

GENDER LENS INVESTING

IN SOUTHEAST ASIA



A Snapshot
of Progress in Indonesia,
the Philippines & Vietnam

March 2021



INVESTING IN WOMEN
SMART ECONOMICS
AN INITIATIVE OF THE AUSTRALIAN GOVERNMENT



About Investing in Women

Investing in Women (IW), an initiative of the Australian government, catalyses inclusive economic growth through women's economic empowerment in Southeast Asia. Investing in Women uses innovative approaches to improve women's economic participation as employees and as entrepreneurs in the Philippines, Indonesia, Vietnam, and Myanmar through:

- Workplace Gender Equality (WGE) – We support business coalitions that work with influential businesses on shifting workplace cultures, practices, and policy barriers to achieve WGE;
- Impact Investment for Women's SMEs – We partner with impact investors and ecosystem builders to expand market opportunities for women to incentivise and catalyse access to capital for small and medium enterprises (SMEs) to meet women's needs;
- Influencing Gender Norms – We work with partners to positively shift attitudes and practices to support women in the work world.

In collaboration with corporations and business leaders, impact investors, entrepreneurs and advocates, IW works with those who are driving change for women's economic equality in our region.

About Value for Women

Value for Women (VfW) is a women-led global social enterprise that works closely with partners to design and implement research, technical assistance programmes, evaluations, tools, and blended capacity-building initiatives in Asia, Africa, and Latin America focused on impact investing and the small and medium enterprise (SME) space. VfW helps organisations to advance gender inclusion.

VfW believes that women are key drivers of economic and social growth and that women's inclusion is essential for better business outcomes. VfW identifies and tests new solutions that foster inclusion while unlocking the powerful economic potential that women hold. Specifically, VfW supports investors seeking business and social returns in diverse sectors, such as finance, agriculture, and clean energy by providing research and technical advisory support.

This guide has been funded by Investing in Women, an initiative of the Australian government through the Department of Foreign Affairs and Trade, that stimulates inclusive economic growth through women's economic empowerment in Southeast Asia. The views expressed in this publication are the author's alone and are not necessarily the views of the Australian government.

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PREFACE

The Australian government is proud to support the growth of gender lens investing across Southeast Asia, as elsewhere in the Asia Pacific region. Through our flagship programme, ***Investing in Women***, we continue to support investors to expand access to capital for women's SMEs. This is especially vital through the protracted period of economic recovery from COVID-19. In this new world that prizes flexibility and adaptability, investing for gender outcomes offers important sources of economic dynamism, risk

mitigation, resiliency, and under-served opportunities in challenging market environments. As the field matures, we urge the entire financial community to consider new ways of doing business, strengthening efforts to rebuild for a more equal and just tomorrow.

This *Landscape Report* brings together recent publications on gender lens investing in the region and contributes new insights on industry practices, with a focus on activities in Indonesia, the Philippines, and Vietnam. The region offers a compelling business case for investing in gender outcomes, whether in public or private markets. The report offers key insights on industry trends and various entry points and how gender lens investing fits into investor calculations of risks and returns. We hope the report inspires more investors to join us in Southeast Asia.

If we care deeply about building back better and changing social behaviour to strengthen responses to future shocks, then investments for gender outcomes is integral to the way forward. In particular, investments in women-led businesses play a vital role in a rapid economic recovery. COVID-19 has created an opportunity to change the role of capital for broad-based and inclusive growth, especially to accelerate the progress towards gender parity in our lifetimes.



Ms. Julie-Ann Guivarra

Australia's Ambassador for Gender Equality
March 2021



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Interviewees

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The Philippines

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I. Why we wrote this report

While nascent in Southeast Asia, gender lens investing (or GLI) is on the rise. Several recent reports, including publications by the Sasakawa Peace Foundation, Wharton School Social Impact Initiative Project Sage 3.0, and Investing in Women with Intellectap, describe and quantify the expanding scope of gender lens investing in the region.

This report seeks to complement the growing body of GLI literature with further examples and fresh insights. Specifically, we aim to inspire private and public actors interested in GLI by shining a spotlight on investors and ecosystem actors who are applying gender lens practices, whether or not they call themselves gender lens investors. Presenting these local case studies offers the highest relevance to local investors and demonstrates that GLI approaches are appropriate and feasible in the region.

In addition, these illustrations provide highly relatable examples, tied to local contexts and realities and from which new entrants to gender lens investing can derive inspiration. Finally, the examples point to the gender and business impacts that result from the gender lens investing taking place already. Also, they suggest that scaling up and broadening these practices and investment approaches present exciting, high-impact opportunities for investors. We intend for this report to be of utmost value to impact and mission-driven asset and fund managers and development finance institutions, and of interest to donors, ecosystem builders, entrepreneurs, and the general public.

The report specifically delves into the emerging trends and insights in three countries, namely Indonesia, the Philippines, and Vietnam. These countries are leading the way for GLI investments in Southeast Asia and provide fascinating case studies for the broader region. This report includes insights generated through extensive interviews with more than 30 investors and ecosystem actors in the three countries, including both local and global actors making investments and supporting enterprises in these countries. We highlight investor motivations for pursuing gender lens investing, challenges faced, opportunities, and gender lens investing practices. This report follows and is the accompaniment to Value for Women's recent publication, *How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets*.¹

¹ Value for Women (2020). *How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets*. <https://v4w.org/resource/impact-investing-with-a-gender-lens-a-how-to-guide-for-investors/>

Report Structure

This publication seeks to bring together recent reports of GLI in Asia and Southeast Asia and to contribute new insights on GLI practices with a focus on activities taking place in Indonesia, the Philippines, and Vietnam. To this end, the report begins by providing an overview of the gender lens investing opportunity in the region and gender lens investing to date. This overview incorporates key insights from our interviews across the three countries. Following this regional landscape, we dive into GLI practices in the three countries, and emphasize rising GLI investors and their practices and motivations.

Definitions



Ecosystem actors: These refer to accelerators, incubators, and other organisations providing non-financial and/or complementary support to businesses and startups.



Gender-forward business: Business that is intentional in its approach to rectify gender inequality and apply one of the following lenses: product or service that specifically benefits women, business model that provides specific opportunities for women in the value chain, or provides quality employment to women beyond complying with labour laws.²



Global investors: This term refers to investors headquartered outside the country where they are investing. These investors may, for instance, have headquarters in Europe, Singapore, the United States, or elsewhere.



Impact investors: These are mission-driven investment firms, whether they are mission-first or finance-first, and independent of whether they self-describe as “impact investors”.



Local investors: These are investors headquartered in the country where they are investing. For example, a local investor in the Philippines would have headquarters in, operate in, and invest in the Philippines.



Private impact investors (PIIs): This term draws from the Intelicap report, in which Intelicap defines PIIs as including a range of investor types, including fund managers, family offices, foundations, banks, pension funds, and others that channel private capital into impact investments.³ Our focus in this report is on PIIs, and we use impact investors and private impact investors interchangeably.



Women-led business: This is a business that is majority owned by women, led by women, and/or has a significant portion of women on the board.⁴

² More detail on this definition and its usage is included in our recent publication: Value for Women (2020). How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets.

<https://v4w.org/resource/impact-investing-with-a-gender-lens-a-how-to-guide-for-investors/>

³ Intelicap (2020). The Advance of Impact Investing in Southeast Asia – 2020 Update.

⁴ There are differing definitions for women-led businesses. For the purposes of this report, we use the simple one in the text, allowing for the slightly different definitions that distinct investors use.

ACRONYMS

ADB: Asian Development Bank

ANDE: Aspen Network of Development Entrepreneurs

AVPN: Asian Venture Philanthropy Network

C4D: Capital 4 Development Partners

DFAT: Australia's Department of Foreign Affairs and Trade

DFC: Development Finance Corporation (U.S.)

