

DELIVERING ON THE PROMISE OF GENDER LENS INVESTING (GLI)

*IN LATIN AMERICA
AND THE CARIBBEAN*



esade
RAMON LLULL UNIVERSITY

Center for
Social Impact

 **IDB** | **Invest**

Author

Leonora Buckland
*Sr Researcher, Esade Center
for Social Impact*

Collaborators

Esade:

Laura Reijnders
Dalia Silberstein
Ana Paredes
Doménica Díaz

IDB & IDB Invest:

Marisela Alvarenga de Jacoby
Diego Flaiban
Jan Eskildsen Alfaro
Carole Sanz-Paris
Matthieu Pegon
Elee Ismael Muslin
Sylvia Gabriela Andrade
Alberto Enrique Parodi Serpa
Terence Liam Gallagher
Paula Peláez Zambrano
María Teresa Villanueva
Karina Azar Barros
Isabel Berdeja Suárez
Jimena Serrano Pardo
Juan Chávez Cazorla
Lucia Do Campo Garino
Diana Carrillo Sosa

Special thanks to

Gema Sacristán Postigo
Olga Linett Cantillo Pérez
Rosmary Giuliana Lozano Mantilla
María de la Luz Calvet Roquero
María Eugenia Netto de Assis Carvalho Schneider
Juan Camilo Osorio Londoño

Designed by

Azoma - Colombia

September, 2024.

© LatinSIF 2023. All rights reserved. This publication has been produced by LatinSIF under the auspices of the Inter-American Investment Corporation (IDB Invest), and the contents of the publication are the responsibility of LatinSIF. This work is subject to a Creative Commons license CC BY 3.0 IGO. The terms and conditions indicated in the URL Link must be met and the respective recognition must be granted to Latin SIF.. Note that the URL link includes terms and conditions that are an integral part of this license. The opinions expressed in this work are solely those of the authors and do not necessarily reflect the views of IDB Invest, its Executive Boards, or the countries they represent.

IDB Invest

A member of the IDB Group, is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social and environmental development in the region. With a portfolio of U\$21 billion in assets under management and 394 clients in 25 countries, IDB Invest provides innovative financial solutions and advisory services that respond to the needs of its clients in a variety of sectors.

Esade Center for Social Impact (ECSI)

The Esade Center for Social Impact (ECSI) develops research with rigor, reach, and relevance for and about social impact. As part of our mission, we work to create the conditions for interactions to understand problems in-depth, ask difficult questions to spur novel thinking and innovative ideas, pilot progressive change, and generate knowledge, tools, solutions, and leaders that enable social change through research, education, and social debate. Our vision is a better world where citizens understand global problems in-depth, co-organize the development of social impact practice and theory and hence solve complex global challenges to regenerate the environment and reduce inequalities.

More information is available at: <https://www.esade.edu/impact>

Acknowledgements

We are extremely grateful to the many people and organizations that contributed to and made this research study possible, especially to those who generously gave their time to participate in qualitative interviews. Their insights, experiences, and perspectives were invaluable in shaping the findings and conclusions of this report. This work would not have been achieved without the financial support and commitment of IDB Invest, who recognized the importance of this research. Special thanks to the teams at ECSI and IDB Invest who supported the pulling together of the report.

Index



5

Preface - ECSI

7

Executive Summary

20

Introduction

22

SECTION 1: About gender lens investing and key global trends

31

SECTION 2: Overview of gender lens products in LAC and their growth over the last five years

40

SECTION 3: The gender lens investing ecosystem in LAC and its development over the last five years

71

SECTION 4: Deep dive into activity across the different gender lenses in LAC

84

SECTION 5: Additional GLI themes and bright opportunities in LAC

91

SECTION 6: Moving GLI capital at scale in LAC – what is needed?

100

Acronyms

102

Bibliography

Preface - ECSI

The Esade Center for Social Impact (ECSI) is proud to present this new report on Gender Lens Investing (GLI) in Latin America and the Caribbean (LAC), highlighting the transformative potential of GLI in advancing gender equity and women's empowerment across the region. This report delves into the growing ecosystem of GLI in LAC, showcasing how investors, entrepreneurs, and institutions are increasingly integrating gender considerations into their strategies to drive both financial returns and social impact.

The LAC region, with its vibrant and dynamic entrepreneurial landscape, presents unique opportunities and challenges for GLI. Despite persistent gender gaps in access to capital, leadership, and economic participation, there is a palpable momentum building within the GLI ecosystem. Countries such as Brazil, Mexico, Colombia, and Chile are emerging as leaders, with growing awareness and action around gender-focused investing. However, the report also emphasizes the need for continued efforts to mainstream GLI across the region, especially in countries where awareness and implementation are still in their early stages.

At Esade, we recognize the critical role that research plays in advancing the field of GLI. Since 2017, our work has contributed to deepening the understanding of how gender-focused investment strategies can address systemic barriers and market failures that disproportionately affect women. This report is a continuation of our commitment to fostering inclusive and equitable finance systems, building on previous studies to offer a comprehensive analysis of GLI's progress and potential in LAC.

We are particularly grateful to the many people and organizations who contributed their insights and expertise to this study. Their perspectives have enriched our understanding of the challenges and opportunities in the region and have helped shape a roadmap for advancing GLI in LAC. This report is not only a reflection of what has been achieved but also a call to action for continued collaboration and innovation in the field.



As we look to the future, we are excited to see how GLI can further contribute to reducing gender inequalities in LAC and beyond. Through our research, education, and partnerships, we remain committed to supporting the growth of GLI as a powerful tool for social change. We hope this report serves as both a resource and an inspiration for entrepreneurs, corporates, investors, policymakers, women's support organisations, networks and all practitioners working to create a more equitable and inclusive world.

A handwritten signature in black ink, consisting of a stylized 'J' and 'R' followed by a long, sweeping horizontal line that extends to the right.

Joan Rodon Mòdol
Dean, Esade Business School



Executive Summary

Gender lens investing is about bridging gender and finance, a necessary rebalancing and an enormous business opportunity due to the gender dividend

Gender lens investing represents an opportunity to change finance systems and make them work for the advancement of gender equity and women's empowerment. Responding to gender gaps in access to capital, employment, leadership and supply chains, gender lens investors seek to target gender as a theme so that capital flows more evenly to gender-balanced teams and companies that are beneficial for both women and men, in addition to women entrepreneurs and companies that improve the lives of women and girls.

Gender lens investing includes investment strategies in the private markets (private debt, private equity, seed/angel and venture capital) as well as within public markets (public equities, fixed income). Gender lens market sizing has tended to capture intentionality¹, and in 2021 AUM for public and private gender lens investing products reached approximately US\$ 17 billion globally.² While gender is more prevalent in impact investing strategies, gender is emerging to become a greater priority and a key criterion for investors and asset managers within sustainable investing.³

There are different ways that investors can support gender finance which will be referred to as 'lenses' in this study, as described in figure 1 below.

Gender lens investing enables investors to improve their financial performance as well as to reduce risk with **well-evidenced, outsized business opportunities** in each of these lenses. Moreover, they can deliver **significant on-the-ground development impacts** to reduce stark gender inequalities, particularly relating to women's economic empowerment including closing the gender pay gap and labor participation rates which have stalled in LAC as in other regions

¹ Products and instruments explicitly identifying as gender lens.

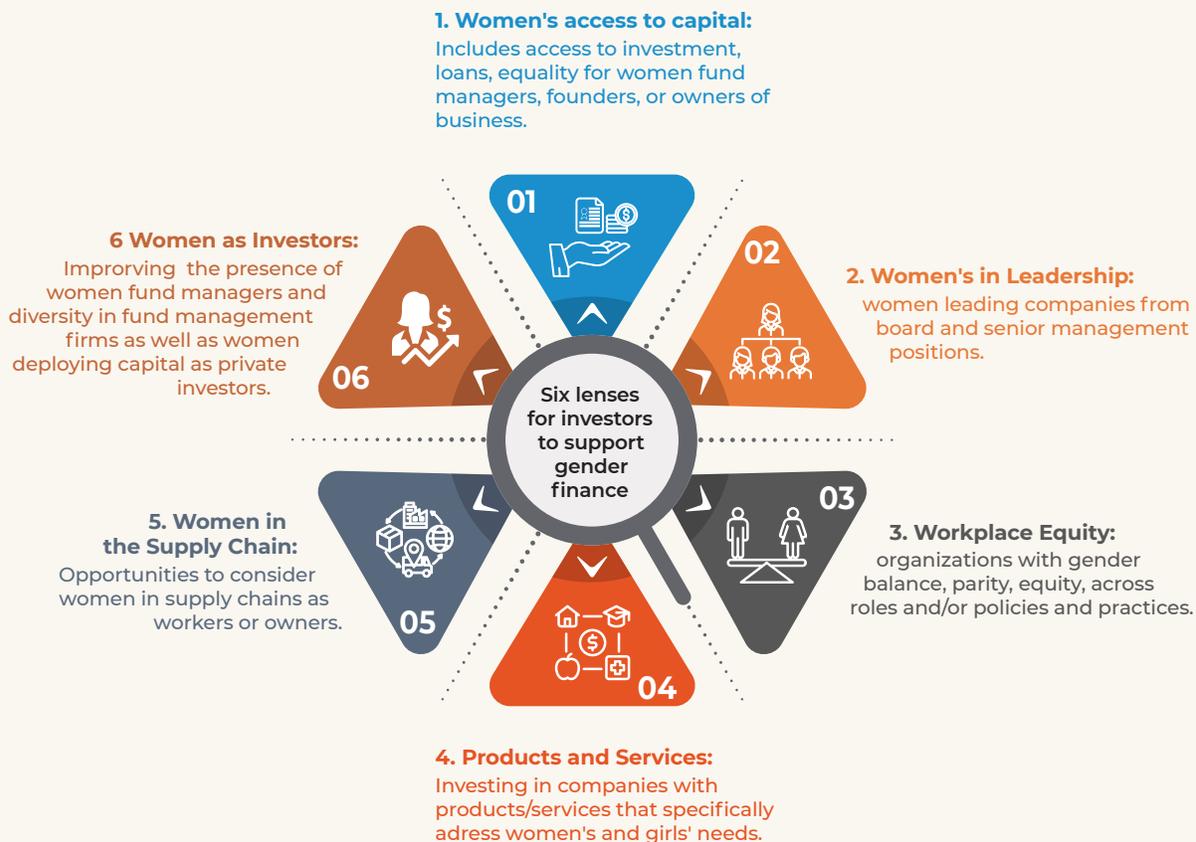
² Hand, Ringel and Danel, 2022, GenderSmart 2022 (not publicly available).

³ Sustainable investing is an investment approach that considers environment, social and governance (ESG) factors in portfolio selection and management.



Figure 1

Six different gender lenses that can support gender finance in LAC



partly as a result of the pandemic. Gender lens investing responds to best practices regarding the 'dual track approach' to close gender gaps in the 2030 Agenda, which entails integrating gender equality considerations into routine processes and procedures and employing "direct interventions" to address specific limitations and challenges faced by women, men, girls, or boys. **Without the more intentional approach of gender lens investing, it will be hard to overcome some of the inherent market failures and systemic barriers facing women in LAC,**

such as unconscious bias preventing equality of opportunity for women, imperfect or asymmetric information and high transaction costs faced by individuals because of their gender.⁴

GLI is growing in the region - an increased number of GLI products and instruments are available, with significant financial innovation

In private markets, more VC/PE funds with a gender lens have emerged over the last years

⁴ These market failures are outlined in: IDB Invest, *Promoting Gender Equality Through Performance-Based Financial Incentives: An Analysis of IDB Invest's Experience*, 2023.



and more of these gender lens funds over time have targeted the LAC region for investment.

The most recent global GLI private markets scan with data up to June, 2023 illustrated that 29% of the 206 global PE/VC GLI funds targeted LAC for investment in 2023 (up from 17% in 2021).⁵ The GLI market scan in 2021 contained over 30 funds with a focus on Latin America compared to 15 funds with a focus on Latin America in 2020, of which 9 funds had their firm headquarters in LAC (these are outlined in more detail in Appendix x).⁶ In private debt, there has been significant activity by commercial banks, microfinance institutions and fintechs to provide small and larger loans to women entrepreneurs.

In public markets: the region has been a pioneer and leader in gender bonds. Out of 40 gender bonds dedicated exclusively to finance women, the region represents 50% of global emissions by number.⁷ Not only is the volume of gender bond issuance in the region impressive, but also the level of innovation, with several global 'firsts', for example the first gender bond globally with incentives (by Davivienda in Colombia) and the first diversity and inclusion bond with incentives (by Cooperativa de Ahorro y Crédito Jardín Azuayo). In addition, the first exchange traded fund with a GLI dimension in LAC was launched in Brazil in 2021 (Teva Indices in partnership with Banco Safra). Moreover, the Brazil stock exchange recently launched the first Latin American index to combine gender and race criteria in a single indicator and there are several Latin American companies in the global Bloomberg Gender Equality Index (GEI).

In an encouraging development, there **are more investors embracing creative financial structures** to level the playing field for women entrepreneurs or companies serving women's needs. These include flexible debt capital (debt-repayment tied to cashflow for example), revenue-based financing, redeemable equity, loan guarantees, and even recoverable grants.

In another innovation, **digitization** and crowd financing platforms (lending and equity) offer opportunities for retail investors to participate in GLI strategies in addition to public market investing opportunities.

The ecosystem for GLI in the region has been steadily evolving over the last five years – there is greater gender awareness and stronger GLI practices by investors. However, on the spectrum of gender-blind to gender-transformative⁸, the finance ecosystem in LAC still has far to go.

The GLI ecosystem in LAC is starting to reach critical mass, particularly in certain countries such as Brazil, Mexico, Colombia and Chile.

Interviewees for this study unanimously felt that **gender lens investing in LAC was on the right track**, that there was strong awareness of what gender lens investing is and no longer such a need to explain why it is smart investing. Since the publication of the last IDB Invest report on GLI in LAC in 2019⁹ there are encouraging signals that GLI is starting to gain traction. There are many different players involved in the GLI ecosystem, as illustrated below in Figure 1, with different parts

⁵ 2X Global, Sagana, *Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets*, 2024.

⁶ S. Biegel, M. Brown, S. Hunt, Project Sage 4.0, *Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens*, 2021.

⁷ IDB Invest gender bond database.

⁸ WHO Gender Responsive Assessment Scale: criteria for assessing programs and policies where gender-blind is defined as ignoring gender norms, roles and relationships and ignoring differences in resource allocations and opportunities for women and men and gender-transformative includes consideration of gender norms, roles and relations for women and men and how these affect access to and control over resources.

⁹ IDB Invest, *Gender Lens Investing, How Finance Can Accelerate Gender Equality in Latin America and the Caribbean*, 2019.



Figure 2

WHO Gender Responsive Assessment Scale: criteria for assessing programs and policies

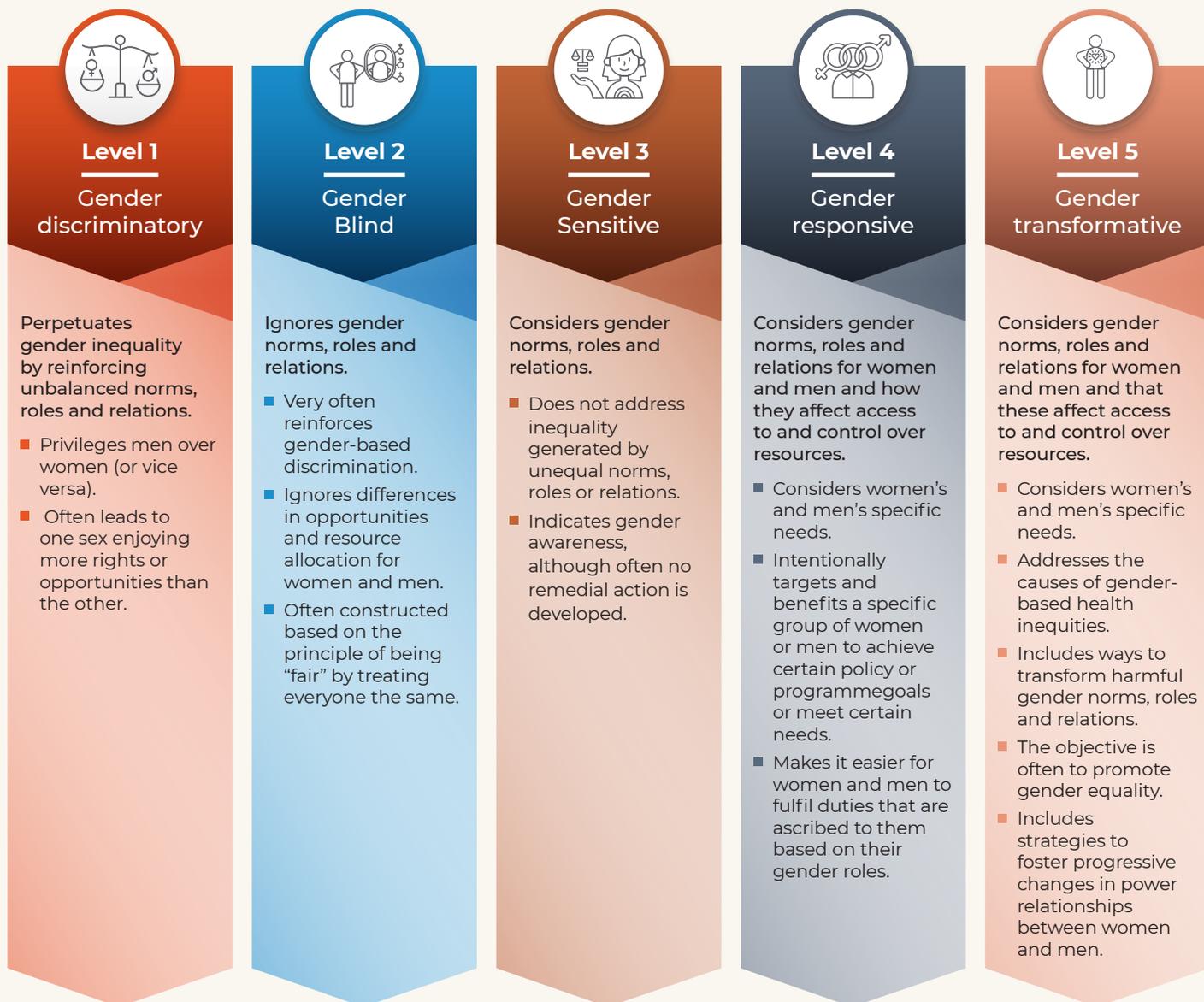
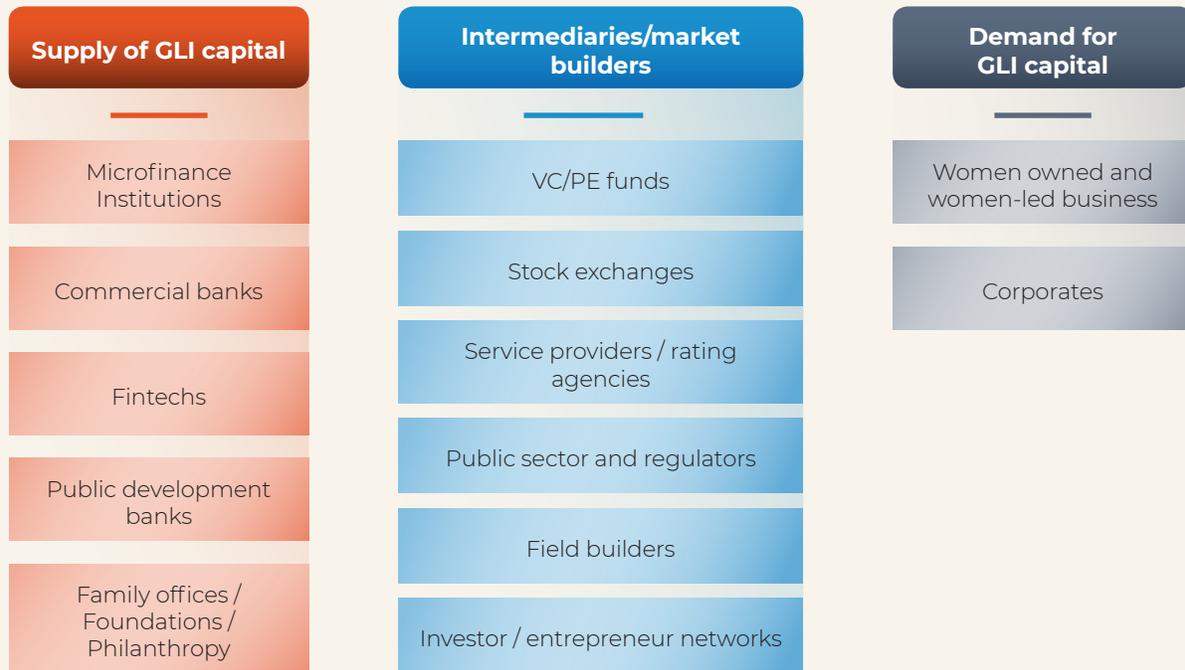


Figure 3
Key Players in the GLI Ecosystem in LAC



Source: author’s own elaboration

of the ecosystem at different stages of evolution on the journey from gender-blind to gender-transformative, with variation between actors within each segment as well as countries.

- **There are more resources, tools, rating agencies, certifications and standards globally and regionally** to provide the market infrastructure to support GLI.

Market infrastructure

- **A dedicated open-source on-line gender lens investing platform has been built¹⁰** for diverse gender mainstreaming strategies that different financial sector actors can use, consisting of online training, tools, case studies, strategies and ideas.
- **A GLI Forum has been held annually in Latin America since 2020.**

Supply of GLI capital (Offer)

- **Microfinance as an industry is evolving with further opportunities to integrate a gender lens:** many founders of key LAC microfinance institutions (MFIs) are women and microfinance has had a traditionally female-dominated customer base. As MFIs are evolving due to digitization, new opportunities and challenges for women customers arise. There is still improvement needed for MFIs to fully

¹⁰ <https://thegenderplatform.promujer.org>.



understand women's needs and incorporate those into their products and services,¹¹ as well as developing strategies to prevent over-indebtedness and to ensure affordability of existing financial products. Alongside many other financial institutions, MFIs lack enough women in leadership positions.

- **Commercial banks are moving slowly towards greater gender awareness** driven by push factors such as multi-lateral banks incentivizing lending as well as opportunities in the gender bond market. There is a realization that they need to capture women's business by providing differentiated products to serve women (savings, SME loans, insurance etc.) While there is some progress, there is a risk that gender diversity may be superseded by other priorities such as climate.
- **Fintechs:** are thriving in the region with a growth of 112% in the number of platforms in just three years (2018-2021).¹² Adopting a gender lens is currently a missed opportunity for fintechs in LAC, since globally fintechs report overwhelmingly that the lifetime value of a female customer is either similar or higher than for male customers. Half of fintech startups in LAC have indicated that women represent less than 40% of their user base.
- **Public development banks including National Development Institutes (NDIs) and Development Finance Institutions (DFIs) are playing an important role.** DFIs are specialized banks or subsidiaries to support private sector development in developing countries. DFIs have supported WSMEs for many years primarily through directing

credit to banks to focus on this sector and have implemented gender lens strategies over the last decade. Now many DFIs have come together to catalyze the GLI market, serving as anchor investors in private market funds with gender lenses, supporting gender bond issuances, mobilizing additional capital through blended finance transactions and incentivizing a move towards gender lens strategies by financial institutions. The DFIs commitment to collectively mobilize private sector investments for GLI in developing country markets as part of the 2X Challenge has been a boost. In 2021-22 of the US\$ 16.8bn invested by the 2X Challenge (including US\$ 10.85 billion of member capital), US\$ 3.98bn has been invested in Latin America.¹³ Moreover, DFIs have also played an important role in incentivizing and catalyzing greater workplace equity for women through their corporate and infrastructure sector support.

In addition, there are also country-level, or sub-national, institutions owned by the state, known as NDIs, which provide loans to public and/or private projects (when their mandate stipulates) and in LAC they are playing an important role in supporting financial inclusion and greater and more adequate access to finance for women-led businesses.

- **Private family offices:** high net worth families in the region have moved from making experimental impact investments to building robust and intentional impact investment portfolios that reflect their impact objectives.¹⁴ The themes of gender and entrepreneurship are starting to garner more support from such families, and as family offices

¹¹ KIVA, US AID, *Gender Lens Investing Landscape, Gaps, Challenges and Opportunities in Financial Inclusion for Women*, 2021.

¹² Finnovista, IDB, IDB Invest (2022), *Fintech in Latin America and the Caribbean, A Consolidated Ecosystem for Recovery*.

¹³ <https://www.2xchallenge.org> (retrieved October 2, 2023).

¹⁴ UBS, Latimpacto, *Familias Latinoamericanas con visión de impacto*, 2023.



increasingly embrace sustainable and impact investing, there is potential for further capital mobilization for GLI from such sources.

Intermediaries / field builders

- **VC/PE funds:** VC/PE funds have been drivers of gender lens investing activities globally. There were 206 funds surveyed allocating capital with a gender lens in the latest market scan (data to June, 2023)¹⁵. Over the last five years in LAC there has been considerable growth in interest of VC/PE funds in GLI. New gender lens funds have been set up and the early global GLI pioneers remain active in the region. Yet, PE/VC is suffering from a lack of gender diversity in its own ranks, making the practice of GLI more urgent but a steeper mountain to climb. The percentage of VC/PE companies with gender-balanced senior leadership teams amounted to only 20% in the region in 2021.¹⁶
- **The public sector and regulators:** In LAC, there have been some notable public sector initiatives supporting gender lens investing, often at the intersection of regulation and policy, led by Chile, Mexico and Brazil. Of critical importance are actions to improve the collection and the availability of sex disaggregated data, both at an individual and at the MSME level. The public sector can also issue sovereign debt including gender as part of sustainability-linked bonds (SLBs) as Chile has done, including the first SLB of its kind globally to include gender KPIs.
- **Stock exchanges:** Stock exchanges in LAC are lagging behind other regions in terms of these actions and in how far gender equality is prioritized. The lack of data regarding gender

by corporates in the region, with no mandatory reporting or disclosure enforced by regulator is a major barrier. There are however some best practices in LAC which can be built on and replicated across the region (for example Brazil's B3 stock exchange is a regional leader in building the case for and supporting gender equality, with the first diversity index in the region launched in August 2023).

- **Women networks and entrepreneurship support organizations are burgeoning** there has been a growth of different in-country female investor networks, women entrepreneurship training offers, support networks and accelerators/incubators which are adopting a gender lens.

Demand for GLI capital

- **Women-led or women-owned companies or companies serving the women's market:** There are many different segments and types of women-owned and women-led businesses and the challenges they face vary across LAC, illustrating that a one-size-fits all gender lens investing solution will not work. Over time, there is more understanding in the ecosystem of these nuances as well as the inter-sectional dimension of women entrepreneurship i.e. how the gender dimension crosses with other diversity dimensions such as race, age, and sexuality. We know that in LAC women-owned and women-led businesses struggle to access finance, and this, amongst other factors affects their survival rates and growth trajectories.
- **Corporates:** with the rise in ESG factors and ESG investing, corporates in LAC are increasingly adopting gender strategies in particular to boost

¹⁵ 2X Global, Sagana, Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets, 2024.

¹⁶ Investors for Equality, Catalyzing Equality, How Venture Capital, Private Equity Fund Managers and Impact Investors are Applying a Gender Lens in Latin America and the Caribbean, 2021.



women in leadership and increase the levels of female employment. While there is some positive momentum, progress in LAC is slow in terms of increasing women's representation in leadership and board positions and reducing gender pay gaps. In 2021 women made up only 10% of sample of boards in Latin America and 1% of CEOs.¹⁷ Public-private sector initiatives and programs regarding gender equality offer a hopeful vision for the future. An example of such an initiative are the IPGs (Iniciativas de Paridad de Género), with more than 550 companies in seven countries in Latin America committed to implementing inclusive business practices through the IPGs¹⁸.

In addition, as rankings and certifications become more common place, there is greater incentive, pressure and momentum relating to gender strategies. For example, the Aequales Ranking Par includes over 2000 businesses in Latin America ranking organizations in terms of corporate gender and diversity gaps, processes and policies.

Private market investors in LAC (primarily fund managers) are experimenting with different approaches and lenses, although the dominant focus continues to be on providing access to capital for women-owned or women-led businesses

For PE/VC funds working with a gender lens in their portfolios, their practices **are formalizing and deepening**, moving beyond an initial focus on the access to capital lens to explore other lenses, including considering more broadly gender equity issues as well as women in the supply chain. In addition, more thematic funds are emerging, for example, combining climate and gender or health and gender indicating

that the gender lens investing is moving to the next level. For such investors, there is a **greater understanding of the need for and use of technical assistance** alongside financing, both to work on their own gender diversity processes and policies, to embed a gender analysis across the investment process as well as to accompany and support their portfolio companies on their gender strategies. They tend to work with their investees on leadership, equity and supply chains in a more holistic proposition targeting multiple lenses.

