

GLI | **2023**
FORUM
LATAM | GENDER LENS
INVESTING IN
LATIN AMERICA



pro mujer

***GLI FORUM LATAM
2023
TAKEAWAYS***

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01 INTRODUCTION

For the last 33 years, Pro Mujer has been investing in Latin American women, and our history and results are the most faithful proof that investing in women and **committing to them generates an unstoppable virtuous circle.**

Based on this record, and in a context that begs us to take action and **generate initiatives that promote gender equality and accelerate the pace of structural change the region needs to achieve it, we organized the GLI Forum Latam** over four years ago.

This forum emerges as a beacon of hope that brings together agents of change and powerful voices in the impact ecosystem to join forces, explore solutions, and drive the powerful action frameworks that gender lens investing offers, with the goal of setting off the transformation these times urgently call for.

The fourth edition of the forum, celebrated in Medellín, Colombia, from October 17-19, 2023, and featuring IDB Invest as co-organizer, was a vibrant event that turned into a melting pot of experiences where the most forward-thinking voices in matters of gender and impact investing came together in a common message: **It is time to take action.**

In this report, we have gathered the most valuable lessons that came about within the framework of the forum. Through the conceptual frameworks offered by the four main aspects of gender lens investing, we will share recommendations for **concrete actions and innovative strategies for the subject matter that are already being implemented.**

This is not only a summary of the findings, but also a **testimony of a shared commitment to breaching barriers, inspiring change, and moving together toward a future with real gender equality.**

Carmen Correa
CEO, Pro Mujer



02 GLI 2023 IN NUMBERS



550

participants



50

sessions



150

speakers



24

countries
represented



“We know what obstacles and challenges are ahead, and we are aware they are quite intimidating. That’s why we have to work together, in a coordinated way. We somehow want to reach gender equality, but we know that, at the current rate, it would take us 300 years to get there. We cannot wait 300 years. We must look for a way to shorten the timeline.”

Carmen Correa, CEO de Pro Mujer



"GLI was very interesting. We had the opportunity to learn a lot from the panels, share experiences, have networking spaces for meeting people and, above all, do business and meet people in the ecosystem who will allow us to carry out operations. GLI Forum is among the top five events of the year. A great experience. It turned out great."

Gema Sacristán, expert on impact and gender investment



"Everything I heard these days is wonderful, because they're innovative undertakings that allow women with a lack of resources to climb up. This has been a laboratory for great ideas. I am happy to have participated. I would define the forum as an incubator for innovative ideas."

**María Noel Vaeza,
UN Women**



"I believe we have to take action, and that is what's going on here: having these conversations, spaces for collaboration and discussion, for feedback, where we're all learning and contributing to bridging the gaps of inequality."

**Daniela Konietzko,
WWB Foundation**



"This is the only space that gathers key actors who are very interesting and leaders in gender lens investing in Latin America. At this event, we were able to meet with several companies and share the practices we are implementing in the field, the lessons learned, challenges, and solutions. There is no need to reinvent the wheel. We have to share what we already know to amplify the impact."

**Rachel Murphy,
Deetken Impact**



"I have a feeling of gratitude toward Pro Mujer for having created this space of inspiration when I see the number of wonderful organizations that are working to promote the idea of gender equality."

**Lina Rossi,
ANDE**

THANKS FOR MAKING THIS POSSIBLE!

Visionary:



Cultivator:



Enabler:



Alliances for experience:



Alliances for dissemination:



Allied media:



03 CONTEXT AND BACKGROUND

In the 21st century, gender equality has become an unavoidable social obligation to drive sustainable development, climate action, and the evolution toward a sustainable economy. Nevertheless, **gaps between men and women persist around the world, and we are still 300 years away from achieving equality.**

In Latin America, the region with the highest levels of inequality in the world, gender gaps are growing, and they are made visible in homes, where women spend three times more time than men on care tasks (ECLAC), and in the labor market, where women participate 23% less than men, with a pay gap of at least 20 percentage points (ILO). Also, women continue to be underrepresented in leadership positions, and **only 15% of private companies in the region are managed by women (IDB).**

These gaps extend to the finance and investment sector, as **only 6% of the investment funds in Latin America are destined for companies owned by women** (International Finance Corporation), and it is estimated that **73% of SMEs led by women are unable to cover their financial needs** (World Bank).

Within this context, it is imperative to push for profound changes in the gender paradigm from a collective point of view that involves all the pieces of the productive ecosystem, as well as to drive these changes based on innovative methodologies that take into consideration the current reality and that build systems for taking action designed to give clear and concrete answers for bridging these gaps.

For this purpose, the GLI methodology is a proven effectiveness mechanism to advance toward equality and, as a result, push for sustainable social development. In fact, it is estimated that **bridging the economic gender gap could raise the world's GDP by USD 28 billion by 2025** (IDB), and it has been demonstrated that companies with higher percentages of women in leadership roles are 21% more productive than companies with lower female participation (McKinsey).