DFI: Development Finance Institution

FSSI: Foundation for a Sustainable Society

GIIN: Global Impact Investing Network

IFC: International Finance Corporation

IIX: Impact Investment Exchange Asia

IW: Investing in Women

GLI: Gender Lens Investing

LP: Limited Partner

MAIN: Manila Angel Investors Network

MSME: Micro, Small, or Medium Enterprise

SME: Small and Medium Enterprise

W-GDP: Women's Global Development and Prosperity Fund

II. Definition of Gender Lens Investing

Gender lens investing is the deliberate incorporation of gender factors into investment analysis and decisions to improve social and business outcomes.⁵ VfW's recent How-To Guide for Investors provides more details and nuance.⁶

The Gender Lens Investing Framework encapsulates the definition outlined above into three entry points for investing firms:



Providing capital to women-led and gender-forward businesses



Applying a gender lens across the investment process



Advancing gender diversity in the investment firm

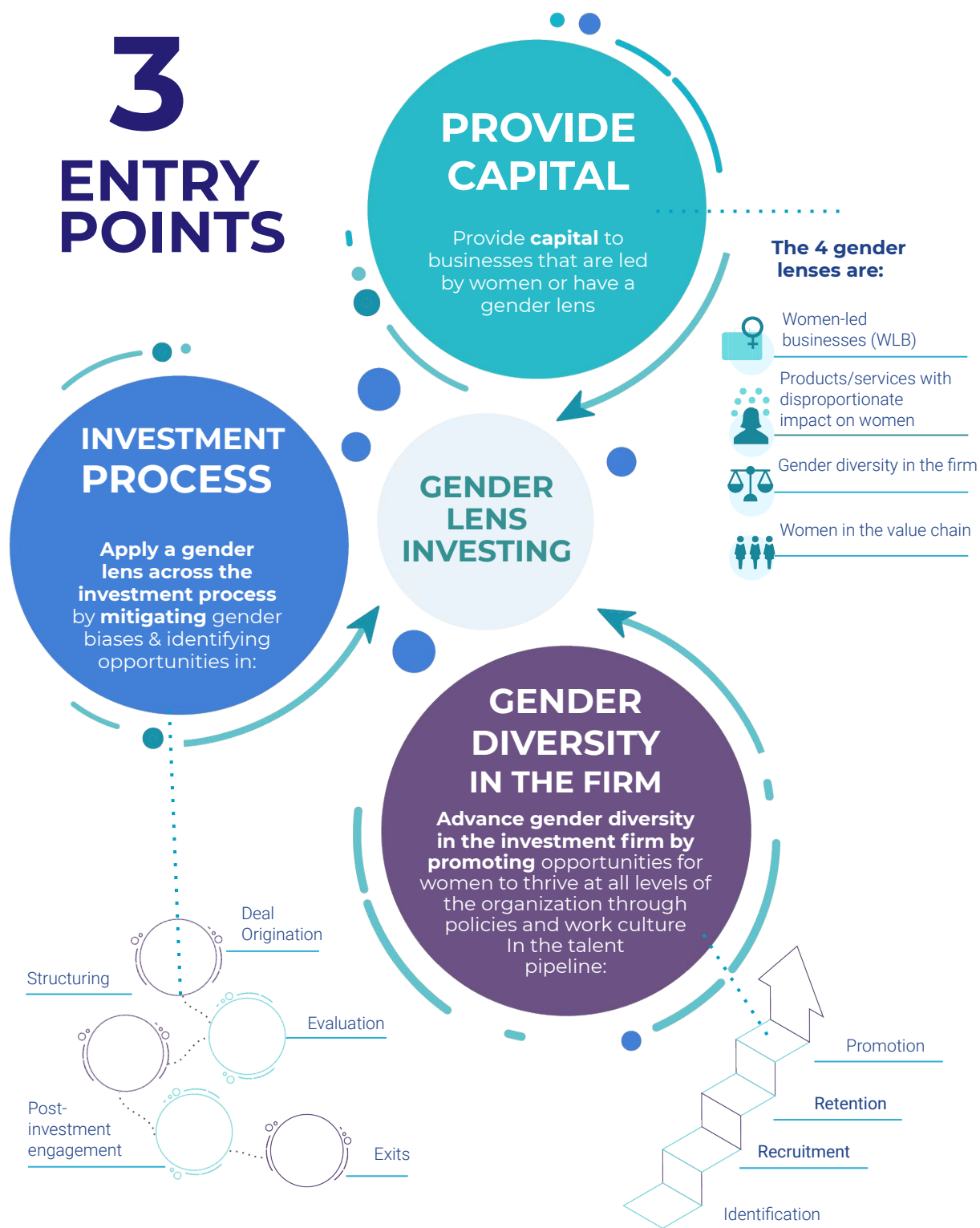
Because there is no “one-size-fits-all” approach, investors can use these actions as a reference and adopt all or a hybrid, depending on their starting points, motivations, and objectives. Further, investors can add more elements incrementally to steadily increase their gender inclusion practices and gender impacts.⁷

⁵ Developed by Value for Women based on the definition found in Anderson, J., Miles, K. (2015). The State of the Field of GLI. A Review and a Roadmap. Criterion Institute.

⁶ Value for Women (2020). How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets. <https://v4w.org/resource/impact-investing-with-a-gender-lens-a-how-to-guide-for-investors/>

⁷ Ibid.

The Gender Lens Investing Framework⁸



⁸ Ibid.



III. The Opportunity: Gender Lens Investing in Southeast Asia

With gender lens investing gaining traction globally, fund managers are increasingly recognizing that gender lens investing is smart investing. Mounting evidence demonstrates that capital allocation with a gender lens can increase financial returns.⁹ Investors applying a gender lens can, for instance, identify a larger pool of talented entrepreneurs, advance opportunities and innovations they missed before, and support companies in increasing market share by expanding women's access to products or services. In addition, gender lens investing can positively impact the lives of women and girls, helping to mitigate gender inequalities and to extend access to financing to women entrepreneurs historically excluded from investment.

Impact investors in Southeast Asia have a particularly compelling context in which to capitalize on the gender lens investing opportunity, given the large concentration of women entrepreneurs in the region and the substantial financing gap they face.¹⁰ Further, investors can support gender-forward businesses,¹¹ i.e., business intentionally supplying high-impact products and services to women and/or addressing workplace equity internally. This includes setting a capital allocation strategy of investing in these types of businesses, as well as engaging across all portfolio companies to move the needle on their workplace practices for them to become more gender-diverse, inclusive, and profitable.

⁹ For a summary of recent data supporting the GLI business case, please see pages 9-10 of our companion publication, [How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets](#). Robust data can also be found in the following publications, among others: International Finance Corporation (2019). *Moving Toward Gender Balance in Private Equity and Venture Capital*, and Kumbuli, N., Moran, L., Pryce, J. (2018). *Just Good Investing: Why Gender Matters to Your Portfolio and What You Can Do About It*. Calvert Impact Capital.

¹⁰ Please refer to pages 13-14 below for further details.

¹¹ Value for Women defines a "gender forward business" as one that:

- Strengthens inclusion and diversity across the value chain
- Supports gender diversity through internal policies and practices in the workforce
- Intentionally seeks to rectify gender inequalities by providing products and services that close gender gaps or meeting the needs of women and/or girls

Why are first-mover GLI investors pursuing a gender lens approach?

Our interviews with investors that practice GLI revealed high levels of enthusiasm for gender lens investing and highlighted opportunities for business and social impact. Below, we share the key motivations we heard:¹²

Women's empowerment leads to better social impact

Several investors shared that investing with a gender lens is high impact because of the positive spillover effects. These investors tended to cite research indicating that women are more likely than men to reinvest in their families and communities.

Specifically, they noted that women are more likely to spend money in ways that benefit their households – on nutrition, education, and health care, for example – leading to improved living standards.

Personal motivation among investor leadership

In several cases, investors spoke about their founders' strong convictions to reduce gender gaps. Many respondents, especially women, shared their personal

motivations to support women entrepreneurs, to redress inequalities, and to maximize impact for women.

"There is sometimes a perception in the region that women don't have leadership or entrepreneurial qualities. We try to address that head on with the gender lens we apply to our SME investing at the financial institution level and the SME level. We particularly see opportunities to advance women's participation in agricultural value chains."

– Diana Tjoeng, Good Return

¹² Although our research did not quantify which motivation took precedence, it is notable that a recent SPF report on angel investing networks in Southeast Asia found that the social impact motivation was a stronger motivator for investing actors relative to the commercial one. From Sasakawa Peace Foundation (2020). The Emergence of Angel Investing Networks in Southeast Asia. <https://www.spf.org/en/global-data/user47/AINvTWO.pdf>



“As a woman myself, I want to advance other women’s careers and help promote gender equality.... [For this reason] I’ve hosted multiple networking events focusing on women entrepreneurs as Community Director at DNES.”

– Nhi Nguyen, DNES

Gender diversity leads to higher return for investors

Increasingly, though still not common, impact investors are becoming more aware of global evidence demonstrating that gender diversity and women in leadership can drive higher profits. For instance, there is growing recognition that gender diverse companies generate better results.¹³ Several investors in the region, including SEAF and IIX, are prioritizing

demonstration of the business case by collecting and analysing performance data for women-led and inclusive portfolio companies. By collecting data to support the business case, these impact-focused investors create financial proof points that are likely to inspire finance-driven investors to take up gender lens investing going forward.

¹³ See, for instance: International Finance Corporation (2019). Moving Toward Gender Balance in Private Equity and Venture Capital, ILO (2019). Women in Business and Management: The Business Case for Change.