There are strong opportunities and bright spots for GLI in LAC

While there are still issues with the pipeline of high-growth female entrepreneurs in LAC, the significant number of programs and attention over the last decade on women entrepreneurship is generating a change, with most interviewees anecdotally observing more opportunities to fund women-led businesses. **The dynamism and entrepreneurial energy of women entrepreneurs in LAC is a golden opportunity, with over half of new businesses started by women in the region (compared to a third on average globally).** The **women's market is largely untapped** – for example in health, education and care. The **nexus of gender and climate** in LAC is also perceived to be a key frontline for the next decade and a major opportunity, as more funding flows to climate, but many of the solutions and measures to improve resilience and adaptation can be driven by women.

There are risks and challenges for GLI in the region over the coming years

Pink-washing is perceived as a risk by interviewees, whereby investors conduct a tick-

¹⁷ Deloitte, *Progress at a Snail's Pace, Women in the Boardroom: A Global Perspective*, Seventh Edition, 2022.

¹⁸ IDB, *Iniciativas de Paridad de Género en América Latina y el Caribe*, 2016-2022, 2023.



boxing around gender, focusing on superficial measures to comply with gender diversity requirements or scrutiny rather than addressing power imbalances, unconscious bias and other barriers. For example, funds are felt to be in some cases marketing with a gender investment thesis without it being integral or properly implemented or hiring someone in the leadership team to increase gender diversity metrics without giving them proper voice or ownership. In public markets, it can be easy to invest in a company that happens to have some female leadership, and then retroactively claim a gender lens motivation without evaluating whether the investment had a positive impact on women and girls.

To mitigate against this risk requires GLI investors providing more and better data and evidence to support their gender thesis and its impact, as well as having a clearly articulated theory of change behind thesis with strong monitoring and evaluation (where appropriate). In public markets, GLI experts also encourage investors to go beyond looking at women in leadership and the C-suite. Indeed, as a wider universe of investors becomes active in using gender strategies, a further challenge is to create alignment, ensuring **common GLI standards and improved data and benchmarks** are used to drive up the transparency and performance.

For GLI in LAC to continue to gain momentum and for it to become mainstreamed, barriers to implementation need to be reduced. Many investors are currently confused or lacking in confidence to implement more intentional gender strategies. In addition, while globally the evidence to support gender lens investing is strong, there could be more LAC-specific data collected on the business case.

A further challenge is to **monitor how GLI is developing in different countries across the**

region which is tied to the specific landscape both of opportunity in terms of GLI interacting with the ecosystem development. Countries such as Colombia and Chile have benefitted from strong public sector support for gender as well as a growing ecosystem of women's organizations coupled with a growth of impact investment. A 'levelling up' is required for countries which are lagging somewhat in terms of GLI to ensure the potential is realized across the entire region. For this, **more regional collaboration across different actors is required**, bringing together a relatively fragmented and siloed field to continue to raise awareness and develop products and practices that are needed, focusing especially on countries where awareness of GLI is weaker.

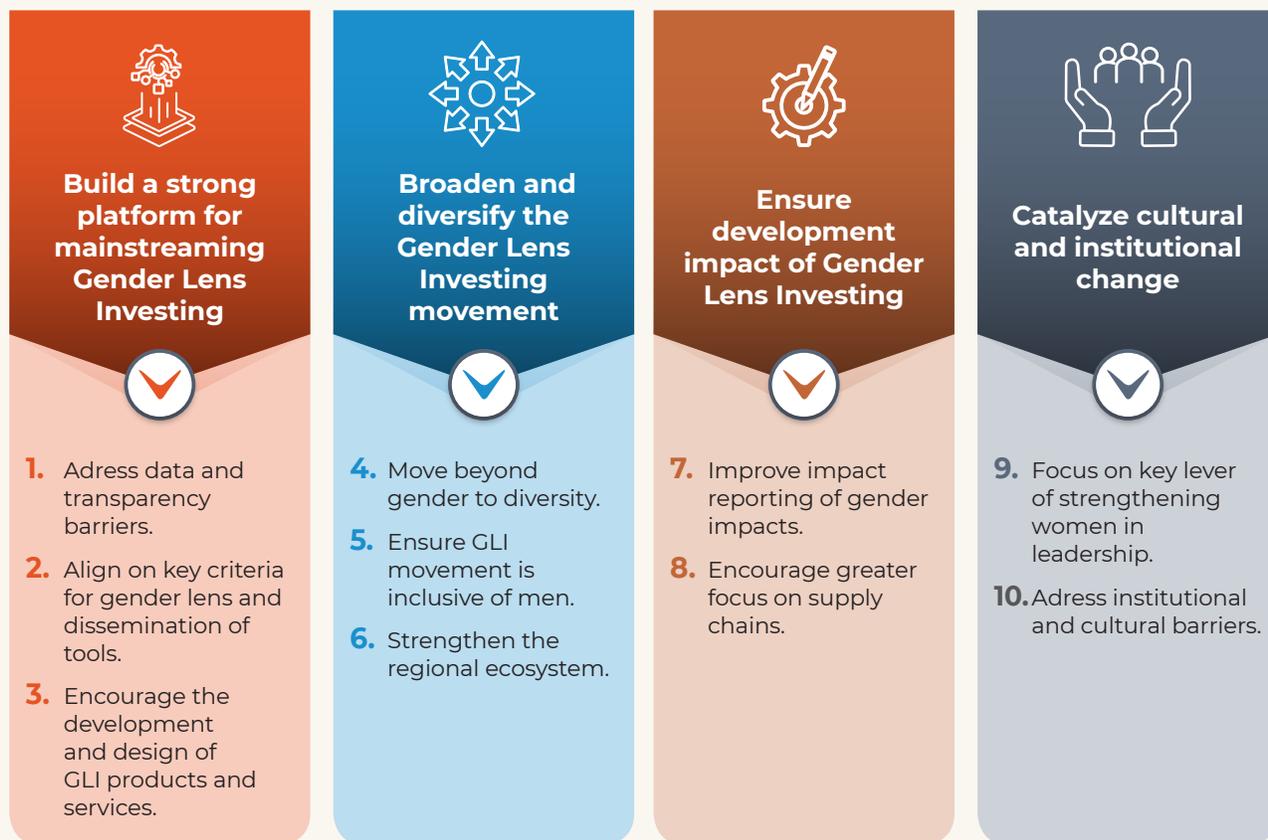
Reaching a tipping point: what is required to scale GLI in LAC?

While there are certainly some bright spots and exciting developments, the overarching global narrative is that **gender finance pales in comparison to the growth of climate finance and there is still an enormous untapped opportunity for GLI globally**. In order to deliver on the promise of GLI in the region, a holistic, system-wide understanding of barriers and challenges facing women in their lives and workplaces, as investors and as entrepreneurs, is required. **It is necessary to weave, connect and build bridges between the different parts of the ecosystem to develop GLI as a field**, with potential to transform women and girls' lives. Moreover, gender and diversity need to be integrated into existing large-scale opportunities in digitization, sustainability and climate finance. This requires an inter-linked set of actions / activities described in more detail below and summarized in Figure 2. This inter-linked set of actions and activities illustrates that the success of any intervention on women's economic empowerment depends on its contribution



Figure 4

Key Recommendations: Delivering on the Promise of GLI in LAC



Source: author's own elaboration

not only to the enhancement of women's financial situation, but also of social and political empowerment at individual, family, community and institutional levels.

Build a stronger platform for mainstreaming GLI

- **Recommendation 1: Address data and transparency barriers.** Without data it is hard to understand how the field is evolving and to take action. Individual players need

to be better at collecting sex-disaggregated data, and public bodies, regulators and intermediaries such as stock markets, have a role in incentivizing data collection. IDB Invest found in their last study, that less than 39% of commercial banks disaggregate data, and even less than a 3rd have automatized data¹⁹. There could be a regional observatory to collect aggregate data on key GLI metrics and more LAC countries could follow the example of countries which mandate financial institutions and corporates to provide key gender metrics.

¹⁹ <https://idbinvest.org/en/publications/women-rising-study-growing-financial-power-womens-market-lac-and-what-means-financial> P. 33.



Rating agencies can also help to build stronger regional datasets.

- *Public sector to sponsor initiatives to support data collection from financial institutions.*
 - *Regulators, stock-markets and rating agencies work together to bring greater transparency, credibility and depth to corporate gender metrics.*
 - *GLI VC/PE investors to be more transparent about their own gender metrics and collect better data from portfolio companies.*
- **Recommendation 2: Align on key criteria for gender lens and dissemination of tools/ knowledge of how to implement it,**
 - *Corporates and investors: adhere to global standards, initiatives and certifications related to gender lens for different types of actors (2X Criteria, Women Empowerment Principles, certifications for corporates such as Aequales certification, EDGE and Equipares (Colombia)).*
 - *Public sector / DFIs / field builders: ensure up-to-date research, case studies and practical regional-specific tools for key players.*
 - *Public sector / DFIs / field builders: support dissemination into different countries, particularly those less progressed on the GLI journey.*
 - **Recommendation 3: Encourage the development and design of GLI products and services to better meet women's needs and respond to the specific market failures and barriers facing women.**
 - *Investors, financial institutions, public sector, DFIs, field builders: ensure gender-*

intelligent product design and incorporation of women's needs and voices in the growth of GLI products.



Broaden and diversify the GLI movement

- **Recommendation 4: Move beyond gender considerations to gender and diversity.** Globally the trend is for gender to be an entry point into a diversity lens that includes not only biological sex, but also race, ethnicity, religion, disability, income, sexual orientation and cognitive diversity. Globally in both public and private markets more fund managers are employing multiple diversity lens, but in general across LAC there is a lack of engagement with the broader theme of diversity and inclusion. The work of the Brazil stock exchange and the new gender, equality, diversity and inclusion fund (IDB Invest, Global Affairs Canada and Blue Orchard) offer examples of action on this topic.
 - *Corporates, investors, public sector, DFIs, field builders: move beyond collecting sex-disaggregated data to also collect broader diversity data, where possible. Offer more practical tools, guidance and case studies to support the integration of a diversity lens beyond gender. Move the conversation from gender to diversity and inclusion within corporates.*
- **Recommendation 5: Ensure GLI movement is inclusive of men.** As many top management positions of corporates and financial institutions in LAC are traditionally occupied by men, efforts needed to move the needle on gender equality require men to play an active role. A significant proportion of men are willing and



ready to take such a role²⁰, and need to find an environment that is welcoming and considers them as crucial allies, illustrating that gender lens investing is for everyone, male and female.

- *Field builders*: actively recruit men to become involved and champions of gender lens investing and disseminate case studies of senior male leaders working to promote and advance GLI in the region.

- **Recommendation 6: Strengthen the regional ecosystem.**

The development of GLI across the region is somewhat uneven, with some countries lagging behind both in terms of awareness and action. An LAC region-wide perspective is needed, to further educate investors and key actors on GLI, supported by philanthropic capital to bolster regional field-builders as well as those advancing GLI in countries with less mature finance ecosystems.

- *Field builders, philanthropists and DFIs*: monitor GLI at an individual country and a region-wide level, ensuring individual country ecosystems are supported to become more mature and cohesive, and that those lagging can catch up to the regional best practices.

Ensure development impact of GLI

- **Recommendation 7: improve impact reporting related to GLI's social and environmental impact.** Best practices are emerging to capture more granular and specific data on how GLI can transform

the lives of women on the ground, from women entrepreneurs to their families and communities. Digital data is providing increased possibilities to obtain gender outcome data. It cannot be assumed that GLI inherently tackles gender inequalities. More resources (financial and human) need to be invested to determine which intervention and GLI strategies yield which types of development impacts.

- *Field builders* provide guidance and best practice examples of GLI impact reporting and investors prioritize and invest in good impact data.

- Tie sex-disaggregated data to business performance indicators so that sex-disaggregated data can inform and influence business decisions, and not be limited to “sustainability” reporting²¹.

- **Recommendation 8: encourage a greater focus on GLI related to supply/value chains**

to unlock broader impact for underserved women in LAC. Moving beyond the gender lens of access to capital for women entrepreneurs, to focusing on gender lens in supply chains including under-served groups of women offers the potential for outsized development impacts.

- *Philanthropists, DFIs and impact investors*: continue to be creative and find ways to use catalytic capital to better reach under-served women and create deep development impacts.

²⁰ <https://idbinvest.org/en/blog/gender/role-men-gender-equity-and-inclusion>, accessed November 2023.

²¹ <https://idbinvest.org/en/publications/women-rising-study-growing-financial-power-womens-market-lac-and-what-means-financial> p. 10.





Catalyze cultural and institutional change

- **Recommendation 9: Focus on the key lever of strengthening women in leadership:**

the key systemic lever to catalyze GLI in the region, as well as stronger gender impacts, is for women to take the helm in more public and private institutions. Women investors and managers are evidenced to take gender more into account in decision-making. For women to hold more leadership positions a raft of cultural barriers will need to be overcome, and more policies set in place to encourage women into such leadership positions.

- **Recommendation 10: Address institutional / cultural barriers:** we have heard through the interviews that there are still cultural barriers affecting women and girls, particularly when it comes to entrepreneurship and employment. There are discriminatory laws

and policies, unequal power imbalances and decision-making and lack of gender-responsive institutions and governance.²² Interventions must understand how socio-cultural contexts, including social norms and beliefs, influence women's capacity to use resources and opportunities to enhance their power, voice and advancement.²³ The need for a focus on STEM and early education has also been clearly articulated and must be at the forefront of a long-term GLI strategy as well as specific programs such as outreach university programs for female entrepreneurship and finance including soft skills/pitching training.

- *Public sector:* focus on policies and programs to deal with longer-term institutional and cultural barriers, starting with girls' education, with particular sensitivity to the need for more women in STEM careers.

²² Promoting Gender Equality Through Performance-Based Financial Incentives: An Analysis of IDB Invest's Experience, 2023.

²³ DEG/OEEB, Research Study on the Transformative Impact of Gender Lens Investing, Final Report, 2021.



Introduction

About this study

In 2019, IDB Invest and ESADE co-authored and published, *Gender lens investing: how finance can accelerate gender equality in Latin America and the Caribbean*²⁴. This was one of the first attempts to shine a light on GLI in LAC, and to map the ecosystem at that time. Since then, we have had the pandemic and GLI as a concept and practice both globally and in LAC has evolved. There have been more recent studies to investigate the landscape of GLI in LAC²⁵, but none in the last two years.

The current study provides an updated overview of GLI in LAC. The objectives of the study are to:

- Determine how GLI has evolved in LAC over the last 5 years since the first research study;
- Highlight achievements, informing with practical examples and case studies.
- Contextualize the current state of GLI in LAC within global GLI market, trends and examples; and
- Assess what is needed now for GLI to deliver on its promise and potential in LAC.

GLI can be perceived in three distinct ways: 1) as a set of ideas organized into common language and frameworks; 2) as a set of investment activities and opportunities; and 3) as a loosely organized set of people and institutions. This study attempts to cover these three dimensions of GLI.

- **Section 1** introduces the concept of gender lens investing, provides an overview of the business and impact case and examines GLI in LAC in the context of global trends.

²⁴ ESADE, IDB Invest, *Gender lens investing: how finance can accelerate gender equality in Latin America and the Caribbean*, 2019.

²⁵ For example: ONU Mujeres, *Inversión con impacto de género en la región de América Latina y el Caribe. Estado de situación, iniciativas y prácticas innovadoras*, 2019; ONU Mujeres, *Mapeo del estado de situación de las inversiones con perspectiva de género en Chile*, 2021; Value for Women, *A Landscape Report, Impact Investing with a Gender Lens in Latin America*, 2019; Investors for Equality, *Value for Women, Catalyzing Equality, How Venture Capital, Private Equity Fund Managers and Impact Investors are Applying a Gender Lens in Latin America and the Caribbean*, 2021.



- **Section 2** reviews GLI instruments and products in the region.
- **Section 3** describes in detail the ecosystem in LAC, including case studies on specific players.
- **Section 4** considers GLI opportunities in each of the lenses as well as gender outcomes / impacts.
- **Section 5** covers deep dives into key themes such as the intersection of gender and climate.

Method and limitations

This study combines an extensive literature review of GLI both globally and in the LAC with a qualitative analysis based on interviews with a selection of 29 different GLI actors in the region over the course of the summer of 2023. A list of interviewees for the study is contained in Appendix 1. The majority of interviewees came from private markets, in particular VC/PE funds which may color some of the qualitative study findings.

Other limitations of the study include the subjectivity of interviewees regarding the state of GLI in the region, particularly given that normally they were often active participants and field-builders as well as the relatively small sample size of interviewees. In addition, the study focuses on the region as a whole and was not able to dive into country specificities: the generalizations contained in this report contain a spectrum of on-the-ground realities in each country.

The study is intended to give a feel and flavor for the set of ideas, activities and people and institutions and is not exhaustive. It celebrates **what** has been achieved and shines the light on **who** is driving GLI in the region. **Our hope is that it can serve as a new foundation with which to chart and develop a roadmap in collaboration for the field in LAC moving forward, and a point of contact and comparison with the global GLI field.**



Section

1

About gender lens investing and key global trends



1.1. What is gender lens investing?

Gender lens investing ‘incorporates a gender analysis into financial analysis to get better outcomes – for investors, businesses, and society.’²⁶ They are investments made with an intentional approach to look at gender factors, in order to get to better business, social, environmental, and investment outcomes. That might mean mitigating risk, or seeing opportunities, or both. Each investment vehicle or investor has a unique way of defining what “gender lens investing” means for them. Motivations for investors to invest with a gender lens vary widely. These could include, for example, for-profit asset managers realizing the potential for better financial returns, or decreased risk; philanthropic investors seeking alignment between their investments and their philanthropy and policy work; and impact investors recognizing the potential of improving the double bottom line by investing in women’s empowerment, or arenas where women are disproportionately affected by social issues, or where women are a source of innovation and social impact.

Three key lenses operated as the foundational framework for GLI during the early years, derived from the early work of the Criterion Institute: i) investing in women-led businesses; ii) investing in companies supporting gender equality in the workplace; and iii) investing in companies with products and services directed at having a positive impact on women.

Over time, since gender lens investing is a dynamic field, **these three foundational lenses have been refined and developed. This study uses as a framework six key lenses outlined below** which are consistent with the global field builder for GLI, 2X Global as well as the regional work in developing a gender lens framework by **Pro Mujer**, a key microfinance institution in LAC and GLI field builder, and Deetken Impact, a Canadian impact investor.²⁷ It is worth mentioning that there are many other gender-

²⁶ Criterion Institute, *The State of the Field of Gender Lens Investing*, 2015

²⁷ <https://iluwomensempowermentfund.com/toolbox/> (Retrieved October 2, 2023) where Lens 1 is Women in Leadership, Lens 2 is Workplace Equity, Lens 3 is Products and Service that Benefit Women and Girls and Lens 4 is Value Chain Equity and Advocacy.



related frameworks, standards and tools and these will be covered throughout the study (such as the UN Women’s Empowerment Principles and associated Gender Gap Analysis

Tool; the ICRW gender scoring tool, the EDGE certification, the Gender Equality Mainstream (GEM) framework, etc.). These cover similar dimensions to the gender lenses below.

Figure 5

Six different gender lenses that can support gender finance in LAC



Gender lens investing includes investment strategies in the private markets (private debt, private equity, seed/angel, and venture capital) as well as within public markets (public equities, fixed income). Gender lens investing can be part of sustainability investing and impact

investing²⁸. Gender lens investors are either intentional in their strategies – making gender outcomes core to their thesis – or choose to integrate gender alongside other sustainability factors. Within ESG investing, gender is emerging to become a greater priority and a key criterion

²⁸ Impact investing can be defined as investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return (GIIN).



for investors and asset managers who want to improve returns and heighten their performance.

Gender lens investing market sizing has tended to capture intentionality, but the number of sustainable investors who integrate gender is much greater. In 2021, **AUM for public and private gender lens investing products reached approximately \$USD 17 billion**. This in an impact investing universe of approximately 1.164 trillion and a sustainable investing universe of approximately 40 trillion.²⁹ While we do not have specific, reliable data for GLI market sizing in LAC, we know that **over \$USD 3.98bn of 2XChallenge global funding in 2020-2021 was directed towards LAC**.

Figure 6

Most recent estimates for global gender lens investing market size, private market funds, 2023, USDbn³⁰

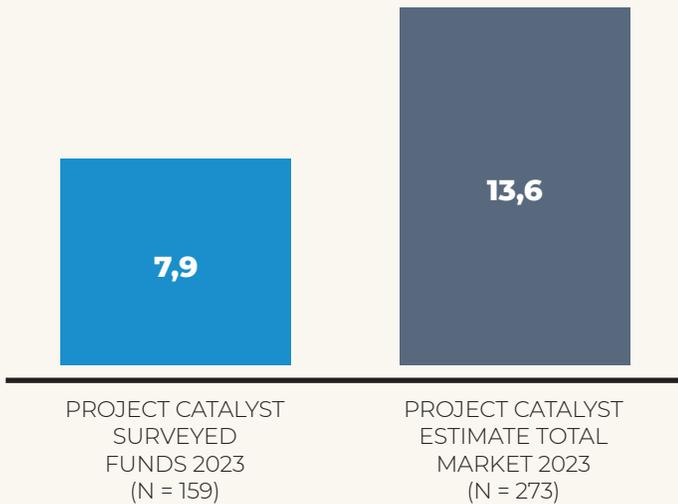
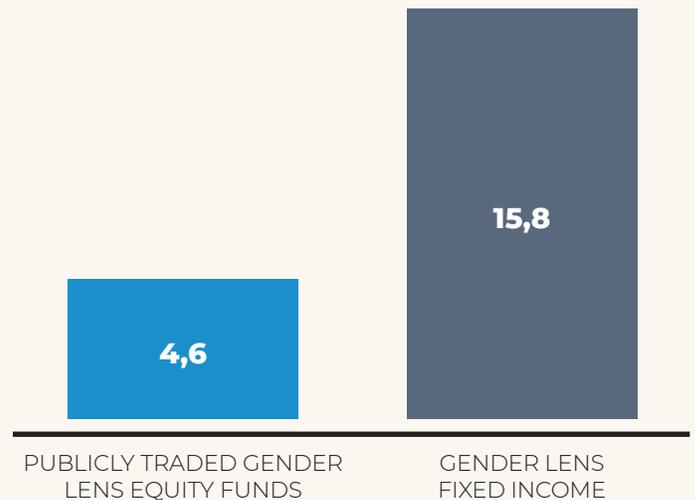


Figure 7

Most recent estimates for global gender lens investing market size, public markets, as of March 2024, USDbn³¹



1.2. The need: closing the gender gap as a moral imperative and trillion-dollar opportunity

Global progress towards achieving SDG5 is slow and gender inequalities persist from pay gaps to reproductive rights to domestic violence. In 2023, the global gender gap has been closed by 68.4%³² (focused on assessing gender gaps between women and men across economic, educational, health and political outcomes). The gender gap is the distance from full parity (where 100% is full parity). **At the current rate of progress, it will take 131 years to reach full parity.** The economic and social consequences of the pandemic and geopolitical conflicts have paused progress and

²⁹ Hand, Ringel and Danel 2022, 1; GenderSmart 2022 (not publicly available).

³⁰ 2X Global, Sagana, Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets, 2024.

³¹ Parallele Finance, Gender Lens Investing Q1 2024, <https://parallelefinance.com/gli-q1-2024/>.

³² World Economic Forum Global Gender Gap Index, 2023.

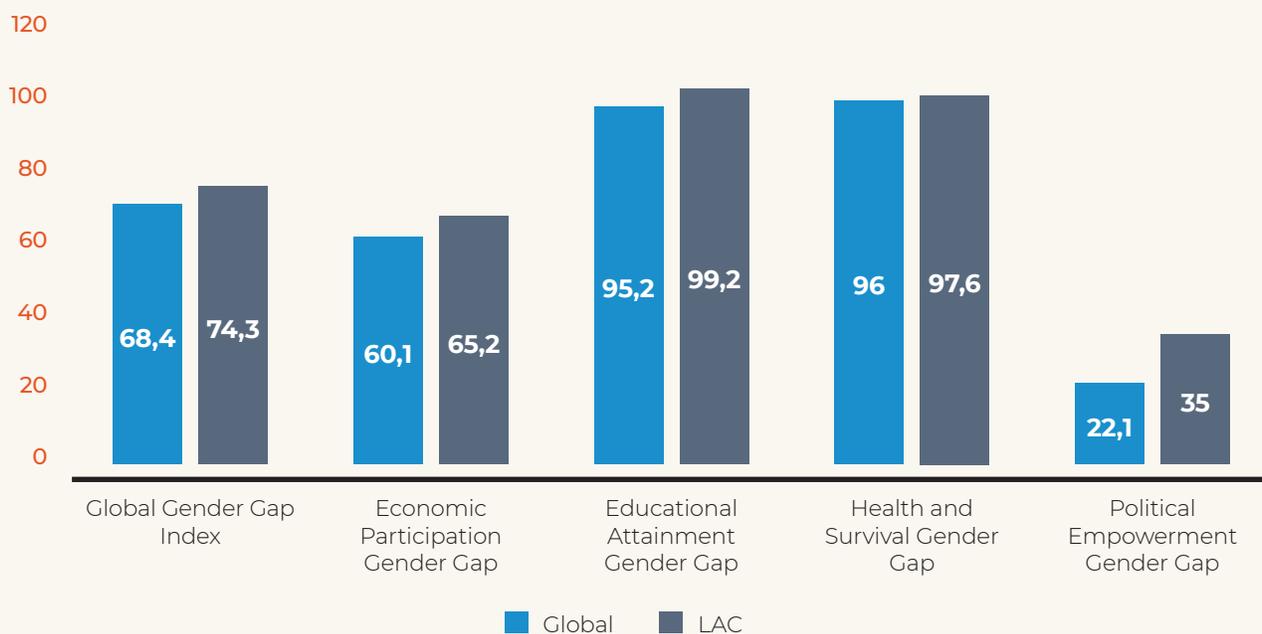


worsened outcomes for women and girls, with the risk of creating a permanent scarring in the labor market and a type of ‘shecession’. Gender parity in the labor force stands at 64% down from a peak in 2009 of 29%. Among workers who remained in the labor force, unemployment rates have increased and remained consistently

higher for women.³³ Even when women obtain employment, they often face substandard working conditions. A significant portion of the recovery in employment since 2020 can be attributed to informal employment, whereby out of every five jobs created for women, four are within the informal economy.

Figure 8

Global Gender Gap % with LAC highlighted³⁴



Covid-19 had a regressive effect on many indicators relating to women’s empowerment. Gender equality, particularly when it comes to the economic realm including the gender pay gap and labor participation rates has stalled in LAC as in other regions. Finance has a key role to play in enabling the inherent dynamism and entrepreneurial nature of so many women in

LAC to thrive. The need for GLI was amplified and underlined by the pandemic, where the additional care burden fell on women who lost their jobs at a greater rate than men.³⁵

Gender lens investing **has the potential to deliver significant on-the ground impacts to reduce these inequalities.** For example, by investing

³³ World Economic Forum Global Gender Gap Index, 2023.

³⁴ Ibid.

³⁵ ILO, América Latina y Caribe: Políticas de igualdad de género y mercado de trabajo durante la pandemia, 2022.



in women and girls, the labor participation gap between women and men can close which increases GDP and reduces poverty. The European Investment Bank estimates that greater gender diversity in the workplace could lead to a potential increase of 26% of annual global GDP and US \$160 trillion of human capital wealth.³⁶ **In Latin America, if all countries in LAC matched the best performing country in the region for gender parity, GDP was forecast to increase as a result by \$1.1 trillion between 2015 and 2025.**³⁷ Gender lens investing has the potential to channel more resources to women in LAC and to support their active involvement and growth within the workforce, leading to multiple positive impacts on women and their communities while strengthening regional economies.

1.3. The business case for gender lens investing

The business case for gender lens investing is convincing. Indeed, many of those interviewed for this study believe that the case has been made and broadly accepted in LAC. It is more the 'how' that is the next hurdle, rather than the 'why'. There are many practitioner resources for GLI investors and case studies which delve deeper into the 'how', compiled by GIIN³⁸, 2X Global and alongside key partners. A selection of facts and figures are outlined below under each of the gender lenses, although there are many more that could be used. It is important to note that while correlation is proven, causality may not be.

More recently, **there is greater emphasis and evidence emerging to support diversity and inclusion more broadly, moving beyond gender.**

1.4. Key trends in gender lens investing globally

Gender, inter-sectionality/diversity and climate emerge as key inter-related conversations offering a pathway to scale but are relatively under-explored in LAC

Gender lens experts increasingly feel that an integrated approach is needed to scale gender lens investing, rather than an exclusive focus on gender as an end to itself.³⁹ This means bringing gender analysis into all investment themes – whether in climate, tech, health, financial services, consumer products or infrastructure – to consider how gender is playing out across an investment's products, employee base, customers, and supply chains. It also means considering how gender can be leveraged to achieve better financial and impact outcomes. In LAC, there is awareness of how climate and gender are inter-twined, but products and strategies are slow to emerge which explicitly have this dual focus. One pathway to impact is to include gender considerations more front-and-center within climate finance, which is mushrooming globally and in LAC.

Another key global trend is for gender to be an entry point into a diversity lens that includes not only biological sex, but also race, ethnicity, religion, disability, income, sexual orientation and cognitive diversity. Globally, in both the public and private markets, more fund managers are employing multiple diversity lenses: almost half of the funds surveyed for the most recent GLI market scan had a justice, diversity, equity and inclusion lens in addition to a gender lens.⁴⁰ In LAC, this conversation is further behind – while there are examples of gender lens investors adopting a

³⁶ European Investment Bank, *Funding Women Entrepreneurs: How to Empower Growth*, 2020.

