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# Gender Lens Investing in Southeast Asia



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## ACRONYMS AND ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>ANDE</b>	Aspen Network of Development Entrepreneurs
<b>APAC</b>	Asia-Pacific Countries
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>AVPN</b>	Asian Venture Philanthropy Network
<b>AWIF</b>	Asia Women Impact Fund
<b>CSIP</b>	Centre for Social Initiatives Promotion
<b>C4D</b>	Capital 4 Development
<b>DFAT</b>	Department of Foreign Affairs and Trade, Australia
<b>DFI</b>	Development finance institutions
<b>DNES</b>	Da Nang Business Incubator
<b>EPD</b>	Economic and Political Development
<b>ESCAP</b>	United Nations Economic and Social Commission for Asia and the Pacific
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>GDP PPP</b>	Gross Domestic Product at Purchasing Parity Power
<b>GEG</b>	Gender Equity Grants
<b>GIIN</b>	Global Impact Investing Network
<b>GLI</b>	Gender lens investing
<b>HDI</b>	Human Development Index
<b>HDR</b>	Human Development Report
<b>IFC</b>	International Finance Corporation
<b>IE</b>	Impact Enterprises
<b>ILO</b>	International Labor Organization
<b>IIX</b>	Impact Investment Exchange
<b>JAWEF</b>	Japan ASEAN Women Empowerment Fund
<b>JKN</b>	Jaminan Kesehatan Nasional
<b>KII</b>	Key informant interviews
<b>LP</b>	Limited Partner
<b>MMR</b>	Maternal Mortality Rate
<b>MFI</b>	Microfinance institutions
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OPIC</b>	Overseas Private Investment Corporation
<b>PII</b>	Private impact investors
<b>RIF</b>	Responsible Inclusive Finance Academy
<b>SDG</b>	Sustainable Development Goal
<b>SEA</b>	Southeast Asia

<b>SEAF</b>	Small Enterprise Assistance Funds
<b>SGB</b>	Small and growing business
<b>SIPA</b>	School of International and Public Affairs
<b>SME</b>	Small and medium enterprise
<b>SVF</b>	Startup Vietnam Foundation
<b>SWOF</b>	Women's Opportunity Fund
<b>UN</b>	The United Nations
<b>UNCDF</b>	The United Nations Capital Development Fund
<b>UNDP</b>	The United Nations Development Program
<b>VCCI</b>	Vietnam Chamber of Commerce and Industry
<b>VHLSS</b>	The Vietnam Household Living Standards Survey
<b>VPBank</b>	Vietnam Prosperity Joint-Stock Commercial Bank
<b>WAI</b>	Women in Agriculture Initiatives
<b>WISE</b>	Women's Initiative for Startups and Entrepreneurship
<b>WLB</b>	Women's Livelihood Bond
<b>WLSE</b>	Women Led Social Enterprises
<b>WSME</b>	Women-Owned Small and Medium Enterprises

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## EXECUTIVE SUMMARY

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While several reports exist on the state of impact investing in Southeast Asia (SEA), with brief sections on gender lens investing (GLI), no report has focused primarily on impact investing with a gender lens in the private market, limiting the depth at which this issue has been covered to date. Regional investors interested in GLI are keen for specific local cases and examples that shed light on how to carry out and what works in gender lens investing.

This report is part of the landscape report that will be the first-ever regional GLI report focused on SEA, especially on the following three countries: Indonesia, the Philippines and Vietnam. The primary focus of the report is on the supply side (impact investors, followed by other actors, such as incubators and accelerators), with a secondary focus on the demand side (women-focused SMEs). The report was created by our team at the School of International and Public Affairs (SIPA), Columbia University, at the request of our client, Value for Women (VfW). VfW is an international non-profit organization that provides holistic and tailored advisory support with a gender lens to a diverse set of organizations.

The additionality of this landscape report will be its razor focus on GLI by impact investors in private markets and its rich detail, communicated through a cataloguing of GLI efforts throughout the region as well as multiple specific case studies from Indonesia, the Philippines, and Vietnam. These case studies will highlight how investors are applying a gender lens in the region and the types of investable gender lens opportunities that exist. Through these case studies, this report will contribute to the business and impact case for gender lens investing and illustrate actions that investors could consider for starting on or progressing in their gender lens investing journeys.

This research is meant to be exploratory and largely qualitative, to show investors what is possible in GLI, and to make it clear that investing with a gender lens is feasible, impactful, and exciting. We expect in the course of the research that other insights will emerge and suggest the need for further empirical and more academically oriented research.



## ACKNOWLEDGMENTS

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We would also want to extend our thanks to all interviewees:

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## ABOUT THE PROJECT

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### 1. Client Organization

VfW is an international non-profit organization that provides holistic and tailored advisory support with a gender lens to a diverse set of organizations, including investors and SMEs. VfW envisions a world where women are active drivers of entrepreneurship and all businesses embrace economic inclusion. The organization aims to create thriving economies, healthier societies, and a more sustainable planet.

Since its inception, VfW has been dedicated to strengthening gender inclusion to unlock the powerful economic potential that women hold. In practice, VfW identifies the barriers that face women entrepreneurs, GLI strategies, creates toolkits for operationalizing these strategies, supports women and women-led businesses, and solves business challenges by applying a gender lens. Through these activities, VfW supports investors seeking business and social returns in diverse sectors, such as finance, agriculture and clean energy. To enhance its impact, VfW creates sustainable changes through providing cross-sector solutions that promote gender inclusion, while partnering with other stakeholders and organizations.

VfW has been engaged in various initiatives globally. In Kenya and India, it has conducted a study of barriers and opportunities for the development of ecosystem and small and growing business (SGB) intermediaries focused on markets. VfW has also been involved in GLI in Latin America, Mexico as the main country. It has drafted a landscape report called “Impact Investing with a Gender Lens in Latin America,” partially sponsored by the Aspen Network of Development Entrepreneurs (ANDE) Catalyst Fund.<sup>1</sup> The report summarizes information from impact investors and entrepreneurial ecosystem stakeholders, highlighting GLI work, strategies and metrics applicable to the broader impact investing ecosystem. Furthermore, with the help of ANDE, VfW has provided technical assistance to agribusinesses to set up systems for sex-disaggregated data collection in Mexico.

Over the years, VfW has partnered with organizations, including the World Bank, Shell Foundation, Oxfam, International Labor Organization (ILO), Investing in Women, and UKaid, in order to support GLI initiatives. It has also assisted various initiatives that focus on clean energy promotion in Africa, India and Mexico, women’s leadership in the cocoa sector in Peru, and women’s participation in agribusinesses in Mexico.

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<sup>1</sup> “Value for Women.” *Value for Women*. Accessed on December 18, 2019. <https://v4w.org/>.

## 2. Project Background

VfW partnered with Investing in Women, an initiative sponsored by DFAT, to improve women’s economic participation through GLI across SEA. As a part of this partnership, VfW has commissioned our team to deliver a report that features a landscape of GLI in the context of impact investing ecosystem, with a primary focus on the supply side (impact investors, followed by other actors, such as incubators and accelerators), and a secondary focus on the demand side (women-focused SMEs). The report aims to educate actors and to incentivize further GLI into the region, with a special focus on Indonesia, the Philippines, and Vietnam. It is geared at Limited Partners (LPs) and General Partners of impact funds and seeks for them to take away the following from the landscape report:

### Inspiration

To see, through the perspectives of investors and the case studies of investable businesses, the “untapped market opportunity” and the business and impact case for pursuing gender lens investing in the three countries.

### Ideas for Actioning

To learn how peers are already applying a gender lens to their investments, and to envision how they might apply a gender lens to their investing mandates and processes. This will be complemented by a How-To-Guide, created by the VfW team, that explains exactly how investors could operationalize gender lens investing in their funds.

VfW has conducted a first of its kind landscape report of GLI in Latin American countries in 2018. This report analyzed the regional gender lens investment and the entrepreneurship climate to get more attention from impact investors to GLI.<sup>2</sup> The report features multiple key informant interviews (KIIs) from impact investors and entrepreneurial ecosystem actors, as well as the case studies of the firms that make up their portfolios. Our team used the same approach as the 2018 report in writing our report. We also followed the VfW’s guidelines for consistency.