“A core mission of impact investing is to build a more inclusive system, especially for women, who remain deeply excluded from financial markets. This persistent gender inequality is due in part to a failure to measure impact in a way that is responsive and accountable to women. Women rarely have the chance to speak up about what impact matters to them and what positive impacts are occurring in their lives. That is why, at IIX, we’re doubling down on data and technology with IIX values to hear directly from the women impacted by investments. By systematically integrating women as primary stakeholders in the investment process, we’re creating robust, gender-disaggregated data that clearly shows investors the risk-return-impact profiles of their investments. Across multiple successful investments and over 400 impact assessments in 53 countries, IIX has shown that giving value to women and the underserved maximizes social impact, reduces risk, and improves financial return.”

– Professor Durreen Shahnaz,
Impact Investment Exchange (IIX)

Investors have an opportunity to finance the many women-led businesses in the region

Despite investors' widely held notions of a limited pipeline of women-led businesses, there is a preponderance of women-led businesses throughout the region. While not all these women-led businesses are investable, the financing gap between women and men, as described below, points to the market opportunity for increasing investment into women-led businesses.

Indonesian women are just as inclined as men to engage in entrepreneurship.

Women run more than half of SMEs in Indonesia, and the country is home to 22 million women entrepreneurs.¹⁴ According to a survey conducted by Mastercard in 2019, Indonesian women are as likely as men to start a business.¹⁵ Most women-led SMEs are in the sectors of agriculture and services, with a growing number in textile manufacturing.

There are more women-owned SMEs in the Philippines than men-owned SMEs. The proportion of women-owned SMEs (66 percent) is higher than men-owned SMEs in the Philippines. Since women entrepreneurs in the Philippines face structural barriers (i.e., limited access to financing, safety issues, family constraints, and lack of access to technology and relevant skills training), serving women entrepreneurs effectively requires support services alongside financing.¹⁶

Women run almost half of the SMEs in Vietnam, and these SMEs are of similar size to men's SMEs. Women own 49 percent of SMEs in Vietnam.¹⁷ An IFC 2017 report found that the average revenues of women- and men-led SMEs are comparable.¹⁸ Women who own SMEs in Vietnam tend to cite business and family balance, lack of successors, and access to finance as obstacles to doing business.¹⁹

Women-led businesses in the region are significantly under-financed and have more restricted access to finance than men. A study by Women's World Banking found staggering percentages of women's SMEs that were unserved, underserved, or not seeking credit (relying instead on informal credit): 82 percent in Indonesia, 80 percent in Vietnam, and 75 percent in the Philippines. These gaps in credit were attributed to a lack of necessary paperwork (such as financial statements), high transaction costs, limited collateral, onerous documentation requirements, and limited knowledge networks to learn about financing options.²⁰

¹⁴ World Bank (2016). Women Entrepreneurs in Indonesia: A Pathway to Increasing Shared Prosperity

¹⁵ Mastercard Biz (2019). Mastercard Index of Women Entrepreneurs 2019

¹⁶ Asia-Pacific Economic Cooperation (2014). Policy Partnership of Women and the Economy Strategic Plan 2015-2018

¹⁷ UNESCAP (2017). Fostering Women's Entrepreneurship in Asia: Transforming Prospects, Transforming Societies

¹⁸ IFC (2017). Women-Owned Enterprises in Vietnam: Perceptions and Potential

¹⁹ Asia Foundation (2018). Needs Assessment of Women Owned Small and Medium Sized Enterprises in Vietnam

²⁰ Women's World Banking (2015). [Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries.](#)

By financing women-led businesses, investors can address gender inequalities while earning returns. The financing gap for women-led MSMEs in East Asia totals USD \$2.3 trillion, with this gap equalling USD \$26.1 billion in Indonesia and Vietnam alone. Women entrepreneurs represent a strong investing opportunity, with recent data confirming that women generally show better repayment rates.²¹

“A recent study by the Financial Alliance for Women (which drew on data from 168 FinTechs and 30 investors) showed that the life-time value (LTV) of a customer is typically higher for women because women tend to be more loyal, have better repayment rates, and refer more customers. This shows once again the power of having gender-disaggregated data and then using that to inform business decisions.”

– Shuyin Tang, Patamar Capital



²¹ For an example, please see: IFC and USAID (2016). Women-Owned SMEs in Indonesia

There is an untapped opportunity for investors to support businesses in becoming more gender-diverse and gender-forward

While the number of women-led businesses in Southeast Asia continues to grow, men-led businesses can also be the target of gender lens investing. Specifically, investors have an opportunity to work across their portfolios, and to incentivize investees led by women and men alike to improve workplace diversity and to adopt practices that help women in their businesses to thrive, as means to improved business performance and gender equality.

By supporting companies to increase diversity, investors can help to positively impact business returns. Evidence from across the world demonstrates how gender diversity in the workplace improves business performance. Gender diverse firms in East Asia, for instance, demonstrated an 18 percent increase in the internal rate of return (IRR) relative to the median.²² Gender-balanced teams (defined as having a male-to-female ratio of between 40 percent and 60 percent) also boost business metrics such as employee engagement, brand awareness, and client retention.²³

Having more women in leadership also translates to better results. Calvert Impact Capital found that companies with the highest percentages of women in leadership positions achieved 18.1 percent Return on Sales, 3.9 percent Return on Assets, and 8.6 percent Return on Equity, compared to -1.09 percent, 0.3 percent, and 4.4 percent, respectively, for companies with fewer women in leadership positions.²⁴

²² International Finance Corporation (2019). Moving Toward Gender Balance in Private Equity and Venture Capital.

²³ See for example: Woolley, A. et al. (2010). Evidence from a Collective Intelligence Factor in the Performance of Human Groups. *Science* 330.6004 (2010): 686-688. Available at: <http://science.sciencemag.org/content/330/6004/686.long>. Sodexo (2018). Sodexo's Gender Balance Study 2018: Expanded Outcomes Over Five Years. Sodexo Operations, LLC. Available at: https://www.sodexo.com/files/live/sites/sdxcom-global/files/PDF/Media/2018_Gender-Balance-Study_EN.pdf.

²⁴ Kumbuli, N., Moran, L., Pryce, J. (2018). Just Good Investing: Why Gender Matters to Your Portfolio and What You Can Do About It. Calvert Impact Capital.

IV. What GLI looks like in Indonesia, the Philippines, and Vietnam

To date, the growth of gender lens investing in Southeast Asia has been modest, although recent reports point to accelerated growth in GLI activity.²⁵ For instance, while Intellectap's earlier report documented 33 GLI deals worth USD \$43.3 million in 2007 to 2016, their recent report identified 39 GLI deals worth USD \$350 million between 2017 and 2019. Development financial institutions played a large role with five particularly large GLI deals. However, the growth of activity by private impact investors is the more salient trend, with private impact investors responsible for 85 percent of the total number of deals.²⁶

Investors are becoming increasingly interested in gender lens investing, and a growing subset is beginning to apply certain practices. Given increased GLI interest and adoption, it's an opportune moment to document the progress and learnings to date and to promote further investing activity. This section maps at a high level the GLI activity and high-level trends in the region, as a backdrop to then explore in detail the GLI practices investors are using in Indonesia, the Philippines, and Vietnam.

Women's empowerment initiatives in the region advance gender equality alongside GLI

While gender lens investing has emerged in the region in the last decade (longer, if we include activity by microfinance institutions), many organisations (particularly nongovernmental organisations, cooperatives and cooperative networks, and local governments) have actively been promoting women's empowerment for decades. These initiatives are often under-appreciated in GLI landscape reports and in the general GLI discourse, as they do not fit the existing definitions and frameworks of gender lens investing. However, it is important to recognise and learn from the trailblazing work of these organisations because of the contributions they have made and continue to make to advance women's

economic inclusion and leadership, which gender lens investing can complement.

In the region, for instance, organisations such as the Asian Women in Cooperative Development Forum (AWCF) have promoted gender inclusion in cooperatives. In the Philippines, savings and loan cooperatives, and networks such as NATCCO, have been at the forefront of gender inclusion efforts, working with the Philippines Commission on Women to carry out training and spread awareness on gender-responsive budgeting, anti-sexual harassment laws and mechanisms, and to increase women's participation in cooperative assemblies and other leadership bodies.

²⁵ Intellectap (2020). The Advance of Impact Investing in Southeast Asia – 2020 Update.

²⁶ Ibid.

Currently, a handful of investors in Indonesia, the Philippines, and Vietnam practice gender lens investing formally. Yet, an increasing deal flow and interviews with investors point to a growing appetite to apply gender lens investing practices more widely. Indeed, we find that even among the small group of impact investors in each country, there is already an interesting and diverse set of GLI practices in use.