The many benefits offered by this methodology, both at the corporate level and at the financial and social levels, has turned it into an emerging movement with a rising trend: According to Project Sage 4.0, investment funds have grown 49% compared to 2022 and 255% compared to 2017. However, for gender lens investing to be consolidated as an effective tool for equality, collaborative action is required from all the leaders in the sector.

With this goal in mind, Pro Mujer launched the first edition of GLI Forum Latam in 2020, **a platform for learning, exchanging ideas, networking, and co-creating tangible solutions** that brings together leadership from the worlds of investment, entrepreneurship, academics, and corporations with influential people from civil organizations and multilateral institutions so they may **connect as an ecosystem, generate synergies, and spark powerful conversations about gender lens investing in Latin America.**

The evolution of the GLI Forum Latam has allowed for the creation of a **pioneering event regarding gender lens investing in the region** and, for the 2023 edition, we were able to get over 150 specialists and over 550 attendees from 24 countries in the region.

This report seeks to become the living memory of the ideas and new proposals that were generated within the framework of GLI Forum Latam 2023. Through two transversal lenses, and through the four lenses proposed by gender lens investing, we will go through the most important lessons and conversations that came up during the event.

We hope the following pages will boost the GLI ecosystem in Latin America and push for transformation through this lens.



04 LESSONS LEARNED

A. INVESTORS IN ACTION

Within the framework of GLI Forum Latam 2023, Pro Mujer and IDB Invest co-hosted a session that convened representatives from different financial institutions in the region and leaders from the impact investing ecosystem with the goal of holding conversations and debates and thinking about the challenges and opportunities that characterize Latin America in regard to gender lens investing.

Investors in Action meant a place for learning, active listening, and roundtables about different points of view, trajectories, and proposals on how to keep moving forward and strengthening the region's financial sector as a catalyst and multiplier of change in favor of more just, equal, and inclusive societies.

The session included representatives of institutions such as 2X Global, BlueOrchard, Microwd, Deetken Impact, Bancolombia, NESsT, Swisscontact, Amplifica Capital, Alive Ventures, Citi, ThalesLab, Ewa Capital, and Banco Comafi, and was built upon two key moments, as follows.

01 Discussions

In this space, attendees thought about the importance of further exploring the gender lens as an instigator of economic and social development in Latin America, analyzing different models, instruments, practices, opportunities, and strategies to attract existing capital and investments, as well as incentives and deterrents found in the market, the regulatory sector, and the government. Having a variety of representatives from multiple financial institutions with global reach—from investment funds to family offices, as well as multilateral development agencies and impact investment consultants—was an essential factor in putting forth diverse points of view and innovative approaches to defy the guiding tendencies and, above all, provide intersectional and complementary lessons to the meeting's agenda.

02 Work sessions

During the sessions, all the participants debated based on four main themes: regulations, data, gender, and family offices.

a) Regulation:

The guiding axis of the roundtable discussion was to think about the importance and the current need to adapt existing regulations at the regional and international level with the incentives the market requires to boost a real development for gender lens impact investing, acting as a catalyst for the benefits and opportunities it brings to the sector and to society as a whole.

Recommendations that came up from the debate to reach the required changes:

- Modifying the exclusive fiduciary roles that some financial institutions have to include certain aspects of sustainability, oriented toward the ESG agenda or toward sustainable development objectives, when placing funds, which would be the differentiating element between two similar investments. In line with this, the major impact regulation can have on business' behavior, accompanying the sector in integrating perspectives of environmental, social, and corporate governance to their operations, products, and services, was emphasized.
- Recognizing the incentives of regulations centered around gender equality that can be counterproductive and turn into negative externalities, focusing on the paradigm shifts of the regulations that can generate a backlash against the new tendencies.
- In order to reduce the probability of a backlash, it is necessary to integrate the changes in regulations with the real demands and needs of the leaders of financial institutions in the ecosystem, seek common ground in the collective march toward equal economic development, and strengthen communication about business cases and the opportunities for actively integrating a social agenda.
- To boost the urgent effect that characterizes the GLI tendency, the importance of replicating existing best practices at the regional and extra-regional levels was emphasized. This FOMO effect (fear of missing out) of the mainstream market can be a powerful resource to put pressure on peers, pushing the corporate or financial sectors to take action in matters of impact or gender equality. Publishing success cases; strengthening knowledge about the existing business case for the integration of gender perspectives, diversity, and inclusion; and measuring impact are all core elements for promoting the proliferation of this approach to overcome in the social aspect of business, putting on the table the importance of being backed by updated rules or regulations that go with the change.
- It is urgent to strengthen regulations in highly informal markets, because when the people involved are unable to enact change, regulatory agencies must set the pace for transformation by creating opportunities and paving the way for the contagion effect of best practices related to the subject matter at hand, thanks to an enabling regulatory framework. This is in line with the need to develop wide-reaching incentives for MSMEs and benefit and incentive tracks for underserved groups to strengthen the efforts made toward financial inclusion. MSMEs make up over 95% of the entrepreneurial ecosystem in the region, have great potential for action, and over 40% of them are led by women.
- Identifying the key actors with the ability to change and to spark change, and incorporating them in debates and roundtables on the matter. These can be stock exchanges with a high potential for impact in local markets, financial sector institutions, and representatives who participate in the real economy and in the workforce. Furthermore,

