

## GLI in Action: Driving gender lens investing in emerging market funds and SMEs



TETRA TECH



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## GLI in Action: Driving gender lens investing in emerging market investment funds and SMEs

### 1. OBJECTIVE AND BACKGROUND

Phase 1 of the Dutch Good Growth Fund (DGGF) Capacity Development Program was designed to strengthen the adoption and integration of gender lens investing (GLI) across DGGF's portfolio of fund managers and small and medium-sized enterprises (SMEs).

This Technical Assistance (TA) initiative, implemented by DGGF in partnership with Tetra Tech and Value for Women, enhances DGGF partners' GLI capacity by adopting gender forward strategies and approaches while enabling them to engage their portfolio companies on gender inclusion. In the first phase, our targeted TA to 15 selected funds included a comprehensive in-person bootcamp and six months of sustained coaching to help them integrate gender-inclusive practices into their operations and portfolio management.



Individualized coaching and technical assistance for interested investees based on their unique starting points



GLI bootcamp and learning community for awareness raising, learning and peer sharing



Ultimately, we aim to **help DGGF allocate at least 28% of its portfolio to women-led organizations by 2029, a target it set with the Netherlands' Ministry of Foreign Affairs.**

This report is intended for fund managers and other development finance institutions interested in understanding how GLI TA can help them achieve their GLI objectives and advance the objective of increasing capital allocation to women-led SMEs operating in emerging markets. It presents the key findings and outcomes from the first phase of the program. Additionally, we share valuable lessons from 15 DGGF fund managers on actionable strategies to integrate a gender lens into the investment process.

## 2. IMPACT AT A GLANCE

### Capital mobilization and policy integration

**\$50 million+** in assets under management held by Ugandan and Peruvian funds now aligned with gender lens investing practices

**4** funds with embedded 2X-aligned gender strategies; as many as **80%** of the firms they support now meet 2X Criteria

**31** investment professionals from 20 funds trained to integrate gender into investment decision-making

### Capacity building outputs

<b>44</b> fund managers and financial institutions trained in gender lens investing principles	<b>20</b> Venture capital and private equity fund managers attended in-person bootcamps in Amsterdam and Nairobi	<b>22</b> fund managers completed training on gender-based violence and harassment
<b>15</b> fund managers received tailored gender-lens technical assistance	<b>39</b> portfolio companies received support to adopt gender-forward business strategies	

### Results



**GLI formalization**



**Enhanced capacity**



**Leadership diversification**



**Overall increased GLI awareness**



**Workplace inclusivity**

See key program outcomes (section 5) starting on the following page for more details.

### GLI drives sustainable gender-forward investments

- Globally, 78% of gender lens funds report that their strategies help attract limited partners.\*
- Companies with strong gender diversity achieve 18.1% return on sales, 3.9% return on assets, and 8.6% return on equity.\*
- Investment firms that employ more women, engage women-led businesses, and target women customers report greater financial resilience and profitability.\*

### Creating more opportunities for women entrepreneurs

- A Ugandan fund increased funding to women-led businesses by 19% and published a public GLI commitment.
- A Peruvian fund conducted an end-to-end review of its investment process to mitigate unconscious bias.
- A Singaporean fund refined its evaluation processes to drive gender-inclusive investment decisions.
- A fund based in the West Bank expanded its portfolio pipeline to prioritize women in leadership and technical roles.

### Women in investment decision-making

- A fund in Uganda added a woman junior partner to its leadership team.
- A fund in Peru promoted a woman vice president to partner level.
- A fund in Georgia appointed its female COO as managing director, making it a women-led firm.
- A fund in Ethiopia achieved 47% gender diversity in its workforce, positioning more women for leadership roles.

\*Sources: Project Catalyst 2024, Calvert Impact Capital 2023.