The recent landscape by Intellectap characterizes the size and state of impact investing and GLI investing in the three countries, based on documented recent GLI investments.²⁷ It records the quantity of explicit GLI investments made and the average sizes of these investments. These are shown below and demonstrate that explicit GLI activity is still fairly limited, although growing, as the country-level snapshots that follow explain in more detail. According to this report, GLI investments are heavily concentrated in the financial services sector (the greatest concentration of capital) and agriculture (largest quantity of deals).²⁸

Figure 1. GLI activities in Indonesia, the Philippines, and Vietnam from 2017 - 2019²⁹

Indonesia	Philippines	Vietnam
19 GLI deals; average deal size USD \$0.5 million	8 GLI deals; average deal size USD \$1.75 million	7 GLI deals; average deal size USD \$6.1 million

Interviews with investors and ecosystem actors in the three countries, complemented by the recent GLI reports, reveal several noteworthy insights across the three countries:

1. Indonesia, the Philippines, and Vietnam account for 80 percent of GLI deal volume in the region.

- **Indonesia** has the greatest number of GLI investments in Southeast Asia, accounting for more than half of the GLI deals in the region within the past three years.
- **The Philippines** has the second most developed GLI ecosystem.
- **Vietnam's** GLI ecosystem is the least developed among the three countries, but this is evolving.³⁰

²⁷ The Intellectap report does not necessarily capture all GLI investments, limiting its study to GLI investments impact investors make. In addition, the landscape relies on publicly reported data, and not all GLI activity may yet be in the public domain, as the methodology section of the report clarifies.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

2. All three countries boast a vibrant entrepreneurial ecosystem for women-led SMEs. However, women entrepreneurs face difficulties in accessing capital and networks to grow their businesses. This is due in part to cultural barriers and structural gender gaps prevalent across the three countries. For instance, women are still expected to perform the majority of unpaid household work, limiting the time they have available to focus on business operations. Furthermore, traditional perceptions prevail, with women presumed to be less capable than men of running their own businesses and therefore less deserving of credit. In this context, business networks and associations also often exclude women from spaces where they might become aware of appropriate financing options, and business leaders are less likely to mentor rising women entrepreneurs.

3. GLI investors and ecosystem actors have an overarching focus on women-led businesses in their capital allocation (vs. the other gender lenses). Changes that investors make to their investing process tend to focus on providing further support to women entrepreneurs since this is the GLI lens that is most well-known and straightforward to understand. However, investors in the region are gradually beginning to apply other GLI lenses as well, with practices varying by country.

4. Most local impact investors do not identify as gender lens investors even if they apply GLI practices. Global investors operating in various countries have been quicker to call themselves gender lens investors, whereas local investors for the most part are applying GLI practices without explicitly drawing attention to themselves as GLI investors. This is linked to the newness of GLI in the three countries and the concern that a gender lens could limit investment opportunities and the appeal to asset owners.

5. Local and global investors are beginning to apply GLI practices. Figure 2 below documents the practices followed by at least two investors in each country and by global investors regionally. Of the groups, global gender lens investors apply the greatest number of gender lens investing practices. Local investors in Indonesia also apply several practices, followed by the Philippines, with GLI practices still rare among local investors in Vietnam.

Investors considered in this analysis include:

- **Indonesia local investors:** ANGIN, BIDUK, Moonshot Ventures, Teja Ventures, Ycab Ventures
- **Philippines local investors:** Kickstart Ventures, MAIN, xchange
- **Vietnam local investors:** 500 Startups Vietnam
- **Global investors in the three countries:** Capital 4 Development Partners, Impact Investment Exchange Asia, Patamar, Root Capital, SEAF, Thrive

Figure 2. Gender Lens Practices Applied in Indonesia, the Philippines, and Vietnam





	Provision of Capital	Investment Process	Gender Diversity in the Firm
Indonesia Local Investors 	<ul style="list-style-type: none"> ■ Capital to women-led businesses ■ Capital to gender-forward businesses 	<ul style="list-style-type: none"> ■ Use of sex-disaggregated data ■ Targets for women-led businesses ■ Branding the firm as a gender lens investor ■ Women-friendly marketing and pipeline development practices ■ TA to women entrepreneurs 	<ul style="list-style-type: none"> ■ Internal diversity and inclusion policies and commitments ■ Actions to diversify composition of investing firm
Philippines Local Investors 	<ul style="list-style-type: none"> ■ Capital to women-led businesses 	<ul style="list-style-type: none"> ■ Use of sex-disaggregated data ■ Targets for women-led businesses 	<ul style="list-style-type: none"> ■ Internal diversity and inclusion commitments

Figure 2. Gender Lens Practices Applied in Indonesia, the Philippines, and Vietnam

	Provision of Capital	Investment Process	Gender Diversity in the Firm
Vietnam Local Investors 	Only 1 investor identified as applying GLI practices		
Global Investors in Three Countries 	<ul style="list-style-type: none"> ■ Capital to women-led businesses ■ Capital to gender-forward businesses 	<ul style="list-style-type: none"> ■ Use of sex-disaggregated data ■ Targets for women-led and gender-forward businesses ■ Branding the firm as a gender lens investor ■ Women-friendly marketing and pipeline development practices ■ Gender evaluated in due diligence ■ Additional points for women-led or gender-forward businesses ■ TA to women entrepreneurs ■ Post-investment support on workplace policies and practices 	<ul style="list-style-type: none"> ■ Internal diversity and inclusion policies and commitments ■ Actions to diversify composition of investing firm ■ Inclusive work policies and work culture

6. Ecosystem actors, such as accelerators and incubators, are increasingly focusing on women entrepreneurs. In each of the three countries, these actors, motivated largely by their recognition of the barriers that women entrepreneurs face, are targeting women entrepreneurs and helping them to break through and access impact investing.

Currently, investors in the region are more likely to offer acceleration and technical assistance than ecosystem actors are to offer investment, although several of the latter appear interested in pursuing this in the future. Investors report prioritizing acceleration services to continue expanding the pipeline of investable women-led businesses.

Gender Lens Investing During COVID-19

Researchers conducted full-length interviews before the pandemic began. However, to ensure the relevance of insights in light of COVID-19, further communications with respondents asked how the global pandemic affected their GLI work, both negatively and positively. Ten investors (global and local alike)

responded, generating the following top-line insights.

Overall, COVID-19 has yielded mixed effects, with many investors simultaneously sharing negative impacts and identifying new opportunities to support women and women-led businesses.

Reported negative effects

1. **Investors see the disproportionate negative impact experienced by women-led businesses and women beneficiaries and customers (i.e., employees, farmers, etc.).**

Two investors, 500 Startups and Root Capital, carried out primary research with portfolio companies to gauge how much the pandemic affected women-led businesses.

In its survey with 200 women entrepreneurs, 500 Startups identified that one-third of women founders found it difficult to run a company while caring for family members, and that two-thirds expected reduced funding due to COVID-19.

Root Capital, through surveys with portfolio companies around the world, learned that women-led companies reported a “wider variety of impact and disruptions,” including decreased sales, increased delays in moving agricultural products, and difficulties in shifting to remote collaboration. They reported too that women in their supply chain, including employees and producers, suffered greater food insecurity and time poverty relative to men.

2. Many investors reported delaying gender lens activities due to general operating difficulties and limited or no in-person time with investees.

Travel restrictions made communications more difficult, such that investors reported in some cases needing to focus their conversations with

companies exclusively on core financing concerns, with limited time to discuss and/or offer gender-focused programming and support.

3. Investors reported that fundraising with a gender lens in COVID-19 times became more challenging than previously, with not all asset owners seeing the connection between COVID-19 and gender.

Specifically, some LPs have not recognized that women are disproportionately affected and, at the same time, that many women

entrepreneurs are moving forward with business ideas, especially appropriate in the COVID-19 context (i.e., in e-commerce)

Reported positive effects

1. Other LPs, however, and nearly all the investors interviewed are approaching their gender lens investing activities with more urgency and purpose. Investors see both the impact and business rationales for focusing on women.

xchange reported a heightened focus on gender in light of COVID-19.

“We are deliberately including gender in our conversations since women are disproportionately affected by COVID-19. In that sense, COVID-19 provides an opportunity to highlight issues faced by women, now exacerbated, and in a way made more visible, due to the pandemic and the ensuing lockdowns.”

– Love Gregorie Moral-Perez, xchange

Investors also cited increased monetary support by governments, including expanded funding to promote women’s economic empowerment by the W-GDP and DFC, as well as by DFAT and IW.

Root Capital seized the opportunity to support women entrepreneurs and

women producers. In its pandemic response, Root Capital provided grants to investees to help them to stay in business, buy personal protective equipment for employees, and provide emergency relief, including medicine and food.



IV. WHAT GLI LOOKS LIKE IN INDONESIA, THE PHILIPPINES, AND VIETNAM

2. Because of COVID-19, investors have increasingly recognized the untapped potential of gender-inclusive business models, identifying new and more diverse businesses to invest in.

BIDUK for instance shared that businesses in the food industry with flexible production (like noodle production, for instance) can source foods from women working at home. 500 Startups after conducting a survey with female founders learned that many are receiving less investment than they

need but have promising businesses that can thrive in the COVID-19 period. Other investors noted too that women entrepreneurs are launching investable e-commerce businesses, which can be particularly resilient to COVID-19 and other shocks.