³⁷ McKinsey Global Institute, *The Power of Parity*, 2015.

³⁸ Global Impact Investing Network, <https://thegiin.org/gender-lens-investing-initiative/>.

³⁹ Gender Smart, *State of the Field*, 2022. Ibid.

⁴⁰ 2X Global, Sagana, Project Catalyst, *Tracking Gender Lens Investing Activity in Private Markets*, 2024.



Figure 9
Business case to support investing with a gender lens

Lens	Gender Gap (global and LAC-specific)	Business /economic case global and LAC-specific)
1. Women's access to capital	<ul style="list-style-type: none"> Less than 3% of global VC funding goes to a company with a woman CEO (Global)⁴¹ The amount of venture capital flowing to women founders in LAC is approximately 1% and 16% into male/female co-founded teams (LAC)⁴² The credit gap for WSMEs is estimated at USD 92 billion (LAC)⁴³ 	<ul style="list-style-type: none"> Businesses founded by women deliver <2 times higher revenues than those founded by men per dollar invested (Global)⁴⁴ Female clients have a 1.5% average non-performing loan rate which is 53% lower than the rate for men (Global)⁴⁵
2. Women in leadership	<ul style="list-style-type: none"> Women hold only 15% of management positions (LAC)⁴⁶ 	Companies on the MSCI World Index with strong female leadership generated 10.1% Return on Equities compared to 7.4% of those without it (2015, Global) ⁴⁷ Companies with the highest level of racial and ethnic diversity at the executive level outperform in terms of profitability by 36% (Global) ⁴⁸ Publicly listed companies in Latin America with higher female representation yielded 44% higher ROI and 47% higher profit margins (LAC)
3. Workplace equity	<ul style="list-style-type: none"> Only 15% of companies analyze whether there are salary gaps within their organization (LAC)⁴⁹ 	Providing childcare to women could add \$USD 3 trillion to global GDP and expanding the childcare workforce to meet the current needs can create 43 million jobs globally ⁵⁰ (Global)
4. Products and services	<ul style="list-style-type: none"> Most products and services are not designed with women's needs or preferences in mind (Global) 	By 2028, female consumers will control around \$15 trillion of female spending ⁵¹ There are many untapped female markets relating to health, education and care, for example (Global)
5. Women in the supply chain	<ul style="list-style-type: none"> Women-led businesses receive only 1% of direct purchasing volume by corporates⁵² 	Gender-responsive procurement practices have a positive impact on profitability and return on investment ⁵³
6. Women as investors	<ul style="list-style-type: none"> Only 20% of VC/PE firms in LAC have a gender-balanced senior leadership⁵⁴ (LAC) 	Gender-diverse investing teams have 20% higher net IRRs in global emerging markets (Global) ⁵⁵

⁴¹ <https://www.2xglobal.org/new-to-gender-lens-investing/why-invest-with-a-gender-lens> (Retrieved October 2, 2023).

⁴² <https://techcrunch.com/2020/02/06/latin-america-takes-the-global-lead-in-vc-directed-to-female-co-founders/#:~:text=New%20data%20from%20Gene%20Teare,investment%20dollars%20directed%20to%20women.&text=In%202019%2C%20investments%20into%20mixed,and%20only%208%25%20in%20Europe.> (Crunchbase data, 2020).

⁴³ <https://www.smefinanceforum.org/data-sites/msme-finance-gap>.

⁴⁴ Abouzahr (et al.) (June 6, 2018) *Why Women-Owned Startups are a Better Bet*.

⁴⁵ <https://financialallianceforwomen.org/the-opportunity/> (accessed 15th November 2023).

⁴⁶ IDB, Una Olimpiada Desigual, La Equidad de Género en las Empresas Latinoamericanas y del Caribe, 2021.

⁴⁷ MSCI, Women on Boards: Global Trends in Gender Diversity on Corporate Boards, 2015.

⁴⁸ McKinsey, Diversity Wins, How Inclusion Matters, 2020.

⁴⁹ IDB, Una Olimpiada Desigual, La Equidad de Género en las Empresas Latinoamericanas y del Caribe, 2021.

⁵⁰ <https://www.2xglobal.org/new-to-gender-lens-investing/why-invest-with-a-gender-lens>.

⁵¹ <https://www.2xglobal.org/new-to-gender-lens-investing/why-invest-with-a-gender-lens> (Retrieved October 2, 2023).

⁵² WeConnect International, The Business Case for Global Supplier Diversity and Inclusion, 2017.

⁵³ Ibid.

⁵⁴ IFC, Moving Toward Gender Balance in Private Equity and Venture Capital, 2019.

⁵⁵ Ibid.



broader diversity approach, in general there is a lack of engagement with the broader theme of diversity and inclusion.

More gender lens investing data and frameworks are available – but the lack of standards is a bottleneck and creates an increased risk of pink-washing

Investors and entrepreneurs are increasingly coalescing around standards for collecting and measuring data related to gender, but it is clear that gender lens investing is an evolving concept, and it is moving far beyond an initial pragmatic focus on counting (for example, number of women in leadership positions). **It is essential for the global as well as the field in LAC to have better gender data** – this will enable better business decisions and outcomes, and the development of more products. From allocating funding, to setting expectations, to value creation activities, investors can support companies to collect, analyze, and use better data to assess both risk and opportunity. Looking beyond the gender of the leadership team is an essential first step.

On the private markets side, the 2X Criteria provides a globally consistent framework for defining gender lens investment, although many of those interviewed for this research stated that although they do use this and are aware of it, they tend to want to go beyond it, as it sets minimum standards or thresholds. Awareness of the 2X Criteria remains fairly low in more mainstream private markets in LAC. The move towards 2X certification, which aims to create more transparency and credibility in the GLI field, may help to provide the benchmarking and third-party assurance that impact investors have

moved towards, and which will be an important foundation for the growth of GLI. There are also other frameworks and tools which provide the possibility of greater standardization and global/regional benchmarking possibilities.

Avoiding pink-washing will take a new level of accountability by investors, companies, ratings agencies, and others. On a positive note, **there are GLI investors in LAC making a concerted effort to understand in a rigorous way the impact that they are having on the lives of people that are being served.** A more nuanced perspective on gender data is required, which can answer the question of the quantity and quality of gender impacts, touching not only on reach (for example, how many women were served) but also depth of impact (in what ways were their lives changed economically or socially). For example, if an infrastructure project created jobs, were those good jobs? If lending to women, were the loans fair and how far did they really enable women to grow their businesses and give them more opportunities and access to education and health?

Gender lens investing is increasingly a broad tent, including impact-first and finance-first investors

As the GLI field grows, so does the diversity of the investors that become involved and the depth of knowledge and experience that they have. There are many different types of actors, with various motivations at different stages on their journey. It becomes even more important to continue to align and acknowledge the diversity, not as a threat, but rather as the upside of growth. In LAC, in private markets, the majority of well-known GLI investors tend to come from the impact



investment space (who are what might be called ‘impact-first investors’), but the potential and reach go well beyond this group.



“We must continue pushing for new and better ways of doing our work, while understanding that not everyone is in the same place in their journey – and in fact, the majority of investors are still not with us at all”.⁵⁶

Investors take time to move from awareness to action – creativity and persistence are required but scale will require moving beyond an individual investor by investor approach

We heard repeatedly during our interviews that the dialogue has shifted and now those working in gender lens investing do not need to explain so much what it means or why it is important. **There is greater awareness of the importance**

of incorporating gender in business and investment decisions.

Yet, there is an acceptance by those working to mainstream gender lens investing, that **there remain significant barriers to putting it into practice** and overcoming some of the cultural or legacy norms preventing a gender lens being prioritized.

A customized, handholding agenda whereby technical assistance is provided, whether by DFIs alongside provision of credit to financial institutions or private market funds alongside investment in their portfolio companies, such concerted initiatives to identify and implement gender lens strategies have been most successful. However, these are costly and time consuming and it will be hard to achieve scale with this organization-by-organization approach. The hope is that GLI practices can be more standardized, with toolboxes easier to implement and **a tipping point reached where a gender lens becomes part of the mainstream investor lexicon.**

⁵⁶ GenderSmart, Gender Lens Investing State of the Field 2022, 2022.



Section

2

Overview of gender lens products in LAC and their growth over the last five years



The growth of gender lens investing globally is mirrored in LAC with the region a leader in gender bonds. Yet there is still much to be done to mainstream gender lens investing and to develop more products and instruments. Examples of opportunities in gender lens investing in LAC across different asset classes are summarized in Figure 8 below. The asset classes have shown varying rates of growth in LAC, are focused on different gender lenses and yield diverse gender outcomes.

Private markets

In private debt, there has been significant activity by commercial banks, microfinance institutions and fintechs to provide small and larger loans to women entrepreneurs. The total size of the market in LAC for lending to women entrepreneurs is not known, but the gender gap in SME lending is nearly \$100 billion in the region. There has been a strong evolution over the last five years by private actors to seize the opportunity to lend more to WMSMEs, often encouraged by public development banks. Section 3 outlines in more detail the activities of these players in GLI.

In July 2022 Catalyst at Large estimated that there are over 300 private market funds integrating a gender lens globally up from 206 funds covered in 2021 and 58 in 2017. There is not a clear, agreed definition for what a GLI private market fund is. While the field is moving towards external fund certification and a clearer definition, the criteria used for the most recent market sizing study for a gender lens fund is an investment fund with an explicit gender mandate or one that integrates gender considerations into investment selection, analysis and/or portfolio management.⁵⁷

LAC tracks this global growth trend in private markets, with more private market funds with a gender lens emerging over the last years. Project Sage

⁵⁷ 2X Global, Sagana, *Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets*, 2024.



Figure 10
Gender Lens Products in LAC by market and asset class

	Capital Markets				Blended finance (public, private, philanthropic) or philanthropy plus		Philanthropy
Market	Public		Private		Private		Private
Asset Class	Debt	Equity	Debt	Equity	Debt	Equity	Grants
Investment vehicle example	<ul style="list-style-type: none"> • Exchange Traded Funds • Mutual Funds • Sustainability-linked bonds • Gender bonds 	<ul style="list-style-type: none"> • Structured debt fund • Direct loan 	<ul style="list-style-type: none"> • Equity fund • Direct investment 	<ul style="list-style-type: none"> • Structured debt fund • Equity fund 			
Ease of use	<ul style="list-style-type: none"> • Easy 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • Difficult 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • High 		
Ownership and influence	<ul style="list-style-type: none"> • Low 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • High 	<ul style="list-style-type: none"> • Medium 	<ul style="list-style-type: none"> • High 		
Situation LAC	<ul style="list-style-type: none"> • Strong growth in gender bond market with LAC global pioneer (20 out of 40 gender bonds to date) • Gender and diversity index launched in Brazil • 46 LatAm corporates part of Bloomberg Gender Equality Index (out of 484 companies globally) 	<ul style="list-style-type: none"> • Growth in lending to WMSMEs by commercial banks, fintechs and savings and loan cooperatives supported by public development banks • Over 30 VC / PE funds in LAC with gender as key priority (growing from 6 in 2018) • Private impact investment funds increasingly taking gender into consideration • Slow adoption of gender lens by VC/PE mainstream 	<ul style="list-style-type: none"> • Innovative blended finance funds and products to achieve clearer and deeper gender outcomes and build proof of concept • 2X challenge has increased availability of blended finance with over US\$ 3.98bn of capital invested in Latin America from 2021-22 investments 	<ul style="list-style-type: none"> • A few leading players but gender is not a strong philanthropic priority in the region 			
Key players LAC	<ul style="list-style-type: none"> • Commercial banks • LAC corporates • Public development banks 	<ul style="list-style-type: none"> • Commercial banks, fintechs, cooperatives • VC / PE funds • Public development banks 	<ul style="list-style-type: none"> • Funds • Platforms • Public development banks • Philanthropies • Family offices 	<ul style="list-style-type: none"> • Philanthropies 			



Figure 10
Gender Lens Products in LAC by market and asset class

	Capital Markets		Blended finance (public, private, philanthropic) or philanthropy plus	Philanthropy
Market	Public	Private	Private	Private
Case studies / spotlights in this report	<ul style="list-style-type: none"> • First sustainability-linked-bond with KPIs relating to gender by the Government of Chile • Banco Davivienda SA gender-focused social bond with incentives (2020) 	<ul style="list-style-type: none"> • BHD León (commercial bank) • Amplifica capital (equity) • NESsT (debt) 	<ul style="list-style-type: none"> • Viwala • Deetken Impact's Ilu Women's Empowerment Fund • MCE Social Capital Fund • Root Capital • IDB Invest, Global Affairs Canada and Blue Orchard's Gender Diversity and Inclusion Fund 	<ul style="list-style-type: none"> • Linked Foundation • Visa Foundation
Gender lenses	<ul style="list-style-type: none"> • Women's access to capital • Women in leadership • Workplace equity 	<ul style="list-style-type: none"> • Women's access to capital • Women in leadership • Workplace equity • Women in the supply chain • Women investors • Products and services for women 	<ul style="list-style-type: none"> • Women's access to capital • Women in leadership • Workplace equity • Women in the supply chain • Women investors • Products and services for women 	<ul style="list-style-type: none"> • Women's access to capital • Women in leadership • Workplace equity • Women in the supply chain • Women investors • Products and services for women
Gender outcomes	<ul style="list-style-type: none"> • Influence change over time • Influence gender-inclusive strategies throughout the organization's value chain 	<ul style="list-style-type: none"> • Influence change over time • Influence gender-inclusive strategies throughout the organization's value chain • Where equity and direct investment, opportunity to require change, embed gender inclusive value chains and have direct impact on beneficiaries 	<ul style="list-style-type: none"> • Influence gender-inclusive strategies throughout the organization's value chain • Where equity and direct investment, opportunity to require change, embed gender inclusive value chains and have direct impact on beneficiaries 	

Note: adapted and modified by author from Calvert Impact Capital, 'Addressing SDG 5: How to Incorporate Gender into Your Investment Strategy'



4.0 contained over 30 private market funds with a specific focus on Latin America, of which 9 funds had their firm headquarters in LAC. Since this 2021 scan, others have emerged. The large majority (65%) of the funds included in Project Sage 4 are first-time funds (referring to the vintage of the funds, not the experience of the fund manager).⁵⁸ Since the last GLI landscape study by IDB Invest, **several new home-grown LAC VC funds have been founded** which invest in women entrepreneurs or companies serving the women’s market such as **Amplifica Capital** which invests exclusively in women entrepreneurs and **Empodera Impact Capital** (currently in fundraising) to support women’s healthcare companies. More detail and case studies on different private market funds in LAC are contained later in the report and a list of the 31 funds included in the latest global GLI private markets funds scan is found in Appendix 2.

Public markets

Globally GLI in public markets, especially in gender lens equity funds, has somewhat stalled in terms of the amount of capital deployed, the growth in the number of products and the sophistication of those products. Barriers are seen to be the fact that until there is more sophisticated data on gender in public equities that goes beyond women on boards and women in the C-Suite, there isn’t an incentive to build different and better products.

There is one Exchange-Traded Fund gender lens product in LAC available in Brazil – the Women in Leadership ETF by Teva Indices, a pioneer in the creation of indices for ETFs in Brazil in partnership with Banco Safra. The ETF invests in companies in Brazil that have a high share of women in leadership. To create the benchmark

Figure 11

Growth in number and value of private market funds with a gender lens globally and in LAC (as of June 2023)

	Project Sage 1 (data through June 2017) ⁵⁹	Project Sage 2 (data through EOY 2018) ⁶⁰	Project Sage 3 (data through EOY 2019) ⁶¹	Project Sage 4 (data through June 2021)	Project Catalyst (data through June 2023) ⁶²
Global number of funds surveyed	58	87	138	206	273
Global AUM \$USD of surveyed funds	\$1.3 billion	\$2.2 billion	\$4.8 billion	\$6 billion	\$7.9 billion
Number of funds surveyed investing in LAC	n/a	6	23	31	n/a

⁵⁸ *Ibid.*

⁵⁹ S. Biegel, S. Hunt, S. Kuhlman, *Project Sage, Tracking Venture Capital with a Gender Lens*, 2017.

⁶⁰ S. Biegel, S. Hunt, S. Kuhlman, *Project Sage 2.0, Tracking Venture Capital with a Gender Lens*, 2019.

⁶¹ S. Biegel, S. Hunt, *Project Sage 3.0, Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens*, 2020.

⁶² [Falta referencia Reference is missing]



index, the composition of Boards of Directors, fiscal boards, executive boards, management committees and others are taken into account.⁶³

The Brazil stock exchange also recently launched **IDIVERSA B3**, the first Latin American index to combine gender and race criteria in a single indicator to select the companies that will make up the portfolio. The new indicator is a way of recognizing listed companies that stand out in terms of diversity, as well as promoting greater representation of under-represented groups (women, black and indigenous people) in the market. In addition, there are several Latin American companies in the **Bloomberg Gender Equality Index (GEI)** whose 2023 listing included 484 companies, 46 from LAC. The standardized GEI reporting framework allows investors to compare how companies around the world are investing in women in the workplace, supply chain and communities in which they operate. The GEI is a benchmark index and is not used as a financial benchmark.

In public equities, gender bonds are showing strong growth. A gender bond is a type of social bond that seeks to finance specific women-led or -founded businesses, develop products and/or services for them or boost their leadership. According to Parallele Finance, gender lens fixed income funds and vehicles grew to USD 15.8 billion in AUM as of Q1 2024, compared to USD 8 billion in AUM in 2022.⁶⁴ To date, issuances of gender bonds have mostly been undertaken by DFIs and corporations, but work is underway by a number of governments to develop frameworks for sovereign gender bond issuances. With the rise of green and sustainability-linked bonds

showing no signs of slowing, there is potential for scaling gender strategies via the integration of gender and diversity considerations into these frameworks. A recent study by Luxembourg Stock Exchange found that from the 189 gender-focused bonds listed, 46% are labelled as sustainable, 34% as social, 14% as SLB, and 10% as green. However, it is important to mention that from these 189 bonds only 40 allocate funds entirely to women.⁶⁵

LAC has been a pioneer and leader in gender bonds globally. Out of 40 gender bonds dedicated exclusively to finance women, the region represents 50% of emissions by number.⁶⁶ While there are more bonds with a gender lens globally (over 189 bonds), these may not necessarily be entirely dedicated to financing women and there are some issues related to the integrity of post-issuance reporting mechanisms. Indeed, the region is a trailblazer for bonds focused exclusively on women, which international ESG investors seek as they are looking for more specific segmentation and to avoid risks of green-washing and pink-washing.



Olga Cantillo, Executive President and CEO, Latinex

“Although gender lens investing may not be as widely recognized as efforts addressing climate change, noteworthy issuances have taken place in countries such as Colombia, Brazil, and Mexico. While a majority of these issuances are in the private sector, they signify meaningful progress.”⁶⁷

⁶³ <https://www.tevaindices.com.br/releases/2022-03-08-teva-indices-e-safra-lançam-o-primeiro-etf-de-diversidade-de-gênero-da-bolsa-brasileira>.

⁶⁴ <https://parallelefinance.com>.

⁶⁵ Luxembourg Stock Exchange, *Linking Gender and Finance: An Overview of the Gender-Focused Bond Market*, 2023.

⁶⁶ IDB Invest data.

⁶⁷ Written exchange, 20th November 2023.

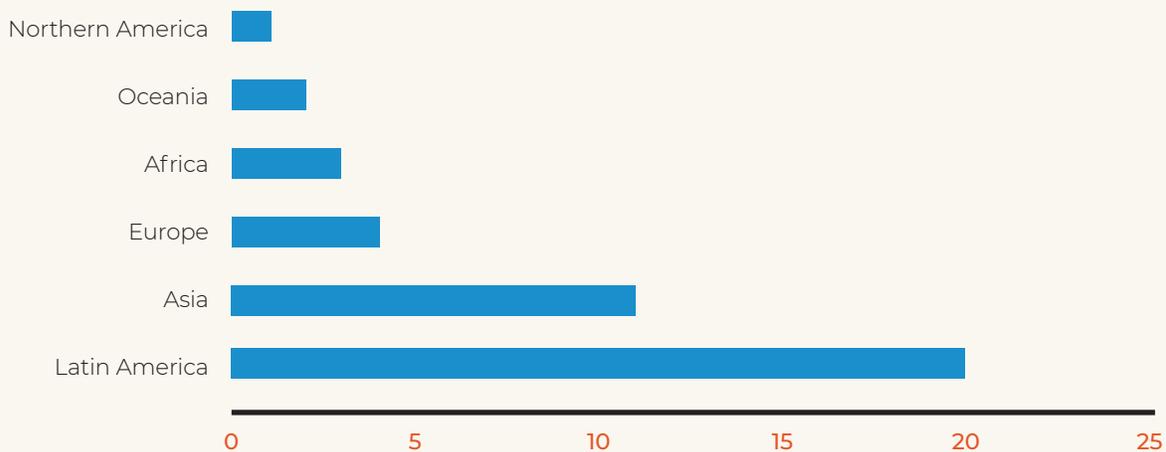


Not only is the volume of gender bond issuance in the region impressive as well as the breadth of geographies where gender bonds have been issued, with recent first in the Dominican Republic and Bolivia, there has also been an associated high level of innovation, with several global ‘firsts’, for example the first gender bond globally with incentives and the first diversity and inclusion bond with incentives. Of particular note in terms of the evolution and innovation in gender bonds in the region are:

- **The first gender bond of a Latin emitter** by the Banco Estado de Chile (emitted in Japan).
- **The first gender bond emission in the region** itself by Panama’s second largest financial institution, Banistmo (a subsidiary of the Bancolombia Group) in 2019. Structured by IDB Invest, which also acquired the bond, the transaction raised US\$ 50 million to finance women-led SMEs. Banistmo’s transaction blazed a trail to guide other issuers, becoming a benchmark in Latin America.
- **The first gender bond emitted by a public bank in the region** by FIRA in Mexico in 2020 for US\$ 145 million. FIRA is a conglomeration of four regulated public trust funds dedicated to agricultural and fishing development in Mexico; it sold the gender bond to address the lack of gender equity among the workforce in the countryside where of all agro-food production assets in the country, including farm and fisheries, only 21% are owned by women.
- **The first gender bond globally by a multilateral bank**, with US\$122 million raised by IDB Invest in Mexico in 2021 to finance projects aimed at promoting gender equality and women’s empowerment in the region.
- **The first gender bond globally with incentives** issued by Davivienda in Colombia raised US\$100 million fully subscribed by IDB Invest to support women-led or -owned companies and the purchase of social housing.

Figure 12

Number of gender bond issuances by region (as of August 2023)



Mini case study on first gender social bond in LAC: Banistmo



In 2020, Banistmo, a subsidiary of Bancolombia and Panama's second largest institution, issued the first gender social bond issue in Latin America amounting to USD50 million and with resources earmarked to enable access to financing for SMEs led by women. IDB Invest structured the transaction and acquired 100% of the bond. This builds on Banistmo's gender strategy, which was developed in 2016. The Impulsa program was launched in 2018 to provide female entrepreneurs in Panama with access to financial and non-financial services, combining access to financial products, training and collaborative alliances with professional networks for women. The bond issue was verified by an independent third party, Vigeo Eiris, which accredits compliance with the international social bond standards established in the Social Bond Principles. 318 women-led SMEs benefited from the bond, of which 63% were from the city and 37% from the interior. Banistmo holds the Panamanian gender equality seal and has adopted the Women's Empowerment Principles set forth by the UN.

- **The first gender bond globally related to diversity and inclusion with incentives by** Cooperativa de Ahorro y Crédito Jardín Azuayo in Ecuador for US\$20 million. The bond has been subscribed with investments of \$10 million each by IDB Invest and Oikocredit. Jardín Azuayo will use the resources to finance,

promote, and expand access to credit for micro, small, and medium-sized enterprises (MSMEs) owned and/or led by women, people with low incomes, with a low level of education, diverse groups such as indigenous people, and/or migrants in Ecuador.

Blended finance

Blended finance is a financial strategy or approach that combines public and private sector resources and expertise to address development challenges, achieve Sustainable Development Goals (SDGs) and promote economic growth in emerging markets and developing countries. It offers an excellent solution to some of the mismatches between supply and demand in gender lens investing globally and in LAC.

For example, there is a need for patient capital to support women-led businesses as they scale. This is especially the case when considering that some women-led businesses offer solid growth rather than VC-style return profiles, making them unsuitable for the large ticket sizes offered by some traditional investors. There is a growing awareness that venture capital isn't always the best fit for some women founders and alternative financing options are required. In addition, blended finance is required to create stronger development impact and gender outcomes. More investors need to embrace creative and new financial products and services to level the playing field for women entrepreneurs or companies serving women's needs. These include flexible debt capital (debt-repayment tied to cashflow for example), revenue-based financing, redeemable equity, loan guarantees, and even recoverable grants. Such types of structures are becoming more prevalent in LAC. Key blended finance GLI funds or products in LAC are described in more



detail in later sections of the report – such as **Deetken Impact’s Ilu Women’s Empowerment Fund, MCE Social Capital’s funds, Viwala and IDB Invest, Global Affairs Canada and Blue Orchard’s Gender, Diversity and Inclusion Fund.**

Blended concessional finance in the form of gender-focused performance-based incentives (PBIs) offered to private companies is also being used to address some of the market failures driving gender inequality. PBIs can include transfers of capital (e.g., a grant) or other material rewards (e.g., an interest rate adjustment, shares transfers to employee’s pool) from investor to investee or employees which are contingent on achieving a set of outcomes (in this case, gender-related outcomes). IDB Invest has used PBIs with clients across a diversity of sectors (energy and infrastructure, corporates and financial institutions with a variety in gender milestones (some occupational, others educational or operational) and situated in several geographies. Findings from a case study review of seven IDB Invest PBIs showed that the programs were perceived to have increased the likelihood of

success in expanding access to finance for WSMEs in the region and women’s employment opportunities. They also contributed to the achievement of targets beyond those initially set within the structure and helped provide the internal justification to resource gender programs, as well as often resulting in positive spillovers such as a shift of internal mindsets, the creation of demonstration effects or the generation of new networks.⁶⁸

Conclusion on GLI products and instruments in LAC

While there are certainly some bright spots and exciting developments, the overarching global narrative is that **gender finance pales in comparison to the growth of climate finance and there is still an enormous opportunity for GLI.** A question remains **whether globally and in LAC there are enough gender-focused investment products** and instruments; if not, what the key barriers are to their design, development and scaling.

⁶⁸ IDB Invest, *Promoting Gender Equality Through Performance-Based Financial Incentives: An Analysis of IDB Invest’s Experience*, 2023.



Section

3

The gender lens investing ecosystem in LAC and its development over the last five years



3.1 GLI ecosystem development overview – LAC

There are many different types of actors involved in gender lens investing in LAC as per Figure 11 below. Moving the needle on gender equality through gender finance requires a system-level mindset and approach, linking and bringing together different actors and creating the enabling environment for gender lens investing to flourish. This is a challenge, as different parts of the financial ecosystem tend to work in silos. Moreover, there are not enough strong links between women empowerment organizations on the ground and investors. However, **there are some positive examples of projects and initiatives, bringing different groups together and attempting to break down the silos** which will be required to create the systemic change needed to address barriers to gender equality and deliver fully on the business and impact case for GLI across the region.

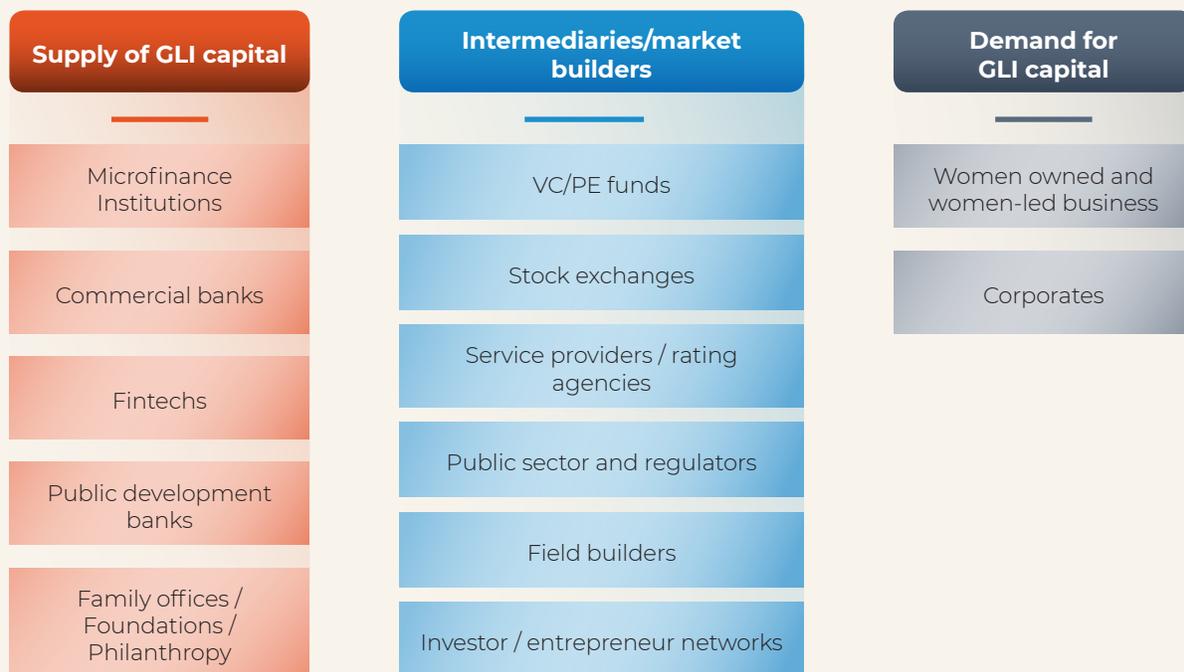
There has been considerable movement and expansion of the gender lens investing ecosystem in LAC over the last four years since the release of the last IDB Invest gender lens investing study (2019) and this is one of the bright spots that we can report on. In each category of key actor, **there are more organizations than before present in more countries**. There is now a dedicated gender-lens investing on-line platform built by which contains LAC-specific examples and resources as well as a GLI annual regional conference operating since 2020.

