

Value for Women: Data for Action

June 2022



Gender Lens Investing

**Strengthening the ESG
approach of commercial
investment funds**



VALUE
FOR
WOMEN

In short: Why ESG and why Value for Women?

In short, why should VC/PE care about ESG?

- To secure long-term **stakeholder value**
- To **identify and mitigate** material risk related to ESG
- To **future-proof** against incoming regulation

In short, how working with VfW can support ESG goals for VC/PE firms

- Enabling the **firm**
 - to source and successfully **transact with businesses** that generate value through gender-inclusive business practices
 - to **embed gender** considerations into due diligence and risk management
- Enabling **portfolio** companies
 - to **generate value** through gender-inclusive business practices
 - and the firm to **measure gender performance**

VFW's experience in brief

Gender inclusion TA for the firm and its investment process

- **Generating pipeline:** How to expand sourcing pool by breaking out of existing, male-dominated networks
- **Due diligence:** How to screen and evaluate investments that qualify for 2X funding (relevant for GPs seeking funding from LPs with 2X interest), how to detect possible gender-based risks within a venture or its value chain
- **Decision-making:** Reducing unconscious bias that disadvantages women entrepreneurs
- **Linking impact to carry:** Capturing gender impact and incorporating this impact into carried interest
- **Gender inclusion within the firm:** How the firm itself can be more gender-inclusive internally as an organisation

VFW's experience in brief

Gender inclusion TA for the portfolio

Funds in Latin America and the Caribbean:

- ALIVE Ventures
- Alphamundi Foundation LatAm investments
- Pomona Impact Fund

Non-LAC examples:

- Assessment of gender-forward business practices across the portfolio (Goodwell and others)
- Gender-forward business practices training for the portfolio (Goodwell, AlphaMundi, Acumen, others)
- Gender diagnostic for portfolio companies, design of gender-smart pilots, implementation support, measurement and sustainability planning

Please refer to Appendix 1 for more detailed information on these experiences.

Gender Smart Nexus

**Moving from Inspiration to
Action in Business &
Investment Practice**



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What is the Gender Smart Nexus?



A digital platform that helps enterprises, investors, and business support organizations *to move from inspiration to action quickly and more efficiently, enabled by a lean diagnostics process.*

IT IS A SIMPLE, RELATABLE AND NON-INTIMIDATING STARTING POINT FOR BUSINESSES AND INVESTORS.

- Offers a holistic standard for gender inclusive business practice (360-degree approach)
- Hosts a sophisticated suite of tools that can be adapted and used at scale by a variety of stakeholders and at no or low cost.
- Guides users through a gender self-assessment
- Generates a menu of options for gender actions for enterprises, investors and intermediaries
- Generates guidance notes for taking action
- Generates gender-lens benchmarking for each enterprise, for portfolios of enterprises and for the broad user pool or public.
- Is adaptable for tailoring and for deep dives in specific sectors (clean energy, agriculture, etc)
- Can host learning hubs that allow scaling up of gender practices - with special focus on sectors, geographies and on seeing trends in real time

The Gender Smart Nexus

Purposes & Uses

The suite of tools have a wide range of uses for both SMEs and investors. The tools' purpose and use will vary depending on the audience, the context within which it is being applied, and the stage of the organisation.

	Aspirational	Capacity Building	Measurement and monitoring	Benchmarking	Decision-making
Businesses	<ul style="list-style-type: none"> Offer a starting point for businesses that want to improve on gender inclusion Demonstrate potential areas where gender could have positive business impacts 	<ul style="list-style-type: none"> Identify gaps in SME gender capacity Identify specific business areas for investment and TA 	<ul style="list-style-type: none"> Pre-technical assistance (TA) assessment - baseline Post-TA measurement of change Directionality scoring for individual SMEs 	<ul style="list-style-type: none"> Offer comparative benchmarking over time, as more SMEs adopt/use the tool 	<ul style="list-style-type: none"> Identify specific initiatives or strategies to implement
Investors	<ul style="list-style-type: none"> Offer opportunities to improve on internal policies and practices Set gender-related targets for investments 	<ul style="list-style-type: none"> Identify gaps in investor gender capacity Identify and allocate TA resources for SMEs 	<ul style="list-style-type: none"> Integrate gender into regular M&E and performance metrics Directionality scoring for portfolio 	<ul style="list-style-type: none"> Offer comparative benchmarking over time at the portfolio-level benchmarking against others' 	<ul style="list-style-type: none"> Integrate gender analysis into risk notes, due diligence, and investment decision making processes

How does it work?

If you are running a business

Assess. Take the Gender Enterprise Self-Assessment Survey that tells you what your business is doing well, and how you can become more gender-inclusive, as well establishing a baseline and tracking progress.

Analyse. Receive an Enterprise Gender Inclusion Report that features a roadmap of which practices to pursue, and creates an opportunity to compare results against portfolio or industry benchmarks.

Measure and Compare. By aggregating and standardizing gender inclusion data, the Gender Smart Nexus can be used to make decisions to improve your business.

If you invest in or support SMEs

Assess. Take the Gender Lens Investing Survey that explores ways that you are engaging with your portfolio companies. You can also invite the companies you are supporting to join the Gender Smart Nexus as part of your portfolio.

Analyse. Receive a Gender Lens Report that offers guidance on how to incorporate a gender lens into investing practices and processes. Additionally, receive a Portfolio Report that informs you about opportunities and progress towards gender-inclusive practices at a portfolio level, with the opportunity to request individual company report results.

Measure and Compare. You will be able to track progress and gain insights into best practices, quick wins, and long-term social and financial impacts that are a result of adopting a gender approach.

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