3. Investors also noted that the lockdown and the shift to virtual events surprisingly increased participation in certain key gatherings.

Root Capital remarked that moving its advisory services to a remote format increased women's participation in the training workshops. The angel investing network MAIN shared that its

members abroad could participate in virtual screening sessions of startups and that members were also more likely to participate in digital training.

4. Several investors noted taking advantage of the new work reality – more time at home, less time in-person with portfolio companies – to double down on internal gender inclusion efforts.

Several investors reported reviewing and improving their gender lens strategies and plans, to be launched post-COVID-19. In addition, investors noted that they are learning to collaborate better remotely, both

internally among the investing team and with portfolio companies. A few remarked they are likely to continue some of their new digital ways of working even after it becomes safe to travel.



V. INDONESIA SNAPSHOT

RAPIDLY EXPANDING GLI SCENE

While GLI is relatively new in Southeast Asia, Indonesia is becoming a hub with several global and local impact investors increasingly investing with a gender lens. Recent quantitative landscapes, as well as our interviews with investors and ecosystem actors, point to the emergence of heterogeneous GLI practices, including investing and supporting women-led businesses, as well as the application of a more holistic approach to financing, and complementary non-financial services. Below, we characterize the state of GLI, based on recent tracking of GLI investments in the Intellectap report, and share core insights from our interviews with local investors and ecosystem actors.

Indonesia GLI by the numbers

From 2017 to 2019, according to Intellectap's recent report, Indonesia was the site of 19 GLI deals, which five global impact investors (Patamar, Root Capital, Capital 4 Development Partners, Impact Investment Exchange Asia, and SEAF) reported. This marks three times the number of deals registered in Vietnam (seven deals) and the Philippines (six deals).³¹ A further quantification and breakdown of the GLI deals in the country are included in Intellectap's detailed report.³²

Besides these investors, with documented GLI investments, our qualitative research found that several other investors implicitly use a gender lens, and other newer investors have strongly committed to using GLI as they get their new impact funds off the ground. In addition, there is GLI activity by Indonesia's largest Angel Investing Network (ANGIN) and venture capital fund Teja Ventures.

Indonesia Key Insights

Conversations with local investors and ecosystem actors identified promising GLI activity by global and local investors alike. Below, we summarize the five main findings from our field interviews.

1. Indonesia is characterized by a growing GLI scene, with several global investors applying a holistic gender lens to their work with businesses.

Several global GLI investors are investing in women-led businesses and applying other gender lenses. Of the investments recorded by Intellectap in Indonesia, 95 percent focused on investing in women-led businesses. This was, however, not the only gender lens applied. In 58 percent of investments, the business was both women-led or owned, as well as focused on advancing workplace equity internally within the company. Three investments, or 16 percent, of the deals were channelled to enterprises offering products and services to significantly improve the lives of women and girls.

Our interviews confirmed that global investors are increasingly recognizing the multi-faceted nature of gender lens investing, and that applying a gender lens includes also evaluating the gender breakdown of individuals reached and companies' internal gender composition and workplace policies. SEAF and IIX, for instance, have developed rigorous and proprietary approaches for assessing potential investees on gender during the due diligence phase. Root Capital, an agriculture-focused impact investor, deploys a gender scorecard also in due diligence to gain a holistic view of the roles women play across their investees' supply chains.

³¹ Intellectap (2020). The Advance of Impact Investing in Southeast Asia – 2020 Update.

³² Ibid.

SPOTLIGHT

Root Capital – Leveraging gender data to support women leaders and farmers

Founded in 1999, Root Capital is a nonprofit social investment fund that provides financial capital and training to agricultural enterprises in Southeast Asia, Latin America, and Africa, with the goal of benefiting smallholder farming communities. Root Capital supports several women-led and gender-inclusive agricultural businesses in Indonesia with loans and targeted advisory services, and carries out market studies with a gender lens to identify supply chains where women play important roles. It also offers its investors a Women in Agriculture Note to target their investments in women.

As the foundation of its cross-cutting Women in Agriculture Initiative, Root Capital devised a gender scorecard, embedding this tool into a broader Social Scorecard used in due diligence and impact measurement. Root Capital's gender scorecard quantifies women's participation as leaders, middle managers ("hidden influencers"), and suppliers, as well as capturing whether a business has gender inclusive policies or programmes. Based on the numbers, an investee is then scored as "gender-inclusive" or "not gender-inclusive," and this affects an organisation's impact rating, which Root Capital uses to determine whether the impact potential of the loan warrants its investment.

Beyond deploying this gender scorecard, Root Capital's gender lens work includes advisory services specifically tailored to the needs of women working in and leading agricultural businesses, as well as a new advisory service that helps businesses identify and close gender gaps. Root Capital also offers grants alongside its lending, aimed at catalysing greater opportunity for and inclusion of women among its investees, a programme it recently brought to Indonesia. Finally, Root Capital carries out impact studies – deep dive evaluations of its investments – that capture the impact of its clients on women and helps the organisation to identify future needs and technical assistance opportunities.



© Root Capital

2. A rising tide of local investors is seeking to apply a holistic gender lens. In

Indonesia, more so than in the Philippines and Vietnam, local investors, several that don't necessarily self-classify as impact investors, are active in GLI. ANGIN, an angel investing network, manages a Women's Fund that focuses on supporting companies that are women-led or focused on products or services that impact women. It also applies a gender lens internally, since it aims to bring in women investors as angel members, and features women angel investors on its website and external communications. Teja Ventures, a VC firm, has positioned itself as a gender lens fund focused on commercially scalable technology companies led by and/or serving women customers. Integral to its approach is making the business case for gender lens investments by identifying and investing in fast-growth businesses that meet its gender criteria.

In addition, several gender lens funds and institutions have also launched recently, including BIDUK, as well as YCAB Ventures and Moonshot Ventures' new Indonesia Women's Empowerment Fund (IWEF). BIDUK offers a loan product, described below, that is customized for startups and designed to serve the needs of women entrepreneurs. YCAB Ventures and Moonshot Ventures' new fund is focused on women in technology, and in the coming years, the fund is committed to applying a holistic gender lens to its investments and integrating a gender lens into its capital allocation decision-making, investing processes, and internally within both organisations. BIDUK and IWEF are described in detail below.

Increasingly, investors are recognizing that investing in women-led businesses only goes so far in redressing gender inequality. Alongside investments in women-led businesses, investors are beginning to see that addressing gender biases in the investing process (that disfavour women entrepreneurs) is powerful and improves gender equality in access to capital. In addition, investors in Indonesia are starting to support businesses that offer products or services that respond to women's needs, as well as businesses that foster inclusive workplaces.

“Women-owned businesses are not necessarily solving problems for women customers. In other words, gender lens investing has three prongs: 1) Who is allocating capital to entrepreneurs and are there female fund managers involved? 2) Who are the entrepreneurs and how many of them are female founders? 3) Who is getting served and what proportion are female customers? We need to tackle all three of these prongs if we want to achieve gender diversity in a true sense.”

– Sagar Tandon, Moonshot Ventures

SPOTLIGHT

BIDUK – GLI investor for small and growing businesses

BIDUK is a purpose-built lending platform aimed at meeting the needs of Indonesian small and growing businesses (SGB), with an emphasis on women-owned enterprises. It is part of the Frontier Brokers, an initiative of the Australian government's Department of Foreign Affairs and Trade.

BIDUK bridges the financing gap many small and growing businesses face as they grow. BIDUK offers uncollateralized lending products ranging from USD \$10,000 to USD \$75,000, with 12- to 18-month loan terms based on cash flows. Early success on the platform shows that customizing financial products and services that meet the needs of small and growing businesses, especially women-led ones, is a viable and high demand approach to close the gap for enterprises that don't have access to traditional kinds of formal financing. This is particularly true for women, for service businesses, and early-stage businesses.

BIDUK applies a comprehensive and intentional gender lens approach. In the investment process, removing bias begins with how and where to source deals and continues through to the questions and approach of due diligence and the decision-making process, with women comprising two-thirds of the loan approval committees. BIDUK does not require collateral since women often don't have property in their name. Similarly, BIDUK works with more informal financial statements and partners with potential clients to build mutual trust for a long-term relationship beyond a financial transaction.

In the founder's words, "We meet our clients where they are, not where we want them to be." For example, BIDUK team members may look for potential candidates while serving as mentors for business accelerators, or in entrepreneur groups for students, or in other locations in the community where women gather, often with children. BIDUK assumes that women can play multiple roles: entrepreneur, mother, daughter, wife, sister, coach, mentor.



SPOTLIGHT

Indonesia Women's Empowerment Fund, a joint initiative by YCAB Ventures and Moonshot Ventures

YCAB Ventures invests in businesses that directly serve or benefit base-of-the-pyramid populations, including disadvantaged groups, women, and youth in Indonesia.