regulatory agencies and government entities, like ministries of finance or productive development in each country or multilateral agencies with the potential to intervene and take action, should be included in conversations.



b) Data:

A second roundtable focused on the need to produce, organize, and analyze the existing and missing impact data as a fundamental tool for activating gender lens investing in the region. This is because metrics, indicators, and impact studies, as well as the connection between operations, investors, and communities, are essential for making this type of investment traceable, replicable, scalable, and sustainable.

Proper use of data allows us to shed light on how and why we can further efforts to make a real difference, but the lack of coordination within this sector has limited its effectiveness. To reverse this reality, it is necessary to adopt a collective viewpoint that allows us to organize and structure our metrics based on the strategic usefulness they have for the ecosystem.

At the same time, the importance of understanding the role of different actors within the gender lens impact investing ecosystem through managing data to avoid unnecessary efforts and to promote working together was pointed out. And determining the main categories, such as producers, structurers, aggregators, or articulators of information, as described below, was emphasized as crucial.

In this scenario, working together becomes essential. Alliances with other actors that complement data management roles are the key to strengthening and enriching the information chain. It's all about making the most of existing and updated information, recognizing its potential for guiding decisions and, at the same time, bettering the articulation and standardization of the data to give it a strategic use that leads to strong steps toward effective and useful data management in the area of gender lens investing.

Recommendations that came up during the debate for organizing and collectively making the most of the data in the GLI ecosystem:

Data producer

- Broad measures: Consider gender lens investments as well as other investments that have similar impact.
- Define interests: Define relevant and strategic data for generating impact. It is necessary to ask oneself what data really generate impact and produce strategic information.
- Lack of data: Realize that the lack of data is also a source of valuable information.
- Data engagement: Evaluate how data are collected and used and your relationship with them.
- Data education: Educate investors and communities about the usefulness of data.
- Cultural context: Generate strategies to breach cultural barriers to data access.

Structurer

- Structuring tools: Use tools such as SPI4 and CERISE to assess social performance and create a common language.
- Standardization challenges: Face the challenges of reprocessing and standardizing data, focusing on speed. It is important to have realistic expectations that allow for certain progress.
- Access to information: Ensure a solid connection between data and their sources to facilitate their use.

Aggregator

- Main challenges: They focus on measuring, standardizing, updating, and data cross-sections between sectors (optimizing data with intersectoral strength).
- Outputs vs. outcomes: Distinguish between and measure tangible and intangible results.
- Impact coordination: Invest in roles that coordinate data management to maximize their utility.
- Define the result of the investment: Here, it is crucial to define what the expected result is, not only in financial terms, but also in social and impact terms to avoid integrating opportunities and to strengthen the business case.

Articulator

- **Listening to beneficiaries:** Keep in mind the viewpoints and needs of the people impacted or reached by the data.
- **Standardization and leadership:** Promote the standardization of data and lead the initiative to create better utility.
- **Relevance and cost of data:** Evaluate the importance of data and the effort necessary to collect them.
- **Quality of the data:** Recognize the importance of standardization to improve the quality and utility of the data.
- **The principal calling is the homogenization of data to create a more useful and efficient platform for gender lens investing.**

c) Gender:

The third table focused on the agenda for gender to reflect on the existing challenges and opportunities for integrating an equal, inclusive, and just perspective, both internally and externally in regard to investment. Accordingly, the internal and external challenges the sector faces when integrating this perspective were emphasized.

Among **internal challenges**, it was emphasized that, while there is a vast understanding of the importance of integrating a gender perspective (increases in profitability, competitiveness, innovation, productivity, strengthening of the business culture, and market expansion, among others), there is a lack of clear tools on how to do it or where to start.

In addition, so-called *pinkwashing* was identified as a real risk for institutions that want to see themselves as gender-smart. These practices, though often involuntary, are superficial and inefficient and stray from evidence-based actions with measurable impact projections.

Recommendations:

- Strengthening the ability of organizations to implement a gender perspective entails a profound change in mindset and business culture. Thus, it is necessary to involve leadership teams as well as internal staff from the start for the transformation to be sustainable consistently over time.
- Take action through specific strategies and methodologies to support the process of integrating perspectives that encompass gender, diversity, equality, and inclusion, such as continuous training, facilitating internal channels for dialogue, or having technical assistance available to guide companies in the challenge of translating knowledge to tangible actions, thus preventing the lack of clear guidance evidenced by many institutions from hindering the development of a virtuous path in matters of social impact and business impact.