### 3. OUR THEORY OF CHANGE

SMEs, especially those led by women and members of minority groups, drive innovation and job creation but can face major barriers to growth-stage financing, often falling into the “missing middle,” lacking convincing propositions for mainstream investors, often due to a combination of their small size and high risk. While some progress has been made through initiatives like 2X, many funds and SMEs are only beginning to apply GLI strategies.

DGGF’s GLI TA facility aims to strengthen GLI practices and improve access to capital for women-led and gender-inclusive SMEs through targeted diagnostics, capacity building, and advisory services.

#### DGGF portfolio participating in the program

From a total of 50 fund managers currently active in DGGF’s portfolio, 40 have taken part in TA activities provided by this facility, including GLI awareness sessions, bootcamps, webinars, peer-learning events, and tailored TA services. Most participants were women interested or involved in the fund manager’s GLI initiatives; nonetheless, men made up 35% of participants across all TA activities.

Fifteen funds received dedicated TA—they developed actionable gender plans, adopted workplace policies such as gender-based violence and harassment (GBVH) prevention and response, and implemented practices supporting gender equity.

### 4. METHODOLOGY

The GLI TA program is implemented using a five-step approach: Inception and Design, Outreach and Assessment, Training and Coaching, Evaluation and Learning, and Final Evaluation Report. Drawing on Tetra Tech’s and Value for Women’s experience, we assess participants’ current GLI practices and tailor support to fund managers and their portfolio companies. Through customized modules, workshops, tools, and coaching, the program

ensures all participants can strengthen their GLI practices and drive meaningful impact, regardless of their starting point.

### 5. KEY PROGRAM OUTCOMES

By monitoring participants and evaluating program outcomes, we observed meaningful improvements in both the organizational and operational practices of participating fund managers, indicating significant progress in institutionalizing GLI and integrating it with intention. While these changes are partly attributable to the TA provided, we recognize that fund managers operate within a broader ecosystem beyond this program. Therefore, we interpret these developments within the larger context of ongoing systemic changes in the GLI field.

#### Progress toward improved GLI integration



##### GLI formalization

Funds engaged with the TA facility in one of two ways: Level 1 funds focused on strengthening internal GLI practices before extending improvements to their portfolios, while Level 2 funds, having already established GLI foundations, advanced more quickly to portfolio-level implementation. Both groups showed progress on establishing or improving foundational policies and internal training on GLI, and coaching sessions helped them embed these practices throughout their organizations and apply GLI principles across their portfolios.

##### A Level 2 fund’s experience:

*“The GLI roadmap helped us move from theory to practice, with tools like a gender-integrated [environmental and social management system], a template for a GBVH prevention and response policy with specific guidelines on how to create adopt our own, definitions and who to train with practical checklists for what makes a good policy, and an org assessment of gender equality with more specific questions on practices.”*



### *Leadership diversification*

Participating fund managers also reported progress in advancing women to senior positions, adopting gender-focused internal policies, and incrementally increasing board diversity.



### *Workplace inclusivity*

Participant funds reported that introducing policies such as paid leave, flexible work arrangements, and wage equity initiatives created more supportive workplace environments, helping improve talent retention and broaden gender inclusion throughout the sector.



### *Enhanced capacity*

Participating funds benefited from tailored training modules addressing unconscious bias, gender strategy development, and the effective application of gender metrics.



### *Overall increased GLI awareness*

After receiving TA, 85% of participants reported increased GLI awareness; the rest were already advanced GLI practitioners who contributed as peer presenters.

## **2X Criteria alignment**

Phase 1 has led to clear and multi-dimensional progress in embedding GLI at both institutional and portfolio levels. Most notably, representation of women within the workforce has emerged as the leading driver for 2X Criteria alignment across all funds that participated in this dedicated TA, closely followed by greater representation in leadership roles, including middle and senior management. Additionally, at the end of Phase 1, we observed that the pathways to alignment are context-dependent: Each fund builds on its unique internal landscape, regional realities, and existing structures, underscoring the need for adaptive and flexible TA models.