Moonshot Ventures invests in disruptive innovations for large-scale impact, and focuses on development issues and markets within Southeast Asia. Gender lens investing is a core tenet of the firm and guides its investment approach.

In July 2020, YCAB Ventures and Moonshot Ventures partnered to launch a new USD \$10 million impact fund called Indonesia Women Empowerment Fund (IWEF), with Investing in Women as the fund's sponsor investor. The fund will "address barriers to women's economic empowerment by investing in disruptive tech solutions led by women entrepreneurs."³³ IWEF is still in the fundraising stage and investors are expected to come from Indonesia and the region, and to support 20 to 30 seed stage companies during the next five years.



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3. Global and local investors are promoting acceleration activities for women entrepreneurs. Impact investors operating in Indonesia are either offering it themselves, as a way of building an investable pipeline, and/or partnering with accelerator programmes. Some organisations are first setting up as accelerators and working to fundraise and branch out into investing.

³³ Based on announcement on Investing in Women website
<https://investinginwomen.asia/posts/new-impact-fund-launches-indonesia-promote-women-entrepreneurs/>

SPOTLIGHT

Simona Ventures

Founded in 2018, Simona Ventures is an accelerator focused on reducing the gender gap by supporting women-led startups in the fintech sector. The organisation's foundation is the belief that women founders have the potential to be highly successful, but the status quo technology sector environment is not currently conducive to women thriving. Simona Ventures aims to improve women entrepreneurs' chances by creating opportunities for women to showcase their strengths. To date, Simona Ventures has offered mentorship and training to startups. In the coming years, the organisation aims to raise USD \$5 to \$10 million to invest in promising women-led startups in amounts averaging USD \$200,000.



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4. Despite rising tides, GLI is still not mainstream among local investors because most investors don't recognize the business case for supporting women-led businesses or gender-forward businesses. Several interviewees, particularly those not self-identifying as gender lens investors, indicated that they saw a gender lens as falling within the domain of philanthropy rather than a business opportunity for investing.

"The challenge of gender lens investing writ large is that too many family offices are doing financing in 'two pockets.' In the first, they invest to make a lot of money, and in the second they give to a charitable organisation. They see women as beneficiaries, not as business owners who could be profitable."

– Kaylene Alvarez, BIDUK

Several respondents, including Mason Tan of Garden Impact, called for the need to correct this misconception about gender lens investing to further mainstream GLI into impact investment practice.

“Investing in women’s enterprises is not a philanthropic activity. Investors should realize the scalability and sustainability of these enterprises. I would call them ‘sustainable enterprises’ and not ‘social enterprises.’ ”

– Mason Tan, Garden Impact

In addition, for those investors on the philanthropic end of the impact investing spectrum, several mentioned that their first priority was poverty reduction. They shared that positioning themselves as gender-focused would narrow their investment theses and their investing opportunities.

5. GLI investors voiced the importance of a significant representation of women on the investing team. As in much of the world, men still primarily dominate the impact investing landscape; this extends to GLI. Increasingly, however, investors practicing GLI are prioritizing a diverse workforce internally. Organizations such as BIDUK, IIX, and YCAB are proud of their gender diverse and/or women-majority workforce and believe this helps to break into women’s SME networks, to identify a broader set of investable opportunities, and to ultimately serve women-led businesses better.



VI. PHILIPPINES SNAPSHOT

MOSTLY GLOBAL GLI INVESTORS BUT
THE LANDSCAPE IS CHANGING

Impact investing is on the rise in the Philippines, with investors beginning to take an interest in gender lens investing as one path to investing with impact. The first movers to date have tended to be global gender lens investors, but local actors are beginning to identify their own entry points for investing with a gender lens. Below, we characterize the state of GLI, based on recent tracking of investments in the Intelicap report and share core insights from our interviews with local investors and ecosystem actors.

Philippines GLI by the numbers

Gender lens investing has started to gain a foothold in the Philippines. Between 2017 and 2019, the Intellectap report records eight deals in the Philippines with an explicit gender lens. PILs made seven of those deals, with one deal made by the Asian Development Bank. A further quantification and breakdown of the GLI deals in the country, as documented based on public records, are in Intellectap's detailed report.

Besides investments by this small group, our qualitative research finds that several other investors are beginning to apply GLI practices, such as using sex-disaggregated data and targeting women-led businesses for investment. GLI is quite new in the Philippines, but growing, in no small part due to the region's integration and exposure to GLI discourse and promotion by organisations such as the Asian Venture Philanthropy Network and Investing in Women, with headquarters in the Philippines.

Philippines Key Insights

Conversations with local investors and ecosystem actors identified promising GLI activity primarily by global investors but with increasing activity by local investors as well. Below, we summarize the four main findings from our interviews.

1. In the Philippines, global impact investors are increasingly investing with a gender lens. SEAF, Capital 4 Development Partners,³⁴ and Patamar Capital have begun to make significant investments throughout the region, including in the Philippines. Relative to local investors, global investors have benefited from a longer record of participation in global gender lens investing forums and exposure to best practices from across the globe. Drawing on these influences, these investors are applying holistic approaches to their GLI activity by investing in women-led businesses, while also capturing data on and, in some cases, investing in businesses that explicitly benefit women and girls and/or focus on internal workplace equity.

“Our work stems from the conviction that unleashing women's economic participation – be it as entrepreneurs, employees, or in other roles – results in broad economic and social benefits. That's the rationale for our commitment to invest at least 30 percent of our fund in women-owned and/or women-led SMEs, and to partner with all of our investees to help them move towards gender equity in their business and across their supply chains.”

– Marcel Neutel,
Capital 4 Development Partners

³⁴ Capital 4 Development Partners in 2020 formally ended operations in the Philippines. The new Philippines-based entity InBest, which seeks to apply a similar gender lens approach, continues to manage the portfolio.

2. Local investors, drawing on their long-standing commitments to gender equality and inspired by the global gender lens investing movement, are beginning to formally invest with a gender lens. Local investors tend not to self-identify as gender lens investors; however, many respondents articulated commitments to gender equality at an organisational and personal level and expressed curiosity about and interest in learning more about gender lens investing. These investors shared that gender lens investing is catching on in the Philippines, and they are keen to learn more from the global GLI movement.

Several of these investors are taking first steps and adopting a subset of gender lens investing practices. For instance, a few reported tracking the gender composition of their investees' leadership, with an eye towards supporting more women founders and managers. Others are engaging companies pre and/or post-investment to encourage them in implementing workplace policies and practices that promote diversity and inclusion in the workplace. A few discussed the steps they are taking:

"We're tracking which teams have at least one female founder, even though it's not necessarily a positive or a negative screen.... It'd be great in the future to learn more about incorporating gender in how we assess [investing] opportunities."

– Joan Yao, Kickstart Ventures

"There's interest within our team to learn more about GLI. We attended Criterion Institute's training a few years ago. We're currently reviewing our policies, and as part of a pilot with the Sasakawa Peace Foundation, working on a statement to reflect our values on diversity and gender. We're involving the whole team in this work and making progress through brown bag lunches. I'm also participating in the Gender-Smart Summit."

– Love Gregorie Moral-Perez, xchange

3. A key challenge that needs to be overcome to boost local GLI investing is the commonly held perception that there are limited investable women-led businesses.

This perspective is not unique to the Philippines, yet it is exacerbated in the Philippines by investors' focus in industries such as technology and finance, where women are still relatively under-represented. Increasingly, however, this perception is evolving, bolstered by the support of local accelerators and incubators. Also, in the technology sector, the rise of women-focused events and competitions is bringing talented women to investors' attention.

For example, in 2020 Villgro Philippines launched the WE Rise accelerator programme to provide women entrepreneurs with tailored one-on-one business mentoring and upskilling through an investment readiness training curriculum and technical assistance. Additionally, the programme is intended to help businesses identify opportunities to incorporate a gender lens into their business models.

Villgro Philippines is one of the organisations committed to supporting women entrepreneurs and shifting mindsets among investors such that they don't write off women entrepreneurs.

"Women's startups are perceived as less ambitious and there is a disproportionate number of first-time women CEOs. There is a critical need to shift this perception, and to work with women entrepreneurs to help them figure out what type of capital is suitable for their particular type of business and get them ready to access that. It's important to recognize that women-led businesses are diverse and may not fit the lens of the predominantly available capital in the market. Investors need to adapt as well to the needs of these diverse women entrepreneurs."

– Priya Thachadi, Villgro Philippines

4. 2020 marked a pivotal year for gender lens investing in the Philippines, with at least two local impact investing institutions adopting an intentional GLI approach.

The Manila Angel Investors Network (MAIN), one of the first angel investing networks in the Philippines, recently committed to financing and mentoring a rising number of women-led startups and adjusting its internal composition of angel investors in support of this goal. Meanwhile, the Foundation for a Sustainable Society (FSSI) similarly set as a top-line goal to provide support to women-led businesses, as a way of furthering their impact objectives, and to develop and operationalize a holistic gender action plan to achieve this vision. Both these organisations are receiving support from Investing in Women via targeted funding and advisory.