- To avoid pinkwashing, emphasis was placed on the importance of gender training, reviewing existing practices, and developing policies or measures that respond to comprehensive long-term strategies that seek to capitalize on market opportunities while working to improve gender, diversity, and inclusion indicators, both internally and externally.

Likewise, in regard to the external level, it was emphasized that achieving a focus on gender in both the value chain and the investment portfolio of a financial institution implies developing and determining a series of methodological and decision-making elements, as well as formulating precise questions that allow the integration of this approach in each institution to be evaluated.

However, the lack of standardization and existing taxonomies in this field presents significant challenges and precludes a uniform evaluation of aptitudes in regard to gender equality while creating confusion when it comes to what data should be reported and where the transformation process should begin. Also, the lack of verifiable information hinders the ability to assess for real integration in this approach when it comes to the type of report requested or the indicators used.

In addition to the above, there is the difficulty of relating metrics to the makeup of a portfolio and of establishing differentiated assessment levels for companies of different sizes with different investment roles, given the disparity in what smaller and larger companies can implement, carry out using resources, and report in regard to this matter.

To surpass these challenges, the following actions were recommended:

- Creating standard indicators that would allow for determining whether an investment portfolio or value chain met gender-smart requirements. For example, one could define what the determining criterion would be, for example, the type of leadership, the makeup of the workforce, the founder or owner of the company in which the investment is made; what percentage would be required for that criterion, for instance, that 50% of the company be owned by women, 40% of the workforce be female, or 30% of the institution's investment portfolio be made up of companies led by women; and what the reporting logic would be, assessing whether the indicators were exclusive or complementary (that is, whether it would be necessary to meet all the requirements, some, or just one).
- Identifying and standardizing metrics for each level of investment, each company size, and each location are all great opportunities for gender lens investing.
- It is fundamental to promote access to existing knowledge, to support and to ask for support in the development of a clear gender journey focused on metrics and results that makes it possible to understand the why and to implement the how to move forward together, stronger, in search of great market opportunities.
- Receiving and offering training on bias and barrier identification, which would lead to solutions tailored to the specific needs within the gender lens impact investing ecosystem and a gradual shift to a holistic path, where the impact in favor of equality could take place

in different areas of operations, product and service offerings, and company strategies is recommended.

d) Family offices

The fourth table discussed the role of family offices as key institutions in the gender lens impact investing ecosystem. Family offices are committed and catalytic actors in promoting gender and diversity agendas.

Proposals included:

- Building and distributing more articulated knowledge about the benefits and business cases for gender lens investing, as well as the role family offices can take on when it comes to defining their strategies and investment thesis if they are oriented toward impact.
- More actively integrating family offices into the so-called GLI spectrum, as well as facilitating their access to information, their putting together of action plans, and the implementation of concrete actions that are possible in their role within the investment spectrum. Some concrete actions in this regard revolve around the creation of governing committees and gender-inclusive, gender-equal decision making.
- The need for clear data and metrics, ordered and articulated concepts, as well as best practices, success stories, enabling regulations, and technical assistance support to guide these types of institutions on their path toward gender equality and profit-making from the investment and mainstreaming of said lens was reiterated.

Family offices have enormous potential to become gender champions thanks to their agile capacity for action and their ability to position themselves as leaders in promoting perspectives based on gender, diversity, equality, and inclusion at the ecosystem level, contributing to the GLI virtuous cycle.



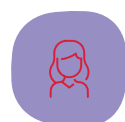
B. CROSS-CUTTING THEMES

B.I. Cross-cutting theme: Intersectionality

Intersectionality is a framework for action that allows us to identify how particular aspects of a person's background, such as gender, ethnicity, sexual orientation, religion, age, disability, educational level, and social standing, can intersect and expose them to discriminatory experiences and differentiated inequalities. This focus allows us to address gender dynamics from a comprehensive point of view, starting from the basic premise that the discriminatory experiences a person goes through are the result of the intersection of multiple inequalities.

For this reason, in order to advance toward a program of inclusion and equality in Latin America, intersectionality is considered an indispensable action framework for gender lens investment and for promoting an inclusive ecosystem for everyone.

Data



In Latin America and the Caribbean, **51%** of migrants are women (IDB, 2023).



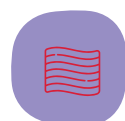
Women of African descent experience higher rates of maternal mortality and reduced access to education, employment, adequate housing, and basic services, such as clean water and sanitation (PAHO, 2021).



Indigenous women in Latin America and the Caribbean largely depend on the informal economy, with **85%** finding work only in this sector (IACHR, 2020).