**2X Criteria: Ownership**

- Only one fund was majority-owned by women (51% or more) by the end of Phase 1.
- Most funds in the portfolio are still owned by men, reflecting market trends and the fact that ownership changes are rare within the assessment time frame.

**2X Criteria: Women in leadership and on boards**

- At the beginning of the program, women's representation in senior leadership positions was high, with 9 out of 14 funds meeting the 2X Criteria target (30% women). This shows that DGGF's due diligence and fund selection lean toward inclusive fund managers.
- At the end of Phase 1, with data from 9 funds, the same trend is true: Most funds align with the leadership criteria.

**2X Criteria: Women in the workforce**

- This was the strongest area for DGGF funds. At the beginning, 13 out of 14 funds met the workforce criterion (30–50% women employees, depending on the industry). At the end of Phase 1, 78% of reporting funds (7 out of 9) remained aligned.
- Some funds saw workforce gender balance drop below the threshold during this time (in one, representation fell from 33% to 25%).

**Progress and changes**

- Several funds improved board or leadership representation (for example, a fund in Ethiopia added a woman to its board).
- Other funds in Vietnam and Georgia saw incremental progress in leadership criteria.
- Some funds maintained alignment in one criterion but moved out of alignment in another due to internal shifts or external challenges.

**6. DRIVERS OF SUCCESS****Leadership commitment with distributed ownership**

GLI engagements were most impactful when senior leadership demonstrated not only interest but active participation. Establishing internal structures, like gender champions or task forces, ensured that GLI efforts extended beyond a single individual and were embedded institutionally.

**Clarity about where and how to act**

Fund managers responded best when GLI concepts were translated into concrete actions. Breaking down GLI opportunities across the investment life cycle, from sourcing to exit, enabled teams to integrate gender considerations into due diligence, portfolio management, and exit strategies.

**Cross-team engagement and peer learning**

Engaging diverse teams (e.g., investment, HR, and environmental, social, and governance [ESG] teams) and facilitating peer learning significantly strengthened buy-in. For instance, a Singaporean fund found that including both senior and junior investment staff in GLI training helped shift mindsets and embed gender considerations into deal assessments.

**Practical, ready-to-use tools**

Practical resources such as templates and checklists for gender-sensitive screening, GBVH-related policies, or employee life-cycle mapping helped funds move from theory to practice. Multiple funds in Ghana highlighted tools such as the 2X screening table, and simple, effective gender policy templates are already being used to guide internal practices and portfolio engagement.

### Well-timed integration with fund milestones

Gender actions were more likely to take hold when TA aligned with key fund events, such as new fund launches, ESG framework updates, or onboarding of portfolio companies. For example, an Egyptian fund integrated insights from the TA into the launch of its second fund by updating its ESG framework, incorporating 2X Criteria, and refining its impact measurement to include gender-disaggregated metrics beyond founders.

### Emerging priorities

- Sustained value was found in peer-to-peer learning and best-practice sharing, which will continue to be a strategic focus.
- The adaptability of 2X Criteria for measurement and the importance of qualitative metrics and interviews remain essential, as self-reported data and evolving sector standards require nuanced evaluation.

## 7. LESSONS LEARNED

### Common challenges

- All funds struggled with internal capacity and resource limitations, affecting the pace and depth of GLI integration.
- Funds engaged with the program at earlier stages of investment required ongoing foundational support and leadership engagement.
- Funds engaged with the program at later stages of investment demonstrated a growing need for tailored TA, especially for portfolio companies, alongside tools for advanced data collection and impact tracking.





## 8. CONCLUSIONS AND RECOMMENDATIONS

### Impact and progress with fund managers

#### *Formalization and intentionality*

The results show that TA has been critical to formalizing and integrating gender policies and practices within participating funds, ranging from revised ESG frameworks, E&S management systems, and impact management systems to reformed HR policies. This has not only institutionalized gender equality goals but has also fostered an intentional, organization-wide approach to GLI. As a result, funds are demonstrating more widespread gender-informed decision-making, periodic gender data analysis, and public commitments to gender-related objectives across the DGGF portfolio.