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<sup>2</sup> “A Landscape Report: Impact Investing with a Gender Lens in Latin America.” *ANDE Global*. 2018. Accessed December 10, 2020. [https://cdn.ymaws.com/www.andeglobal.org/resource/resmgr/research\\_library/landscape\\_report\\_gender\\_lens.pdf](https://cdn.ymaws.com/www.andeglobal.org/resource/resmgr/research_library/landscape_report_gender_lens.pdf).

### 3. Report Objectives

VfW seeks collaboration with a SIPA workshop team in order to produce key components of the landscape report that will be the first-ever regional GLI report focused on SEA, especially on the following three countries: Indonesia, the Philippines, and Vietnam. The report will be disseminated widely in collaboration with the partners of Department of Foreign Affairs, Australia (DFAT) in the region, such as ANDE, the International Finance Corporation (IFC), the Asia Development Bank (ADB), Global Impact Investing Network (GIIN), the Sasakawa Peace Foundation, the United Nations Capital Development Fund (UNCDF), and the ILO.

This report is driven by the need to explore impact investing with a gender lens in the private market in greater depth, filling the gap of the existing research on the state of impact investing in SEA, that covers GLI only briefly. In addition, the report addresses the needs of the regional investors who are interested in GLI: It provides specific local cases and examples that shed light on how to carry out and what works in GLI.

This landscape report will complement the growing literature on impact investing in SEA, with its thorough focus on GLI by impact investors in private markets and its rich detail, communicated through highlighting exemplary investing efforts throughout the region as well as multiple specific case studies from Indonesia, the Philippines, and Vietnam. These case studies will showcase how investors are applying a gender lens into the region and what kind of investable gender lens opportunities exist. Through case studies and in-depth analysis, the report aims to contribute to the business and impact cases for GLI and outline the actions that investors could consider to commence or progress their GLI journeys.

Although this research is exploratory and largely qualitative in nature, it draws its strength from clearly demonstrating investors what is possible in GLI, and that investing with a gender lens is achievable, impactful, and motivating.

## 4. Key Concepts

### Women-Led Business Definition

International financial institutions and investors define women-led and women-owned business in many different ways. The definition especially gets complicated when trying to categorize small firms with multiple owners or decision makers. In general, “women-owned” is a term used by international organizations to refer to organizations where women have 50% or more of the ownership, on the other hand “women-led” is used for entities with women in key decision-making positions, such as Chief Executive Officers (CEO), president, general manager.<sup>3</sup>

For the purposes of this report, the SIPA team is going to use women-led business as one where at least one of the following is true<sup>4</sup>:

- There is one or more women partner or founder
- A woman CEO leads the organization
- In the case of impact investors, the membership of the board (determined via publicly available data on the board composition for this landscaping), is made up of 30% or more women.

**Women-Focused Businesses** For the purposes of this report, the SIPA team used women-focused businesses as one where at least one of the following is true:

- Enterprises that have products and services for women
- SMEs sourcing from women in the value chain, SMEs employing women/providing employment benefits to women
- Companies that promote workplace gender equity (in staffing, management, boardroom representation, and/or along their supply chain); and
- Businesses that offer products and services that significantly improve the lives of women and girls.

### Impact Investor

Using the definition stipulated in VfW’s report “A Landscape Report: Impact Investing with a Gender Lens in Latin America” we identify Impact Investors as investing firms that –

- a) make direct investments in companies;
- b) have positive social or environmental impact as an explicit objective;
- c) have an expectation of a financial return; or
- d) invest a minimum of 25,000 USD in any one company using diverse instruments such as debt, equity, quasi- equity, guarantees, or other.<sup>5</sup>

<sup>3</sup> Piras, C., Presbitero, A., & Rabellotti, R. (2013). Definitions Matter: Measuring Gender Gaps in Firms Access to Credit. Washington, DC: *Inter-American Development Bank*.

<sup>4</sup> This definition was chosen since it was elucidated and used by VfW in their “A Landscape Report: Impact Investing with a Gender Lens in Latin America.”

<sup>5</sup> Using definition from ANDE included in: ANDE and LAVCA. (2016). *The Impact Investing Landscape in Latin America*.

## 5. Methodology

As mentioned earlier, this report aims to inspire and provide action alternatives to investors, LPs and General Partners of impact funds. The case studies of both investable businesses and investors highlight meaningful takeaways and perspectives in order to showcase the untapped market opportunity in Indonesia, the Philippines, and Vietnam. In particular, the case studies of investors pursuing GLI in these countries were created to help these target investors envision the ways they can apply a gender lens to their own investing mandates and processes. The final report by VfW will also include a How-To-Guide, which explains how investors could operationalize GLI in their funds. Thus, for this report, we employed a mixed-method methodology detailed below:

### Desk Research:

The goal of our desk research was to gain contextual knowledge as well as to identify and map out key investors that are applying a gender lens in the three target countries. Through desk research, we found key regional reports that inform the overall high-level landscape of our report. In addition, the data in the report was collected from publicly available data. This data includes gender diversity of investors' management and portfolios, their commitment to gender, as well as their criteria of what gender lens means.

### Key Informant Interviews (KIIs):

To gather qualitative insights, which serve as the central focus of this report. These insights answer the report's key research questions, which are detailed in the next section:

- KIIs were conducted in-person and virtually in each of the three target countries with at least 10+ investors and accelerators/incubators and at least 5+ businesses per country. We carried out as many of these KIIs in person as possible, while leveraging local events such as, British Council's fair (more than 30 social enterprises participated in the event), to gather further intelligence on GLI practices and gaps.
- **Case studies** of more than **23 case studies** in Indonesia, the Philippines, and Vietnam were created based upon desk research and KIIs. These case studies include: **16** case studies on investors, showcasing investors' perspectives and approaches to advancing more gender balanced outcomes. They represent the targeted supply-side stakeholders of our research. This report defines impact investors as those carrying out mission-driven investing (mission-first as opposed to finance-first), in at least one of the 3 target countries, regardless of whether they self-describe as "impact investors."
- We found the supply-side stakeholders through desk research and in consultation with VfW. SMEs were located by desk research and via introductions from investors and accelerators.
- The KII guide for investors is included as Appendix I and the guide used for SMEs can be found under Appendix II.

**GLI Mapping** of **66** gender lens impact investors in Indonesia, the Philippines and Vietnam. The mapping was also conducted to identify stakeholders and to analyze their motivations and perspectives related to GLI. In addition, this analysis helped to examine the region's progress in advancing gender economic inclusion through impact investing. These data were sourced through a combination of KIIs and publicly

available sources and databases. We employed a standardized tool to collect this information, with a screenshot of the tool included as Appendix III.

### Research Questions

The goal of this report was to explore and highlight GLI experience in SEA, as opposed to testing a specific theory. Therefore, we investigated the following research questions:

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 GLI 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 that they are seeing?
4. What are the types of investable opportunities that investors could find if they apply a gender lens, including women-led businesses, businesses that deliver products and services with disproportionate social or economic impacts for women, businesses focusing on women in the value chain, and those advancing workplace equity?



# Overview : Southeast Asia



# SOUTHEAST ASIA

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## 1. SEA Overview

SEA is home to both sophisticated economies and developing markets. **Indonesia, the Philippines, and Vietnam**, which are our target countries, are fast developing. Among the three countries, Indonesia has the highest GDP (in Purchasing Power Parity, PPP) in the region with 3,031 billion USD. Nevertheless, these countries still underperform in the Human Development Index (HDI) and Gender Gap Index, represented by their economic, social, and gender inequalities rampant throughout the region. The region has been experiencing a steady annual GDP growth rate, yet continues to face growing regional economic inequalities.<sup>6</sup>



Figure 1: Map of Southeast Asia, project countries highlighted: Indonesia, the Philippines, and Vietnam.

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<sup>6</sup> Global Impact Investing Network. "The Landscape for Impact Investing in Southeast Asia." 2018. <https://investinginwomen.asia/knowledge/impact-investing-landscape-southeast-asia/>.

## Impact Investing in the region

The region's impact investing ecosystem has developed significantly. Since 2007, over 904 million USD have been invested in SEA by private impact investors.<sup>7</sup> In addition, approximately 11.3 billion USD were invested by development financial institutions (DFIs).