While the unemployment rate for men with disabilities is 40%, the unemployment rate for women with disabilities rises to **57%** (Inclúyeme, 2022).



LGBTQ+ persons are **7%** less likely to be employed, and their earnings from work are 4% lower compared to non-LGBTQ+ persons (OECD, 2019).



KEY ACTIONS

With the goal of incorporating intersectionality as a mainstreaming framework in the gender lens investing process, we would like to highlight the most important lessons learned in the forum.

- 01. Data:** The first step toward building practical strategies that truly take into account the intersection of different aspects of a person's background is having the right data for creating a better understanding of social dynamics.
- 02. Visibility:** Another fundamental step is to generate spaces where people with diverse backgrounds can make evident the challenges they face. Active participation should be promoted in settings where women from diverse backgrounds (different ages, religions, ethnic origins, nationalities, sexual orientations, etc.) can contribute to a multidimensional view of the thematic agenda, not only to empower, but also to address the different realities of women in Latin America.
- 03. Multidimensionality:** To address the differentiated barriers that women face, we must operate from a multidimensional point of view that is sensitive to the multiple ways of being a woman in Latin America.
- 04. Transversality:** It is necessary to apply the lens of intersectionality to all projects, initiatives, and events undertaken by organizations, regardless of scale or geography. This implies promoting the use of methodologies that allow us to have useful tools and frameworks for action that facilitate the process. For example, we should ponder the particulars of a project's target population and use a different approach for rural or urban settings, entrepreneurial settings or large-scale financial institutions, or countries with differences in culture and environment. That is to say, female leadership when working with rural organizations or cooperatives should be promoted differently than when working with companies or corporations based in capital cities or large urban areas.



B.II. Cross-cutting theme: The Care Economy

It is estimated that, in Latin America, unpaid household and care work accounts for 20% of the regional GDP, and it is women who perform 70% of this work. This generates a structural inequality in terms of their availability to become fully integrated in the formal labor market, to dedicate time to personal and professional development, to have their own income, which promotes financial autonomy and health, or to secure the kind of decision-making that is made possible by equality and inclusion in all spheres.

To transform persistent inequalities in our region, it is urgent to include the care economy as a key issue on the agenda for gender, allowing us to understand its relationship with other agendas that address gender-based violence, financial inclusion, decent work, professional development, and access to leadership positions, among others.

Data



Unpaid household and care work accounts for **20%** of the regional GDP, and it is women who perform **70%** of this work (ECLAC, 2021).



60% of women in households with children under 15 years of age have stated that they do not participate in the labor market because of their family obligations (ECLAC, 2022).



77.5% of women employed in domestic services work in the informal sector, and their income is equal to or less than **50%** of the average for all employed persons (UN Women, 2020).



It is estimated that paid care work will create many jobs in the coming years. However, this sector is still characterized by a lack of benefits and protections, low wages or no compensation, and the risk of physical, mental and, in some cases, sexual abuse (ILO, 2022).



KEY ACTIONS

- 01. Expanding the idea of care:** In a global context, it is essential to explore the different aspects of the care economy as an opportunity for social organization, to go beyond the basic premise of caring for people, and to move toward a sense of shared responsibility that allows us to combine it with caring for the environment and common spaces and to mainstream impact investing processes.
- 02. Systems of care:** Keeping in mind the importance of care systems for sustaining life, it is essential to build systems of care that are financially sustainable and that guarantee access and quality, committing to continuity and to undergoing impact metric assessments, while incentivizing community outreach, recognizing and compensating care services fairly, and mainstreaming intersectionality and the gender lens.
- 03. Caretakers front and center:** In Latin America, actions related to the care economy revolve around the individuals needing care, marginalizing the needs of the caregivers: the women. And this is essential to recognizing their contributions, ensuring their wellbeing and promoting the quality of care, as well as respecting their dignity and rights. This way, a more compassionate, equal, and sustainable system can be built.
- 04. Complementarity:** When facing the paradigm shift of recognizing care services as a collective issue, the state must champion the efforts to promote comprehensive care systems that involve private initiative. The state must guarantee the effectiveness of these systems through policy, regulations, and the allocation of public resources, ensuring cross-sectoral collaboration. Additionally, the private sector has the capacity to drive innovation and create well-paying jobs in the care sector, in addition to promoting policies that take into account giving caregivers flexible hours, expanding and providing maternity and parental leave, and eliminating hiring biases for mothers.



C. GENDER INVESTING LENSES

C.I. Lens 01: Women in leadership positions

One of the most relevant topics for advancing gender equality is, without a doubt, equalizing access to leadership roles between men and women. Female leadership, from an intersectional gender perspective, promotes innovation, development, empathy, profitability, and quality in the work, strengthening company values and empowering impact as well as the business. However, the numbers show us that there is still a long way to go before achieving parity in these areas.

