection, investment and support. A follow-up process should then ensure commitments made by investors, companies, governments are met. Additionally, there is a need to strengthen knowledge on basic concepts related to gender equity, such as how to identify biases, looking at the implementation of gender analysis in companies, and using principles as guidance such the Women’s Empowerment Principles (WEPs) and the Sustainable Development Goals (SDG) as benchmarks.

Specific technical assistance needs identified:

a) Promoting gender perspective: There is still lack of knowledge about gender in companies and among investors. It is important to provide technical assistance centered on developing a gender perspective, in addition to developing policies that support equity for large companies, entrepreneurs, governments and communities.

b) Helping women entrepreneurs develop soft skills: Women entrepreneurs, particularly those in marginalized areas or communities, face disproportionate obstacles due to patriarchal cultures and systems. Women in rural areas and indigenous women face even greater bias and lack of opportunities.

“Traemos la mochila muy pesada (We are carrying a heavy load on our backs.”
-Daniela Ancira, CEO of La Cana.

These challenges affect the way women do business and their confidence. There is a need to work together to help them develop valuable soft skills, such as leadership, negotiation, self-knowledge and self-determination. Additionally, it is important to make success cases visible and normalize women’s success.

c) Supporting non-profits to become sustainable, social entrepises and subject to investment: There are many non-profit organizations whose intervention models seek to solve critical issues and advance equity, yet they lack sustainable business mechanisms. These organizations include those improving access to sexual and reproductive health care, providing early childhood care, and promoting inclusion. They need technical assistance to transform their organization’s structure into self-sustainable and even profitable models subject to investment in the medium term.
Hard data is critical to improving decision making. When we have clear and concise metrics and disaggregated data by gender, race and socio-economic status, we can make inequalities visible. Then, we can work on positive actions to advance equality, such as equal pay, making sure women hold more leadership roles or participate in executive boards, as well as boosting investments for women-led businesses. It is also important to deepen not only data at a national level but also at sub-national and municipal level to account for disparities within a country.

By applying a thorough analysis of collected data, opportunities and challenges can become more readily apparent. Having gender metrics across the board and measuring both variation and the relationship of data with various variables over time, generates valuable, quantifiable and forceful knowledge with a powerful demonstrative effect to catalyze change. It is not enough to have information. It must be analyzed to help improve decision making and find influence points to make structural and systemic changes.

With the right data and analysis methods, we can develop research that examines the potential impact when companies implement policies to tackle gender-based violence. Similarly, we can evaluate incentives and best practices for companies to advance gender equality, and to quantify the economic benefits of having gender lens investing.

Collecting and understanding our data will help generate critical knowledge to advance gender equality. Leaders must then work together to identify best practices, share learned experiences, identify successful and unsuccessful cases, and develop a deeper understanding of the process behind failure and success.

Making inequality visible is a first step towards changing the status quo. The conversation on gender lens investing needs to be extended beyond our circle of allies and investees. We must share data, cases and stories with potential investors, allies and the public at large. It is important to build relationships with the media, providing journalists with knowledge about gender equality and equipping them with data and stories so they can help us amplify our message and raise awareness of existent challenges and biases for women.

It is also crucial to make the conversation on gender more inclusive and diverse. Men must be invited and included in spaces that focus on gender. We need more male mentors, and more voices overall, so we can all work together. Sharing success cases of women, redefining working models and generating support networks will make a big impact on women, including those living in marginalized communities who face additional challenges. It will help them start and grow their businesses.
The public and private sector must work together to influence mindsets on gender lens investing.

Public commitment is a strategic starting point to promote gender lens investing as it creates pressure among peers including banks, companies or investment funds to gradually raise standards of action. Greater visibility must be driven to highlight the commitments made by investment funds and companies.

Gender lens investing has the potential to drive systemic change and have a major impact in policy and the way people do business — including changing parental leave policies, making work schedules more flexible, recognizing and compensating care work carried our disproportionately by women. These actions help advance gender equality in the workforce, generating positive social and economic impact.

Raising awareness about the impact of gender lens investing in the minds of companies and investors must come from the public (e.g., government) and private (e.g., families, companies) sectors. In order to make a strong and convincing argument, we need hard data. Through surveys, we have been able to see common behaviors, faila-cies, and opportunities to make sure we can all work together to build equity.

As we work together to change policies and entrepreneurial practices, generate valuable data to make inequalities visible and advocate in the public sector, it is important to think about our future and plant the seeds that will help us advance towards equa-ity. Our education systems often perpetuate gender bias behaviors and patterns. The identified gaps show the importance of having an education with gender perspec-tive to achieve structural changes for our future generations as well as making sure current generations learn about gender, new masculinities, diversity and equity.

Pro Mujer continues to be committed to advancing gender lens investing in Latin America by creating spaces for dialogue and through continuous follow-up on the progress we are making. The forum and these conclusions act as a starting point to continue the conversation. We look forward to keep working together through more collaborations, and we hope this forum will be the first of many.