Moreover, the older cadre of gender champions who have been banging this drum for some time have been joined by a newer, younger generation who are walking in their footsteps and creating a new wave of gender lens investing initiatives. A recent development is the emergence of increasingly home-grown gender-focused organizations. Whilst the gender lens investment movement has been **driven primarily by women and women investors, there are key, important male allies in the region**.



Figure 13

Key Players in the GLI Ecosystem in LAC



Source: author’s own elaboration

3.2. Key GLI supply side actors in LAC

3.2.1. Microfinance institutions

Microfinance has a long history in Latin America – from the first experiments of providing tiny loans to poor women in the early 1970s, **microfinance has grown to become a sophisticated industry.** In Latin America and the Caribbean alone some 600 MFIs have lent around \$12 billion to more than 10 million low-income clients.⁶⁹ Female customers represent a high proportion of the overall global microfinance customer base and represent a better credit risk than male

customers.⁷⁰ Microfinance platforms such as **Kiva** have analyzed their default rate for women, citing it as 2.5% compared to 5.1% for men and with a repayment rate of over 98%.⁷¹



Laura Fernández, Fundación BBVA Microfinanzas, “Women are at the core of microfinance. There is a growing interest of the financial industry in gender issues, but the sector is intrinsically linked to women and their financial inclusion and the most vulnerable people”.⁷²

⁶⁹ KIVA/USAID, *Gender lens Investing Landscape, Gaps, Challenges, and Opportunities in Financial Inclusion for Women*, 2021.

⁷⁰ Zainuddin, Mohammad and Yasin, Ida Md., *Are Women Better Borrowers in Microfinance? A Global Analysis* (July 2020). *The Empirical Economics Letters*, 19(7), pp. 651-660, 2020.

⁷¹ *Ibid.*

⁷² Qualitative interview with Laura Fernandez, Fundación BBVA Microfinanzas, August 2023.



There are pioneering microfinance organizations in Latin America and the Caribbean which have worked for years with under-served women customers, embedding a strong intentionality around refining their products and services to women's needs. One of the largest microfinance players in the region, **Banco Compartamos**, provides over \$1 billion of loans to over 2 million small businesses with over 90% of its clients being female.

Many microfinance organizations were themselves founded by women. For example, **Banco Adopem**, the entity of **Fundación Microfinanzas BBVA (FMBBVA)** in the Dominican Republic, was first founded in 1982 by Doctora Mercedes Canalda, and a group of professional women concerned with poverty levels. Their mission was to improve the wellbeing of women and their families by offering financial education and credit to micro-entrepreneurs. In 2005, Adopem NGO officially transformed to Banco Adopem. Its social mission is to promote financial inclusion among disadvantaged communities and is underpinned by the very small loan sizes. 70% of its clients do not have credit history and Banco Adopem is their first entry point into the formal financial system.⁷³ Currently 65% of its clients are women and it has a loan portfolio of over USD \$ 149 million.⁷⁴

Other female founding stories include that of Teresa Eugenia Prada González who founded Colombia's **Fundación delamujer** in 1986 and serves as its chief executive, driving the organization's consistent focus on providing financial services to low-income women and

other marginalized groups. The organization offers 16 different credit products targeting both urban and rural clients, as well as multiple insurance products and financial education trainings. Having spent the past three decades as a female leader, both within **Fundación delamujer** and in the larger field of financial inclusion for women, Teresa also strives to promote the goal of gender equity. In addition to designing financial services that meet the specific needs of its majority women clientele, **Fundación delamujer** prioritizes equal opportunity in hiring and promotions practices: at least 50 percent of its staff and managers must be women.

NGOs and foundations such as **Women's World Banking and Fundación Microfinanzas BBVA (FMBBVA)** have been important proponents of a gender lens in the microfinance sector in the region. Women's World Banking (who works across financial institutions) has several microfinance institutions among its members.⁷⁵ Its mission is to expand the economic assets, participation, and power of low-income women and their households by helping them access financial services, knowledge, and markets. They partner with financial institutions, service providers, policymakers, investors and donors to bring women-centered products, services, marketing practices, and policies to market. Meanwhile **Fundación Microfinanzas BBVA (FMBBVA)** in 2021 had just under 1 million loan customers of whom 61% were women and 24% were suffering from multi-dimensional poverty.⁷⁶ Another key gender lens player in the region is **Pro Mujer** founded in 1990 in El Alto, Bolivia by two visionary women.

⁷³ <https://www.eib.org/en/press/all/2021-084-the-european-investment-bank-and-adopem-increase-microfinance-support-for-covid-19-impacted-companies-in-the-dominican-republic> (accessed November 15, 2023).

⁷⁴ <https://www.fundacionmicrofinanzasbbva.org/informes/2023/wp-content/uploads/2024/06/IDS2023-ADOPEM.pdf> (accessed 9th August August 2024).

⁷⁵ Women's World Banking members in the region include Argentina: *Mujer Financiera*, Brazil: *Banco de la Familia*, Colombia: *Banco W, Aflore, Fundación delamujer*, Dominican Republic: *Banco Adopem*, Mexico: *Banco Azteca* and Peru: *Banco de la Microempresa, Caja Arequipa*.

⁷⁶ *Fundación BBVA Microfinanzas, Cerrando Brechas, Creando Oportunidades, Informe de Desempeño Social 2022*.



Pro Mujer as gender lens investing regional pioneer and microfinance player – case study⁷⁷



Pro Mujer is a social enterprise with more than 34 years of experience working to advance gender equality in Latin America. It seeks to help women reach their maximum potential, improve their living conditions, and become agents of change in their communities. Founded in El Alto, Bolivia, in 1990, it uses a comprehensive and holistic approach that seeks to expand women's access to health services, facilitate their financial inclusion, and provide them with skilling and entrepreneurship opportunities.

Over its 30-year history, Pro Mujer has impacted the lives of more than 2.5 million women, provided more than 10 million preventative health care services and disbursed more than \$4.4 billion in loans. Headquartered in New York City, Pro Mujer has offices in Mexico, Nicaragua, Guatemala, Bolivia and Argentina. Thanks to partnerships and digital platforms the organization today benefits women in 23 Latin American countries.

In response to the imperative of digitalization, Pro Mujer has created a suite of products and services that ensure vulnerable women are not left behind during the digital revolution. Emprende Pro Mujer and Pro Mujer Digital are digital platforms that support the economic autonomy of

women entrepreneurs by providing access to more democratize financing with fewer restrictions and tailored entrepreneurial training and knowledge based on each entrepreneur's needs.

Pro Mujer has been a trailblazer for gender lens investing, convening the annual GLI LatAm Forum, teaming up with Acrux Partners to create a gender mainstreaming platform for different financial sector actors in Latin America. Most recently, Pro Mujer has been behind the development of the first social gender bond issued by a non-traditional issuer in Latin America. This milestone allowed the organization to provide access to loans to more than 2,500 low-income Argentinian women.

Despite the prevalence of female customers and the long history of serving them, **there is still improvement needed for microfinance institutions as a whole to fully understand women's needs and incorporate those into their products and services.** In a recent survey of financial institutions in the region by IDB Invest, while 71% of microfinance organizations collect sex-disaggregated data for retail products, only 29% have a dedicated program or department for women.⁷⁸ Moreover, there is a need to go beyond the assumption that microcredit automatically empowers women and improves their lives. An analysis of randomized control trials illustrates that microcredit on average did not lead to increases in women's empowerment on average despite the vast majority of microcredit products being targeted toward women, nor did

⁷⁷ Primarily taken from Pro Mujer website and strategy document.

⁷⁸ IDB Invest, 2023, *Women Rising: A study of the growing financial power of the women's market in LAC, and what this means for financial institutions, 2023.*



it increase investment in children's schooling or increase average household incomes.⁷⁹ However, microcredit did not lead to widespread harmful effects as critics had feared, and it even gave households more freedom in their financial decision-making. On a promising note, there are signs that women empowerment can be better addressed by microfinance both through more flexible payment terms as well as through digitization of credit.⁸⁰ Moreover, there are hopeful signs that microfinance does have an impact on women's vulnerability and income levels for example in the most recent social performance data from Fundación Microfinanzas BBVA (FMBBVA) which shows that women make up 65% of the total entrepreneurs that are lifted out from their initial poverty levels.⁸¹

Finally, **MFIs in emerging markets tend to lack women in leadership positions.** Data from over 700 MFIs in emerging markets shows that MFIs have fewer women than men as loan officers, managers and board members whilst the majority of staff members are women.⁸²

Key trends for microfinance institutions when it comes to gender lens strategies include grappling with the opportunities as well as challenges of increasing digitization for women customers, branching out from lending to offering other services (for example insurance products, health services etc.) as well as determining with more granularity and confidence the effect of their loans on women's lives.

Microfinance entities' contribution is essential to the development of a financially educated critical mass of women, as well as to the creation of links

to the banking sector to facilitate the process of access to more complex financial services. Microfinance entities are critical players since they have deep experience of serving women and are very well positioned to participate in processes for the definition of financial products and services that allow women to prosper.

3.2.2. Savings and loans cooperatives

Savings and loans cooperatives have a strong presence in the region, particularly in certain countries in Latin America such as Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Paraguay and Uruguay and Barbados, Dominica and Trinidad and Tobago in the Caribbean. Penetration rates (roughly the percentage of the population that is a member) are particularly high in the Caribbean at 68% and across countries in Latin America at an average of 16.5%, with over 48 million members.⁸³ Credit union membership by gender is fairly even at gender parity across the region. And whilst there is strong gender diversity at board level across savings and loans cooperatives in LAC (42% of women in credit union boards in Latin America and 40% in the Caribbean), leadership is less women-focused, with only 21% of CEOs of credit unions in Latin America being women.⁸⁴

A recent IDB Invest study illustrated that savings and loans cooperatives have a fairly similar profile to banks in terms of whether and how they are serving women with 68% offering dedicated financial support, however unlike banks they are more ready to compliment this with dedicated non-financial support (67% of co-operatives compared to 47% of banks).⁸⁵ Moreover, a majority

⁷⁹ J-Pal, *Microcredit: Impacts and Promising Innovations*, May 2023.

⁸⁰ *Ibid.*

⁸¹ Fundación BBVA Microfinanzas, *Empoderamiento de la mujer, Informe de desempeño social 2023*.

⁸² *Ibid.*

⁸³ World Council of Credit Unions 2021 Statistical Report.

⁸⁴ IDB Invest, 2023, *Women Rising: A study of the growing financial power of the women's market in LAC, and what this means for financial institutions, 2023*.

⁸⁵ *Ibid.*



collect sex disaggregated data for their retail products (68%) and 42% do for their WSME products.

3.2.3. Commercial banks

There is a very compelling business case for commercial banks to enter the women’s market with women as strong banking customers: they are good savers, prudent borrowers (they have stronger repayment rates on loans for example) as well as being advocates and loyal customers.⁸⁶ A recent IDB Invest study showed clearly that women retail and business customers in LAC (as in other regions) pay their loans back more quickly than men (using sex-disaggregated data from 161 Financial Institutions in LAC).⁸⁷ The Financial Alliance for Women, which is a network of financial services companies dedicated to championing the female economy illustrates that across its members female clients have a 1.5% average non-performing loan rate which is 53% lower than the rate for men.⁸⁸ This favorable business case is backed up, for example, by IFC data where in a surveyed sample of 140 IFC client financial institutions in 2022, the average non-performing loan ratio for loan portfolios of WSMEs was 3.6%, significantly lower than the average non-performing loan ratio for total SME loan portfolios (4.7%), comprising men- and women-owned SMEs.⁸⁹

Moreover, the women’s market has huge untapped potential for commercial banks with gender gaps in deposits, credit, insurance and SME loans. Women have a 15% lower likelihood than men to have a bank account at a formal financial institution and a 20% lower likelihood



than men to have borrowed formally from a financial institution⁹⁰. In LAC, there is a gender gap in account ownership, with the most recent data illustrating that 77% of men had access to a bank account in LAC compared to 69% of women⁹¹. Closing the huge credit gap for WSMEs, estimated at US\$ 92 billion in LAC, is another outsized business opportunity for banks.⁹²

⁸⁶ Financial Alliance for Women, Membership Opportunity, April 2023 (not published).

⁸⁷ IDB Invest, Women Rising: A study of the growing financial power of the women’s market in LAC, and what this means for financial institutions, 2023.

⁸⁸ IFC, Banking on Women, Business Case Update No.6, Lower Non-Performing Loans for Women-Owned SMEs, November 2023.

⁸⁹ IFC, Banking on Women, Business Case Update Number 4 and 5 (not public).

⁹⁰ <https://financialallianceforwomen.org/the-opportunity/#growthpotential>.

⁹¹ Account Ownership in Latin America and the Caribbean in 2021 - Global Findex Database.

⁹² <https://www.smeifinanceforum.org/data-sites/msme-finance-gap> (figures to be updated when latest data comes out).



There are a significant number of commercial banks from LAC who are members of the Financial Alliance for Women, as illustrated in Figure below, and they have over the last five years become far more interested in gender strategies.

This is due to a combination of ‘push’ factors including multi-laterals prioritizing gender strategies as well as the development of the gender bond market and ‘pull’ factors such as the business case mentioned above. The accelerating demand and supply of gender lens investing capital for financial institutions is undeniable, with pioneering commercial banks in different countries as well as national country organizations of larger multinational banks creating energy and momentum as well as actions for other banks to follow. Most FIs in the commercial banking sector have traditionally seen a women’s strategy to be part of their corporate social responsibility or ESG initiatives, they are now starting to wake up to the business case of serving the women’s market. The market leaders are now designing products more specifically for women. For example, in Paraguay, **Visión Banco** has developed a comprehensive market proposition aimed at women, which involves preferential rates and minimum requirements. Benefits include an exemption on average balance requirements for account holders, discounts at numerous businesses, and home and vehicle insurance services through partnership with plumbing and electricity contractors.⁹³

Many commercial banks in LAC have focused on **increasing their SME lending to women**, often accompanied by non-financial support and supported by multilateral investment funds. Such programs include Impulsa (**Banistmo**), Mujeres Emprendedoras (**Banco Itaú**), GyT Mujer (**Banco GyT Continental**), Banca Women (**Santander**

Rio), Donas do Negocio (Sicredi), Crece Mujer (**BancoEstado Chile**) and **BAC El Salvador’s** ‘Mujer Acelera’ program.⁹⁴ Some commercial banks are designing specific products to meet women’s needs and characteristics, for example in Colombia, Juancho Te Presta dedicates a larger portion of its lending portfolio to women and provides longer repayment terms (up to 36 months) and more affordable rates (15% lower than for men).⁹⁵

Many banks are going further than increasing their lending and providing non-financial support to female entrepreneurs, also reviewing and improving their internal gender policies and practices and looking to **increase women in their management and leadership teams which have been traditionally male dominated**. Implementing a gender lens strategy also means going **beyond the development of pink products, to a more holistic value proposition that is tailored to different female segments’ needs, entailing a deeper understanding of the specific preferences women have and the barriers they face**. A case where IDB Invest has worked with a commercial bank to incentivize a more rigorous and holistic gender approach is outlined below with BAC El Salvador.

Case study on the use of impact-linked finance to incentivize gender lens strategies



BAC El Salvador is a financial institution subsidiary of the BAC Credomatic Financial Group which has been operating in Central America

⁹³ IDB Invest, *Women Rising: A study of the growing financial power of the women’s market in LAC, and what this means for financial institutions*, 2023.

⁹⁴ ONU Mujeres, *Inversión con impacto de género en la región de América Latina y el Caribe. Estado de situación, iniciativas y prácticas innovadoras*, 2019.

⁹⁵ IDB Invest, *Women Rising: A study of the growing financial power of the women’s market in LAC, and what this means for financial institutions*, 2023.



for more than 60 years. In 2020, IDB Invest provided a US\$60 million loan to foster the growth of BAC El Salvador's SME and WSME portfolios. In 2022, IDB Invest mobilized additional resources for the project through another US\$60 million loan.

As part of this project, and with support from the Women Entrepreneurs Finance Initiative (We-Fi), IDB Invest is offering a performance-based incentive to BAC El Salvador, whereby the interest rate may be reduced (up to US\$ 450,000) based on the achievement of growth targets for its WSME loan portfolio. IDB Invest is also providing advisory services to strengthen BAC El Salvador's Mujer Acelera program, including carrying out a gender diagnostic of its financial solutions for women, developing a value proposition for women clients, and identifying opportunities to improve its financial and non-financial services for WSMEs. As a result, BAC El Salvador launched a new product, Mujer Puedes +, which offers more appropriate conditions for financing WSMEs.

Although interviewees felt that there is some progress in the region related to adoption of gender lens strategies by commercial banks, they also observed that some are not going deep enough to fully embrace the women's market and to overcome barriers for women clients. There is a risk of gender becoming a tick-boxing exercise and being superseded by other issues such as climate and sustainability. **Key challenges for commercial banks remain such as a lack of knowledge, a limited understanding of the business value of serving the women's economy and limited budgets to implement**

gender lens strategies. In a recent IDB Invest study of financial institutions gender strategies in the region it emerged that there are still 35% of banks who did not collect sex disaggregated data with is the first step in developing gender strategies. While 68% of banks offer dedicated financial support for women clients, only 35% have a program or department dedicated to women.⁹⁶ However, the promise of a well-developed gender intelligent business model, as shown in the Banco BHD case study below, offers convincing evidence of the power of the women's market.

Banco BHD gender intelligent business model – case study (adapted from Global Banking Alliance for Women Case Study)⁹⁷



Established in 1972, Banco BHD of the Dominican Republic targets a wide range of segments, including individual consumers, micro-entrepreneurs, small and medium enterprises (SMEs), corporations, non-profits, financial institutions and government departments. The bank holds a 19% market share and serves more than 980,000 customers in total, including 17,000 microenterprises and 128,000 SMEs. It employs 4,200 people.

In the Dominican Republic, women make up 70% of university graduates and are the primary financial providers in over half of households. Nevertheless, demand for financing among women and women-owned businesses is largely unmet. Banco BHD León first saw potential in creating a tailored value proposition for the women's

⁹⁶ Ibid.

⁹⁷ Global Banking Alliance for Woman Case Study, Banco BHD León, Gender Intelligent Business Model Propels Strong Women's Market Growth; IFC, Gender-Smart Business Solutions, Banco BHD León Uses Women-Centered Design to Grow Its Market in the Dominican Republic.



market following the success of its Tarjeta Mujer credit card in late 2012. IFC's Banking on Women (BOW) program partnered with Banco BHD to achieve its goal of becoming the nation's bank of choice for women. This entailed analysing women's needs carefully and designing specifically for them. The World Bank's Innovation Accelerator worked with IFC and the Bank to use human-centered design methodology to transform insights from market research into concrete products and services. BHD León then developed solutions for women specifically crafted to address these concerns. The solutions were built around five key life goals: personal and family health, education, owning a home, personal mobility, and business success. Each solution includes a bundle of credit, savings, and insurance offerings, as well as other non-financial services. Examples of the innovative products include the Tarjeta Mujer (Woman's Credit Card) and the Tarjeta Emprendedora (Woman Entrepreneur Credit Card), both of which come bundled with non-financial services.

After developing a customer value proposition that put women's needs first, the bank needed to deliver it. To do this, Banco BHD set to work re-engineering its sales approach to better suit the preferences of their women clients, moving from the traditional "product push" approach to listening to the customer, providing advice and offering specific solutions based on individualized needs. This evolution toward a more solution-based approach required a change in mindsets across the bank.

As a first step, the bank began to internally promote the gender strategy, highlighting the importance of the Women's Market for the bank's overall performance and sending out reinforcing communications from senior management. They then developed a comprehensive training program that specifically targeted the sales force, demonstrating how to understand customer needs and offer solutions.

Banco BHD's efforts with the Women's Market have been extremely successful. Loan and deposit growth to women since the program's start have been very strong, with double-digit growth rates registered across segments. For Steven Puig, CEO, Banco BHD, 'The data is key. It is trite at this point, the most underutilized resource with greatest potential for growth are women, especially women entrepreneurs.'⁹⁸

3.2.4. Fintechs

Fintechs in Latin America and the Caribbean are thriving, with a growth of **112% in the number of platforms in just three years (2018-2021), from 1,166 to 2,482, concentrated mostly in Brazil, Mexico, Colombia, Argentina and Chile.** It is a dynamic, evolving ecosystem with the focus on payments and remittances, with lending and crowdfunding following behind.⁹⁹

Fintechs offer an intriguing potential solution to some of the financial inclusion gaps suffered by women in LAC. Fintechs have exceptional capabilities to help close this gap and respond to women's distinct needs and behaviors, including

⁹⁸ Qualitative interview with Steven Puig, CEO of BHD León, September 2023.

⁹⁹ Finnovista, IDB, IDB Invest (2022), *Fintech in Latin America and the Caribbean, A Consolidated Ecosystem for Recovery.*



offering low-cost access and delivering time-efficient and high-value services. An example where fintechs in LAC are fostering greater financial inclusion is in MSME lending, where they have lent over US\$4.54 billion throughout the region in 2020.¹⁰⁰ For example, **Nubank**, the country's now-giant digital bank, had accumulated more than 48 million customers by the end of 2021 and is considered one of the world's largest and most valued digital banking fintech platforms. Nubank's successful IPO placed it as the most valuable listed bank in the region.

There is a very clear business case for fintechs to target the women's market. A Financial Alliance for Women study found that, of the fintechs that had sex-disaggregated CAC data, 95 percent said that customer acquisition cost for women was lower or similar to that of men. Of the fintechs that calculate sex-disaggregated life-time value (LTV), 86 percent said that LTV is either similar or higher for female customers, including 43 percent who reported that LTV is higher for female customers. Female customers are a profitable and scalable segment for fintechs.¹⁰¹

However, **50% of fintech startups in LAC have indicated that women represent less than 40% of their user base. Only 3% of fintech solutions showed that most end users are women.**¹⁰² For Gabriela Estrada, Co-founder of fintech **Vexi**. *'a general trend in the financial industry is the low participation of women as users of products such as ours. Only 23% of our clients are women. It is a wide gap, and we know that there is still much to be done, but we understand that this is partly a consequence of the risk aversion that women customers have towards credit*

*products. However, the team that designs the communication and marketing strategies in Vexi are primarily women, and we have tried to present the use cases, the communication, and the look and feel of both the product and the company so that they are attractive to and speak to women users.*¹⁰³

Fintechs among FIs in LAC are unique in seeing the strong potential of the women's market as a way of growing their customer base. As disruptors, they could become key drivers and owners of this strategic customer segment.¹⁰⁴ It is important for fintechs to collect sex-disaggregated data and use it to make decisions. According to a recent IDB Invest study, only 47% of fintechs surveyed in the region collect sex-disaggregated data for all retail products and only 11% has a specific program or department dedicated to women (compared to 34% with banks).¹⁰⁵ Moreover, they need to embed a gender lens from the beginning, as it is hard to course-correct once they have a business model in place, and many fintechs appear to have either gender-neutral products or default to male customers in the early days of the development of their platforms. Moreover, fintechs can work with regulators as well as partnering with other financial institutions to overcome barriers that can face women. For the Financial Alliance for Women, building a gender-intelligent customer value proposition requires a data-driven, tailored approach that focuses on overcoming women's obstacles and solving for their unique life moments that market research has identified and applying appropriate incentives.

Critical to ensuring a stronger gender lens among fintechs is to have more women as

¹⁰⁰ Finnovista, IDB, IDB Invest (2022), *Fintech in Latin America and the Caribbean, A Consolidated Ecosystem for Recovery*.

¹⁰¹ Financial Alliance for Women (2020), *How Fintechs can Profit from the Multi-Trillion Dollar Female Economy*

¹⁰² Finnovista, IDB, IDB Invest (2022), *Fintech in Latin America and the Caribbean, A Consolidated Ecosystem for Recovery*.

¹⁰³ *Ibid.*

¹⁰⁴ IDB Invest, *Women Rising: A study of the growing financial power of the women's market in LAC, and what this means for financial institutions*, 2023.

¹⁰⁵ *Ibid.*



founders or on founding teams of fintechs, as well as employees. A lack of women in key roles in fintechs—founders, as well as product design and technology teams—can lead to unconscious biases during the business modelling and product development processes. On an optimistic note, the average number of fintech ventures with a female founder or co-founder grew from 35% in 2018 to 40% in 2020 when 15% of fintech startups in Latin America are approaching equal gender representation in their work teams, representing a 9% increase since 2018.¹⁰⁶

DFIs play an important role in encouraging fintech platforms they finance to adopt a gender lens. For example, alongside a line of credit of US\$ 24.4 million to **Konfio**, a leading Mexican online credit platform focused on MSMEs and individual entrepreneurs, IDB Invest has provided advisory services to support Konfio’s gender inclusion strategy through the diagnosis and design of a gender action plan to promote gender equality both in its talent recruitment, retention, and development processes and in its marketing strategy targeting women.

and just under 10,000 borrowers. Microwd is a fintech that connects women entrepreneurs in Latin America who want a microloan with investors looking for economic profitability and social impact. It delivers competitive returns for retail investors while also generating impact: for example, 62% of women entrepreneurs who have received a credit increase their sales. Microwd’s investor base is primarily in Spain, of which 77% are men, 22% are women and 1% are companies. Recent innovations include the launch of a YouTube channel, MicrowdX, to provide education for women entrepreneurs in parallel to a microcredit.

3.2.5. High net worth investors and family offices

There are female investor networks in Latin America, such as We-Invest (regional), Mujeres Inversoras (Uruguay), Sororit , the largest female angel investor community in Brazil, committed to improving the diversity of gender within the startup ecosystem in the country and nurturing early-stage startups founded by women as well as BlackWin, the first network of black women angel investors in Brazil. However, the gender lens investing dimension to angel investing is an area that interviewees recognize could be boosted.

Case study, Microwd, crowdlending with a gender lens



Crowdfunding or crowdlending platforms offer retail investors the chance to engage with a gender lens. Interesting examples with a regional focus

in LAC include Microwd. Microwd is present in four LAC countries (Nicaragua, Peru, Mexico and Costa Rica) and in 57 different communities, with over 1,000 investors

“The amount of innovation, great ideas, great people in Latin America is so incredible. You can just feel the energy, people that are driving innovation.”

¹⁰⁶ Ibid.



Whether it is fintechs or apps that help women do certain things. There is a momentum. But where you look at money is put in, there is wasted young entrepreneurial class of people. The region is not where it should be or could be. We need much more of that early-stage angel investing where start-ups can get great advice". Inez Murray, Financial Alliance for Women.¹⁰⁷

High net worth families are increasingly incorporating more strategic philanthropy and impact investing through their foundations. Some families in the region have moved from experimenting with impact investment tools to building more robust and intentional impact portfolios. They are also in some cases exploring issues of gender through their investment and philanthropy. For example, Esperanza Cueto has founded two NGOs to advance the position of women in Chile, ComunidadMujer and Colunga Foundation. Through philanthropic capital she has funded innovative projects that are often considered risky or that are designed for a lower rate of return and has supported accelerators for social entrepreneurs that includes a gender lens.¹⁰⁸ Another example of a high net worth family pursuing a gender lens through both their business and philanthropic activities (although not investment) is that of Eduardo Belmont Anderson who created Belcorp with the purpose of bringing beauty and personal care products to different parts of the world through direct sales by women consultants. From its origins, Belcorp's business model relates to the purpose of empowering women. Through the Belcorp Foundation, there are several programs focused

on the economic empowerment of women in Latin America.¹⁰⁹

3.2.6. Public development banks (PDBs)

Public development banks play an important role in the development of national and regional financial systems, addressing needs that may be considered too risky for commercial banks, but crucial for the long-term and sustainable development of the economies and societies. They are the key players that facilitate environmental and social transition and redirect the economy towards the achievement of the Sustainable Development Goals (SDGs). A recent IDB Invest survey of PDBs illustrated their important role, for example, in the financing of WMSMEs (this was a global survey although the majority of respondents were from LAC). The majority of PDBs (68 percent) offer productive financing, followed by business development programs (50 percent).¹¹⁰ At the aggregate level, 43 percent of PDBs also focus on green and climate financing, and financial education and literacy.

Multi-lateral development banks (MDBs)

DFIs and MDBs have been pioneering gender lens strategies for a decade. In the last five years, they have been more actively collaborating, committing at the G7 summit in 2018 to collectively mobilize \$3 billion in private sector investments in developing country markets over 3 years. These investments provide women with improved access to leadership opportunities, quality employment, finance, enterprise support, and products and services that enhance economic participation and access. The original

¹⁰⁷ Qualitative interview, Inez Murray, Financial Alliance for Women, August 2023

¹⁰⁸ The Impact, Gender Lens Investing, Strategies for Families, 2018.