**Indonesia** is the largest market for impact investing in the region in terms of the number of active investors, the amount of impact capital deployed, and the number of impact deals between 2007 and 2017. Private impact investors (PIIs) have deployed 148.8 million USD across 58 deals.<sup>8</sup>

**The Philippines** is the second-largest impact investing market in SEA in terms of both the amount of impact capital disbursed and the number of impact deals completed between 2007 and 2017. 23 PIIs deployed 107.2 million USD across 54 deals.<sup>9</sup>

As for **Vietnam**, the country is considered as one of the fastest-growing economies in the region. It has witnessed increasing impact investing activity in the last few years. At least 10 PIIs, mostly fund managers, have deployed more than 25 million USD through 23 deals since 2007. 6 DFIs have cumulatively been deployed.<sup>10</sup>

## SME Background in the Region

SMEs are rapidly expanding in SEA. In **Indonesia**, SMEs account for approximately 97% of domestic employment and for 56% of total business investment.<sup>11</sup> More than half of Indonesia's SMEs are owned by women and Indonesia is home to 22 million women led, women owned, women focused businesses.<sup>12</sup> Most women-led SMEs are concentrated in agriculture, services sectors, with a growing number oriented towards textile manufacturing.

As for **the Philippines**, SMEs, particularly small enterprises, account for over 60% of jobs in the country.<sup>13</sup> The proportion of women-owned SMEs is higher than men-owned SMEs in the Philippines.<sup>14</sup> Therefore, the region is a good case study on what could be done to promote growth of women led SMEs in its neighboring countries.

<sup>7</sup> "The Landscape for Impact Investing in Southeast Asia." *GIIN and Intelicap*. p. 133

<sup>8</sup> *Ibid.* p. 91

<sup>9</sup> *Ibid.* p. 133

<sup>10</sup> *Ibid.* p. 174

<sup>11</sup> OECD. "SME and Entrepreneurship Policy in Indonesia 2018 - En." Accessed December 18, 2019. <http://www.oecd.org/publications/sme-and-entrepreneurship-policy-in-indonesia-2018-9789264306264-en.htm>.

<sup>12</sup> World Bank. "Women Entrepreneurs in Indonesia: A Pathway to Increasing Shared Prosperity." April 2016. <http://documents.worldbank.org/curated/en/738881467782741648/pdf/AUS5568-P147245-PUBLIC-WomenEntrepreneursinIndonesia-1.pdf>.

<sup>13</sup> Philippine Institute for Development Study. "In Focus: Small and Medium Enterprises." Accessed December 2, 2019.

<https://www.pids.gov.ph/infocus/65>

<sup>14</sup> Women's World Banking. "Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries." 2015.

<https://www.womensworldbanking.org/wp-content/uploads/2015/09/Access-to-Finance-of-Women-Owned-SMEs-in-Southeast-Asia-An-Assessment-of-Five-Countries1.pdf>

In **Vietnam**, 95% of enterprises are SMEs.<sup>15</sup> The country is home to 44,0003 SMEs<sup>16</sup>. These are concentrated in sectors such as retail and wholesale trades (55%) and manufacturing (15%).

Nevertheless, the region still faces many gender inequalities issues. In fact, gender inequality is greatly pronounced in terms of financial opportunities between men and women. This issue includes a wage gap, where women earn 30% to 40% less than men. Women face many more constraints in starting and growing their businesses, including obtaining business finance.

## Gender Lens Investing (GLI)

First coined in 2009, the term “gender lens investing” has changed its meaning deliberately by incorporating a gender analysis into a financial analysis in order to get better outcomes. GLIs premise is that investing for gender balance and equity will expand, not limit, the economic pie and that the benefits will flow to individuals, companies, communities, and countries.<sup>17</sup>

According to a VERIS Wealth Partners report on gender lens investing, the following constitutes an investment as gender lens<sup>18</sup>:

- Advancing women in leadership
- Increasing women’s access to capital
- Securing gender equity in the workplace and the well-being of women and girls everywhere
- Supporting development of products and services beneficial to women and girls
- Addressing urgent gender justice and equality issues such as gender-based harassment & violence and improving women’s health
- Increasing the knowledge, confidence and number of active women investors.

Despite being a relatively new concept, GLI is becoming an increasingly popular approach to make strategic decisions in making investments that create social impact. GLI-mandated investments into public market strategies have grown from 100 million USD to 2.4 billion USD in just four years. A boom in innovative new investing vehicles is taking place across all asset classes, and in both public and private markets. Institutional support is surging as foundations, pension funds, academics, governments, NGOs, and research organizations see the opportunities in GLI.<sup>19</sup>

<sup>15</sup> National Agency for Science and Technology (NASATI). “Activities of Supporting SMEs Development in Vietnam.” Accessed December 1, 2019. <https://www.undp.org/content/dam/malaysia/docs/povred/South-SouthTriangularCooperation/Panel%201a%20-%20NASATI%20Vietnam.pdf>.

<sup>16</sup> IFC. “Women-Owned Enterprises in Vietnam: Perceptions and Potential.” 2017. Accessed April 24, 2020. [https://www.ifc.org/wps/wcm/connect/86bc0493-78fa-4c7d-86ec-5858aa41fa1a/Market-study-on-Women-owned-enterprises-in-Vietnam\\_Eng\\_v1.pdf?MOD=AJPERES&CVID=I-Yi6gF](https://www.ifc.org/wps/wcm/connect/86bc0493-78fa-4c7d-86ec-5858aa41fa1a/Market-study-on-Women-owned-enterprises-in-Vietnam_Eng_v1.pdf?MOD=AJPERES&CVID=I-Yi6gF).

<sup>17</sup> VERIS Wealth Partners. “Gender Lens Investing: Bending the Arc of Finance for Women and Girls”. 2018. Accessed May 6, 2020. <https://www.veriswp.com/research/gli-bending-arc-of-finance-women/>.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

According to regional study reports, Asian organizations and institutions have increased their attention to investing in enterprises owned by women, companies with equal employment opportunities for women, or investing in products and services that benefit women and girls.<sup>20</sup>

Investing in women not only creates social impact and addresses gender inequality, but also generates economic growth and monetary returns to investors. According to the 2016 McKinsey Global Report, if countries in SEA matched the same rate of progress on gender equality as their best-in-region peer Singapore, they could increase their GDP growth by 30% and unlock 3.3 trillion USD.<sup>21</sup>

SEA is ahead of the world in making investment decisions based on gender analysis. The growth of this field is credited to targeted, market-building activities by ecosystem builders, donors, and bilateral and multilateral development agencies. In the three target countries alone, five PIIs have invested 40 million USD in more than thirty deals, using an explicit gender lens -- among them more than 95% used debt.<sup>22</sup>

Bilateral and multilateral development agencies, such as the Australian Government's Investing in Women, Canadian government's Feminist International Assistance Policy, and the United States government's similar initiative, Overseas Private Investment Corporation's (OPIC) 2X Women's Initiative, ADB, and others are extensively shaping the region. The DFAT investment in the region alone surpassed 100 million USD that was specifically targeted to support GLI climate and local champions, including the Criterion Institute, Asian Women Impact Fund, Asian Venture Philanthropy Network, VfW, and others.<sup>23</sup>

<sup>20</sup> Anderson, Joy and Katherine Miles. "The State of the Field of Gender Lens Investing: A Review and a Road Map." *Criterion Institute*. 2015. <http://criterioninstitute.org/wp-content/uploads/2012/06/State-of-the-Field-of-Gender-Lens-Investing-11-24-2015.pdf>.

<sup>21</sup> McKinsey Global Report (MGR). "The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth." *McKinsey*. September 2015. [https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity\\_Full%20report\\_September%202015.ashx](https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.ashx).

<sup>22</sup> "The Landscape for Impact Investing in Southeast Asia." *GIIN and Intelicap*. 2018. p. 19.

<sup>23</sup> Investing in Women. "Phase 2 Investment Design Document Update, 2018." Accessed April 29, 2020. [https://investinginwomen.asia/wp-content/uploads/2019/02/190130-IW-Phase-2-Design-Update\\_final\\_online-version.pdf](https://investinginwomen.asia/wp-content/uploads/2019/02/190130-IW-Phase-2-Design-Update_final_online-version.pdf).

## 2. Key GLI Insights

### (Indonesia, the Philippines, Vietnam)

#### Indonesia, the Philippines, and Vietnam are at different maturity stages of GLI

- According to the GIIN report, Indonesia is the most mature market in the region for investments. Its hubs with the greatest number of GLI investments in the SEA. Investors have multiple entry points for gender lens investing as well as a span of impact measurement instruments.
- The Philippines is witnessing a growing number of implicit gender lens investors. GLI can expand further by enhancing investors' understanding of the associated concept and how they can enter this space and what tools and metrics are being used across similar geographies by currently active players.
- Vietnam's GLI is still in its infancy with limited deal flows. However, business cases have slowly emerged due to early investors like IIX, SEAF, and Patamar Capital.