SPOTLIGHT

MAIN – aspiring to become the first gender lens angel investing organisation in the Philippines

The Manila Angel Investors Network Inc. (MAIN) is taking steps towards becoming a gender lens investor, motivated by a recognition of the impact and business returns inherent in GLI. Founded in 2016, MAIN

is a not-for-profit that supports the Philippines' startup ecosystem by connecting investors with promising early-stage companies. MAIN operates several blended finance instruments that invest alongside its syndicates. This includes Kerubin Capital Pte. Ltd., whose mission is to provide catalytic investment capital for women-owned and women-led startups operating in the Philippines.

Over the past few years, and particularly since 2019, MAIN has begun a deliberate transformation from an ad hoc "club" to a formal and inclusive organisation that appeals to a broader and more diverse group. It has also created a staff position focusing on advancing their gender lens work. Recently, MAIN established two primary gender goals, and have outlined specific activities under each, including, but not limited to, the following:

Increase the number and proportion of women angel investors in MAIN

- A survey to understand barriers to women taking up angel investing
- Training for new angel investors
- Establishment of women's advisory board within MAIN to advance GLI activities, as well as professional and personal networking opportunities for women members
- Targeted recruitment and marketing to women angels
- GLI education for all MAIN members

Support women's startups in the Philippines to grow and thrive

- Scaled up mentoring to women's SMEs, along with classroom training for early-stage startups
- Clarification of application process for SMEs to remove obstacles to applying
- More women angels involved in screening women's startups
- Support to startups to improve gender inclusivity in internal practices

In addition to these activities, MAIN seeks to revamp its external materials to highlight its GLI commitments and goals, and to actively participate in global and regional GLI spaces as a way of increasing the organisation's appeal to women investors and women-led startups.

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VII. VIETNAM SNAPSHOT

GLI IS STILL QUITE NEW

Vietnam is a relative newcomer not only to gender lens investing but more broadly to impact investing. Despite the nascency of both, recent landscape reports indicate that impact investing is on the rise, and gender lens investing is also showing up on impact investors' radars. Global investors, development finance institutions, and other ecosystem actors are at the vanguard of early gender lens investing in the country. Below, we characterize the state of GLI, based on the recent tracking of GLI investments in the Intellectap report, and complement the numbers with core insights from our interviews with investors and ecosystem actors operating in Vietnam.

Vietnam GLI by the Numbers

In the 2017 to 2019 period, Intellectap mapped seven gender lens investments in Vietnam. While the average deal size was high, USD \$6.1 million, most deal values were below USD \$500,000, with one large deal IFC made that pulled up the mean.³⁵ A further quantification and breakdown of the documented GLI deals in the country are in Intellectap's detailed report.³⁶

Our qualitative research also identified the emergence of several new funds that were not reflected in recent quantitative landscapes and that we describe below. In addition, we identified the existence of promising ecosystem-building work underway by accelerators that target their programming and support to women entrepreneurs.

Vietnam Key Insights

Interviews with investors and ecosystem actors revealed barriers to GLI, with some investors beginning to overcome these and experimenting with gender lens investing practices. Below, we summarize the six main findings from our interviews.

1. Gender lens investing in Vietnam is in its earliest stages, trailing the growth of impact investing. In 2019, a report by the Centre for Social Initiatives Promotion highlighted the limited number of fund providers, particularly private impact investors that are practicing gender lens investing.³⁷ Our interviews confirm this assessment, with several interviewees noting that GLI has been slow to take hold in a context of as-yet limited impact investing. Moreover, respondents shared that the business and investing ecosystem in Vietnam has not sufficiently incentivized impact investing or gender lens investing.

2. Impact investors in Vietnam have tended to focus on high-growth businesses. To date, impact investors have generally opted to target high-growth businesses in the education, health care, and technology sectors. By focusing on these sectors, investors have inadvertently under-invested in women-led SMEs, which to date have concentrated more in retail and wholesale sectors.³⁸

3. Development finance institutions (DFIs) and accelerators are paving the way for GLI in Vietnam. Interviews with Vietnamese investors and ecosystem actors underscored the role of institutional investors in helping to drive increasing investor interest to tackle gender issues. Investment capital and grant capital from DFIs have incentivized and helped private impact investors such as SEAF and Patamar Capital to further their gender lens investing approaches. Grant funding from DFAT, for instance, paid for GLI training for the SEAF Women's Opportunity Fund team, as well as offsetting the cost of embedding a gender lens approach into the fund's investing practices.

³⁵ Intellectap (2020). The Advance of Impact Investing in Southeast Asia – 2020 Update.

³⁶ Ibid.

³⁷ Centre for Social Innovation (2020). Vietnam Impact Investment Landscape.

³⁸ IFC (2017). Women-Owned Enterprises in Vietnam: Perceptions and Potential.

SPOTLIGHT

WISE – an accelerator that focuses on women entrepreneurs

The Women's Initiative for Startups and Entrepreneurship (WISE), a nonprofit social enterprise, is leading efforts to support women entrepreneurs. WISE's vision is to become the leading organisation promoting the success of women founders through training, connections, community-building, and innovation.

For companies to qualify to participate in WISE activities, there must be at least one woman on either the founding team or the management team. As part of the accelerator programme, WISE provides training to women founders and connects them with mentors and investors to support them in growing their business. WISE also organizes women-only network events with the aim of increasing women's comfort to network and share their personal challenges. Since its founding, WISE has provided training for more than 5,000 women in 43 provinces, built a community of more than 10,000 women in business, and supported women-led startups to raise more than USD \$2.5 million in investment capital, and developed a global network of partner organisations supporting women's entrepreneurship.



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DFIs such as the IFC have also endeavoured to close the financing gap for earlier-stage women-led businesses, working with commercial banks to provide startup funding in the form of loans and microfinance products to women entrepreneurs to help them grow their businesses and graduate to impact capital. However, these traditional debt instruments have excluded many women-led businesses due to collateral requirements that many women cannot meet.

Ecosystem actors are striving to build awareness of gender barriers and supporting women entrepreneurs. Several, such as WISE, described above, are offering acceleration activities, technical training, and women-focused networking events.³⁹

4. Several impact investors are beginning to target women-led businesses. A few first movers operating in Vietnam, mainly organisations from outside Vietnam, are beginning to design financial products explicitly tailored to meeting the needs of women entrepreneurs and capitalizing on the business opportunity these customized products offer to investors.

³⁹ A 2019 survey conducted by Vietnam Chamber of Commerce and Industry found that 40.5 percent of women-led businesses have difficulties in loan paper works.

SPOTLIGHT

Beacon Fund – an alternative investment model for women-owned and led SMEs

The Beacon Fund is a Southeast Asia-focused evergreen fund that Patamar Capital seeded. The fund's geographic focus is Vietnam, Indonesia, and the Philippines, with opportunistic investments elsewhere in Southeast Asia. The recently launched fund seeks to support moderate growth companies currently sidelined by traditional venture capital and private equity firms. The fund focuses on debt products that are a better fit for moderate growth, cash-flow positive businesses. The Beacon Fund will invest in companies that match its target profile, including SMEs in education, agribusiness, and health care, among others. The investment vehicle's cheque sizes will range from USD \$500,000 to USD \$2 million, though the size could be smaller for businesses that contribute to COVID-19 recovery measures.



SPOTLIGHT

Thrive – charitable loan repayment model that helps small businesses to grow

Thrive is a U.S.-based nonprofit, which operates in Vietnam, and runs an impact investment fund that provides loans up to \$50,000 at below-market interest rates to finance small and growing businesses with strong commitments to social impact and sustainability.

The Thrive Impact Investment Fund targets businesses with capital needs of up to USD \$50,000, that demonstrate the potential to grow and meet the following four social impact criteria: 1. job creation for disadvantaged people, 2. economic empowerment of women, 3. enhanced wages and benefits to employees, and 4. improved environmental conservation practices.



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5. In Vietnam, making gender lens investing more mainstream will necessitate broader acknowledgement of gender disparities. Several respondents shared that many investment professionals, particularly men but women as well, believe that women do *not* face barriers in the business sphere, despite evidence showing that women still constitute a large majority of Vietnam's working poor and are disproportionately affected by underemployment, unemployment, and unstable working conditions.⁴⁰ This widespread limited recognition of gender inequality may be standing in the way of investing organisations seeing the rationale for adopting a gender lens.

“The gender inequality debate is often downplayed in Vietnam. The high-level [gender inequality] statistics of Vietnam look pretty good, especially compared to other countries in the region.... There are also a few standout women entrepreneurs like the CEO of Vietjet Air [the first privately owned airline to be established in Vietnam] or Madam Dung from PNJ [largest jewellery retailer in Vietnam].... If you asked a lot of fund managers, they would say [gender inequality] is not an issue because they can point to these examples or even some anecdotal examples of women's leadership within their own organisation.... This is often the pushback I received [when talking about gender inequality], and it allows the structural and systemic issues to remain unchallenged.”