¹⁰⁹ UBS, Latimpacto, Familias Latinoamericanas con visión de impacto, UBS, Latimpacto, 2023.

¹¹⁰ IDB, Finance in Common, UN Women (2023), Financing Programs for Women's Financial Inclusion and Access to Finance for Women MSMEs.



target was 3X over-achieved. At the G7 summit in 2021, 20 global DFIs and MDBs committed to a new and more ambitious target of \$15 billion for the period 2021-2022 which again exceeded its target. This brings the total investments under the 2X Challenge since 2018 to US\$33.63 billion.

In LAC, DFIs such as IDB Invest, IFC and CAF **have been catalytic players supporting gender lens investing in the region. They serve as anchor investors in gender lens funds, support gender bond issuances and help to incentivize a move towards gender lens strategies by financial institutions** through incentives in their lending and through blended finance structures, often accompanied by their advisory services. They are also integrating a gender lens across their own investment approach, for example asking investees to **sign up to the Women Empowerment Principles** (as outlined in Figure 15 below), **diagnose where they are and develop a gender action plan.** Often using the WEP Tool, companies from around the world can assess their gender equality performance across the workplace, marketplace and community.

Moreover, there are several key multilateral programs that have **prioritize women's entrepreneurship and leadership in the region.** For example:

- 'Win-Win: gender equality means good business' was a three year program (2018-2021) jointly implemented by the International Labour Organization (ILO) and UN Women funded by the European Union. The program promotes the economic empowerment of women by driving organizational change regarding gender equality as a necessity

for competitive business, collaborating with employer and business membership organizations and their members across six countries in Argentina, Brazil, Chile, Costa Rica, Jamaica and Uruguay.

- IDB Lab's **WeXchange**, founded in 2013, the innovation laboratory of IDB, with the aim of

Figure 15

UN Women Empowerment Principles



unleashing the growth potential of women entrepreneurs in STEM (Science, Technology, Engineering and Mathematics) in Latin America and the Caribbean. WeXchange organizes annual forums in various Latin American countries. They also run an annual WeXchange Women STEMpreneurs competition which seeks to identify the most innovative and dynamic women entrepreneurs in STEM from LAC and connect them with potential financing opportunities.

- **We-Fi:** a collaborative partnership among 14 governments, eight multilateral development banks (MDBs) and other public and private sector stakeholders, hosted by the World Bank Group which has committed \$355m to date. IDB is an implementing partner for We-Fi in Latin America and has an allocation of \$44m with a mobilization target of \$381m. The expected impact is to reach over 28,000 WMSMEs. The first part of the program (2019-2024) promotes the growth of WMSMEs by developing innovative and catalytic projects, building the entrepreneurial ecosystem in challenging country environments, generating important data to fill knowledge gaps and promoting gender-responsive public policy and private sector initiatives. The second part of the program (2021-2030) will target some of LAC's lowest-income economies and nascent entrepreneurial ecosystems, allocating 50% of We-Fi resources to WMSMEs in Honduras, Guyana and Nicaragua. The third part of the program will facilitate information exchange and transactions between the market and WMSMEs operating in retail, services and manufacturing.

National development banks (NDBs)

These are country-level institutions owned by the state, providing loans to public and/or private projects (when their mandate stipulates) and **in LAC they are playing an important role in supporting financial inclusion and in particular greater access to finance for WMSMEs¹¹¹**. They do this by:

- *Developing programs for start-ups and women's businesses.* For example, in Brazil, a credit program created in 2019 by Banco do Estado do Pará S.A., has already supported the creation and expansion of over 2,600 enterprises in the state of Pará, in the northern Amazon region, with a product that enables financing for working capital and investment purposes which suits the client's needs
- *Offering guarantee schemes* since WMSMEs often face higher perceived risks by lenders due to factors such as limited access to pledge as collateral and shorter credit history records. In 2020 the Develop Development Bank of El Salvador, BANDESAL, established the first Program of Access to Credit for the Recovery of MSMEs, with second-tier credit line and guarantee programs specifically for women entrepreneurs.
- *Providing non-financial support for WMSMEs* which is considered a critical dimension for equipping women entrepreneurs with the tools, connections and capabilities they need to succeed. For example, CreceMujer is the BancoEstado's program in Chile including an online platform, access to training material, tailored workshops etc.

¹¹¹ IDB, *Finance in Common*, UN Women (2023), *Financing Programs for Women's Financial Inclusion and Access to Finance for Women MSMEs*.



- *Incentivizing lending to women by intermediary financial institutions.* For example, the National Corporation of Popular and Solidarity Finance in Ecuador (CONAFIPS) offers an interest rate reduced by 0.5% to all intermediary financial institutions that meet specific targets, together with an increase in the lending amount to incentivize the allocation of credit to WMSMEs.

3.2.7. Public sector

In addition to public development banks, the public sector more broadly is a critical gender lens investing actor globally. According to Equileap, ***‘if money talks, legislation shouts.’***¹¹² Over the last three years, government bodies from around the world have made a variety of significant legislative commitments that are beginning to create more gender equality at work. For example, in France there are now mandatory quotas for women’s representation among the board of directors (40%), executives (must reach 30% by 2027, 40% by 2030) and pay gap data must be reported to the government.

In LAC, there have been some notable public sector initiatives supporting gender lens investing, often at the intersection of regulation and policy, led by Chile, Mexico and Brazil. Of critical importance are actions to improve data gathering and the availability of sex-disaggregated data. Sex-disaggregated demand-and supply-side data are essential to bring a gender lens to financial inclusion, helping stakeholders to understand differences in financial behavior between men and women, identify gaps in access and use of financial

services, generate policies that promote full inclusion, and monitor their impact.¹¹³

Chile is the only country in the world that, until now, has consistently tracked sex-disaggregated data on its financial system for many years through the Chilean financial sector regulator, the Superintendencia de Bancos e Instituciones Financieras de Chile (SBIF). In Mexico, since 2017, the National Report on Financial Inclusion in Mexico report includes supply-side data from commercial banks and national development banks, as well as demand-side data from the Global Findex and Mexico’s own national survey. In Honduras, the regulator partnered with the local banking association to arrange for FSPs to report their sex-disaggregated data to a third party, Ceproban, which aggregates the data and delivers it to the regulator. Meanwhile centralized information systems developed by ecosystem actors such as SEBRAE in Brazil and the Confederation of Chamber of Commerce in Colombia (Confecámaras) serve as a repository of WMSMEs to identify possible portfolios.

The public sector can also issue include gender as part of sustainability-linked bonds (as Chile has done) by incorporating a KPI that seeks to achieve at least 40% of women on the board on all companies under the scope of the regulator CMF (Comisión para el Mercado Financiero) by 2031. Meanwhile, these actions are supported by broader legal and policy actions, for example with a bill in Chile’s congress to establish a mandatory quota for women participation on boards of all companies under the scope of the CMF.¹¹⁴

Brazil’s stock market (B3) and regulators are currently proactive in incentivizing transparency

¹¹² Equileap, *Gender Equality Global Report and Ranking, 2023*.

¹¹³ *Catalyzing Inclusive Financial Systems: Chile’s Commitment to Women’s Data*.

¹¹⁴ Ministry of Finance, Government of Chile (2023), *Chile’s Sustainability Linked Bond Framework*.



and accountability regarding diversity. A survey carried out by B3 using data from 343 listed companies showed that 55% of them have no women among their statutory directors, and 36% have no female members on the board of directors. With regard to data on race and ethnicity, of these 343 companies, 304 declared that they had no brown people on the board of directors, and 310 had no brown people on the board. The participation of black people in top management is even lower: they do not hold positions on the board of directors in 336 companies and are not on the boards of 327 companies. The Brazilian Securities and Exchange Commission (CVM) has approved the ESG Annex, a document containing the measures proposed by B3 to encourage gender diversity and the presence of under-represented groups in senior leadership positions and the reporting of good environmental, social and governance practices by listed companies.¹¹⁵

3.2.8. Foundations / philanthropists

According to an OECD report, only 16% of philanthropic funding globally goes to gender equality, of which only a tiny percentage addresses women-specific needs. Philanthropy has a catalytic and important role in the gender lens investing field, supporting the generation of knowledge, the provision of technical assistance or the piloting of different investment approaches. In addition, philanthropic capital can be used in blended finance structures to incentivize more private capital.

The philanthropic sector in Latin America is relatively immature compared to the European

and American markets. Examples of philanthropic funders with an explicit gender lens active in the region are **Linked Foundation** and **Alpha Mundi Foundation**. Linked Foundation's mission is to promote and invest in solutions that improve the health and economic self-reliance of women and their families in Latin America and the US. Its approach is to invest technical and financial resources to develop and scale social enterprises that improve the health of women and their families throughout Latin America and the US. Alpha Mundi Foundation's mission is to strengthen the long-term commercial viability of SMEs in Africa and Latin America to drive economic transformation, and it achieves this through blended finance and field building related to gender lens investing and climate. Corporate foundations such as **Visa Foundation** have also been sponsoring GLI activities and strategies in LAC. For example, in April 2020 Visa Foundation launched the Equitable Access, a five-year, USD 200 million strategic commitment to support gender-drivers and inclusive small businesses around the world. As part of the initiative, Visa Foundation will provide USD 60 million in grants and USD 140 million in impact investments with a gender and diversity lens across the capital continuum.



Lisa Willems, Alpha Mundi Foundation, *“There are less philanthropic funds/resources for GLI in Latin America - there are more for Africa. You need some subsidy to do this work”*.¹¹⁶

¹¹⁵ <https://insights.issgovernance.com/posts/brazils-b3-proposal-on-diversity-a-good-beginning-or-not-enough/> (accessed November 2023).

¹¹⁶ Qualitative interview with Lisa Willems, AlphaMundi Foundation, August 2023.



3.3. Demand side actors in LAC

3.3.1. Women-owned and women-led businesses:

LAC is the most entrepreneurial region in the world and women account for much of this dynamism. Globally, only one in three businesses are owned by women, but this rises to 50% in LAC.¹¹⁷ Regionally, in 2021 one in four women was involved in startup activity in 2021, ranging from 14.1% in Colombia to 43.7% in the Dominican Republic.

Women in LAC had very high entrepreneurial intentions, with two in five women expecting to start a business in the next 12 months compared to almost half of men, and closest to gender parity in Brazil and the Dominican Republic. However, LAC **shows a stark pattern of industry segregation**, with women 80% more likely than men to start a business in Government, Health, Education & Social Services and 33% more likely to start a business in the Wholesale/Retail sector, Conversely, women in this region are about three-quarters less likely to start a business in the ICT or Agriculture, Forestry & Mining sectors.¹¹⁸ Moreover, many women in LAC become entrepreneurs due to necessity rather than opportunity, and work in the informal economy.

There are many different segments and types of women-owned and women-led businesses and the challenges they face vary across LAC, **illustrating that a one-size-fits all gender lens investing solution will not work.** Over time, there is more understanding in the ecosystem of these nuances as well as the **inter-sectional dimension of women entrepreneurship, by which is meant how the gender dimension crosses with other**

diversity dimensions such as race, age, and sexuality.

We know that in LAC **women-owned and women-led businesses struggle to access finance**, and this, amongst other factors affects their survival rates and growth trajectories. The Findex survey in 2017 which is still the largest scale review of the SME financing gap described a USD \$96 billion credit gap for WSMES in LAC. Men are more likely to borrow and save to start, operate, and expand businesses than women. Much gender lens investing activity in the region to date has attempted to close this **access to finance gap**, but recently there is **an understanding of the complex, inter-related issues driving this gap, and the need to also address the access to knowledge and networks gap, as well as the cultural, legal and regulatory norms that are hindering WSMES in LAC.**

Interviewees feel anecdotally that there has been **an increase in the vibrancy and quality of female entrepreneurship in the region, although particularly at the high growth/tech end of the entrepreneurial spectrum, there is still a sense that not enough investible and scalable women-led or women-owned businesses are coming through.** VC/PE funds in the region sense that the pipeline has increased somewhat over the last years, if not dramatically. This appears to be confirmed by data which shows that in 2021 women now represent one in three growth-oriented entrepreneurs in LAC. The relative preponderance of growth-oriented entrepreneurs is different by country. No women early-stage entrepreneurs reported starting businesses with 20+ employees in four countries: Brazil, the Dominican Republic, Guatemala and Panama. On the other hand, 85.7% of women

¹¹⁷ World Bank Gender Portal.

¹¹⁸ Global Entrepreneurship Monitor, GEM 2021/22 Women's Entrepreneurship Report, 2022.





Figure 16

Definition of women-owned and women-led businesses

There are several definitions for women-led and women-owned businesses that are employed by international financial institutions and investors. However, defining a women-led business is difficult when dealing with small firms with multiple owners and decision-makers. Generally speaking, 'women-owned' is used in literature and by international organizations to refer to firms where 50% or more of total share ownership belongs to women, while women-led is used for firms with women in key decision-making positions such as Chief Executive Officer (CEO), President or General Manager.

For the purpose of this study, we define women-led business as one where at least one of the following is true: 51% of the entity is owned by one or more women, and/or the business is founded by a woman; or the share of women in senior management is at least 20-30% (depending on the sector); or women make up at least 30% of the Board or Investment Committee.

early-stage entrepreneurs in Colombia, over half in Uruguay and one-quarter in Chile reported having 20+ employees.

In terms of **visibility and success of women founders**, challenger bank, Nubank has been an exciting case. Cristina Junqueira founded Nubank, the largest independent digital bank in the world, in 2013 alongside David Vélez (CEO) and Edward Wible (CTO), while she was pregnant with her first child. Nubank has swept Latin America and is the largest financial institution in Brazil. Nubank is the only company with a valuation of over \$10 billion to be founded by a woman.

A key challenge for the region is to identify how to take advantage of these globally high rates of women’s intentions/ start-ups to transition to more advanced stages in the entrepreneurial process (established business) and reduce the levels of discontinued business.

3.3.2. Corporates:

Investors can support companies that have made the change towards greater gender equity – and encourage others to do the same. **Investing with a gender lens means identifying and investing in those companies that are empowering their female employees and embracing diversity.** With the rise in ESG factors and ESG investing, corporates in LAC are increasingly adopting gender strategies, to boost women in leadership and increase the levels of female employment. Ratings agencies play a powerful and central role in collecting information on corporates regarding gender and diversity metrics and allowing benchmarking.

Figure 17

Deloitte data on evolution of women on boards and as CEOs in sample of Latin and South American companies (320 companies analyzed)¹⁷⁹

	% of women on boards (Latin and South America average)	% of women CEOs (Latin and South America average)
2016	7.2	0%
2018	7.9	1.2%
2021	10.4	1.6%

While there is some positive momentum, **progress is slow in terms of increasing women’s representation in leadership and board positions and reducing gender pay gaps and must be accelerated in the coming decades.**

Gender lens investors have a role to play in encouraging this transition by corporates and helping companies that aren’t there yet on gender to transition and improve – this includes bigger corporates which are more likely to have the financial stability and governance structures to support an internal transition on gender equity as well as SMEs. **There is an opportunity to include the gender and diversity transition into the mix of other transitions that corporates are currently undergoing, whether digital, climate or sustainability more broadly.** Leadership, commitment and capacity are required for corporates to fully embrace gender and diversity considerations.

¹⁷⁹ Deloitte, *Progress at a Snail’s Pace, Women in the Boardroom: A Global Perspective, Seventh Edition, 2022.*





Suzanne Biegel, co-founder, GenderSmart, *“If we know that gender and diversity are the next big transition (and some would say it’s already here), why*

*wouldn’t you incorporate it into the transitions you’re already pursuing, rather than transforming your business from top to bottom on climate or digital, and then having to rethink everything again in just a few years. Why would you want to do it twice?”*¹²⁰

Incentives also help, which is where the rise of the sustainability-linked bond market with specific metrics tied to gender, for example, as well as ratings and gender equality indexes or sustainability indexes that include and incorporate gender diversity data and beyond (to workplace equity ideally). In LAC, these market incentives are not as prevalent as in other geographies such as North America or Europe, both due to the lack of concrete regulatory action and policies regarding gender diversity in corporate leadership or to the lower number of products and instruments incorporating gender information.



María Pía Aqueveque Iabbaz, 30% Chile Chapter Chair, *“It is imperative to take this process of digital renaissance as an opportunity to build an economy*

and society that embraces all perspectives. Starting with the incorporation of women in leadership and decision-making positions within companies. This is how the financial market is perceiving it, by making explicit

*its vision of the minimum diversity composition of boards of directors and requesting information on the strategy to increase the participation of women in leadership positions within the company.”*¹²¹

There are networks and advocacy organizations, such as the 30% club which has chapters in many LAC countries, pushing for greater representation of women on boards. Moreover, there are small NGOs and women’s advocacy organizations working towards their economic empowerment and a more supportive employment environment. In addition, public-private sector initiatives and programs regarding gender equality offer a hopeful vision for the future. For example, the IPG (Iniciativas de Paridad de Género - IPG - en América Latina y el Caribe) which bring the public sector and companies together to increase the participation of women in the labor force, to reduce the gender pay gap and to improve the participation of women in leadership positions in Latin America. Between 2016-2023, IPG’s have been set up in Argentina, Chile, Colombia, Costa Rica, Ecuador, Honduras, Mexico, Panama and the Dominican Republic. Across the region these gathered over 60 public sector ministries or participants and 70 CEOs or senior management representatives. Of particular importance is the involvement of the Ministries of Hacienda, Economía, Producción o Trabajo in these IPGs. So far, more than 550 companies in seven countries have committed to implementing inclusive business practices through the IPGs.¹²²

Core activities of these partnerships are to jointly research and diagnose the current situation

¹²⁰ <https://suzanne-biegel.medium.com/using-your-power-as-an-investor-to-help-companies-do-better-on-gender-8e0c89bd9d04> (accessed November 20, 2023).

¹²¹ Deloitte, *Progress at a Snail’s Pace, Women in the Boardroom: A Global Perspective, Seventh Edition, 2022.*

¹²² BID, *Iniciativas de Paridad de Género en América Latina y el Caribe, 2016-2022, 2023.*



regarding gender gaps and the elaboration of a concrete roadmap to reduce these gaps. Implementation of the action plan is key and has already born fruit in many countries. For example, in Costa Rica, the IPG participated in discussions and facilitated dialogue between the public and private sectors on care issues. These dialogues led to the issuance of the first National Care Policy in 2021 - a measure aimed at expanding the coverage of childcare services. In Colombia, the IPG's study on the costs and benefits of extending paternity leave contributed to the government's decision in July 2021 to extend paternity leave from eight days to two weeks.¹²³

*identify the existence of gender gaps; the Essbio Women's Leadership Program to train women in leadership, communication and negotiation skills and the Women Gasfitter Program to improve the level of employability and entrepreneurship of women heads of household in the gas fitting trade.*¹²⁴

Mini case study of corporate actions regarding gender – Essbio, Chile



The sanitation services company Essbio had been working on gender equity issues since 2007. Its adherence to the Chilean IPG allowed the company to conduct a comprehensive diagnosis of its own gender gaps, and to incorporate statistical information on its personnel, leadership positions and work-life balance measures. The next step for the company was to draw up an Action Plan to close these gaps and set up a Gender Committee to monitor its implementation, as well as to incorporate continuous improvements in the equity and diversity management system. Among the actions currently implemented by Essbio to close gender gaps are: ensuring its compensation policy is without gender discrimination by conducting an annual remuneration study to

3.4. Intermediaries in LAC

3.4.1. VC/PE Funds

VC/PE funds have been drivers of gender lens investing activities globally. There were at least 276 funds allocating capital with a gender lens in 2023.¹²⁵ As shown in the figure below, there are different ways that global VC/PE funds are defining and implementing a gender lens, with the primary focus still on investing in women-owned businesses.¹²⁶

In LAC **over the last five years there has been considerable movement and growth in interest of VC/PE funds in gender lens investing, in the setting up of new gender lens funds as well the continuing presence of the early global gender lens investors active in the region such as Alpha Mundi, Root Capital, NESsT, Calvert Impact and Women's World Banking.**

Examples of more recently set-up VC funds which explicitly **identify and market themselves as gender lens investors include:**

- **Amplifica Capital** (VC fund with exclusive gender lens thesis): Anna Raptis, solo general partner, founded Amplifica Capital based in

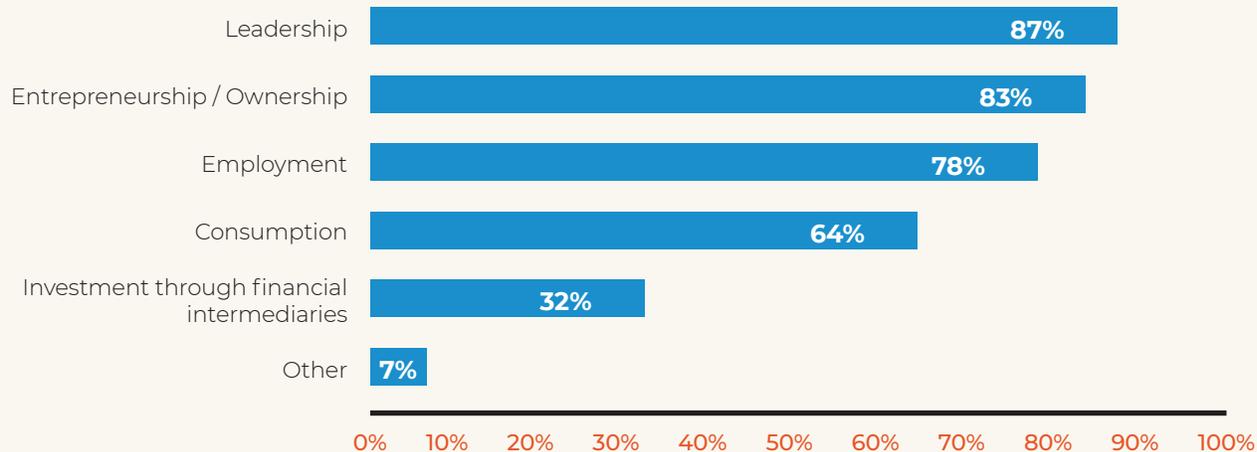
¹²³ Ibid.

¹²⁴ Ibid.

¹²⁵ 2X Global, Sagana, Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets, 2024.

¹²⁶ Ibid.



Figure 18**How global private market funds define their gender lens investing, 2023**

Mexico in 2020, closing it with USD \$11m of investment from over 80 investors. Amplifica has invested in 25 companies so far, including inter-city mobility services startup Kolors, Verqor, focused on agricultural financing for inputs, and Mujer Financiera, an Argentine company providing tools for financial inclusion for women. Anna Raptis was inspired by women-led gender lens investing funds based in the US, and had to overcome the challenge of skepticism about the concept in Mexico,

- Deetken Impact's Ilu Empowerment Fund** (dedicated gender lens fund): Deetken Impact, in partnership with Pro Mujer, launched the Ilu Women's Empowerment Fund and collaboratively manage it as a joint venture. With USD \$35m in AUM, the ILU Fund has 27 investment holdings in 12 countries and has delivered average annual return since inception of 6% (net of fees). As the first gender lens investing fund dedicated to LAC, the Ilu Fund is a women-led, 2X-qualified Fund that integrates gender considerations at every step

of the investment process from screening to exit to ensure that investments drive measurable improvements in gender business practices and, as such, meaningful impacts on women. Portfolio investments include financial institutions that provide integrated and thoughtfully designed services for low-income women, including access to healthcare, educational loans, financial services, and technical assistance, as well as gender-smart investments in renewable energy, affordable housing and sustainable production. With the support of the USAID Gender Equality and Women's Empowerment Hub, the Ilu Women's Empowerment Program was developed to amplify the impact of the Fund's capital while advancing gender equality in the region through a three-pronged approach of fundraising of blended finance capital, tailored technical assistance projects with portfolio companies, and knowledge dissemination and advocacy for gender lens investing in the region.





Anna Raptis, General Partner, Amplifica Capital, *“People were skeptical because this is something that people had not seen in Mexico before. There were a lot of questions around that, like, ‘Is Mexico really ready for a fund like this?’ and what it would mean to be investing in women in tech”*.¹²⁷

Meanwhile, **PE/VC impact investing funds are increasingly adopting a gender lens**. A best practice example is **ALIVE Ventures**, based in Colombia, which has over time reinforced and deepened its gender lens approach. In April 2023, ALIVE Ventures reached a first close of USD 20m for its second flagship fund, which has a target of USD 80m. ALIVE is a manager of impact funds that aims to address the most pressing needs facing low-income communities across Latin America. Post-investment they partner with Value for Women to help companies understand the current status of gender inclusion, generate strategies to apply gender lens in operations and implement projects to internalize those new strategies. 100% of its portfolio is 2X eligible.

The growing number of female investors and partners in PE/VC in the region favors a deepening of gender lens. For example, **EWA Capital**, founded by Patricia Saenz in Colombia is a VC investor that as had gender lens in its DNA from the beginning but now has set specific thresholds in its second US\$ 20m equity fund, EWA II for the percentage of women entrepreneurs in its portfolio. Such funds are normally going well beyond the 2X threshold for fund managers (for

example that 30% of the portfolio companies meet the 2X Criteria). In order to go deeper into their work with a gender lens, they **are using technical assistance to support their internal gender strategies as well as to accompany their portfolio companies on this journey**.

In another positive development, **2X recognized as the first flagship fund of the region the Central America Small Enterprise Investment Fund IV LP (CASEIF) managed by Lafise Investment Managers (LIM)**. It aims to increase the economic well-being of women and men in Central America, the Dominican Republic and Colombia. The fund contributes to addressing the shortage of growth capital in Central America and will focus on companies operating in the agribusiness, food and beverage processing, manufacturing, education, and information technology sectors. At least 30% of transactions will qualify under the 2X Challenge and experts will support each portfolio company with the implementation of a gender action plan to foster gender-inclusive workplaces and the recruitment, retention, and career advancement of women. LIM is committed to maintain women’s representation within its team at 40% or more.¹²⁸

In additional progress, **new funds are emerging with more thematic or broader mandates**. For example, IDB Invest and Global Affairs Canada have partnered with Blue Orchard on a fund focusing on **gender equality, diversity and inclusion** in LAC with a target size of USD 200 million. And Empodera Impact Capital (EIC) is an impact-first fund looking to raise US\$ 20m to **address key issues in women’s health** in Latin America.

¹²⁷ <https://techcrunch.com/2023/01/17/amplifica-capital-fund-latin-america/> (retrieved October 3 2023).

¹²⁸ [https://www.2xchallenge.org/press-news/2022/3/8/caseif-iv-commits-to-gender-lens-investing-and-becomes-the-first-2x-flagship-fund-in-latin-america-and-the-caribbean-lac#:~:text=The%20Central%20America%20Small%20Enterprises,to%20receive%20Flagship%20Fund%20status.\[Accessed November 2023\].](https://www.2xchallenge.org/press-news/2022/3/8/caseif-iv-commits-to-gender-lens-investing-and-becomes-the-first-2x-flagship-fund-in-latin-america-and-the-caribbean-lac#:~:text=The%20Central%20America%20Small%20Enterprises,to%20receive%20Flagship%20Fund%20status.[Accessed November 2023].)



Mainstreaming gender lens investing in VC/PE

There are additional VC/PE funds investing in Latin America **which have gender as one of their top priorities or considerations**. The wider pool of funds included in the Project Sage market scan (2021) is outlined in Appendix 2. It contains detailed information on the funds, fund size, asset class, investment vehicle as well as metrics of the % of the investment committee that identifies as female as well as the number of partners, principals or other executives identifying as female shown below. This group is most focused on investing women-led businesses and is less active in supporting portfolio companies on their gender and diversity journey and in providing technical assistance. In a Value for Women and UN study of approximately 29 fund managers in LAC deploying GLI practices, half of the respondents (48%) note that they provide specific funds or investment vehicles for women-led businesses or to businesses with a gender lens. A smaller percentage are incorporating gender factors in due diligence (41%) or supporting portfolio businesses in applying a gender lens in their business models (34%).¹²⁹

It is **arguable whether a gender lens is mainstream across the PE/VC industries in LAC**. According to one interviewee, *'Gender is going more mainstream, a lot because LPs are requesting it, particularly development banks.'* However, others feel that the 'wall' of PE/VC capital is not embracing gender lens investing in a meaningful way. There is a risk that this male-dominated industry is pandering to LP's demands regarding gender diversity in their own teams, by promoting or hiring women for the purpose

of 'putting them in front of LPs'. In this sense, commentators claim that there is quite a lot of smoke and mirrors when it comes to gender lens investing and how seriously the industry and individual funds are taking it. Even if women are making it to partners, they may feel that they do not share adequately in the upside as their male partners are doing, or that their voice does not count quite as much. These are subtle barriers to women genuinely having 'a seat at the table'.