#### There is an opportunity to create a knowledge-sharing collaborative network for GLI across Indonesia, the Philippines, and Vietnam

GLI investors in all three countries employ different tools to track impact and there is limited knowledge-sharing across investors. IIX, SEAF, and Patamar Capital are examples of investors that invest across three countries that can lead this effort.

#### All three countries boast a vibrant entrepreneurial ecosystem for women led SMEs

However, women entrepreneurs still have more difficulties to get access to capital and networks to grow their businesses. This challenge is due to cultural barriers and structural gender gaps that are prevalent across three countries.

#### GLI investors and GLI ecosystem supporters still primarily focus on women-led businesses in all three countries

While some firms have a holistic approach to GLI, the majority of firms interviewed primarily focus on women-focused companies. Thus, companies that provide products for women, promote equity and focus on women in supply chains receive less attention from investors.

#### There are a number of untapped GLI investment opportunities across different sectors in all three countries

- (Indonesia) Based on the interviews conducted, we found that GLI investments happen mostly in the agriculture and financial services sectors, with a lesser focus on workforce development. The main instruments for GLI have been debt and equity as well with larger investments into MFIs that provide microloans to women. Yet, there are more opportunities in middle-sized businesses in e-commerce, manufacturing, and textile industries, the areas primarily occupied by women entrepreneurs.
- (The Philippines) Most of the gender-based impact investments in the Philippines are still concentrated in the financial services sector through microfinance funds. Investors in the region

have a higher perceived risk of investments in outside financial sectors, such as agriculture and healthcare where low-income women and female entrepreneurs are present. There have been some instances of investments in workforce development organizations, such as BagoSphere, these should be highlighted as business cases to encourage implicit and explicit GLI investors to enter non-financial industries.

- (Vietnam) Private gender lens investors in Vietnam often target high growth businesses that concentrate in the education, healthcare and technology sectors, whilst most women led SMES are in the retail and wholesale trades (55%). There is also limited capital at seed stage as most angel and venture capital funds focus on tech startups. Therefore, there is missing capital for smaller deal sizes that matches the size and needs of most SMEs.

# Indonesia



# INDONESIA



## 1. Key Insights

### Indonesian ecosystem is mature and has diverse players in impact investment

Indonesia has a vibrant impact investing ecosystem with a wide range of players. As of 2018, there are at least 24 active PIIIs, 6 DFIs, one impact focused angel-network that deployed impact capital of nearly 152 million USD.<sup>24</sup> Some of the active investors in the region are Garden Impact, Good Return, Moonshot Ventures, Patamar Capital, and Root Capital; incubators, such as Simona Ventures and Digtaraya.

### Investors have multiple entry points for GLI

A range of private impact investors work with MFIs whose aim is to alleviate women out of poverty or have specifically tailored products like Women's Livelihood Bond (WLB). Several others decide to focus on GLI at a later stage after the SME or the client organization has demonstrated profits.

### Ecosystem players have developed business as well as impact cases

Along with the impact cases that are developed by ecosystem players, such as the UN and McKinsey, investors, such as YCab Ventures, Root capital, and Garden Impact have developed impact cases that are specific to their investments in Indonesia. IIX, C4D, and YCab Ventures have developed business cases. Women entrepreneurs are relatively less likely to default payments, making investing in women profitable. The majority of YCAB Ventures clients are women, who work in the beauty business, and create jobs and opportunities for other women. Their approach is to identify green field companies by applying quantitative investment strategies which reveal clear and measurable impact objectives and demonstrate financial return.

### The country has the greatest number of GLI investments in SEA

Gender lens investments primarily come from DFIs, but PIIIs are harnessing the opportunity as well. Indonesia is home to 22 million women led, women owned, women focused businesses.<sup>25</sup> Most women-led SMEs are concentrated in agriculture, services sectors, with a growing number oriented towards textile manufacturing.

### There is an opportunity to develop a standardized evaluation tool through collaboration

Investors are collaborating with incubators or accelerators to enhance GLI in the region. (For instance, Patamar Capital and Kinara Accelerators). However, there are no standardized evaluation or measurement metrics. Investors use different tools to collect impact data.

<sup>24</sup> "The Landscape for Impact Investing in Southeast Asia." *GIIN and Intellectap*. 2018. p. 92.

<sup>25</sup> "Women Entrepreneurs in Indonesia." *World Bank*. p. 14

**Limited investments in businesses that focus on women as clients or beneficiaries**

Women-led SMEs attract the greatest number of investments, compared to gender focused SMEs. There are only a few investors investing in organizations that involve women in the supply chain or that promote workplace equity. The number of deals varied significantly with women-led SMEs bagging the most number. Only 3 investors were keen on addressing workplace inequality.

**“Growth-oriented” and the “missing middle” of women entrepreneurs are likely to expand their businesses when barriers are removed**

Targeting “growth-oriented” and the “missing middle” of women entrepreneurs can help them reap more benefits from entrepreneurship interventions as they are likely to expand their businesses when barriers are removed. Indonesian women are as entrepreneurial as men, with the same percentage of male and female SME employers (1.2%). This is despite the multiple discriminatory practices and violence against Indonesia women.<sup>26</sup>

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<sup>26</sup> “Women and entrepreneurship: Indonesia.” *Investing in Women and the University of Sydney*. 2017. [https://investinginwomen.asia/wp-content/uploads/2018/01/FS\\_WSMES-Indonesia-1.pdf](https://investinginwomen.asia/wp-content/uploads/2018/01/FS_WSMES-Indonesia-1.pdf)

## 2. Gender Equality

### COUNTRY SNAPSHOT (sex disaggregated)

	Indonesia		Asia Pacific	World
	(female)	(male)	(female)	(female)
<b>Economic performance</b>				
Poverty rate (below USD 1.90 a day) <sup>27</sup>	<b>4%</b>	3%	<b>3%</b>	8%
GNI per capita (2011 PPP USD) <sup>28</sup>	<b>7,672</b>	14,789	<b>11,385</b>	11,246
Financial inclusion (% of account holders, age 15+) <sup>29</sup>	<b>51.4%</b>	46.2%	<b>71.5%</b>	64.8%
<b>Work and leadership</b>				
Informal sector employment <sup>30</sup>	<b>87.1%</b>	84.7 %	<b>69.4%</b>	58.1%
Labor force participation (% age 15%, ILO estimate) <sup>31</sup>	<b>52.2</b>	82.0%	<b>59.7%</b>	48%
Leadership in SMEs (%) <sup>32</sup>	<b>41%</b>	58%	<b>59%</b> <sup>33</sup>	<b>37%</b> <sup>34</sup>

#### Legend:

**Green** (better than the Asia Pacific region's average)

**Yellow** (same as the Asia Pacific region's average)

**Red** (worse than the Asia Pacific region's average)

<sup>27</sup> World Data Lab. "World Poverty Clock." 2020. <https://worldpoverty.io/map>.

<sup>28</sup> UNDP. "Human Development Report." 2019. <http://hdr.undp.org/sites/default/files/hdr2019.pdf>

<sup>29</sup> World Bank Data. "Global Financial Inclusion Index." 2020. <https://datacatalog.worldbank.org/dataset/global-financial-inclusion-global-findex-database>.

<sup>30</sup> ILO. "Women and Men in the Informal Economy: A Statistical Picture." March 2018. <https://www.wiego.org/publications/women-and-men-informal-economy-statistical-picture-3rd-edition>.

<sup>31</sup> UNDP. "Human Development Report." 2019.

<sup>32</sup> Women's World Banking. "Access to Finance of Women-Owned SMEs in Southeast Asia." p. 4.

<sup>33</sup> ABD. "Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific." October 2018 <https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>

<sup>34</sup> Harvard Business Review. "The Global Rise of Female Entrepreneurs." September 2013. <https://hbr.org/2013/09/global-rise-of-female-entrepreneurs>

## Progress

The fourth most populous country in the world, Indonesia has become the 16th by its GDP size which has mounted to 1.042 trillion USD in 2019, making it the tenth largest economy in terms of purchasing power parity.<sup>35</sup> Since its democratization after the fall of authoritarian leader Suharto in 1998, Indonesia has made significant progress in terms of gender equality that began with the election of the first female president Megawati Sukarnoputri in 2001. This led to a number of wins for Indonesian women, some of which are highlighted in the section below.