At a global level, the share of women in senior leadership positions is around 32.2%, almost 10 percentage points below the overall share of women in the workforce, which is around 41.9% (WEF, 2023); in our region, this situation is worsening. Studies that analyze the existing leadership gap, have shown that only 1 out of 4 leaders in high-ranking executive positions is a woman (McKinsey, 2022). In fact, it is estimated that only 15% of the women in our region are CEOs or executive directors (World Bank, 2022).

Gender inequality also affects the fundamental elements that hinder business development, such as a rising turnover rate, low talent retention, reputational and organizational risks, and the cost of opportunity in regard to innovation and increasing returns.

McKinsey's 2022 report titled "Women in the Workplace" points out that if companies do not take timely measures, they risk losing not only their current female leaders, but also the next generation's. Violence and harassment in the workplace, as well as the lack of equal flexibility in terms of care, remain part of the main factors that make up the women in leadership agenda.

This debate also includes the importance of shared responsibility and the commitment of male leadership to address this problem and to look for solutions. The report also highlights the importance of peer support, mentoring, and leadership skills development in areas where women face both socio-cultural and institutional barriers.

Data



For the first time ever, all regions of the world have surpassed the **30%** mark for women in senior leader positions. Latin America rose by two points, from **35%** to **37%** (Women in Business, 2023).



Only 1 out of 4 leaders in high-ranking executive positions is a woman (McKinsey, 2022).



At a global level, the share of women in senior leadership positions is around **32.2%**, well below the share of women in the workforce, which is around **41.9%** (WEF, 2023).



Only **15%** of the women in our region are CEOs or executive directors (World Bank, 2022).

KEY ACTIONS

Fortunately, in Latin America, there are organizations that defy these statistics and that are actively working to close the gaps that prevail in the region's work environments. The following key actions for strengthening the *women in leadership* lens stand out.

- 01. Eradicating gender stereotypes:** The barriers women face when trying to access decision-making roles in the productive market are intimately linked to preconceived notions in regard to the abilities attributed to gender. For this reason, it is imperative to work actively to eliminate the subconscious gender stereotypes at the organizational level. It is also crucial to encourage shared responsibility between all teams in search of diversity and inclusion.
- 02. Intersectional and inclusive leadership:** Encouraging female leadership from an intersectional and transformative gender perspective is a fundamental element for achieving equality and inclusion in a way that is sustainable over time while capitalizing on institution, social, and economic benefits. This way, we will be able to move toward the kind of leadership that empowers the positive impact of adopting diverse viewpoints in decision making and strengthens equal opportunity, as well as full participation of all people in decision-making processes.
- 03. Active promotion:** To crystallize a transformation in the organizational gender paradigm, it is necessary to actively promote the benefits of gender mainstreaming and to advance toward establishing inclusive leadership both inside and outside the organization.
- 04. Institutionalization:** To achieve permanence over time, it is necessary to create workspaces with policies and processes that are free of gender bias, develop institutional processes that support women's leadership, work so that the organization's products and services also have a gender perspective, and seek to understand the needs of people in a specific, non-generalized way. It is also necessary to integrate these perspectives into the organizational culture and the business, and to guarantee smart decision-making in different ways: at the institutional, business, and team levels, and in the personal aspects of leadership roles.

C.II. Lens 02: Equality in the workplace

Having equal and diverse workspaces is a strategic step for the proper functioning, development, and strengthening of organizations, and it plays a critical role in the eradication of gender gaps. The integration of a plural perspective, promoting equality in the workplace, translates into improved performance, productivity, competitiveness, and greater innovation. At the same time, it strengthens organizational values and reduces turnover and risks while increasing the commitment of the workforce.

Currently, there are still multiple barriers in organizations which prevent women, as well as historically excluded groups, from accessing opportunities for promotions and professional development, causing companies loss of value, exposure to reputational and organizational risk, as well as loss of opportunities for growth and profitability.

Institutional, sociocultural, and personal barriers, informed by gender biases that are deeply ingrained and can easily influence people's behavior and decision-making, are among the main obstacles to achieving greater equality and diversity.

Integrating the gender perspective through training, awareness-raising, and the development of institutional policies and protocols can be regarded as a powerful solution to identify and minimize the impact of such unconscious biases. Likewise, factors such as caregiving responsibilities and the existence of gender-based violence in workplaces, among other barriers, tend to affect women disproportionately and must be taken into account when seeking to guarantee equal, diverse, and inclusive workspaces.



Data



Organizations that have embraced gender diversity are **29%** more likely to be more profitable than their peers who lack diversity strategies (Blackrock, 2023).



Organizations that foster diversity can experience an **83%** increase in revenue due to innovation (Deloitte, 2022).



Evidence suggests that, in addition to financial performance, having diverse teams can be a way to reduce cases of fraud and improve risk management (Parallele Finance, 2022).