PE/VC is suffering from **a lack of gender diversity in its own ranks**, making the practice of gender lens investing more urgent but a steep mountain to climb. The percentage of VC/PE companies with gender-balanced senior leadership teams amount to 20% in the region. A study in Mexico found that 22% of member investment funds did not have any women in their investment teams and 76% of funds did not have any women senior investment professionals.¹³⁰

In LAC, as globally, there is a strong correlation between being a self-identified gender lens investor and having a gender diverse partnership and ownership team. Of the 175 gender lens funds recently surveyed, women represent 62% of investment partners and 53% of Investment Committee members.¹³¹ Female-founded VC or PE firms tend to talk about having a gender lens **as an organic approach and intuitive dimension to their work**, which is now becoming formalized through initiatives such as 2X. **Elevor Equity**, a significant PE player in the region, is an example of this. There are 6 partners, 4 of them women and an emphasis on increasing women founders in their portfolio companies, working with the management of investees on diversity and looking to collect sex-aggregated data from

¹²⁹ Investors for Equality, *Catalyzing Equality, How Venture Capital, Private Equity Fund Managers and Impact Investors are Applying a Gender Lens in Latin America and the Caribbean*, 2021.

¹³⁰ *Ibid*

¹³¹ 2X Global, Sagana, *Project Catalyst, Tracking Gender Lens Investing Activity in Private Markets*, 2024



Figure 20

A comparative analysis of the 5 stock markets with the most significant market cap in South America

Stock market	% Board Seats Held by Women	% Firms with No Women on Board	% Chair Position	% CEO Position
Colombia	16	35	3	3
Brazil	15	23	1	1
Argentina	13	31	1	0
Peru	12	44	5	5
Chile	11	44	1	5
South America regional average	14	35	2	3

their portfolio. However, their prime thesis is not gender related.

Indeed, **presenting as a gender lens fund is perceived as a risk particularly by female fund managers**, showing how many perceptions, false myths and barriers still remain regarding gender lens investing.

In the future, 2X as a recognized global standard may facilitate implementation, formalize and de-risk the idea of being a gender lens fund. For example, **Dalus Capital**, a VC investor based in Mexico which has raised and deployed two funds and is now raising its third fund of USD \$100m and has committed to invest with 2X Criteria. Working with Value for Women to uncover unconscious bias, revise its HR and recruitment processes to foster increased gender diversity internally and setting up a gender and diversity

committee have been part of a drive to become more gender-lens aligned.

3.4.2. Stock exchanges

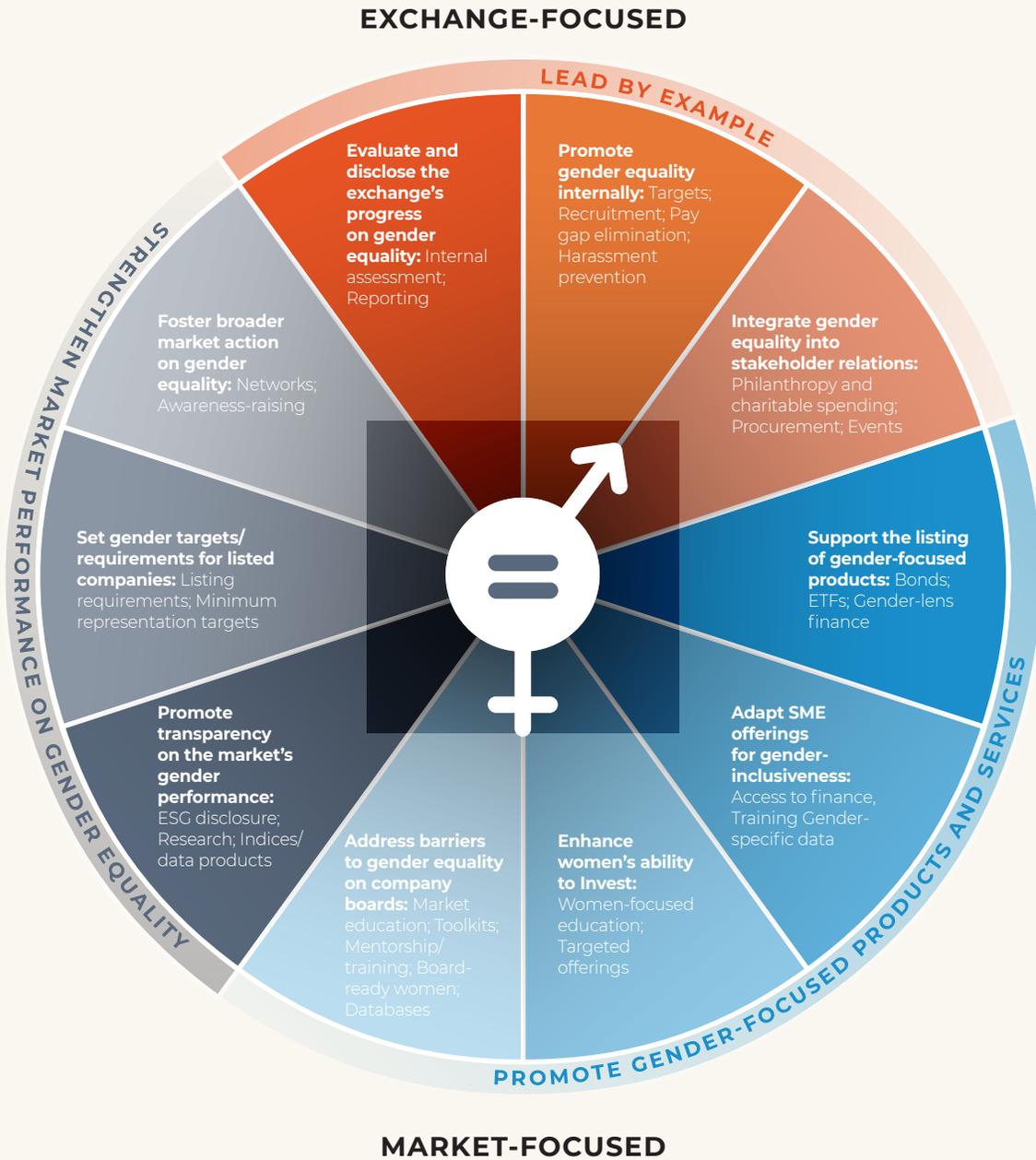
At the nexus of company and investor interaction, stock exchanges are uniquely positioned to influence capital related to gender dimensions. Globally, exchanges list over 50,000 companies with a market capitalization of over \$90 trillion. Many of these exchanges influence and define is expected from the companies listed on its markets and the entities transacting through its markets. The IFC and the Sustainable Stock Exchange have provided strong guidance and examples of what stock exchanges can do to foster gender equality¹³² and have divided them into three core actions demonstrated in Figure 19 below:

¹³² Sustainable Stock Exchanges / IFC (2022), *How Exchanges can Advance Gender Equality*.



Figure 19

Gender Equality Action Plan for Exchanges¹³³



¹³³ Ibid.



1. Promoting gender-focused products and services
2. Strengthen market performance on gender equality
3. Lead by example

Stock exchanges in Latin America are lagging behind other regions in terms of these actions and in how far gender equality is prioritized.

In a recent survey by Latinex, eleven of the nineteen stock market members who answered the survey have gender and diversity reports, thirteen were members of an association or network related to gender equality or diversity or women's empowerment and thirteen contribute or work in some way with SDG 5 (Gender Equality). Six out of the nineteen have reached gender parity in terms of the ratio of female employees and leaders. However, only one of the members (Brazil's B3 stock exchange) had issued specific guidance regarding gender, diversity and inclusion.¹³⁴

Particular challenges for Latin American stock exchanges, particularly those who are not prioritizing gender, diversity and inclusion relate to the lack of gender diversity within stock exchanges themselves which traditionally have had male-dominated boards and management who may not see the need or opportunity for action on gender equality. In addition, the lack of data regarding gender by corporates in the region, with no mandatory reporting or disclosure enforced by regulator is a major barrier, particularly in smaller regions where there are few comprehensive surveys or studies. A comparative analysis of the 5 stock markets with the most significant market cap in South America illustrates the lack of gender diversity in

the top 100 companies versus other regions such as Europe and North America.¹³⁵

There are however some best practices in LAC which can be built on and replicated across the region. For example:

- Brazil's B3 stock exchange is a regional leader in building the case for and supporting gender equality, with the first diversity index in the region launched in August, 2023 (further details on pg. 75). It has engaged in several promotion activities regarding gender, diversity and inclusion for example through co-sponsoring a mentoring program with IBGC (the Brazilian Institute of Corporate Governance) IFC, Spencer Stuart, and WCD (WomenCorporateDirectors) to foster participation of women on boards in Brazil.
- Mexico's stock exchange (BMV) has partnered with *Mujeres en Finanzas* (Women in Finance) an organization made up of women across the finance sector that promotes the development and professional empowerment of women in the financial industry. It developed its diversity and inclusion strategy in 2021 and has introduced several initiatives to enhance gender equality. It reports on a range of gender-related metrics including number of female and male employees, proportion of women in revenue generating, senior roles, percentage of employees that have undertaken unconscious bias training and percentage of men and women that have been promoted.
- In Panama, Latinex signed onto the Gender Parity Taskforce of Panama, a high-level public-

¹³⁴ Qualitative interview with Olga Cantillo, Executive President and CEO of Latinex, November 2023.
¹³⁵ SSE / IFC, Gender Equality in Corporate (Regional Analysis), 2022.



private collaboration model led by the Ministry of Social Development of Panama that seeks to support countries in reducing the economic gender gap.

Further advances require strong partnerships between regulators, stock exchanges and the public sector to create the awareness as well as the data required to take concrete steps forward.



Olga Cantillo, Latinex “We are now more aware than we were five or more years ago regarding investments of this nature.

*Gender quotas for women’s participation in boards and executive positions, from my perspective, have played a role in fostering increased engagement in gender lens investing. We have the opportunity to harness incentives collaboratively offered by regulators and stock exchanges to promote financial instruments with a gender dimension. Furthermore, with data collection, there is a pressing need to systematically measure progress year after year”.*¹³⁶

3.4.3. Crowdfunding platforms

Crowdfunding can be defined as a new form of funding projects, companies or ideas by raising many small amounts of capital from a large number of individual funders, typically via online platforms. Crowdfunding is important as a new and powerful tool to democratize entrepreneurial finance by providing, on the demand-side,

more access to funding to under-represented categories of entrepreneurs and, on the supply-side, greater investment opportunities for female investors.¹³⁷

Globally, there have been high-profile GLI crowdfunding platforms, including SHEO. Primarily crowdfunding platforms operate in the microfinance and SME lending space in LAC. There is an opportunity for more crowdfunding for high-growth female entrepreneurs in LAC. However, it is likely that **there is inherent gender bias in the existing platforms**. An academic study of equity crowdfunding platforms in Brazil, Chile and Mexico between 2013 and 2017 found that investors are more likely to fund entrepreneurs from the same biological sex.¹³⁸

3.4.4. Certification, service providers and data/rating agencies

The growth of GLI infrastructure and service providers in LAC is important. Most companies and investors rely on some external support to help them understand where they are and create action plans moving forward.

There are **several certifications for gender inclusion globally** which are active in LAC. For example, **EDGE** offers a holistic framework against which organizations can measure where they stand in terms of gender and intersectional equity. **Equileap** has a gender assessment tool which tracks gender balance in the leadership and the workforce; equal compensation and work/life balance; policies promoting gender equality; commitment, transparency and accountability and monitoring companies’

¹³⁶ Email exchange with Olga Cantillo, November 20, 2023.

¹³⁷ Cicchiello, A.F.F. and Kazemikhasragh, A. (2022), “Tackling gender bias in equity crowdfunding: an exploratory study of investment behaviors of Latin American investors”, *European Business Review*, Vol. 34 No. 3, pp. 370-395.

¹³⁸ *Ibid.*



controversies such as sexual harassment or gender discrimination and providing information on those cases to investors. The UNDP gender equality seal is taking off in LAC with over 1400 public and private companies in 11 countries across Latin America engaged. After meeting clear and transparent standards for compliance, companies are awarded the Gender Equality Seal, a reflection of its commitment to and concrete actions towards equitable employment and more decent working conditions for all staff. The Seal is awarded by the governmental bodies responsible for ensuring gender equality and women's empowerment.

Aequales offers a virtual tool (PAR Ranking) that measures, free of charge, confidentially and comparatively, the state of Latin American organizations in terms of corporate gender and diversity gaps, processes and policies. Over the last ten years, the PAR Ranking has measured more than 2000 organizations in 18 Latin American countries and is the largest data set and measurement in Latin America. In addition, since 2022 Aequales has certified more than 30 corporates across 5 countries and offers this certification scheme across the whole of Latin America. The **Women's Empowerment Principles** self-diagnostic tool is also used by many organizations in LAC.

Value for Women has been very active as a field-builder and service-provider to investors seeking a better understanding of GLI and how to implement it in their own contexts, as well as contributing to GLI knowledge and research. They offer several insights and resources as well as practical guides for LAC investors.

Incubators/accelerators

Incubators and accelerators providing business support to entrepreneurs play a crucial role in the entrepreneurial ecosystem as they help entrepreneurs develop their ideas, prepare them for growth and often serve as a pipeline for investors. The gender gap in acceleration reflects the wider access to capital problems: only 13% of applicants are women-led teams compared to 52% male-led and 35% mixed teams.¹³⁹ There is an opportunity to make significant gains toward a gender-equitable entrepreneurship landscape. This can be done by applying a gender lens to accelerators' processes and measurement, making business support and resources more accessible for women entrepreneurs, and increasing all entrepreneurs' awareness of gender equality and gender equity.¹⁴⁰

In more countries in LAC, gender-aware or female-only incubators and accelerators are emerging to address and tackle the historically low rates of women entrepreneurs. Impaqto, an impact business accelerator based in Ecuador and active across Latin America includes a gender-lens in its programs. It has acceleration programs dedicated for female entrepreneurs, such as the PODER program funded by USAID in Ecuador, during which 600 women entrepreneurs will receive training in technical and soft skills and a community of empowered women entrepreneurs will be developed. In Bolivia, **the Instituto de la Mujer y Empresa (IME Bolivia)** has a dedicated incubator for women that has worked with over 90 Bolivian women, many of whom are driven by impact but face significant cultural barriers.

¹³⁹ Abigayle Davidson, A. & Hume, V. *Accelerating Women-led Startups. A Knowledge Brief by the Global Accelerator Learning Initiative*, 2020.

¹⁴⁰ Impact Hub, Incae, *Accelerators as Drivers of Gender Equality*, 2020.





Verónica Agreda, Founder/CEO, Instituto de la Mujer y Empresa, Bolivia *“There is little empathy and a lack of strategic thinking about what women represent at the consumer level and the responsibility they have. That there is so much bias is a cultural thing. There is cultural work to be done in a constant and permanent way”.*¹⁴¹

3.4.6. Field builders and networks

2X Global is an important global GLI field builder which looks set to increase its presence and activity in LAC, with two new employees hired in LAC. 2X Global engages its global membership network through a series of activities to scale the field, shift mindsets and facilitate capital deployment. These include a series of Communities of Practice, educational forums, shared resources, certification and standards, and deal-sharing platforms.

Other organizations apart from those already mentioned (Pro Mujer and Value for Women), including many DFIs, have taken on a field-building role in LAC for gender-lens investing. These include:

- **ANDE:** More than 75% of ANDE’s membership boasts an explicit focus on gender in their work and ANDE has advanced its own gender impact through various grant-funded programs. With the intent to foster women as leaders, employees, and consumers in developing economies’ SGB sector, ANDE’s

Gender Equality Initiative (AGEI) seeks to build supportive entrepreneurial ecosystems in developing economies that are responsive to the ways in which women have been subject to gender bias and institutional exclusion.¹⁴²

- **LAVCA:** is the Association for Private Capital Investment in Latin America, a non-profit membership organization dedicated to supporting the growth of private capital in Latin America and the Caribbean. LAVCA’s membership is comprised of nearly 200 firms controlling assets in excess of US\$65 billion. IDB Lab who supported LAVCA’s efforts to raise the visibility of female investors and founders through our 2021 Women Investors in Latin America initiatives.
- **Latimacto:** the Latin American community of philanthropists and social investors that connects and mobilizes capital committed to achieving positive social and environmental impact. The network mobilizes providers of social capital to ensure more effective deployment of financial and non-financial resources to generate positive, sustainable and long-term social and environmental impact.
- **Financial Alliance for Women:** the network works in 135 countries to build innovative, comprehensive programs that provide women and women entrepreneurs with vital access to capital, markets, education and training.

In addition, there are many individual country investor and women’s networks which are active in the field of gender finance.

¹⁴¹ Qualitative interview with Verónica Agreda, Founder/CEO, Instituto de la Mujer y Empresa, October, 2023.

¹⁴² <https://andeglobal.org/gender-equality/> (Accessed October 2nd, 2023)



Section

4

Deep dive into activity across the different gender lenses in LAC





4.1. Women's Access to Capital

Current situation and key products/instruments

There is an enormous opportunity to close the gender gap in access to capital for WSMEs and small and growing businesses in LAC, **with women owning nearly one-quarter (22%) of the region's entrepreneurial enterprises but struggling to access the capital they need.** Across the region here are still very under-served countries and the gender gap in access to capital persists. Regional disparities are stark in how financial institutions serve the women's market as illustrated by a recent IDB Invest study. In Mexico, 45% of commercial banks and 88% of microfinance institutions reporting having a women's strategy in place compared with 25% of Peruvian banks and 80% of the country's MFIs. In Haiti, none of the surveyed Fis had a strategy for the women's market, while in Paraguay 15% of commercial banks had one.¹⁴³

Recent trends in serving women-led businesses include **adopting a more intersectional lens on SME lending and targeting particularly vulnerable women entrepreneurs** as well as **offering lending with additional non-financial services to support the success of female entrepreneurs.**

Examples of products and instruments used in this lens include:

- *Gender bonds for commercial banks and MFIs targeting WSMEs:* there have been several gender bonds over the last years focused on access to capital for WSMEs, with the earliest for recorded in 2016 (**Banco Estado Chile**). Examples include **Mibanco's** \$28.59m gender bond in Colombia which IDB Invest subscribed to and which will be used to finance the growth of the portfolio of micro-enterprises that are led and/or owned by women

¹⁴³ IDB Invest, *Women Rising: A study of the growing financial power of the women's market in LAC, and what this means for financial institutions*, 2023.



Figure 21

Supply and demand barriers facing women entrepreneurs in LAC¹⁴⁴

	Challenges for Women Entrepreneurs (demand side) and their Businesses in IAC	Challenges in the Supply of Services for Women Entrepreneurs and their Businesses in LAC
Access to Finance	Lower levels of financial literacy and knowledge on financial products than men	Financial products, services, and delivery mechanisms are not tailored to women's needs/FIs do not understand that women-led SMEs have distinct needs
	Higher levels of risk aversion than men	Explicit/hidden gender biases in the credit approval processes of FIs; limited support from FIs to build financial capability of women
Access to Markets	Less access to markets & value chains	Interventions focused on male dominated value chains
	Less access to appropriate local, national, and international business networks	Limited understanding of importance of networking; gender norms and traditions in established informal and formal business networks
Access to Business Skills & Mentoring	Less business experience and skills	Business development services and delivery mechanisms not tailored to women
		Lack of high quality, relevant and easy-to-access training
	Less access to mentors & investor networks	Insufficient formal mentoring programs
	Fewer women enrolling in STEM degrees	Lack of programs to develop pipeline of women in STEM
Enabling Environment	Higher levels of informality than men led businesses	Financial infrastructure weaknesses, such as limited sex-disaggregated data on WSMEs
		Explicit and hidden gender biases in laws and regulations

in Colombia as well as **Banco Pinchacha** in Ecuador. In another first, gender lens investing is moving towards democratization of access with the recent **Pro Mujer** gender bonds in Argentina to support low-income women entrepreneurs available to retail investors.

- *Blended finance*: many gender-related blended finance deals globally have been focused on the financial services sector (38%) encompassing small to medium-sized enterprise (SME) financing and financial inclusion.¹⁴⁵ An innovative player in the blended

¹⁴⁴ IDB, WeForLac Funding Request Proposal (not public).

¹⁴⁵ Chemonics, Kois, Blended Finance for Gender Lens Investing.



finance realm is Mexico-based **Viwala** which is using blended finance debt structures in Latin America.



Mini case study: VIWALA is a new financial services company that is committed to serving the ‘missing middle’ via digital products that

incorporate a gender and diversity lens. VIWALA first began as a joint initiative between New Ventures and Pro Mujer, with support from USAID. One of the first steps taken was transitioning VIWALA from a fund model to a fintech model. It quickly became clear that VIWALA needed a model that featured a quick and easy loan structuring process and a fast and straightforward application, while also maximizing sustainability by decreasing loan placement and management costs.

Through its tech-enabled platform it develops financing mechanisms such as pay-for-impact, revenue-based and fix payment loans to SMEs.

It was a pioneer in blended finance, during the pandemic in 2020 testing a new blended finance product that combined capital with a market interest rate with philanthropic and development capital with a 0% interest rate to offer a finance product with a significantly below market interest rate. This experience helped highlight the important role that blended finance products can play in eliminating barriers to access for female

entrepreneurs. VIWALA was able to lower required guarantees and increase loan totals while maintaining lower interest rates.

Another financial innovation is its pay for impact loan, a concessional loan designed to incentivize positive impact for diversity and inclusion. The loanee can secure discounts on the interest paid if it complies with pre-established social and/or environmental objectives.

While not exclusively focused on women entrepreneurs, VIWALA has benefitted over 74,000 women entrepreneurs in LAC, with 72% of portfolio companies led by ‘gender marginalized’ entrepreneurs.¹⁴⁶

VC/PE funds explicitly targeting women-owned or women-led businesses: the majority of VC/PE funds operating in the region **do not have a specific mandate or threshold in terms of supporting women-owned or women-led businesses.** In a survey by Value for Women and UNWomen of 29 fund managers in LAC with a demonstrated interest in GLI, only 40 % had specific targets for women-led businesses in their portfolio.¹⁴⁷ The pipeline of high growth women-led businesses is perceived to be too limiting for such a mandate.



Agustina Casaburi, EcoEnterprises Fund, “For some reason, there are few women founders. Women are usually very careful. It cost us a lot to be accepted. You want to be very sure”.¹⁴⁸

¹⁴⁶ Viwala Information Memo (Private deck).

¹⁴⁷ Investors for Equality, How Venture Capital, Private Equity Fund Manager and Impact Investors are Applying a Gender Lens in Latin America and the Caribbean, 2021.

¹⁴⁸ Qualitative interview with Agustina Casaburi, EcoEnterprises Fund, July 2023.

Mexico-based **Amplifica Capital** specifically supports women entrepreneurs – of 14 investments so far, 13 have been in women-led or women-owned businesses.¹⁴⁹

Informally many gender lens investors in the VC/PE arena are working to increase the pipeline of women-owned or women-led businesses, and they are seeing improvements in terms of the number and quality of female entrepreneurs seeking funding. For example, Marta Cruz, General Partner of **NXTP** which is a Latin American seed fund describes how funding to women has increased from only having one out of thirty women-led businesses in the first NXTP fund, to having over a quarter of women co-founders in the second fund.¹⁵⁰

- *Investing in women fund managers:* some LPs and DFIs are deliberately supporting gender diverse or women-led fund managers.

Gender impacts of this lens:

There is a growing movement to ensure that gender lens investors **understand the impacts of improving access to capital for women-led or women-owned businesses**. This has led to more granularity and effort to track on an ongoing basis how far access to capital has translated into better lives and outcomes for women and their families. For example, 60 Decibels surveyed almost 18,000 clients of 72 MFIs worldwide and published the first index tracking the impact of microfinance on access, business impact, household impact, financial management, and resilience of both the client and their business. The survey illustrated that the most significant opportunity for

improvement lies in increasing the household impact of microfinance by offering a holistic approach that combines access to financing, financial education, training and skilling, and access to health services.¹⁵¹

When it comes to gender bonds, **there is a concern that the impact of the bonds beyond increasing access to capital are not stipulated or monitored**. In this sense, a next step for use of proceeds within gender bonds **is to clearly and explicitly identify women when describing the target group that will benefit from the issuance and report on metrics measuring impact and benefits achieved specifically for women**.



4.2. Women in Leadership

Current situation and key products/instruments

Leadership refers to the board and investment committee gender diversity, senior management gender diversity and other management gender diversity. Women in top leadership positions globally are still very rare. A minority of 6% of companies have a female CEO, 15% have a female CFO, and 8% have a female chair of the board.¹⁵² **The global trend is towards increased female representation at the top level, but change is slow**. The most recent LAC specific is from PAR Aequales in 2022 which rated over 700 corporates across a variety of themes. This suggests that most participating companies **show stagnation** – the most recent report states that, ‘the representation of women in leadership positions

¹⁴⁹ Qualitative Interview with Anna Raptis, CEO and Founder, Amplifica Capital, July 2023.

¹⁵⁰ Qualitative Interview with Marta Cruz, General Partner, NXTP, July 2023.

¹⁵¹ <https://60decibels.com/insights/microfinance-index/> (Accessed September 2023).

¹⁵² Equileap, Gender Equality Global Report and Ranking, 2023 Addition, 2023.



remains stagnant (Board, CEOs and Top Level) at less than 35%.¹⁵³

Studies show that gender diverse teams in companies lead to long-term value creation, lower volatility and higher returns, with improving gender diversity on boards often leading to better gender balance in executive functions as well.¹⁵⁴ There is a **large opportunity for corporates as well as financial institutions to increase woman leadership both internally and in their investment portfolios**, which will benefit them in terms of their own ESG metrics as well as delivering positive impacts in terms of performance. **Products focused on diversified leadership in public markets have been the most prevalent** with more than 50 percent of all public gender lens investment products focus on women in leadership, typically defined as a set threshold of women on boards, women in the C-suite and women in senior management. Globally, there are 21 global equity gender lens funds and 23 regional equity gender lens funds available to individual investors. These are domiciled in the US, Canada, the EU, Republic of Korea and Japan. UBS's Global Gender Equality Fund this year surpassed USD 1.5bn in AUM – having launched in 2018 with USD \$ 12 AUM it is the world's largest and fastest-growing gender lens ETF. Further afield, Japan's Government Pension Investment Fund closed to \$USD 3 billion into a gender diversity index based on Equileap data.

In LAC, **there are limited investible products for this theme**. However, the Brazil stock exchange recently launched **IDIVERSA B3**, the first Latin American index to combine gender and race criteria in a single indicator to select

the companies that will make up the portfolio. The new indicator is a way of recognizing listed companies that stand out in terms of diversity, as well as promoting greater representation of under-represented groups (women, black and indigenous people) in the market. In Mexico, there was an attempt to include Mexican companies in the Bloomberg Gender Equality Index but this was difficult to achieve because of what was seen as additional, complex reporting requirements by Mexican companies.

Many VC/PE funds working with a gender lens **are trying to increase women's leadership both within their own firms and within their portfolio companies**, indeed this is becoming an almost greater trend than investing in women entrepreneurs per se. All fund managers we spoke to, whether impact-first or finance-first, showed a very strong appetite to work with their portfolio on increasing the gender balance at the senior level.



Patricia Sáenz, EWA Capital, Managing and Founding Partner, *"The most viable is the share of women on boards and in management positions"* and for **Susana Garcia Robles**, Capria Ventures Managing Partner and WeInvest Co-founder, *"If the best company a fund has in the pipeline is led by men co-founders, I would encourage them to invest in such company, but tell the founders that for their next hire at mid or senior management they should make sure to look for a woman, to effectively give chances to women to go up on the company's ladder"*.¹⁵⁵

¹⁵³ Aequales, Ranking Par 2022, 2023

¹⁵⁴ See <https://www.icrw.org/wp-content/uploads/2017/10/Advisors-The-Business-Case-for-Gender-Diversity.pdf> for a list of studies.

¹⁵⁵ Qualitative Interview with Patricia Sáenz, EWA Capital, July 2023 and Qualitative Interview with Susana Garcia Robles, July 2023.





4.3. Workplace Equity

Current situation and key activities by ecosystem players

Women globally are paid on average 22 per cent less than men and have a significantly lower workforce participation rate (52% globally compared to 80% for men). In LAC, the female participation rate is at 57% compared to around 80% for men.¹⁵⁶ While in GLI in public markets, there has not been as much focus on workplace equity as on women leadership, as more reliable, comparable data becomes available on other gender metrics relating to workplace equity (such as the gender pay gap or sexual harassment policies), it is likely that gender lens equity funds will develop to take broader workplace equity considerations into account. In private markets, investors are often working with their portfolio company to address gender workplace equity. Often this does require technical assistance and even incentives.

DFIs have a role through blended performance-based incentives as well as through their advisory services to catalyze activity regarding workplace equity in their LAC clients. For example, IDB Invest has worked with clients in the infrastructure and energy sector on workplace equity, with PBIs used attached to gender-related objectives such as meeting hiring quotas for women in construction and operational roles, providing diversity and inclusion training for employees, offering training opportunities for women to work in their facilities, and implementing gender action plans.

Moreover, the IPGs (public-private collaborations) implemented by the World Economic Forum,

IDB and the French Development Agency (AFD) in partnership with nine countries in the region has led to some important workplace equity innovations. For example, in Costa Rica, the Gender Parity Accelerator has supported the expansion of the national care system, including piloting an innovative co-payment mechanism between the government and employers. In Panama, the National Council for Gender Parity, established through the Accelerator, enacted legislation for minimum representation of women on boards of directors and equal pay. In addition, Ecuador passed one of the region's most ambitious gender laws, the Violet Economy Law, which put in place requirements for equal pay, female representation on governing boards, childcare solutions, procedures to prevent sexual harassment and public reporting on equality by companies with more than 50 employees and offers tax incentives for companies creating jobs for women in jobs.