– Shuyin Tang, Patamar Capital

6. Despite the myriad obstacles to gender lens investing in Vietnam, several local investors are beginning to adopt gender lens investing practices and providing examples for other actors in Vietnam. Although the Intellectap report points to three⁴¹ explicit GLI investors active in Vietnam, our interviews suggest that others, particularly commercial investors, are beginning to adopt gender lens investing practices as well. For instance, 500 Startups is applying an implicit gender focus in its investments.

⁴⁰ International Labor Organization. Equality and Discrimination in Vietnam.

⁴¹ Three investors are SEAF, Patamar Capital, and Thrive.

SPOTLIGHT

500 Startups – traditional VC fund with an implicit gender focus

500 Startups is a tech-focused global investment firm that manages 17 thematic funds in diverse geographies and sectors and has a Vietnam-focused fund. While 500 Startups does not have a formal gender lens investing policy, it has a company-wide commitment to promoting diversity.

In Vietnam, one of the manifestations of this commitment is the investing team's tracking of the gender composition of companies' leadership teams, with extra consideration given to women. Specifically, the Vietnam team reports whether each company is women-led, and they allocate more time to reviewing applications from companies with women founders.

The Vietnam team also tracks sex-disaggregated data within and between rounds of financing, with the goal of mitigating subconscious bias against women founders and aiming to achieve gender balance through to the final rounds. This approach addresses the very real and documented gap that women founders face in obtaining subsequent rounds of financing following an initial investment.⁴²



© 500 Startups

⁴² IFC (2019). Moving Toward Gender Balance in Private Equity and Venture Capital.



VIII. Conclusion and Next Steps

This report highlights emergent gender lens investing activity in Southeast Asia, with a focus on Indonesia, the Philippines, and Vietnam. We review the practices and trends, and profile the experiences and insights of global and local investors and ecosystem actors. We find that gender lens investing is still new in these countries, as it is in other emerging markets (i.e., in Africa and Latin America). In addition, there is still reluctance on the part of private investors to call themselves gender lens investors. However, a promising trend that distinguishes GLI in these three countries is the rapid acceleration in activity by private investors, and their growing adoption of diverse gender lens practices. Below we recap the key findings:

1. Indonesia, the Philippines, and Vietnam accounted for 80 percent of GLI deal volume in the region between 2017 and 2019. 85 percent of these deals came from private impact investors.
2. All three countries boast a vibrant entrepreneurial ecosystem for women-led SMEs. However, women entrepreneurs face difficulties in accessing capital and networks to grow their businesses, due in part to cultural barriers and structural gender gaps prevalent across the three countries.
3. GLI investors and ecosystem actors have an overarching focus on women-led businesses in their capital allocation, more so, for instance, than on businesses that supply high-impact products for women or that promote gender inclusion in their workforce. This focus on capital allocation to women-led businesses has been the predominant lens in the GLI discourse, and the most straightforward to understand and operationalize.

4. Most local impact investors remain hesitant to identify as gender lens investors even if they apply GLI practices.
5. According to recent reports, local and global investors are beginning to apply GLI practices. These include providing capital to women-led businesses, integrating a gender lens into the investing process, and increasing gender diversity within the investing firm.
6. Ecosystem actors, such as accelerators and incubators, are increasingly focusing on supporting women entrepreneurs who these actors recognize as facing higher barriers to entry in accessing finance.

Of course, it is difficult to capture all the GLI practices, as the field and investors' practices are in a state of rapid evolution, and it likely that there are more GLI practices taking place that remain undocumented and under-researched. It will be important to track over time how investors deepen their GLI commitments and practices.

Despite this rapid flux, we hope this report provides a snapshot in time and demonstrates the richness of gender lens investing in the region – and the scope and opportunity for further activity. For those inspired and curious to learn more, particularly those about to get started on their journeys in gender lens investing, we point you to our companion brief, a how-to guide for investors on gender lens investing.⁴³ Between 2021 - 2022, Value for Women and Investing in Women will publish additional case studies of investors' gender lens investing journeys and milestones.

⁴³ Value for Women (2020). How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets. <https://v4w.org/resource/impact-investing-with-a-gender-lens-a-how-to-guide-for-investors/>



VIII. Future Research and Next Steps

This report complements the extensive research by the Sasakawa Peace Foundation, Project Sage, Intellectap, GIIN, Investing in Women, and others to document the state of gender lens investing in the region. While there is much progress, it is important to prioritize ongoing research that solidifies the business case and provides more data points corroborating the value and impacts of gender lens investing. At the same time, this research should capture on an ongoing basis the state of GLI and the practices investors pursue to provide examples and inspiration for others.

Furthermore, investors and donors alike can continue to build and publicly share the business case they are seeing for investing in women-led and gender-forward businesses, leveraging forums such as those afforded by the Asian Venture Philanthropy Network, Aspen Institute for Development Entrepreneurs, SANKALP, and the Gender-Smart Summit. In addition, we see an opportunity for deeper inquiry into the relationship between investors' gender-focused activities with companies, and the gender lens transformation that is taking place within investing organisations. Studying and publicizing this virtuous cycle can further cement the business and impact case for gender lens investing.

Beyond supporting the GLI research agenda, donors have a foundational role to play in continuing to inspire and incentivise the adoption and uptake of gender lens investing practices. This research shows that, while indeed there are many entry points to GLI, taking those first steps often requires targeted investment of time and resources. Funding from donors, especially blended funding to spur new investment, cover operational costs, and pay for gender technical assistance, can serve as a powerful catalyst for investors to begin or expand their GLI activities.

APPENDIX: Methodology

Research Questions

The goal of this study was to explore and highlight the gender lens investing experiences in the region, rather than testing a specific theory. This exploratory research paradigm inspired the following questions to investors:

1. What are the ways in which leading investors are already investing with a gender lens in the three target countries?
2. What practices from gender lens investing are investors not applying, and why? What are the constraints and what support is needed?
3. What are investors' motivations for investing with a gender lens? What is the emerging business case they are seeing?

Data Sources

Key Informant Interviews used a semi-structured interview guide, with 33 investors and ecosystem actors in Indonesia, the Philippines, Vietnam, and Singapore for broader context. These interviews provided the basis for new insights on gender lens investing practices, motivations, and challenges. Taken together, these paint the picture of the current state of impact investing with a gender lens in the region. We identified organisations to interview based on existing research and connections with local practitioners and gender experts, with the sample expanded by using a snowball method.

A Literature Review of recent reports identified findings to date on the size and scope of gender lens investing in Asia and Southeast Asia, including in the three focus countries. We found three reports particularly helpful for contextualizing the GLI scene to date and cite them periodically throughout the report, as a complement to the interview findings. These are:

The advance of impact investing in Southeast Asia – 2020 Update (Intellectcap) ⁴⁴

(referred to as the 2020 Intellectcap report)

The report provides an updated analysis on trends in impact investing and gender lens investing in Southeast Asia, based on updated data on impact investment deals for 2017 to 2019 and building on prior GIIN market research.

⁴⁴ Intellectcap (2020). The Advance of Impact Investing in Southeast Asia – 2020 Update.

Gender lens investing landscape: East and Southeast Asia (Sasakawa Peace Foundation)⁴⁵

The report provides a landscape of gender lens investment vehicles and is intended to be used as a baseline to track the size and state of the market over time. It also highlights interesting innovations already present in the market.



Project Sage 3.0: Tracking venture capital, private equity, and private debt with a gender lens (Wharton Social Impact Initiative)⁴⁶

The report provides a landscape of structured private equity, venture capital, and private debt vehicles that operate with a gender lens.



Research Limitations

This report was intentionally qualitative and exploratory, drawing on semi-structured interviews with investors and ecosystem actors. Given this focus, we did not corroborate quantitative results of other reports, including the precise quantity of GLI deals and amounts invested; this means that the figures we report are based entirely on other reports, and at the same time, we also feature insights from other investors whose investments were not necessarily quantified in these other reports. We endeavoured, however, to speak with as many actors in each country as possible, basing our selection of respondents on existing reports and branching out through use of a snowball method.

In addition, interviewers conducted most of the meetings as COVID-19 was getting underway, and countries imposed initial travel restrictions. Unfortunately, the overlap in timing with the pandemic's early phase meant that many of the interviews that were intended to be in person had to be virtual.

⁴⁵ Sasakawa Peace Foundation (2020). Gender Lens Investing Landscape – East and Southeast Asia. Available at: <https://www.spf.org/en/gender/publications/gliasialandscape.html>

⁴⁶ Biegel, S., Hunt, S. (2020). *Project Sage 3.0: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens*. Available at: <https://socialimpact.wharton.upenn.edu/research-reports/reports-2/project-sage-3/>

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