Only **50%** of the world's working-age women participate in the labor market. This figure differs by about 80% in regard to men (World Bank, 2022).



Companies traded in stock exchanges with a greater share of women have generated a **44%** higher return on investment and **47%** higher profit margins (McKinsey, 2013).

KEY ACTIONS

- 01. Talent management processes:** Reducing bias in talent management and selection processes through comprehensive revisions of specifications and job descriptions to eliminate gender bias, using anonymous CVs, and creating mentoring, sponsorship, and networking programs.
- 02. Statements of commitment:** Develop statements of commitment from senior management or directors in favor of a comprehensive strategy for gender and inclusion at the organizational level. Transformations are more likely to be successful if people in leadership positions within the company are committed and involved.
- 03. Disaggregated data:** Collecting and assessing disaggregated data allows for an advancement in transparency and accountability, and it is a useful way to identify gaps and biases in hiring, assessment, promotion, resignation, and firing processes and to make operative and strategic decisions.
- 04. Inclusive organizational culture:** Building an inclusive organizational culture based on evidence to implement bias-free protocols and policies that allow organizations to... 1) place more women in leadership positions and attract, retain, and promote female talent; 2) implement protocols for preventing and dealing with workplace violence, including sexual abuse; 3) implement measures such as paternity leave, flexible hours, remote work, care options, and subsidies for care, among others.
- 05. Continuous training:** Design training plans and publicity about gender, equality, inclusion, and diversity, ideally designed through participative processes that take into account the backgrounds and needs of male and female employees, as well as those of the organization.

C.III. Lens 03: Products and services designed for women and girls

Despite representing a highly profitable segment and a great economic opportunity, women continue to be a market underserved by various productive sectors, including the financial sector, which is why their financial inclusion still faces challenges. According to Women's World Banking (2018), the design and implementation of gender-neutral products and services are informed by typical male behaviors, which tends to exacerbate gender gaps. Therefore, it is necessary to move toward a gender-sensitive model that allows us to identify the particular needs of women and to recognize their heterogeneity and contextual frameworks.

In addition to the design of products and services, different actors in the ecosystem are playing an important role in promoting gender lens financial products and services. Multilateral agencies are leading the charge. For example, the International Finance Corporation (IFC), through its Banking on Women program, has been one of the institutions to have focused the most on incorporating gender-informed finance into most investments. As a result, total gender commitments came in at \$2 billion in June 2023, representing a notable 46% of the total global gender commitments, which amount to \$4.3 billion. The IFC experience shows successful implementations of SME financing and women's banking in the region. The IDB, on the other hand, is focusing on building new financial instruments through capital markets to address the needs of women.

Data



The financial gap for female-led companies and female-owned microbusinesses in the region is almost 100 billion US dollars (IDB, 2019).



According to the IDB, Latin America is the leading region in gender bond issuance, with a total of 12 operations and 14 issuers (IDB, 2022). The first issuer in the region was Banistmo in Panama, in 2019, and this was the eighth issuance at the global level. They were later followed by: Colombia (Davivienda, Banco W, Bancamía, and Mibanco), Mexico (Fira, IDB Invest, and Fonacot), Chile (Fondo Esperanza and Santander), Peru (Caja Arequipa), and Ecuador (Banco Pichincha).



In 2023, Pro Mujer issued the first gender bond in Argentina (ON). In addition, it was possible to work with the CNV (Argentina's National Securities Commission) to adapt regulations and enable social enterprises such as Pro Mujer to enter the capital market.



IDB Invest is focusing on debt capital markets (DCMs) as a vital source of these resources for a relatively new asset class: gender bonds. IDB Invest has supported seven gender social bonds in the region (\$350 million).



Thematic bonds (social/sustainable/green) are now a well-established asset class within a rapidly growing ESG investment community. Gender bonds make up less than 1% of all thematic bonds, but they do have the opportunity to grow (Moody's, 2022).

KEY ACTIONS:

- 01. Gender intelligence approach:** It is imperative to question neutral approaches and to promote designs focused on gender intelligence. This begins by collecting information about the backgrounds and needs of segments that comprise women. Through these data, we will be able to define the particulars of new products and services, innovating in different aspects related to access, product design, conditions, background, guarantees, the paperwork involved, and any respective communications and consultancy.
- 02. Awareness:** We have to generate greater knowledge in the region about the business opportunity that women represent as a market so that more financial institutions can sign on to the change. And we have to urge financial institutions not just to integrate intelligent design for gender, but also to include gender in their operations and business model.
- 03. Promotion of innovative financial instruments:** To achieve greater acceptance throughout the ecosystem, it is essential to disseminate the benefits that come with gender mainstreaming, as well as the application of innovative financial instruments such as gender bonds, which have the potential to cause a multiplier effect in favor of the financial inclusion of women. To this end, it is important to develop guides and tools that allow us to understand how gender bonds are structured and implemented, thus promoting their use in the region. A key aspect is the consolidation and transparency of information related to gender bonds, which can motivate more actors and institutions to structure gender bonds and intensify their impact.