### What Indonesia does better than the rest of the world

Indicators	Rank	Index	Global average
Legislators, managers, senior officials (from 0 to 1) <sup>36</sup>	1	1.00	0.356
Mobile e-commerce, % <sup>37</sup>	1	88%	74%
Women Entrepreneurial Activity Rate – F/M <sup>38</sup>	3	1.0	0.7
Digital economy growth, % (regional) <sup>39</sup>	1	49%	33%

Figure 2: What Indonesia does better than the world.

### Indonesia leads in gender equality on a governmental level

Improvements in access to finances were largely the efforts of the champions like the current Minister of Finance Sri Mulyani who urged the private sector to implement policies that empower women at the Ring the Bell event that encourages further action to improve gender equality in the business sector.<sup>40</sup> Minister Mulyani is not the only female in the cabinet, in fact, by the end of 2019, Indonesia had nine female ministers appointed by President Joko Widodo, more than the governments of Australia, the United Kingdom, and the United States. Indonesia's progress in economic participation and opportunity sub index were highlighted in the Global Gender Gap report, where it jumped 28 places since last year making up one of the most considerable improvements on this dimension globally. Moreover, Indonesia leads the

<sup>35</sup> World Bank. "World Bank Data." 2020. Accessed May 7, 2020. <https://data.worldbank.org/>.

<sup>36</sup> The 2020 Global Gender Gap Index measures gender gap in 153 countries based on 14 indicators. The score ranges from 0.00 (imparity) to 1.00 (parity). "Global Gender Gap Report." *World Economic Forum*. Accessed April 21, 2020. <https://wef-gender-gap.netlify.app/#economy=IDN>.

<sup>37</sup> "Digital 2020." *Hootsuite and We Are Social*.

Accessed May 10, 2020. <https://wearesocial.com/digital-2020>

<sup>38</sup> Mastercard. "Mastercard Index of Women Entrepreneurs 2019." Accessed May 10, 2020. <https://newsroom.mastercard.com/wp-content/uploads/2019/11/Mastercard-Index-of-Women-Entrepreneurs-2019.pdf>

<sup>39</sup> Google & Temasek / Bain. "e-Conomy SEA 2019. Swipe Up and to the Right: Southeast Asia's \$100 Billion Internet Economy." 2019. Accessed May 10, 2020. [https://www.blog.google/documents/47/SEA\\_Internet\\_Economy\\_Report\\_2019.pdf](https://www.blog.google/documents/47/SEA_Internet_Economy_Report_2019.pdf)

<sup>40</sup> UN Women | Asia and the Pacific. "Indonesian Finance Minister 'Ring the Bell' to Encourage Private Sector's Role in Advancing Gender Equality and Women's Economic Empowerment." Accessed April 20, 2020. <https://asiapacific.unwomen.org/en/news-and-events/stories/2019/04/indonesian-finance-minister-rang-the-bell>.

world by the largest share (55%) of senior and leadership roles held by women and is one of the six countries in the world where female leaders make up a significant number of cabinet ministers.<sup>41</sup>

### Indonesia achieved gender equality in entrepreneurial activity

An increase in women entrepreneurial activity rate has totaled 44.3% from last year, placing Indonesia among the leaders in the world where women are just as inclined as men to engage in entrepreneurship. Compared to the previous year, Indonesian women are twice as likely to start business, from 6 to 14%, standing at par with men in early-stage entrepreneurship.<sup>42</sup> Such an optimistic trend has accounted for a generally positive view of entrepreneurship as a good career choice in Indonesia, with the majority of the population believing it is easy to start a business.

### Indonesia is the fastest growing internet economy in the region with majority of users being female

Impressive size of Indonesian e-economy has more than quadrupled since 2015 and reached a record-breaking average of 49% of growth rate, making it the fastest growing and largest in size internet economy in the region. With such fast-paced growth, Indonesia's internet economy is well on track to reach 130 billion USD by 2025, with ride hailing services such as women-centric Ojek Syari taking advantage of the digital boom.<sup>43</sup> Moreover, Indonesia leads the world in mobile e-commerce, where 88% of all internet users in Indonesia make purchases from their phones, 52% of which are female.<sup>44</sup>

### Indonesia made a leap in education enrollment and reducing Maternal Mortality Rate (MMR)

Reforms included providing access to education and to basic health services making Indonesia to have one of highest literacy rates in the region (females 93.59% and males 97.17%).<sup>45</sup> Moreover, the country has introduced a number of laws, regulations and programs to protect girls and women, including the Jaminan Kesehatan Nasional (JKN), one of the world's largest national health insurance programs<sup>46</sup> Since 2000, MMR has decreased from 270 to 177 deaths per 100,000 live births, a considerable breakthrough of 34.4%.<sup>47</sup>

### Indonesia halved the poverty gap and increased financial inclusion

Furthermore, Indonesia has been praised for reducing the poverty gap since 1999 to by 50%, decreasing the unemployment rate from 6.4% to 5.3%, and creating 9.38 million jobs from 2015 to 2018. The United Nations (UN) also lauded the innovative financing instruments, including Green Sukuk, blended finance, Islamic charity, social impact investments that maximize the resource flows from both public and private sources for financing of the Sustainable Development Goals (SDGs). Notably, financial inclusion increased

<sup>41</sup> "Global Gender Gap Report." *World Economic Forum*, p. 31.

<sup>42</sup> "Mastercard Index of Women Entrepreneurs 2019." *Mastercard Biz*. p. 29.

<sup>43</sup> "e-Economy SEA 2019. Swipe Up and to the Right: Southeast Asia's \$100 Billion Internet Economy" .". *Google & Temasek / Bain*. 2019.

<sup>44</sup> "Digital 2020: Global Digital Overview." *Hootsuite and We Are Social*. Accessed May 10, 2020. <https://wearesocial.com/blog/2020/01/digital-2020-3-8-billion-people-use-social-media>

<sup>45</sup> UNESCO. "UNESCO Indonesia." Accessed April 20, 2020. <http://uis.unesco.org/country/ID>.

<sup>46</sup> Mahendradhata, Yodi, Laksono Trisnantoro, Shita Listiyadewi, Prastuti Soewondo, Tiara Marthias, Pandu Harimurti, and John Prawira. "The Republic of Indonesia Health System Review." *Health Systems in Transition* 7, no. 1 (2017). <https://apps.who.int/iris/bitstream/handle/10665/254716/9789290225164-eng.pdf>, p.35).

<sup>47</sup> World Bank Data. "Indonesia." Accessed April 20, 2020. <https://data.worldbank.org/country/indonesia>

from 36% to 49%, with an increase of financial access for the poorest, which is mostly composed of women, from 22% to 37%.<sup>48</sup>

## Gender Gaps

However, despite applauding achievements in advancing gender equality, considerable challenges remain in fulfilling Indonesia's goals in terms of gender parity. Number of regional and country reports by development institutions underscore the critical issues holding women back. The drivers of inequality are complex and multifaceted, ranging from economic and financial exclusion to health and social issues. This section will provide an overview of the remaining challenges that Indonesia faces today to address gender inequality.

### Women remain the most vulnerable population to fall back into poverty

Since 2000, Indonesia has reduced extreme poverty from 40 to 9%, and has improved the HDI scores by 18% from 0.605 to 0.707.<sup>49</sup> Indonesia's constant annual GDP growth of 5.8% makes it one of the fastest growing economies, however, eradication of extreme poverty yet has to happen. Indonesia has seen a sharp decline in GDP per capita (PPP) ranking, now 105th out of 198, and about 25.1 million Indonesians out of 267.3 million USD still live below the poverty line.<sup>50</sup> The 2016 World Bank study interviewed 344 institutions working with women entrepreneurs in Indonesia and found that a significant proportion of women entrepreneurs still operate on the brink of extreme poverty. Figure 3 shows that regular informal workers and employees, as well as self-employed with higher wages and lower risk of poverty are predominantly men, whereas casual workers, industrial outworkers, homeworkers, and unpaid family workers are predominantly women with low earnings and a high risk of poverty. It suggests that supporting female entrepreneurship effectively heralds the opportunity to both reduce extreme poverty, by helping women escape poverty traps, and increase their shared wealth, by growing the profits and employment of women-owned enterprises.<sup>51</sup>

### Indonesian women perform most of the unpaid work that is linked with vulnerability and lower earnings

According to UNDP's HDR, 47% of people are employed as unpaid family workers and unaccounted workers, making them vulnerable to harassment, abuse at work, and lower wages. The Sasakawa Peace Foundation also found that women choose this type of work because they commonly bear the burden of unpaid work, forcing them to self-select out of formal jobs, and seek informal, "flexible" employment mostly.<sup>52</sup> A detailed study of Indonesian labor market showed noticeable dips in female labor force participation during childbearing years, demonstrating that it is at least partially driven by constraints, not

<sup>48</sup> United Nations. "Indonesia ... Sustainable Development Knowledge Platform." Accessed April 20, 2020. <https://sustainabledevelopment.un.org/memberstates/indonesia>.