#### *Organizational culture*

Equally important is the observed shift in organizational culture: Fund managers now increasingly articulate the strategic value of gender equality, both as a driver for business growth and as a differentiator in external communications. This has led to expanded leadership commitment and more active sponsorship of GLI internally, accelerating the promotion of women to key decision-making and partner-level roles.

However, the journey is ongoing. There is a recognized and growing appetite among fund managers for continued, in-depth, and bespoke TA on this issue, particularly support that moves beyond templates and compliance to enable real-time problem-solving, scenario planning, and mobilization of best-in-class global resources.

#### *2X alignment*

Formalization, intentionality and cultural shifts influence 2X criteria compliance by facilitating funds' sustained alignment. The criteria is a useful tool for measurement and accountability that all funds have integrated into their measurement and reporting

systems. Based on base line and end of Phase 1 data, most of the fund's alignment and progress in leadership and workforce is an achievable goal. TA efforts support the formalization of these achievements into policies and policies for the sustained alignment with these goals.

### Impact and progress with portfolio company engagement through business development services

Learning cascades downstream: Portfolio companies supported by these funds have demonstrated measurable improvements in 2X Criteria alignment following targeted TA interventions. Progress is especially significant in women's representation at the leadership level, driven both by investor expectations and by tailored business development services (BDS) that spotlight gender-smart hiring, promotion, and workplace equity. Fund managers report that demand for GLI-focused BDS at the portfolio level is accelerating, a positive signal that companies value and are acting on gender insights as a pathway to resilience and innovation.

There is also a clear window of opportunity to deepen engagement with portfolio companies by providing practical guidance on compliance with the updated 2X Criteria in Phase 2, supporting strategies to strengthen gender diversity across functional areas, and continuing to refine TA offerings that are sensitive to the context, resources, and ambitions of each enterprise.



### DGGF's approach for continued TA provision

Building on these lessons and examples, the next phase of TA will implement a refined, modular approach that is both responsive and catalytic:

- **Contextualized engagement:** We will begin by mapping the unique GLI maturity, needs, and business cases for each fund and their portfolio companies, ensuring that interventions are tailored and relevant. This diagnostic phase will blend quantitative data from the gender-smart nexus survey with qualitative consultations conducted annually with all participating funds.
- **Modular, co-designed interventions:** In Phase 2, partners will co-create their own flexible TA packages, designing scopes from a menu of deep assistance options. This will allow us to balance global standards with on-the-ground realities such as team size, sector, available data, and existing gender initiatives. TA will emphasize co-design with both fund and portfolio leadership, linking support to gender indicators and investment covenants.
- **Integration of international best practice and open-source tools:** Updated 2X Criteria and the Women's Empowerment Principles will remain cornerstones of our work. In addition, we will leverage best practices and tools for climate and impact measurement to continue integrating gender equality into the investment process while expanding to include climate as well.
- **Hybrid engagement model:** Phase 2 will blend virtual and in-person service delivery to ensure accessible, impactful, and efficient TA, including virtual peer learning opportunities and communities of practice, so funds and companies can learn from the broader investment ecosystem's experience.
- **Emphasis on portfolio-level BDS:** We will intensify our focus on portfolio company engagement, dedicating more direct TA for BDS and deep-dive advisory on gender-inclusive business models. This will help companies sustain change beyond compliance and translate it into tangible operational and financial outcomes.
- **Commitment to continuous improvement and transparency:** Impact measurement, public communication of progress, and iterative recalibration with leading global standards will guide our process, enabling funds and their investees to model leadership in GLI within their markets and sectors.



## DGGF GLI Technical Assistance Program Participants

**SALKANTAY**  
VENTURES

**iungo** capital

صندوق ابتكار  
IBTIKAR FUND

INSITOR PARTNERS

**GAZELLE**  
FINANCE

**Wangara**  
Capital  
Partners

**Asia**  
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Builders

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**oasiscapital**  
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