4.4. Products and services addressing women's and girl's needs

This lens includes gender-specific products/services, customer gender diversity and gender-inclusive product/service practices. **There are many large, untapped female markets, particularly relating to health, education, care and climate, often involving tech solutions.** Globally, the female economy represents a market more than twice the size of India and China combined. By 2028, female consumers will control around \$15 trillion of global consumer spending.¹⁵⁷

¹⁵⁶ World Bank Gender Data Portal.

¹⁵⁷ Lustosa, C., Yaacov, B., et al., (2021). *Education Technology in Latin America and the Caribbean*. IDB Lab & Holon IQ.



In **health**, 90% of women are health decision-makers in their families and 70% of the medical work force. **Femtech**, the term used to describe solutions for the health and wellness needs of women through technology represents an innovative and growing space to improve women's health outcomes and grow businesses serving their needs. FemTech provides a wide range of solutions to improve healthcare for women across a number of female-specific conditions, including maternal health, menstrual health, pelvic and sexual health, fertility, menopause, and contraception as well as several general health conditions that affect women disproportionately or differently. McKinsey's recent research into FemTech showed that the dynamics underlying FemTech are accelerating through growing public awareness, company formation and funding. Depending on scope, estimates for FemTech's current market size range from \$500m to \$1 billion. Forecasts suggest opportunities for double-digit revenue growth. Femtech is driven by female entrepreneurs (70% of companies analyzed by McKinsey were founded by females).¹⁵⁸

HR tech and edtech are other growing areas with strong gender lens opportunities. Edtech has been flagged as potentially one of the most powerful growth engines for LAC, accelerating the economic recovery, addressing inequalities, increasing access, and multiplying support for parents, mentors, teachers and institutions. There are over 1,500 Edtech companies in LAC in 2021 and venture capital investment more than tripled between 2020 and 2021 in this sector.¹⁵⁹ The unmet need for a gender focus in edtech is clear: although women in LAC have a higher level of education and education of better quality than

men, there is still a **wide labor force participation gap** – online learning offers an opportunity for women to train as well as reskill when jobs are lost. In HR Tech, the rapidly growing diversity and inclusion agenda among the private sector worldwide has created demand for HR tech solutions that support companies on their diversity and inclusion strategies. An example of how such companies are adopting a gender lens strategy is **Gupy** which is a women-founded Brazilian HR tech company founded in 2015, known in the market for its artificial intelligence-based solutions to automate and increase the accuracy rate in recruitment and hiring processes. It has a diversity lens by having functionality such as whenever candidates agree to disclose their diversity-related data, the recruitment allows recruiters to monitor the representativeness of under-represented groups, conduct selection processes specifically focused on under-represented groups and creates alerts and filter candidates based on diversity.¹⁶⁰

In LAC, as the understanding of female needs has increased, **so have specific companies as well as investment products and opportunities arisen targeting these needs**. While instruments such as bonds or public market funds are not prevalent using this lens, **VC/PE funds interested in a gender lens are orientating increasingly to companies which are either designed specifically to serve women's needs or working with existing portfolio companies to understand their women customers/clients and serve them better**. However, in the Value for Women/UN Women survey of investors in the region with gender lens intentions, 90% of investors track data on the gender diversity of investees' leadership teams, only 41% collect

¹⁵⁸ <https://www.mckinsey.com/industries/healthcare/our-insights/the-dawn-of-the-femtech-revolution> (accessed October 8, 2023).

¹⁵⁹ *Alive Ventures, Value for Women, The potential of Hrtechs and Edtechs for promoting women's professional education and employment, 2023.*

¹⁶⁰ *Ibid.*



sex-aggregated data on the end clients or beneficiaries that are impacted by the businesses they support.¹⁶¹

An example of a gender lens fund currently in fundraising focused specifically on product/ services for women is the **Empodera Impact Capital (EIC)** an impact first fund looking to raise USD \$20m and addressing key issues in women's health in LatAm through patient, tailor-made, flexible and catalytic capital, complemented by technical assistance to gender inclusive health businesses looking to expand their operations in the region. In order to understand the market potential, Empodera 360, the research and acceleration program, mapped 210 enterprises in the women's health sector in LatAm supported by its partners Visa Foundation, Linked Foundation, Halloran Philanthropies, The Case for Her and, Pro Mujer and Summit Foundation. Through New Ventures accelerator program, Empodera 360 and its allies, over 70 companies are in the pipeline for investment.¹⁶²

An example of **an investee company focused on the care economy** is Colombia-based **Simplifica** funded by ALIVE Ventures. This is a platform for formalizing the labor relationship between domestic workers and their employers, with the goal of improving workers' livelihoods and facilitating employers' management of their workers. Operating since 2015, Simplifica helps with documentation, provides advice and education, and calculates payments. Simplifica also works as a platform for extra-legal benefits, including health and education services, to improve the quality of life of workers. Through the platform, Simplifica has formalized more than 11,000 domestic workers throughout Colombia,

over 95% of which are women from low-income communities.¹⁶³

Gender impacts of this lens:

Investing in women's health, education, and working life for example, generates significant social and economic returns. Healthy, empowered women in control of their bodies improve the health and economic outcomes of their families, communities, and countries. As an example of the impact of companies adopting a gender lens, ALIVE Ventures partnered with 60 Decibels to track the changes of a representative sample of customers of the Simplifica platform, 65% said that their quality of life had improved, 61% report improved labor rights knowledge and 93% reported being confident in exercising their workers' rights if need be.¹⁶⁴



4.5. Women in supply chains

Current situation and key activities by ecosystem players

One of the most under-recognized challenges of gender integration in the business and corporate world relates to the current **dearth of women-owned businesses in the supply chains of Latin American and Caribbean (LAC) firms.** The integration of these women-owned suppliers drives economic growth, helps grow women-led business by increasing sales, creates jobs, and helps recruit more women into the workforce. Their current low presence in supply chains presents an opportunity to **build supplier loyalty and provide new perspectives and ideas**

¹⁶¹ Investors for Equality, *How Venture Capital, Private Equity Fund Manager and Impact Investors are Applying a Gender Lens in Latin America and the Caribbean*, 2021.

¹⁶² Empodera Impact Capital Pitch Deck, 2023 (Private).

¹⁶³ <https://www.2xglobal.org/case-studies/simplifica-acumen-latam> (retrieved October 8, 2023).

¹⁶⁴ WeConnect International, *The Business Case for Global Supplier Diversity and Inclusion*, 2017



for innovation. Currently the amount of direct purchasing volume that women entrepreneurs receive globally is low, roughly 1% partly driven by the fact that women entrepreneurs predominate in the low-value procurement categories.¹⁶⁵

There are significant barriers to increasing women-led or women-owned businesses access to corporate supply chains. For WSMEs, supply chain financing is a particularly acute issue, as well as limited access to information / networks and as issues with operational capacity. Corporates for their part lack knowledge of how to develop gender-inclusive procurement policies and engage with women suppliers.

Whilst gender supplier diversity programs are growing globally, in addition to women, corporations are increasingly seeking to engage all major groups of underutilized businesses in their target markets based on local sourcing needs, local customs and local regulations—i.e., diverse populations, including Indigenous peoples; lesbian, gay, bisexual or transgender (LGBT) populations; persons with disabilities; people working in the informal sector; etc.

A recent study confirms that, for many companies, **gender-responsive procurement practices have had a positive impact on profitability and return on investment.** Indeed, in 2014, one large telecommunications company, AT&T, attributed \$4 billion of increased revenue to the engagement of women suppliers. Moreover, research also shows that consumers are concerned about corporate social responsibility, and this translates into a “bottom-line benefit” for brands that practice what they preach. **Women, in particular, are more**

likely to try a company’s products when they know the company supports women-owned businesses. Likewise, inclusive procurement policies enhance a company’s reputation among internal and external stakeholders, including employees, business clients, shareholders and the community.¹⁶⁶

Moving the needle on the lower procurement rates of women-owned businesses is the mission of non-profit **WeConnect International** which works globally to connect women-owned businesses with global buyers around the world. It has 17,000 women-owned businesses in the network and over 180 member corporations representing \$4 trillion in combined purchasing power. In Latin America, **WeConnect International has a network of over 205 certified women business enterprises and 5,000 registered women-owned businesses in its virtual database.** In LAC, BID through the through its free Mujeres ConnectAmericas platform, highlights women-led and women-owned businesses, and allows anchor companies to post procurement notices and bids that reach more than 65,000 potential suppliers across the region.

Key activities by LAC ecosystem players in this lens include:

- **Blended finance structures to incentivize supplier diversity programs;** for example IDB Invest has supported Elcatex, a textile company in Honduras to increase its production capacity and diversify its exports. In 2020, IDB Invest approved a \$96 million loan to help Elcatex increase its production capacity and diversify its exports. The project included a We-Fi

¹⁶⁵ WeConnect International, *The Business Case for Global Supplier Diversity and Inclusion*, 201

¹⁶⁶ UN Women, *The Power of Procurement: How to Source from Women-Owned Businesses*, 2017.



incentive of \$210,000 structured to increase the volume Elcatex purchases from WSMEs and the number of companies in its supply chain that are led or owned by women. The investment was complemented by advisory services helping Elcatex identify opportunities to increase access to the value chain for women suppliers, train its senior management and the procurement team and enhance its supplier monitoring system.¹⁶⁷

- **Sourcing2Equal IFC program in Colombia:** this program, in combination with We-Fi and Norway, aims to connect thousands of women entrepreneurs to new markets via corporate procurement. The program involves conducting market research and case studies on the business case for buyers to increase their purchasing from WSMEs, supporting private sector companies to adopt policies and innovations that facilitate WSMEs access to corporate procurement contracts, building the capacity of WSMEs to meet corporate procurement requirements and connecting WSEs to supply chain finance solutions.
- **PE/VC funds exploring supply chain gender lens opportunities in their portfolios:** while only approximately a third of gender lens investors provide technical assistance to portfolio investees to implement a gender lens, impact-first investors such as **AlphaMundi, NESsT and ALIVE Ventures** are working to help **their portfolio companies determine what role women are playing in their supply**

chains and what changes could be made.

In agricultural supply chains, the role of this gender lens is particularly valuable.



María Pía Morante, Investment Director, ALIVE Ventures, *“In value chains where there are more women, it is easier to influence. For example, if the company already works with farmers, we can help to close gaps in the field”*.¹⁶⁸

Future opportunities in LAC include the **development of gender bonds focused on improving levels of supplier diversity** within corporates. A recent global example is the gender bond issuance in August 2022 of Barloworld in South Africa, an industrial processing, distribution and services company. The dual-issuance bond of approximately USD \$70 million is to increase Barloworld’s gender diversity in leadership and to grow the proportion of black women-owned businesses in Barloworld South African Operations’ supply chain (targeting 15% procurement).

Gender impacts of this lens

The impact of this lens primarily lies on the evidence for the impact of successful, thriving women-owned businesses on women, their families, the community and regional economies in general.

¹⁶⁷ <https://we-fi.org/project/diversifying-textile-supply-chains-in-honduras/> (October 2, 2023).

¹⁶⁸ Qualitative interview, María Pía Morante, ALIVE Ventures, June 2023.





4.6. Women as investors

Current situation and key activities by ecosystem players

Women are set to inherit significant wealth (70% of the wealth that will be passed down the next two generations) as well as increasingly making their own wealth, and progressively making key investment and spending decisions. And yet there is an acknowledged women-investment gap, with women showing a different set of preferences and needs which are not being considered yet by the asset management industry. **Women are more likely to invest for social and climate impact, and choose investments based on their individual values.** A recent study estimated that there would be an influx of \$1.87 trillion of additional capital into Responsible Investment if women invested at the same rate of men.¹⁶⁹ The key barriers for women investing relate to a perceived income required to start investing as well as the perception that investing is inherently high risk. Breaking down the women investment gap means also means solving for the **lack of women fund managers.**

Gender lens investing has been **primarily driven by women investors** although not exclusively so. A key driver of GLI in LAC will continue to be the adoption and advocacy of gender lens strategies by women investors. **How to catalyze more gender lens investment by women in LAC?** There is a virtuous circle where more successful female entrepreneurs and fund managers will be likely to lead to more GLI investing driving up the number of female entrepreneurs and fund managers again. Women investors we spoke to

for this study felt that increasing the number of women in start-ups, even in the C-suite, would slowly lead to more women founders and investors (as women get experience in the senior management of start-ups, they are more likely to start their own later). Supporting female fund managers is also an important dimension. 2X Global for example has set up a program, 2X Ignite, which aims to accelerate 100 female-led gender lens fund managers reaching over 1,000 gender-smart businesses across five regions. In addition, there will need to be some education to address the additional barriers women face when investing.

One of the key ecosystem developments over recent years has been an increased effort to boost the number and profile of women investors. For example, **We-Invest** which is a community of over 300 women investing in Latin America across VC, PE, Family Offices, accelerators and angel investments. It aims to advance innovative opportunities within Latin America, while simultaneously creating community and providing a space for women to upskill, empower and inspire each other.



Marta Cruz, NXTP Partners,
“There were a lot of initiatives to support female entrepreneurs, but the reality was that there were no female investors. I said, if we don’t have the visibility from the other side (within the investment committees), we are not going to get these entrepreneurs funded”.

¹⁶⁹ BNY Mellon, *The Pathway to Inclusive Investment*, 2022.



There are other LatAM initiatives to increase the number of women investors, for example **Mujeres Inversoras**. This program is carried out in partnership with UN Women and with the co-financing of the National Institute for Employment and Vocational Training (INEFOP). These efforts appear to be paying off with many gender lens funds reporting a high ratio of female to male investors into their funds:

- **Deetken Impact's Ilu Women's Empowerment Fund** in partnership with Pro Mujer has attracted diverse investors with 44% women or women-led organizations today.

- **EWA Capital** has been able to attract female Colombian investors with many investing for the first time in this type of asset class.

LAVCA has also been active in highlighting women investors in Latin America.

Gender impacts of this lens:

Investing is one of the best ways for women to grow their money pot over time and establish financial freedom. Moreover, women are predominantly driving the sustainable investment market.



Section

5

*Additional GLI
themes and bright
opportunities in LAC*



There are additional themes which are important for gender lens investing which include **care, pay, climate, health and well-being, GBVH and Justice, Equity, Diversity and Inclusion (JEDI)**. While we have reviewed some of these themes within the discussion on lenses, it is important to underline the importance of climate and JEDI for the next wave of GLI in LAC, and agriculture is an important part of the climate and JEDI conversation, so we also include it in this section.

5.1. Gender lens investing in agriculture in LAC

Women make up to 43% of the agricultural workforce in developing countries, yet they face significant barriers to fully participating in, and benefitting from, the agricultural sector including less access to land, credit, farming inputs, training and decision-making power.¹⁷⁰ There is **a strong business case for building more inclusive lending portfolios in the agricultural sector.** **Root Capital**, a key social investor focused on the agriculture sector, has collected data from nine years from active and former borrowers representing more than US\$ 1 billion in investments in agricultural value chains across Latin America, Africa, and Indonesia which show that: loans to women-led enterprises and those with greater participation of women are more profitable; enterprises with greater women's leadership and participation have more stable revenues; and women-led and gender-inclusive enterprises are very fast-growing.¹⁷¹ However, financial institutions and investors have traditionally struggled to reach women-led and gender-inclusive enterprises through traditional investment approaches. Consequently, only 7% of total agricultural investment goes to women.¹⁷²

There are several gender lens investors active in agriculture in LAC, in particular:

¹⁷⁰ Root Capital, Value for Women, Ande and IDRC, *Building the Capacity for Small and Growing Businesses to Improve the Climate Resilience of Women Farmers*.

¹⁷¹ Root Capital, Value for Women, CSAF, *Closing the Gender Gap in Agricultural Investments*, 2023.

¹⁷² Colina, Clara and Anne Maftel. *Pathways to Prosperity: Understanding women's rural transitions and service needs*. RAF Learning Lab & ISF Advisors, 2019.



- **Root Capital** works in Latin America, sub-Saharan Africa and Southeast Asia and has provided loans to 300 gender inclusive or women-led clients, reaching over 500 thousand women farmers. Too often, agricultural enterprises fall through the cracks of the financing world: too large for microcredit, and too small (and risky) for commercial lenders. Root Capital uses a “Credit-plus-Capacity” model for this overlooked segment, pairing lending with technical training. Root Capital has had strong gender intentionality for over a decade, launching the Women in Agriculture Initiative (WAI) in 2012 to expand access to finance to more women-led and gender-inclusive businesses. It has recently partnered with Walmart Foundation with a partnership that will leverage an additional \$25 million in financing in early-stage gender-inclusive and women-led businesses in Mexico and Central America. In 2021, it reached an all-time high in our portfolio with gender-inclusive businesses representing 55% and women-led businesses representing 27% of our portfolio.
- **NESsT** operates impact loan funds which provide debt financing to SGBs and a three-year accelerator programme for social enterprises. It operates in Latin America and Eastern Europe. Its founder and until recently, CEO, Nicole Etchart, has been a gender lens pioneer. NESsT’s Latin American Lirio Fund and Acceleration Program work to support livelihoods and address the root causes of poverty. 56% of the NESsT portfolio companies are women-led with 50%+ women on the senior management team; however, women make up only 42% of the overall senior management teams. NESsT is working to

increase this percentage, and shares that it has been challenging to develop gender equity as well as inclusion metrics and practices that could be adapted to a portfolio diverse in terms of sector and business model.

5.2. Investing at the climate – gender nexus

We heard repeatedly from interviewees that the **case needs to be made regarding the intertwined nature of climate and gender**. There is a depth of interest and funds flowing to climate, and it is important for gender to be incorporated in all climate investments – this is a way to unlock the next phase of GLI in the region. **The opportunity for climate finance is valued at \$USD 23 trillion in emerging markets alone by 2030**, following government pledges to the Paris Agreement.¹⁷³ Global venture capital investment in clean tech investments showed exceptional growth in 2022, delivering \$70.1 billion of investment, almost double that of 2021, in the context of a broader market that has fallen significantly.¹⁷⁴

Women are disproportionately affected by the impacts of climate change and possess unique resources and abilities to influence climate action within their communities. Making climate investments with a gender lens can both amplify positive development impacts on women and accelerate climate mitigation and adaptation. 2X Global has created a working group for gender and climate finance and has released several reports and toolkits.

While everyone agrees that climate and gender are linked and represent the next phase of GLI in

¹⁷³ <https://www.2xglobal.org/about-toolkit#why-gsfinance> (October 2, 2023).

¹⁷⁴ <https://www.holoniq.com/notes/2022-climate-tech-vc-funding-totals-70-1b-up-89-from-37-0b-in-2021#:~:text=Sponsors,Defying%20gravity%2C%202022%20Climate%20Tech%20VC%20funding%20totals%20%2470.1B,nearly%20double%202021%27s%20record%20total>. (October 2, 2023).



Latin America, **it is harder to see how in practice they are being currently combined by investors**, although new climate+gender initiatives are starting to emerge and there are some green shoots. For example, AlphaMundi is fundraising for a USD \$50m ender inclusion and climate fund in LatAm, supported by technical assistance to embed a gender lens.¹⁷⁵

There are specific sectors such as agriculture, energy and water supply where the link between gender and climate is being most actively explored and driven forward in LAC, including:

- Gender lens VC funds with an explicit climate focus such as **EcoEnterprises Fund** is a women-owned and led fund manager with three funds to date investing in women-owned and led afforestation, reforestation, aquaculture, ecotourism and sustainable agriculture and forest management businesses in Latin America. EcoEnterprises Partners Fund III has 14 portfolio companies in 8 countries in Latin America and engages with them to hire women at all levels and invest in their wellbeing. They have also committed to using at least 15% of capital or four individual investments to fund SMEs that are owned or led by women entrepreneurs. EcoEnterprises Fund took a more formal approach to integrating a gender lens with the support of FinDev Canada, a key investor and they went further to embed and develop their gender strategy with a grant from ANDE, supported by USAID.¹⁷⁶
- **MCE Social Capital:** a catalytic, impact-first asset manager that provides flexible debt capital to enterprises committed to generating sustainable livelihoods to allow them to scale and better serve their customers. In October 2023, they closed their first investment fund with an all-female leadership team, the MCE Empowering Sustainable Agriculture (“MESA”) Fund at US\$ 41.6 million targeting gender-inclusive agri-businesses in Africa and Latin America. USAID offered catalytic support by providing a grant award to support the design and structure of the fund.¹⁷⁸
- **NESST’s** active integration of both gender and climate considerations in its Lirio Fund, investing in SMEs that drive both job creation and environmental conservation in rural communities across Latin America, dispersing \$2.7m of loans since its inception. Women make up a strong proportion of people whose lives have been improved (42% of people supported are women). An example of this combined climate and gender work with



Agustina Casaburi, Impact Officer, EcoEnterprises Fund,
*“Since we were founded 20 years ago by women, we have been looking at women-run companies, their suppliers, from the very beginning. It has always been something intrinsic. Climate and gender are intertwined. Women are working in these rural communities and are suppliers to our companies”.*¹⁷⁷

¹⁷⁵ Qualitative interview with Alpha Mundi.

¹⁷⁶ <https://www.2xglobal.org/case-studies/ecoenterprises-partners-iii> (retrieved October 2, 2023).

¹⁷⁷ Qualitative interview with Agustina Casaburi, Impact Officer, EcoEnterprises.

¹⁷⁸ <https://mcesocap.medium.com/usaids-support-catalyzes-new-mce-fund-focused-on-sustainable-agriculture-efcea721c19f> (accessed November 2023) and <https://www.mcesocap.org/mce-social-capital-announces-final-close-of-mesa-fund> (accessed November 2023).



portfolio companies is that of **Suritex**, a Peru-based social enterprise with more than 20 years of experience in textile production using natural materials. NESsT has supported Suritex in various areas, including the installation of solar panels and gender inclusion of the 80% female workforce.

- **Root Capital's** launched its first-ever **climate resilience-focused Gender Equity Grants** in Mexico and Central America. These were given to three coffee co-operatives to identify the particular vulnerabilities of women coffee producers to the effects of climate change, develop and implement strategies with agri-SGBs to address these vulnerabilities and create opportunities for women in agriculture and build their resilience to climate change.¹⁷⁹

gender strategies across their investment process and with their portfolio companies. **One way is to encourage or incentivize climate funds to become 2X qualified.** For example, British International Investment (BII) invested USD \$70 into the Green Growth Equity Fund (GGEF), India's first dedicated climate change fund, to finance the development of between six and eight 'green infrastructure' companies in India. The fund has committed for at least 30% of the portfolio to meet the 2X Challenge criteria with the fund meeting the 2X Employment criteria as 40% of their employees are women.

There is a sense from interviewees that gender and climate, especially for DFIs who are key investors, still operate in silos and the nexus, which is the reality on the ground, is not yet showing up in the practices of key investors.

5.3. Beyond gender and towards inclusive finance

One of 2X Global's core themes is **justice, equity, diversity and inclusion (JEDI)**. As the sector gets more serious about sustainable investing beyond climate factors, there is an opportunity to **incorporate a broader diversity lens**. This can mean reaching more diverse entrepreneurs and diverse first-time fund managers to supporting more inclusive value chains. JEDI investing builds on the momentum of gender lens investing and should not de-prioritize or compete with it. In practice, **with investors gender inclusion has often been the first entry point which then opens up the space to work on a broader diversity and inclusion agenda internally and in its investments.**



Camilla Nestor, CEO, MCE Social Capital, *"We did a strategic refresh in 2021, as part of what we identified as two cross-cutting lenses – gender and the environment. Across all of our investments we are looking holistically at how we are meeting gender/climate criteria"*.

A next step is for LAC to develop **additional products at the climate-gender nexus**. Examples that could be replicated in LAC include **a gender smart climate bond**, such as the Ban OCBC NISP one issued in March 2020, an arrangement between Bank OCBC NISP and IFC.¹⁸⁰ In addition, existing climate finance investors can be particularly targeted to understand and adopt

¹⁷⁹ Value for Women, Root Capital, Ande, IDRC, *Building the Capacity for Small and Growing Businesses to Improve the Climate Resilience of Women Farmers*, 2021.

¹⁸⁰ 2X Climate Taskforce, *Financial Instruments that Integrate a Gender and/or Climate Lens*.

¹⁸¹ McKinsey, *Diversity Wins, How Inclusion Matters*, 2020.



The diversity and inclusion gap is acute.

Representation of underrepresented diverse groups, such as Indigenous peoples or Afro descendants, in executive position of a large sample of global companies was 14% in 2019.

As with gender smart investing, the data to support JEDI investing is strong. For example, companies with the highest levels of racial and ethnic diversity at the executive level outperform in terms of profitability by 36%.¹⁸¹ LGBTQ+ inclusion is shown to bring benefits associated with talent retention, increased labor output and productivity, higher firm value and overall profitability, the potential for strong returns on investments, and increased access to a growing customer base.

Although quantitative data gaps remain, research estimates that between 5% and 6% of the population identifies as LGBTQ+. Extrapolated to the entire population of Latin America and the Caribbean (LAC), that equates to 33–39 million people. A recent study by IDB Invest on shows that there has been significant process for LGBTQ+ rights over the last years. Same-sex marriage and equal adoption rights, full partner benefits including health care and pension, and non-discrimination statutes have been recognized by several countries in LAC. What is more, some of the most advanced gender identify laws in the world have been passed by the region. However, many LGBTQ+ people in the region continue to face bias, discrimination, and violence in their daily lives.

JEDI awareness and considerations are a growing part of the global GLI landscape. In 2018, only 8% of gender lens private capital and VC funds said they explicitly considered LGBTQIA+ factors in their investments, whereas in 2021 47% of respondents had a dual gender and race/ethnicity lens and 15% had a dual gender/LGBTQIA+ lens. There is a recognition that

women, particularly women of color, and other under-represented groups are an overlooked opportunity.

However, in LAC **recognition of the opportunities of JEDI investing and examples are few and far between.** Brazil is perceived to be the most advanced country in terms of awareness and responsiveness to diversity and inclusion. **The move from gender finance to more inclusive finance is a critical next step for the region, ensuring that no-one is left behind, and recognizing the intersectionality between many different forms of diversity, gender and other.** IDB Invest, Global Affairs Canada and are hoping to catalyze this shift by partnering with Blue Orchard to launch **a dedicated impact investing fund focusing on gender equality, diversity, and inclusion in LAC with a target size of USD 200 million.** The strategy focuses on accelerating the financial inclusion of women, Indigenous peoples, Afro-descendants, migrants and other underserved groups in the region through an innovative blended finance approach. The impact strategy will focus on three key strategic pillars to achieve its goal: (1) developing and improving inclusive solutions offered by financial institutions in the LAC region; (2) promoting gender, diversity, and inclusion practices at the level of financial institutions; and (3) collecting, analyzing, and evaluating relevant gender, diversity, and inclusion (GDI) data at the market, institution, and aggregated client levels.