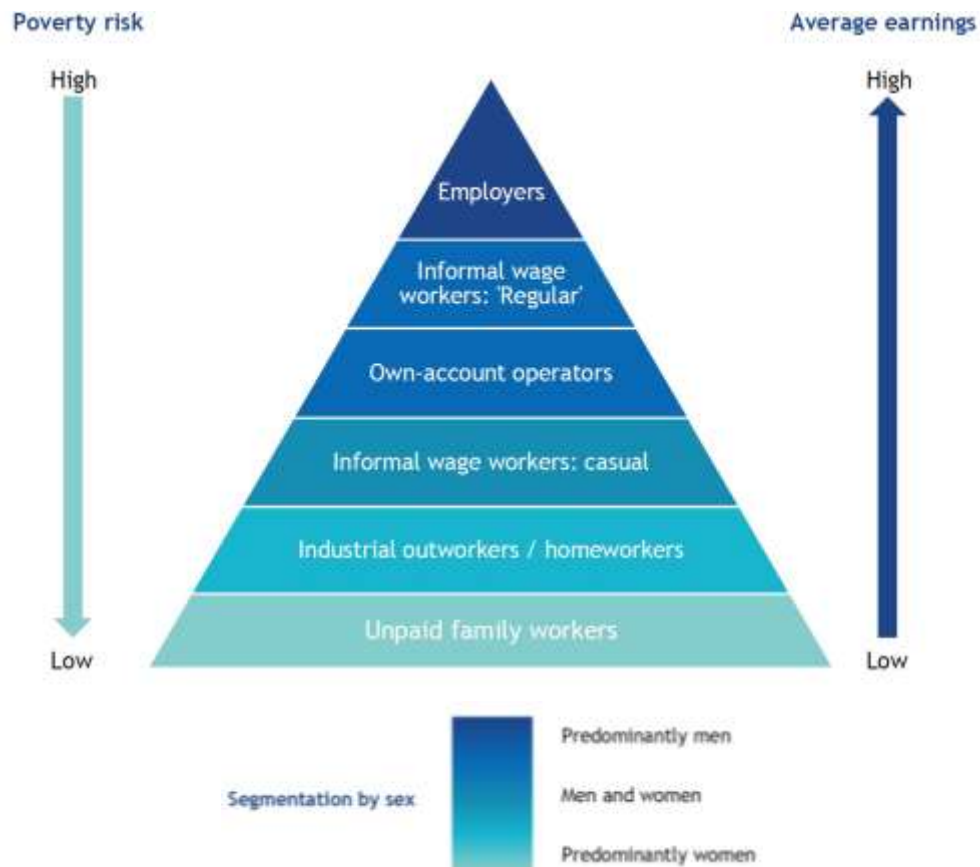
<sup>49</sup> "Inequalities in Human Development in the 21st Century. Briefing Note for Countries on the 2019 Human Development Report. *Indonesia*." UNDP. 2019. [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/IDN.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/IDN.pdf)

<sup>50</sup> World Bank Data.

<sup>51</sup> Ibid.

<sup>52</sup> Sasakawa Peace Foundation (SPF). "A Gender-Inclusive Southeast Asia through Entrepreneurship." 2019. <https://www.spf.org/global-data/user53/G50report1.pdf>.

women’s preferences.<sup>53</sup> Although there’s no clear data on how many hours Indonesian women and men spend on unpaid care work, it is clear that 93.7% women perform this job.<sup>54</sup> The absence of childcare arrangements is also associated with a switch to less profitable sectors of activity, forcing Indonesian women to move from manufacturing to retail work in urban areas and from manufacturing to agricultural work in rural areas. These transitions translate to a significant decrease in annual earnings of 255 USD in urban areas and 319 USD in rural areas.<sup>55</sup> In jobs in agriculture, women often are engaged in low productivity, subsistence work, and are concentrated in the value chain. Therefore, they bear more losses during floods and droughts that already affect their weak financial situations. In textile manufacturing, 70% women report harsh working conditions, sexual harassment, and overtime.



**Figure 3:** Regular informal workers and employees, as well as self-employed with higher wages and lower risk of poverty are predominantly men, whereas casual workers, industrial outworkers, homeworkers, and unpaid family workers are predominantly women with low earnings and a high risk of poverty. Adapted from: [Human Development Report, 2019](#).

<sup>53</sup> Halim, Daniel Zefanya; Johnson, Hillary C.; Perova, Elizaveta. “Could childcare services improve women’s labor market outcomes in Indonesia? (English)”. *East Asia and Pacific gender policy brief*; no. 1. Washington, D.C. : World Bank Group. 2017 <http://documents.worldbank.org/curated/en/855851490958133680/Could-childcare-services-improve-women-s-labor-market-outcomes-in-Indonesia>.

<sup>54</sup> Interactions. “Empowerment of Women and Girls.” 2010. <http://interactions.eldis.org/unpaid-care-work/country-profiles/indonesia>.

<sup>55</sup> Johnson, Hillary C. “Why care about unpaid care work in East Asia?” World Bank Blog. June 20, 2018. Accessed April 24, 2020. <https://blogs.worldbank.org/eastasiapacific/why-care-about-unpaid-care-work-east-asia>

### Government provides limited initiatives to progress gender equality

Discriminatory laws and tax regulations, coupled with a patriarchal culture and religious conservatism, continue to restrain women from fulfilling their rights. According to Oxfam, the 1974 Marriage Law is a key driver to inequality in Indonesia. The law distinguishes the man as the head of a household and the woman as the “mother” of the household; furthermore, it legalizes polygamy, and sets the legal marrying age for girls at just 16 years old. In this way, the law limits women’s access to their rights and provides a justification for lower wages for women workers – since they are not considered as the head of the family. In addition, it prevents women from accessing finance and credit from formal financial institutions without permission from their husbands or fathers.<sup>56</sup> Such discriminatory and patrilineal inheritance practices only worsen women’s access to assets and financing.

### Violence against women remains rampant and is often ignored by social investors

According to the UNFPA’s 2016 Life Experience Survey, one in three women aged 15 to 64 years in Indonesia reported that she had experienced physical, sexual, emotional and economic abuse in her lifetime, one in 10 have experienced it in the last 12 months.<sup>57</sup> This is one of the first reliable nationwide surveys on gendered violence in Indonesia. Due to shame and constant pressure from conservative members of their communities, violence against women is severely underreported. Though it’s hard to generalize that the entire state of Indonesia is unsafe for women due to its massive population living on more than 17,000 islands, women feel unsafe in their homes. The rampant domestic and intimate partner violence in Indonesia are the second highest cause for all violent deaths. Moreover, deep rooted gender norms and stereotypes associated with extremely harmful practices like female genital mutilation and child marriage still continue. Although the legal age for marriage is 21, girls can marry as early as 16 with parental consent, in many unreported cases, the age is even lower. According to the Asian Venture Philanthropy Network (AVPN) CEO Naina Batra: “A lot of social investors shy away from gender-based violence, especially when associated with a religious practice.”<sup>58</sup>

### Informal employment hinders Indonesian women’s financial security and protection

The progress in female labor force participation has stalled. Only half of the female population (52%) participates in the labor market compared to male (82%), lower than average for countries at a comparable stage of development.<sup>59</sup> Women in Indonesia still earn half of what men earn, 7,673 USD compared to 14,788 USD and comprise less than 20% of senior and middle management.<sup>60</sup> Majority of women are employed in the informal sectors of agriculture, trade and public sectors which is associated with vulnerability precluding women from having consistent wages, collective bargaining, gender-sensitive employee policies, and legal protections.<sup>61</sup> Indonesian women also make up the majority of migrant workers, both within and outside of the country. According to a recent study, rural women make

<sup>56</sup> Oxfam International. “Towards a More Equal Indonesia.” February 2017. [https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/bp-towards-more-equal-indonesia-230217-en\\_0.pdf](https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/bp-towards-more-equal-indonesia-230217-en_0.pdf).