C.IV. Lens 04: Equality in value chains and incidence

As described above, companies owned or led by women have less access to financing and capital, have a hard time establishing solid commercial networks, have a tendency to use informal contacts, and face stereotypes regarding what responsibilities they should take on and what sectors they should work in. This puts them at a disadvantage when integrating into large companies' value chains; therefore, specially designed actions are required to ensure that men and women have the same opportunities to work in these spaces.

In line with the above, and in spite of the progressive increase in women's participation in the workforce, women are still overrepresented in lower-skilled jobs and in the lower levels of the supply chain, where they are exposed to risks such as precarious working conditions, pay gaps, limited access to maternity rights and childcare, long workdays, and more.

However, there is mounting evidence regarding the many benefits of integrating a gender perspective in value chains. According to the UN Global Compact, doing so would result in:

1) An improvement in brand reputation among clients, peers, investing institutions, and the workforce, which promotes company growth and boosts brand loyalty.

2) An increase in revenue and a reduction in acquisition costs, because opening the door for more women's companies and companies with a gender perspective to compete for sustainable business opportunities fosters development, innovation, and business growth.

3) A strengthening of the markets through economic development and inclusive growth: Investing in businesses with a gender perspective contributes to the development of resilient and strengthened value chains, while also benefiting labor markets by increasing income generation and decent employment opportunities locally.

4) Resilience and opportunity: Supply chains are the heart of a company's operations, so making them risk-resistant has become a top priority. And by having diverse supply chains, companies ensure that their suppliers reflect their customer base (women), which can sometimes result in the expansion of market opportunities.

Data:



The unequal distribution of men and women in GVCs begins with the existing gender biases in employment. Women make up no more than **39%** of the workforce globally (World Bank, 2020; ECLAC & CAF, 2023).



Women tend to be more concentrated than men in low-value-added, low-complexity, and less technology intensive GVCs, like agriculture, textiles, tourism, domestic services, etc. (ECLAC & CAF, 2023).



Within different GVC segments, women tend to be placed in less technically demanding occupations in comparison to men, with fewer leadership roles. This creates occupational gender segregation. In this sense, women are concentrated in production line jobs, with limited participation in technical, management, and supervisory positions, which are dominated by men (ECLAC & CAF, 2023).

KEY ACTIONS

- 01. Integrate the gender perspective into value chains:** Prioritize this perspective in purchasing decisions to expand the market, diversifying products, improving reputation and innovation, and increasing adaptability and the creation of opportunities.
- 02. Study and understand the roles of women in supply chains, their working conditions, and other gender-related risks to enhance corporate profits:** An inclusive value chain contributes to development and economic growth through innovation, greater production, and a plural perspective, promoting the development of higher quality products and competition within the market and improving commercial reputation among interested parties (investors, clients, users).
- 03. Identifying existing challenges in order to develop appropriate solutions:** Among the main barriers faced by women in supply chains are occupational segregation, caregiving tasks, unsafe working conditions, exposure to violent work environments, work in industries considered to be male-dominated, gender bias and stereotypes, and distrust of institutions or companies.
- 04. Promoting data broken down by gender in value chains:** These data are crucial for understanding what is going on with supply chains. Companies must gather disaggregated data, including demographic data, and conduct surveys and research to gain a deeper understanding of female employees' actual working conditions and growth potential while making room for their development. This allows companies to assess and improve their practices and to make more informed and realistic decisions that will have a positive impact on those companies and on the market.

05 TAKEAWAYS:

Throughout this report, we have brought forth analysis, directives, clear actions, and concrete recommendations with the goal of contributing to the GLI movement in Latin America but, above all, we have done so with the intention of continuing to promote the transformative spirit of the impact ecosystem in the region.

These pages are a roadmap for promoting gender lens investing based on the four main lenses of the methodology. Each lens presents its own challenges, its particular circumstances and, of course, clear lines of action to integrate them transversally throughout the investment continuum.

However, in its objective of drawing up guidelines, we conclude with an irrefutable assertion: **impactful action requires connected steps forward and collective agreement.**

The GLI Forum Latam 2023 is living proof of the transformative power that we can bring together as an impact ecosystem when we walk side by side; therefore, each lesson learned through these pages belongs to the hundreds of voices of men and women leaders, who contributed their experience and knowledge to an incubator for thinking collectively about innovative solutions and for sharing best practices while putting forward impactful action plans.

Doubtless, the road ahead is long, but here at Pro Mujer, we are moving forward with the certainty that the GLI methodology will continue gaining ground and that, in the following decades, we will see the fruit of our labor in a vibrant, equal, and egalitarian Latin America.



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