The Digital and Science, Technology, Engineering, Mathematics (STEM) imperative

Digitization, gender equity and GLI are inextricably connected. **Many growth opportunities for women-led and women-owned businesses, and for GLI in the region, are related to tech, whether climatetech,**



femtech, edtech or fintech. Ensuring more women entrepreneurs come through, that women achieve financial inclusion, that women entrepreneurs can use fintech to increase their access to finance, **all this relies on improved gender equity in digitization and a greater focus on bridging gender gaps when it comes to digital access as well as ICT and STEM education and careers.**

In terms of access, more men than women have internet access in over half of the region's countries and there is a higher share of men with mobile connectivity. Moreover, women have less training on digital technologies and are less confident in their digital technology skills, which leads them to use these technologies less. Only 32% of employees in the ICT sectors in LAC are women – the scarcity of women in decision-making positions within companies is

worsening pre-existing behavioral biases. Studies recommend various public policy measures to boost female participation in the digital sphere, including the need to change the culture through awareness campaigns and equitable early education in STEM as well as to foster a culture of self-empowerment and ongoing training in digital technologies. Female investors and fund managers interviewed for this study concurred that ***these types of policies are essential for the development of a new generation of tech-savvy and tech-confident female entrepreneurs.***

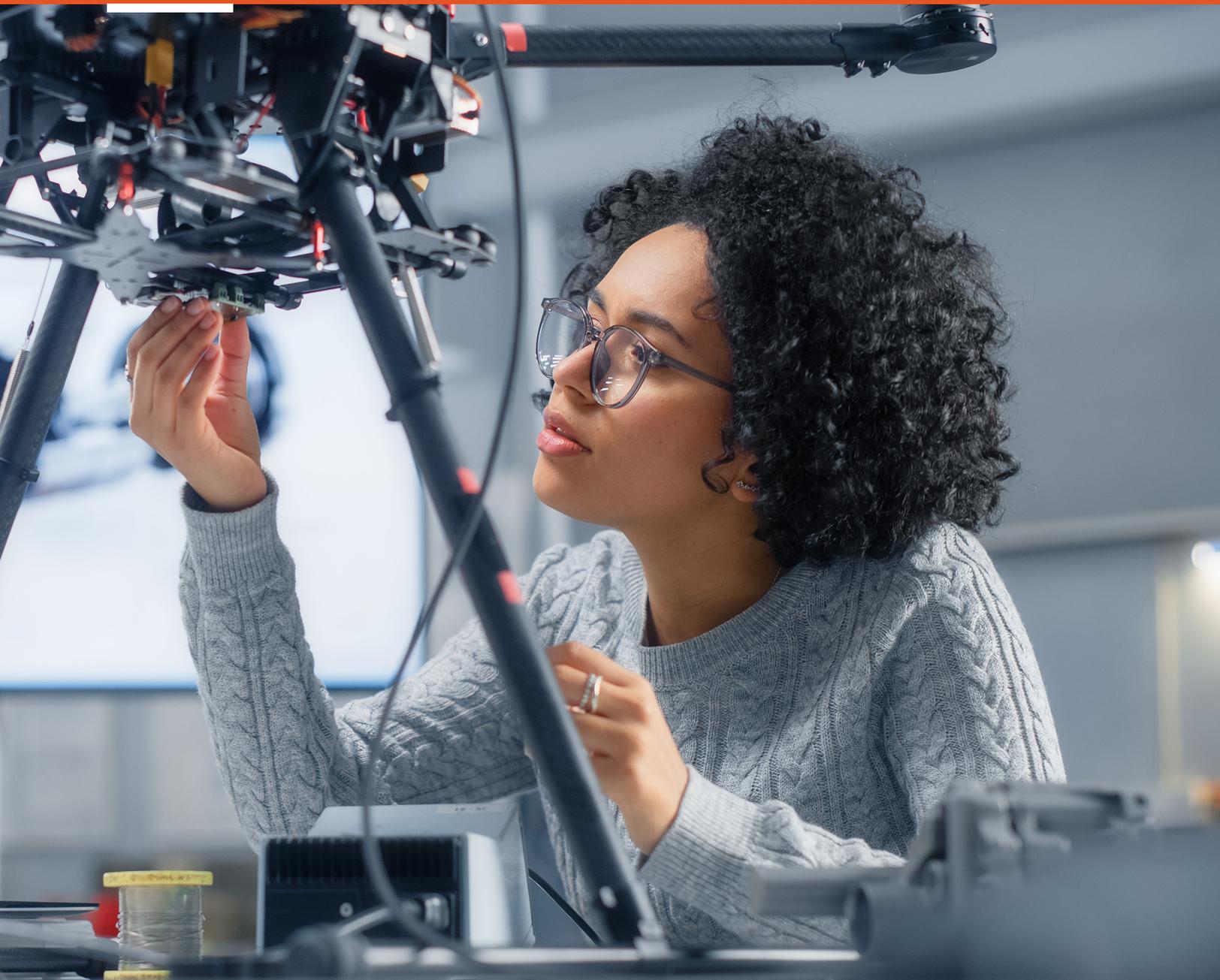
Incubators, accelerators and female entrepreneurship training programs that we have spoken to **have all underlined how important the element of digital transformation, skills and capabilities are for the success of female entrepreneurs in the region.**



Section

6

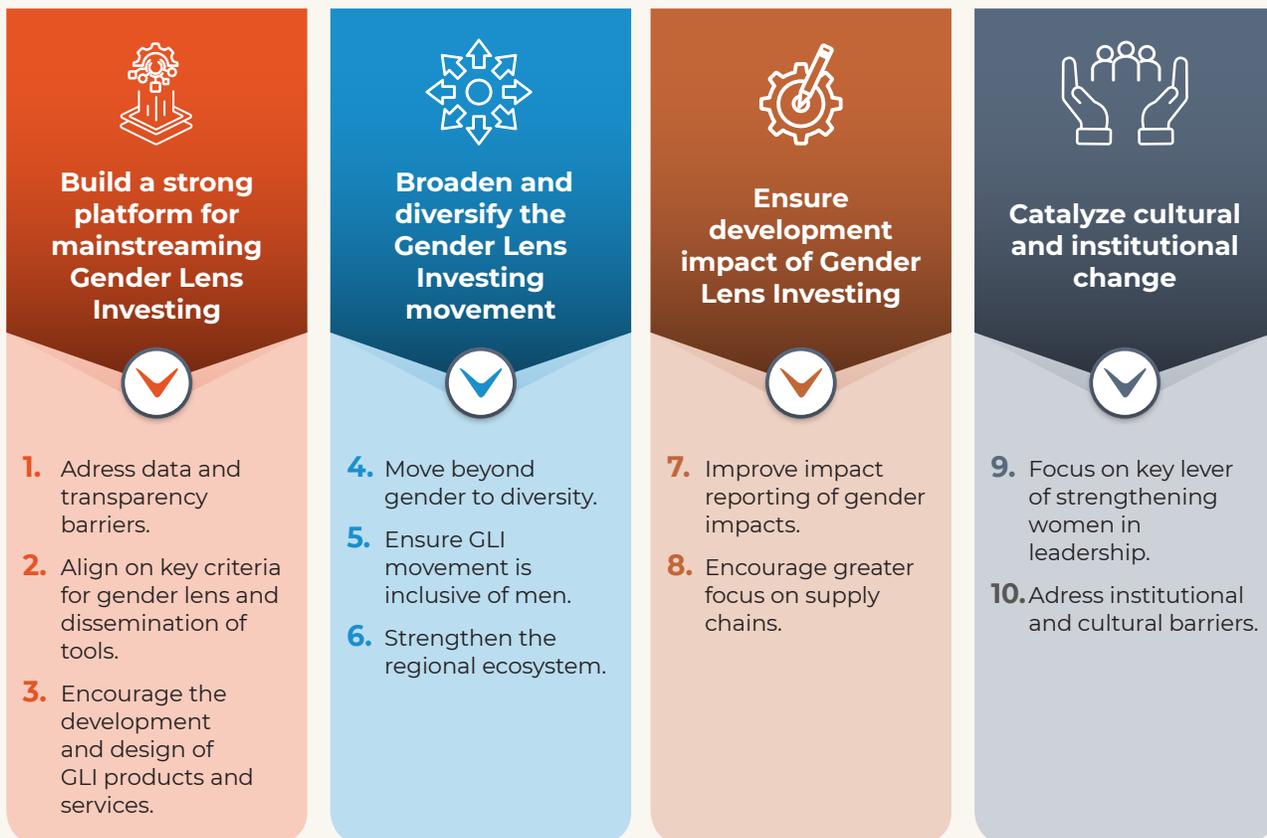
Moving GLI capital at scale in LAC – what is needed?



While there are certainly some bright spots and exciting developments, the overarching global narrative is that **gender finance pales in comparison to the growth of climate finance and there is still an enormous untapped opportunity for GLI globally and in LAC**. In order to deliver on the promise of GLI in the region, a holistic, system-wide understanding of barriers and challenges facing women in their lives and workplaces, as investors and as entrepreneurs is required. **It is necessary to weave, connect and build bridges between the different parts of the ecosystem in order to develop GLI as a field**, with potential to transform women and girls' lives in the region. Moreover, gender and diversity need to be integrated into existing large-scale opportunities in digitization, sustainability and climate finance. This requires an inter-linked set of actions / activities described in more detail below and summarized in the Figure 22 below.

Figure 22

Key Recommendations: Delivering on the Promise of GLI in LAC



Source: author's own elaboration





Build a stronger platform for mainstreaming GLI

- **Recommendation 1: Address data and transparency barriers.** Without data it is hard to understand how the field is evolving and to take action. Individual players need to be better at collecting sex-disaggregated data, and public bodies, regulators and intermediaries such as stock markets, have a role in incentivizing data collection. There could be a regional observatory to collect aggregate data on key GLI metrics and more LAC countries could follow the example of countries which mandate financial institutions and corporates to provide key gender metrics. Rating agencies can also help to build stronger regional datasets.

- *Financial institutions can lead initiatives through the banking associations, to agree on industry-level indicators, as is the case of the IDB Invest WeCode pilot in the Dominican Republic.*
- *Public sector to sponsor initiatives to support data collection from financial institutions;*
- *Regulators, stock-markets and rating agencies work together to bring greater transparency, credibility and depth to corporate gender metrics;*
- *GLI VC/PE investors to be more transparent about their own gender metrics and collect better data from portfolio companies.*

- **Recommendation 2: Align on key criteria for gender lens and dissemination of tools/ knowledge of how to implement it,**

- *Corporates, financial institutions and investors: adhere to global standards, initiatives and certifications related to gender lens for different types of actors (2X Criteria, Women Empowerment Principles,*

certifications or rankings for corporates such as EDGE and Equipares);

- *Public sector / DFIs / field builders: ensure up-to-date research, case studies and practical regional-specific tools for key players and support dissemination into different countries, particularly those less progressed on the GLI journey;*

- **Recommendation 3: Encourage the development and design of GLI products and services to better meet women's needs and respond to the specific market failures and barriers facing women.**

- *Investors, financial institutions, public sector, DFIs, field builders: ensure gender-intelligent product design and incorporation of women's needs and voices in the growth of GLI products;*



Broaden and diversify the GLI movement

- **Recommendation 4: Move beyond gender considerations to gender and diversity.**

Globally the trend is for gender to be an entry point into a diversity lens that includes not only biological sex, but also race, ethnicity, religion, disability, income, sexual orientation, gender identity and cognitive diversity. Globally in both public and private markets more fund managers are employing multiple diversity lens, but in general across LAC there is a lack of engagement with the broader theme of diversity and inclusion. The work of the Brazil stock exchange and the new gender, equality, diversity and inclusion fund (IDB Invest, Global Affairs Canada and Blue Orchard) offer examples of action on this topic.

- *Corporates, investors, public sector, DFIs, field builders: move beyond collecting sex-*



disaggregated data to also collect broader diversity data, where possible. Offer more practical tools, guidance and case studies to support the integration of a diversity lens beyond gender. Move the conversation from gender to diversity and inclusion within corporates.

- **Recommendation 5: Ensure GLI movement is inclusive of men.** As many top management positions of corporates and financial institutions in LAC are traditionally occupied by men, efforts needed to move the needle on gender equality require men to play an active role. A significant proportion of men are willing and ready to take such a role¹⁸², and need to find an environment that is welcoming and considers them as crucial allies, illustrating that gender lens investing is for everyone, male and female.

- *Field builders:* actively recruit men to become involved and champions of gender lens investing and disseminate case studies of senior male leaders working to promote and advance GLI in the region.

- **Recommendation 6: Strengthen the regional ecosystem.** The development of GLI across the region is somewhat uneven, with some countries lagging behind both in terms of awareness and action. An LAC region-wide perspective is needed, to further educate investors and key actors on GLI, supported by philanthropic capital to bolster regional field-builders as well as those advancing GLI in countries with less mature finance ecosystems.

- *Field builders, philanthropists and DFIs:* monitor GLI at an individual country and

a region-wide level, ensuring individual country ecosystems are supported to become more mature and cohesive, and that those lagging can catch up to the regional best practices.



Ensure development impact of GLI

- **Recommendation 7: improve impact reporting related to GLI's social and environmental impact.** Best practices are emerging to capture more granular and specific data on how GLI can transform the lives of women on the ground, from women entrepreneurs to their families and communities. Digital data is providing increased possibilities to obtain gender outcome data. It cannot be assumed that GLI inherently tackles gender inequalities. More resources (financial and human) need to be invested to determine which intervention and GLI strategies yield which types of development impacts.
 - Tie sex-disaggregated data to business performance indicators: so that sex-disaggregated data can inform and influence business decisions, and not be limited to “sustainability” reporting¹⁸³,
 - Field builders provide guidance and best practice examples of GLI impact reporting and investors prioritize and invest in good impact data.
- **Recommendation 8: encourage a greater focus on GLI related to supply/value chains** to unlock broader impact for underserved women in LAC. Moving beyond the gender lens of access to capital for women entrepreneurs,

¹⁸² <https://idbinvest.org/en/blog/gender/role-men-gender-equity-and-inclusion>, accessed November 2023.

¹⁸³ <https://idbinvest.org/en/publications/women-rising-study-growing-financial-power-womens-market-lac-and-what-means-financial> p. 10.



to focusing on gender lens in supply chains including under-served groups of women offers the potential for outsized development impacts.

- *Philanthropists, DFIs and impact investors:* continue to be creative and find ways to use catalytic capital to better reach under-served women and create deep development impacts.



Catalyze cultural and institutional change

- **Recommendation 9: Focus on the key lever of strengthening women in leadership:** the key systemic lever to catalyze GLI in the region, as well as stronger gender impacts, is for women to take the helm in more public and private institutions. Women investors and managers are evidenced to take gender more into account in decision-making. For women to hold more leadership positions a raft of cultural barriers will need to be overcome, and more policies in place to encourage women into such leadership positions.

- **Recommendation 10: Address institutional / cultural barriers:** we have heard through the interviews that there are still cultural barriers affecting women and girls, particularly when it comes to entrepreneurship and employment. There are discriminatory laws and policies, unequal power imbalances and decision-making and lack of gender-responsive institutions and governance.¹⁸⁴ Interventions must understand how socio-cultural contexts, including social norms and beliefs, influence women's capacity to use resources and opportunities to enhance their power, voice and advancement.¹⁸⁵ The need for a focus on STEM and early education has also been clearly articulated and must be at the forefront of a long-term GLI strategy as well as specific programs such as outreach university programs for female entrepreneurship and finance including soft skills/pitching training.
 - *Public sector:* focus on policies and programs to deal with longer-term institutional and cultural barriers, starting with girls' education, with particular sensitivity to the need for more women in STEM careers.

¹⁸⁴ Promoting Gender Equality Through Performance-Based Financial Incentives: An Analysis of IDB Invest's Experience, 2023.

¹⁸⁵ DEG/OEEB, Research Study on the Transformative Impact of Gender Lens Investing, Final Report, 2021.



Appendix 1**List of Interviews Conducted for the Study**

Org	Theme / actor	Geography (Headquarters)	Interviewees
Pro Mujer	Microfinances, GLI in general	Bolivia, Arg, Mx, Nic, Guatemala, LAC	Carmen Correa
BIVA Mexico	Stock markets	Mexico	Guillermo Zevada
Capria / Women Investing (WeInvest)	Female entrepreneurship; Women investors	LAC	Susana García Robles
Microwd	Crowdfunding / Fintech	Spain, Peru, Nic, Mx,CR	Alejandro de Leon
NESsT	Private market fund	LAC	Nicole Etchart
Amplifica Capital	Private market fund	MX, LAC	Andrea Ojeda
Value for Women	Umbrella	LAC	Luis Marquez
EWA Capital	Private market fund	LAC	Patricia Sainz
Alphamundi	Private markets fund		Estefania Abello & Trisha Mani
Fundación WWB	Microfinance, private markets fund, women's support	Colombia	Daniela Konietzko
ALIVE Ventures (Acumen)	Private market fund	Colombia, LAC	María Pía Morante
Deetken Impact	Private market fund	Canada, LAC	Magali Lamyin, Managing Partner
Blue Orchard Finance	Private market fund	LAC	
EcoEnterprises Fund	Private market fund	Costa Rica	
2x Global	Umbrella	Global	Marijn Wiersma
NXTP Labs / We-Invest	Private market fund, Women Investors	MX, LAC	Marta Cruz
Linked Foundation	Philanthropic capital	US, LAC focus	Nancy Swanson
Aequales / Ranking Par	Rating agency	Colombia	Mia Perdomo, CEO
Dalus Capital	Private market fund	MX, LAC	Juanita González (Investor Relations)
Elevar Equity	Private market fund	Brazil	Johanna Posada
Fundación Microfinanzas BBVA (FMBBVA)	Microfinance / Philanthropic Capital	LAC	Laura Fernández



Org	Theme / actor	Geography (Headquarters)	Interviewees
Financial Alliance for Women	Bank/umbrella	Global (135+) - Col, Arg, Bz, Ec, Par, Bol	Inez Murray, CEO
Sourcing2Equal Program Lead, IFC's Gender and Economic Inclusion Group	Value chains	LAC	Anna Domingo
Instituto de la Mujer y Empresa (IME Bolivia)	Women's support organizations	Bolivia	Verónica Agreda, Founder/CEO
MCE Social Capital	Private market fund	Global	Camilla Nestor, Jimena Quiroz
Latinex	Stock market	Panama	Olga Cantillo, CEO
IFC	DFI	Global	Jose F. Etchegoyen
Viwala	Private market fund	LAC	Karla Gallardo, CEO
Impaqto	Accelerator / Private market fund	Ecuador	Daniela Peralvo, Co-Founder and Co-CEO



Appendix 2

LAC PE/VC Gender Lens Investment Fund Managers (included in 2021 detailed market scan¹⁸⁶)

Fund Manager	Firm HQ Location	Fund Name	Fund Size (Targeted)	Asset Class	Investment Vehicle	Quantified Gender Mandate	% in investment committee that identifies as female	% partners, principals or other executives that identify as female
Accion Venture Lab	Washington, DC, United States	Accion Venture Lab, LP Fund II	\$65,000,000	Equity	Venture Capital	No	40%	100%
ALIVE Ventures	Bogota, Colombia	Acumen Latam Early Growth Fund (ALEG)	\$27,650,000	Equity	Venture Capital	Yes	20%	33%
		ALIVE Early Growth Fund 2 LP ("ALEG 2")	\$80,000,000	Equity	Venture Capital	Yes	40%	33%
AiiM Partners	Palo Alto, CA, United States	AiiM Partners Fund I	\$250,000,000	Equity	Venture Capital	Yes	50%	60%
		AiiM Partners Fund II		Equity	Venture Capital	Yes	50%	67%
AlphaMundi Group	Geneva, Switzerland	SocialAlpha – Bastion	\$50,000,000	Straight Debt, Other	Debt, Evergreen / Holding Company	Yes	25%	50%
Alterna - Catalyzer	Guatemala City, Guatemala	Catalyzer Acceso		Revenue Participation Loans, Debt and Equity	Debt, Evergreen / Holding Company	Yes	50%	50%
Amboy Street Ventures	Jackson, WY, United States	Amboy Street Ventures		Equity	Venture Capital	Yes	25%	50%
Amplifica Capital	Wilmington, DE, United States	Amplifica Fund I	\$10,000,000	Equity, Other	Venture Capital	Yes	100%	100%
Andes Impact Partners	Lima, Peru	Andes Plus Fund I (APF-I)	\$50,000,000	Private Equity	Straight debt/other	Yes	40%	33%
EcoEnterprises Fund	San José, Costa Rica	EcoEnterprises Partners III, LP	\$100,000,000	Debt, Private Equity	Debt and equity	Yes	33%	100%
Emerald Peak Impact	Panama City, Panama	Emerald Peak Latin America Impact Fund	\$150,000,000	Private Equity	Equity	Yes	50%	50%
		Sierra PCV		Private Equity	Equity	No	50%	50%
EWA Capital	Bogota, Colombia	EWA II	\$20,000,000	Venture Capital	Equity/ Other	Yes	40%	100%



Appendix 2

LAC PE/VC Gender Lens Investment Fund Managers (included in 2021 detailed market scan¹⁸⁶)

Fund Manager	Firm HQ Location	Fund Name	Fund Size (Targeted)	Asset Class	Investment Vehicle	Quantified Gender Mandate	% in investment committee that identifies as female	% partners, principals or other executives that identify as female
Global Partnerships	Seattle, WA, United States	Global Partnerships Social Investment Fund 5.0, LLC. Global Partnerships Social Investment Fund 6.0, LLC. Global Partnerships Impact-First Development Fund, LLC.		Debt	Straight Debt	No	14%	60%
International Planned Parenthood Federation	New York, NY, United States	The Feminist Impact Fund	\$4,000,000		Straight Debt, Other	Yes	75%	100%
Mercy Corps Ventures	Portland, OR, United States	Mercy Corps Development Holdings, LLC		Equity	Evergreen / Holding Company	No	40%	20%
NESst	El Cerrito, CA, United States	The NESst Fund	\$15,000,000	Straight Debt, Revenue Participation Loans	Debt	Yes	50%	0%
Opes-LCEF	Milan, Italy	Opes-LCEF		Debt and Equity	Evergreen / Holding Company	No	50%	100%
Pomona Impact	Antigua, Guatemala	Pomona Impact Pilot Fund Pomona Impact Fund II	\$2,000,000 \$30,000,000	Equity, Revenue Participation Loans, Debt and Equity		No	33%	0%
Quona Capital	Washington, DC, United States	Accion Frontier Inclusion Fund Accion Quona Inclusion Fund		Equity	Venture Capital	No	20%	14%
Root Capital	Cambridge, MA, United States	Root Capital	\$70,000,000	Straight debt	Debt	Yes	42%	40%
SEAF	Washington, DC, United States	SEAF Caribbean Sea Resilience Fund		Equity / Revenue	Private Equity	No	40%	14%
Vilcap Investments	San Francisco, CA, United States	Vilcap Investments		Equity, Revenue Participation Loans, Debt and Equity	Venture Capital, Debt	No	75%	50%

¹⁸⁶ S. Biegel, M. Brown, S. Hunt, *Project Sage 4.0, Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens*, 2021.



Acronyms

- ANDE** *Aspen Network of Development Entrepreneurs*
- AGEI** *ANDE'S Gender Equality Initiative*
- AUM** *Assets Under Management*
- DFI** *Development Finance Institutions*
- EDGE** *Economic Dividends for Gender Equality*
- ESG** *Environmental, Social and Governance*
- ETF** *Exchange Traded Fund*
- ETN** *Exchange Traded Note*
- GBA** *Global Banking Alliance for Women*
- GDP** *Gross Domestic Product*
- GIIN** *Global Impact Investing Network*
- GLI** *Gender Lens Investing*
- ICT** *Information and Communication Technologies*
- IDB** *Inter-American Development Bank*
- IDB Invest** *The private sector arm of the Inter-American Development Bank Group*
- IDB Lab** *The innovation and venture capital arm of the Inter-American Development Bank Group*
- IFC** *International Finance Corporation*
- ILO** *International Labour Organization*
- IPG** *Public-private collaborations*
- JEDI** *Justice, Equity, Diversity, and Inclusion*



LAC	<i>Latin America and the Caribbean</i>
Latimpacto	<i>The Latin American community of philanthropists and social investors</i>
LAVCA	<i>The Association for Private Capital Investment in Latin America</i>
LP	<i>Limited partnership</i>
MDB	<i>Multilateral Development Bank</i>
MFI	<i>Microfinance Institutions</i>
NGO	<i>Non-Governmental Organization</i>
PE	<i>Private Equity</i>
SDGS	<i>Sustainable Development Goals</i>
MSME	<i>Micro, Small and Medium Enterprise</i>
SC	<i>Seed Capital</i>
SME	<i>Small and Medium Enterprise</i>
STEM	<i>Science, Technology, Engineering, Mathematics</i>
UN	<i>United Nations</i>
UNDP	<i>United Nations Development Programme</i>
US	<i>United States</i>
VC	<i>Venture Capital</i>
WCD	<i>Women Corporate Directors</i>
WEF	<i>World Economic Forum</i>
WEP	<i>Women's Empowerment Principles</i>
WSME	<i>Women-owned Small and Medium Enterprise</i>



Bibliography

- Abouzahr, et al. (2018).** “Why Women-Owned Startups are a Better Bet.” June 6. Retrieved from **TechCrunch**.
- Alive Ventures, Value for Women (2023).** *The Potential of Hrtechs and Edtechs for Promoting Women’s Professional Education and Employment.*
- Baker, Oueda (2022).** “The Role of Men in Gender Equity and Inclusion.” Retrieved from **IDB Invest**, accessed November 2023.
- Chemonics, Kois (2021)** *Blended Finance for Gender Lens Investing*
- CDC, IFC (2020),** *Private equity and Value Creation. A Fund Manager’s Guide to Gender Smart Investing.*
- Cicchiello, A.F.F., & Kazemikhasragh, A. (2022).** “Tackling Gender Bias in Equity Crowdfunding: An Exploratory Study of Investment Behaviors of Latin American Investors.” *European Business Review*, Vol. 34.
- Criterion Institute (2015).** *The State of the Field of Gender Lens Investing.*
- DEG/OEEB (2021).** *Research Study on the Transformative Impact of Gender Lens Investing. Final Report.*
- Deloitte (2022).** *Progress at a Snail’s Pace: Women in the Boardroom - A Global Perspective, Seventh Edition.*
- European Investment Bank (2020).** *Funding Women Entrepreneurs: How to Empower Growth.*
- Equileap (2023).** *Gender Equality Global Report and Ranking.*
- Equileap (2023).** *Gender Equality Global Report and Ranking, 2023 Addition.*
- ESADE, IDB Invest (2019).** *Gender Lens Investing: How Finance Can Accelerate Gender Equality in Latin America and the Caribbean.*
- Finnovista, IDB, IDB Invest (2022).** *Fintech in Latin America and the Caribbean: A Consolidated Ecosystem for Recovery.*
- Fundación BBVA Microfinanzas (2023).** *Empoderamiento de la Mujer, Informe de Desempeño Social 2023.*



- Fundación BBVA Microfinanzas (2022).** *Cerrando Brechas, Creando Oportunidades, Informe de Desempeño Social 2022.*
- Global Entrepreneurship Monitor (2022).** *GEM 2021/22 Women's Entrepreneurship Report.*
- IDB (2021).** *Una Olimpiada Desigual: La Equidad de Género en las Empresas Latinoamericanas y del Caribe.*
- IDB (2023).** *Iniciativas de Paridad de Género en América Latina y el Caribe, 2016-2022.*
- IDB, Finance in Common, UN Women (2023).** *Financing Programs for Women's Financial Inclusion and Access to Finance for Women MSMEs.*
- IDB Invest (2019).** *Gender Lens Investing: How Finance Can Accelerate Gender Equality in Latin America and the Caribbean.*
- IDB Invest (2023).** *Promoting Gender Equality Through Performance-Based Financial Incentives: An Analysis of IDB Invest's Experience.*
- IDB Invest (2023).** *Women Rising: A Study of the Growing Financial Power of the Women's Market in LAC, and What This Means for Financial Institutions.*
- IFC (2019).** *Moving Toward Gender Balance in Private Equity and Venture Capital.*
- IFC, ICMA, UN Women (2021). *Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality*
- ILO (2022).** *América Latina y Caribe: Políticas de Igualdad de Género y Mercado de Trabajo Durante la Pandemia.*
- Investors for Equality (2021).** *Catalyzing Equality: How Venture Capital, Private Equity Fund Managers, and Impact Investors Are Applying a Gender Lens in Latin America and the Caribbean.*
- J-Pal (2023).** *Microcredit: Impacts and Promising Innovations.* May 2023.



- KIVA, USAID (2021).** *Gender Lens Investing Landscape: Gaps, Challenges, and Opportunities in Financial Inclusion for Women.*
- Luxembourg Stock Exchange (2023).** *Linking Gender and Finance: An Overview of the Gender-Focused Bond Market.*
- McKinsey (2020).** *Diversity Wins: How Inclusion Matters.*
- McKinsey Global Institute (2015).** *The Power of Parity.*
- Ministry of Finance, Government of Chile (2023).** *Chile's Sustainability Linked Bond Framework.*
- MSCI (2015).** *Women on Boards: Global Trends in Gender Diversity on Corporate Boards.*
- ONU Mujeres (2019).** *Inversión con Impacto de Género en la Región de América Latina y el Caribe: Estado de Situación, Iniciativas y Prácticas Innovadoras.*
- Parallele Finance (2024).** "Gender Lens Investing Q1 2024." Retrieved from Parallele Finance.
- S. Biegel, M. Brown, S. Hunt (2021).** *Project Sage 4.0: Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens.*
- S. Biegel, S. Hunt, S. Kuhlman (2017).** *Project Sage: Tracking Venture Capital with a Gender Lens.*
- S. Biegel, S. Hunt, S. Kuhlman (2019).** *Project Sage 2.0: Tracking Venture Capital with a Gender Lens.*
- S. Biegel, S. Hunt (2020).** *Project Sage 3.0: Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens.*
- Sustainable Stock Exchanges / IFC (2022).** *How Exchanges Can Advance Gender Equality.*
- UBS, Latimpacto (2023).** *Familias Latinoamericanas con Visión de Impacto.*
- UN Women (2017).** *The Power of Procurement: How to Source from Women-Owned Businesses.*



Value for Women, Root Capital, Ande, IDRC (2021). *Building the Capacity for Small and Growing Businesses to Improve the Climate Resilience of Women Farmers.*

WeConnect International (2017). *The Business Case for Global Supplier Diversity and Inclusion.*

World Council of Credit Unions (2021). *Statistical Report 2021.*

World Economic Forum (2023). *Gender Gap Report.*

Zainuddin, Mohammad, Yasin, Ida Md. (2020). "Are Women Better Borrowers in Microfinance? A Global Analysis." *The Empirical Economics Letters*, July 2020.

2X Global, Sagana, Project Catalyst (2024). *Tracking Gender Lens Investing Activity in Private Markets.*

Financial Alliance for Women (2020). *How Fintechs Can Profit from the Multi-Trillion Dollar Female Economy.*

Global Banking Alliance for Women (n.d.). "Banco BHD León, Gender Intelligent Business Model Propels Strong Women's Market Growth."

J-Pal (2023). "Microcredit: Impacts and Promising Innovations." May 2023.

Suzanne Biegel (2023). "Using Your Power as an Investor to Help Companies Do Better on Gender." Retrieved from [Medium](<https://suzanne-biegel.medium.com/using-your-power-as-an-invest>)