<sup>57</sup> UNFPA. “2016 Indonesian National Women’s Life Experience Survey (2016 SPHPN).” 2016. [https://indonesia.unfpa.org/sites/default/files/pub-pdf/2016\\_SPHPN\\_%28VAW\\_Survey%29\\_Key\\_Findings1\\_0.pdf](https://indonesia.unfpa.org/sites/default/files/pub-pdf/2016_SPHPN_%28VAW_Survey%29_Key_Findings1_0.pdf)

<sup>58</sup> “A Gender-Inclusive Southeast Asia through Entrepreneurship.” *SPF*, p.32.

<sup>59</sup> UNFPA. “Women and Girls in Indonesia: Progress and Challenges.” October 2015. [https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women and Girls in Indonesia.pdf](https://indonesia.unfpa.org/sites/default/files/pub-pdf/Women%20and%20Girls%20in%20Indonesia.pdf).

<sup>60</sup> “Human Development Report.” *UNDP*, 2019.

<sup>61</sup> “A Gender-Inclusive Southeast Asia through Entrepreneurship.” *SPF*, p. 19.

up 44% of the migrant labor force overseas. The main drivers behind the high rates of migration were poverty, unemployment, underemployment, lack of formal education (particularly true for older and poorer women) and a changing economic structure. The agriculture sector is declining as a result of migration from rural to urban areas, in particular.<sup>62</sup>

### Cultural norms prevent Indonesian women from accessing startup capital

In terms of financial inclusion, only 55.7% of adults hold an account with an institution that provides a full suite of financial services and comes under some form of government regulation.<sup>63</sup> Most of the payments and transactions, including wages, are done in cash, especially in the agriculture sector.<sup>64</sup> This is often linked with the lack of financial training, especially to older and rural women. A study found that almost half of Indonesian women admitted that their lack of experience in financial services and understanding of financial products causes difficulties for them to formulate sound financial decisions.<sup>65</sup> Access to loans and credit is further impeded by a low share of property by women and inability to provide collateral against the financing. Indonesian property and inheritance laws still discriminate against women and girls, stipulating that a son receives twice the share of each daughter, and in the absence of sons, daughter(s) are to split two-thirds of the share.<sup>66</sup>

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<sup>62</sup> Australia Indonesia Partnership for Economic Governance. "Women's Economic Participation in Indonesia." June 2017.

<https://www.monash.edu/business/cdes/research/publications/publications2/Womens-economic-participation-in-Indonesia-June-2017.pdf>.

<sup>63</sup> Financial Inclusion Insights from Kantar. "Every Country Tells a Story - Indonesia." 2018. [http://finclusion.org/uploads/file/fii-indonesia-2018-2019-final-report\(1\).pdf](http://finclusion.org/uploads/file/fii-indonesia-2018-2019-final-report(1).pdf).

<sup>64</sup> World Bank. "Global Findex Report." 2017. <https://globalfindex.worldbank.org/>.

<sup>65</sup> Vong, John, Song, Insu, Salian, Rakesh Dhananjay, Xu, Rui, Kariath, Rinu, and Bunyong, Kritchawan. "Impact of microfinance on gender equality in Indonesia". 2013.

[https://www.researchgate.net/profile/Nelson\\_Nkalu/publication/326719637\\_Reducing\\_Inequality\\_in\\_Developing\\_Countries\\_Through\\_Microfinance\\_Any\\_Correlation\\_So\\_Far/links/5b60872baca272a2d678b199/Reducing-Inequality-in-Developing-Countries-Through-Microfinance-Any-Correlation-So-Far.pdf](https://www.researchgate.net/profile/Nelson_Nkalu/publication/326719637_Reducing_Inequality_in_Developing_Countries_Through_Microfinance_Any_Correlation_So_Far/links/5b60872baca272a2d678b199/Reducing-Inequality-in-Developing-Countries-Through-Microfinance-Any-Correlation-So-Far.pdf). p. 201-206.

<sup>66</sup> Food and Agriculture Organization of the United Nations. "Inheritance Legal Mechanisms." Gender and Land Rights Database. Accessed April 23, 2020. [http://www.fao.org/gender-landrights-database/country-profiles/countries-list/national-legal-framework/inheritance-legal-mechanisms/en/?country\\_iso3=IDN](http://www.fao.org/gender-landrights-database/country-profiles/countries-list/national-legal-framework/inheritance-legal-mechanisms/en/?country_iso3=IDN)

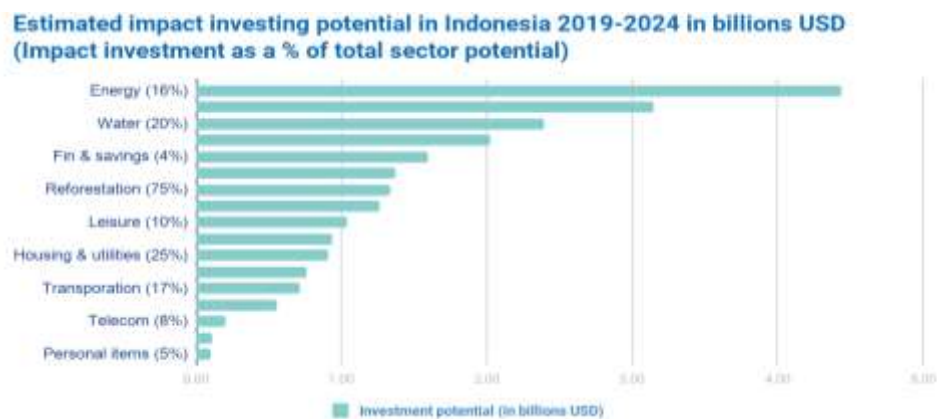
### 3. Indonesia's Impact Investing Snapshot

Indonesia is the **largest market for impact investing** in the region in terms of the number of active investors, the amount of impact capital deployed, and the number of impact deals between 2007 and 2017. PIs have deployed 148.8 million USD across 58 deals and DFIs have deployed 3.6 billion USD through 67 deals.<sup>67</sup> Moreover, GIIN reports that as of 2017, three investors have deployed 27.6 million USD in nine deals.<sup>68</sup> Since 2013, the ecosystem has become more supportive of impact investments and the players have become more aware of it. Indonesia has a **strong presence of catalysts, incubators, accelerators as well as networks** like ANDE and AVPN.

The GIIN report mentions the variations in the deal sizes. These varied from between PIs and DFIs. The former invests 1 million USD to 5 million USD whereas the latter deals with 10 million USD to 50 million USD. **PIs are involved in seed and early-stage funding.** DFIs that are investing more than 5 million USD, are often investing in environmental impact projects and energy. PIs have focused mainly on microfinance. A majority of the PIs deals have been in agriculture and finance since 2007, whereas DFIs focused on energy, manufacturing and financial services.

However, the report mentions challenges arising from **limited local presence of the PIs.** As of 2017, only 7 investors had local presence and 16 of them operated from elsewhere. The GIIN report noted that the investors operating from outside Indonesia, often invested smaller amounts in the country. It is the **most mature market in the region for investments**, both in terms of investors as well as the impact capital deployed. Agriculture sector attracts the greatest number of investments, followed by financial services. Some of the **key players are ANGIN, Patamar Capital, IIX, Mana Impact Partners, Northstar Foundation, East Ventures, Skystar Capital, and Digitalaya.**

Mekar, an impact investment firm in Indonesia, has predicted the profitability of impact investing and provided a five-year outlook by sector. The data is as below<sup>69</sup>:



**Figure 4:** Estimated impact investing potential in Indonesia sectors in 2019-2025. Adapted from Mekar.

<sup>67</sup> "The Landscape for Impact Investing in Southeast Asia." *GIIN and Intelicap*. p. 92.

<sup>68</sup> *Ibid*, p. 100.

<sup>69</sup> Sanders, Thierry. "Mekar." *Mekar* (blog). July 2, 2018. <https://blog.mekar.id/en/impact-investing-in-indonesia-a-five-year-outlook/>.

## 4. Challenges and Opportunities for GLI

### Challenges

Despite having the most mature ecosystem for GLI, Indonesia has a few challenges to overcome that could help widen the aperture for GLI players. Below are some of the challenges identified through desk research.

#### PIIs still apply a “one size fits all” investment approach and fail to meet credit needs of growth-oriented women-led SMEs

The World Bank recommends the lenders to distinguish between the “growth-oriented” women entrepreneurs, who have the ability and willingness to expand their businesses, and the “necessity” entrepreneurs who choose this path due to limited opportunities and do it for substance living. The “growth-oriented” women entrepreneurs whose needs are significantly greater than the 10 million Rupiah group loan ceiling express strong unmet demand for credit, even at prevailing market interest rates.<sup>70</sup> ANGIN’s report on Women Led Social Enterprises (WLSE) builds up on the World Bank’s report on targeting the right size and companies and not applying the ‘one-size-fits-all’ approach.<sup>71</sup>

#### Mismatch of needs of larger SMEs and few services available creates financing gaps in GLI

The World Bank study revealed that programs which targeted women entrepreneurs yielded sub-par results because of their inability to select the right firm. One of the key findings suggests that 76% of financial institutions interviewed find women entrepreneurs as a profitable market segment, but less than 3% have dedicated products or strategies to serve women.<sup>72</sup> The SMEs, on the other side, reportedly lack confidence about their financing options, considering the mismatch between their needs and known resources from commercial banks, while operating at a scale that is far too big for most grants but not ready for most types of investment.<sup>73</sup>

#### GLI is not a priority for ecosystem players yet

ANGIN revealed that most financing of enterprises was aimed at reducing poverty. Several ecosystem players echoed their mission as financing organizations to alleviate poverty and discrimination. They expressed concerns that being gender focused would narrow their mission and adversely affect Indonesian growth and development.

#### Prevalence of cultural norms is detrimental to women SMEs

Most ecosystem players see women as beneficiaries, not as the drivers of sustainable development.<sup>74</sup> Being a patriarchal society, Indonesia presents challenges to women trying to access the limited available opportunities. Thus, women tend to face hurdles from ideation to financing to sustaining their businesses.

<sup>70</sup> ANGIN. “Women’s Entrepreneurship and Access to Finance: Challenges and Opportunities of Women-Led Social Enterprises in Indonesia.” September 2019. <https://www.angin.id/wp-content/uploads/2019/09/4-Women-entrepreneurship-and-Access-to-Finance-UNDP-1.pdf>.

<sup>71</sup> Ibid.

<sup>72</sup> “World Bank Data.”

<sup>73</sup> “Women entrepreneurs in Indonesia.” *World Bank* p.80.

<sup>74</sup> “Women’s Entrepreneurship and Access to Finance.” ANGIN.

### Perceived risks and limited pipelines associated with GLI halts the growth of GLI in Indonesia

Foreign impact investors have to rely on secondary data sources to make decisions about GLI. According to the GIIN report, investors are reluctant to invest in women-led businesses due to the unavailability of data and instruments to exit from businesses that aimed at benefiting women. Mostly, these private investors are located outside Indonesia and need third-party players to identify opportunities in the ecosystem. Investors believe that this information asymmetry can be fixed by having governmental and donors encourage GLI through blended finance mechanisms or first-loss guarantees.<sup>75</sup>

### Opportunities

The most promising GLI market in SEA, Indonesia has plenty of opportunities to initiate and expand investment through harnessing gender equity, female entrepreneurship, internet economy, and targeting growth-oriented women SMEs, among many other opportunities.

### Empowering Indonesian women could unlock 135 billion USD by 2025

According to the 2018 McKinsey Global Institute report, Indonesia alone could add 135 billion USD a year to annual GDP by 2025 by increasing female labor-force participation, closing the gap between the paid hours women work compared with men -- 9% above business as usual. These additional financial returns represent 12% more than would be generated according to current forecasts of GDP for 2025.<sup>76</sup> Furthermore, the World Bank report compliments McKinsey's findings that improved productivity and competitiveness of micro, small and medium enterprises (MSMEs) could contribute 47% of GDP and 57% of employment in Indonesia. According to the World Bank, women-owned SMEs contribute to 9.1% of GDP, who make up just over half (51%) of small-business owners (against a global average of 35%), and 34% of owners of medium-sized enterprises.<sup>77</sup>

### Women entrepreneurs report above-average profitability

Companies in top quartiles for gender diversity are 21% more likely than other firms to report above-average profitability, according to McKinsey. IFC compliments this finding and states that more Indonesian women than men reported their business to be "very profitable" despite significant hardships in securing financing, control of profits by husbands, and absence of proper infrastructure.<sup>78</sup> Moreover, companies with three or more women on their executive committees scored higher on organizational health, on average, than companies with no women at this level, demonstrating the success of companies that commit to diversify the leadership.<sup>79</sup> To make up for the missed growth opportunities, the Indonesian private sector can increase the number of women in leadership positions, enhance legal protection for women and accelerate progress on labor-force participation by offering employment insurance.

<sup>75</sup> "The Landscape for Impact Investing in Southeast Asia." *GIIN and Intellectap*. p. 119.

<sup>76</sup> McKinsey Global Institute. "The Power of Parity: Advancing Women's Equality in Asia Pacific." April 2018. <https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Gender%20Equality/The%20power%20of%20parity.pdf>

<sup>77</sup> "Women entrepreneurs in Indonesia." *World Bank*. p. 1.

<sup>78</sup> IFC and USAID. "Women-Owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions." 2016. [https://www.ifc.org/wps/wcm/connect/260f2097-e440-4599-91ec-e42d45cf3913/SME+Indonesia+Final\\_Eng.pdf?MOD=AJPERES&CVID=lj8qhPY](https://www.ifc.org/wps/wcm/connect/260f2097-e440-4599-91ec-e42d45cf3913/SME+Indonesia+Final_Eng.pdf?MOD=AJPERES&CVID=lj8qhPY)

<sup>79</sup> "Women entrepreneurs in Indonesia." *World Bank*. p. 3.

### Digital technology can increase women-centered SMEs access to bigger markets, increase female labor-force participation and financial inclusion of women

Various analyses predict that availability of digital technology could help female entrepreneurs' access large-scale markets to sell their products. Investments in women-owned SMEs can help them generate 35% of e-commerce revenue on one of Indonesia's largest online marketplaces, compared with only 15% of offline SME revenue. Online service platforms could activate additional 3% of non-working female citizens in Indonesia, adding one million women to the workforce. Moreover, investments in tech-startups require less capital in addition to offering flexible working hours, a crucial component for 93.7% Indonesian women, who do most of the housework and care work, thus equalizing the field and ensuring more equitable economic opportunities.<sup>80</sup> Online banking and digital inclusion of women also reaches women living in rural areas and gives access to financially excluded women that make up 49% in SEA by reducing traveling time that otherwise would have been spent on productive work. Such platforms also provide better tracing of business metrics and better compensation for domestic workers.<sup>81</sup>

### Growth-oriented women-led SMEs are likely to expand and hire female employees

The World Bank notes that out of the large pool of women entrepreneurs with diverse and heterogeneous needs, 15% of them were classified as the "growth-oriented" who are very likely to expand their businesses, and once they do, they hire female employees. These fast-growing "gazelles" have the potential to catalyze much broader economic growth and development, all with the right support. The report urges the angel investors to provide equity to high-potential but unbanked women entrepreneurs. Growing market for equity investment in SMEs "could be a source of tremendous opportunity in the coming years."<sup>82</sup> To win over WLSEs, investors need to carefully devise products that meet demand, including active outreach with messages that respond to identified gender-specific needs. Business and financial skills training, networking and mentoring, certification and insurance are among the bundling of services.<sup>83</sup>



Figure 5: Enterprise pyramid. Adapted from: ANGIN report, 2019.

<sup>80</sup> "Empowerment of Women and Girls." *Interactions*.

<sup>81</sup> "The Power of Parity." *McKinsey*. p.32.

<sup>82</sup> "Women entrepreneurs in Indonesia." *World Bank*. p. 4.

<sup>83</sup> "Women's Entrepreneurship and Access to Finance." *ANGIN*. p. 29.

**Investing in unbanked women SMEs that are more disciplined at repayment could be a new focus area**

In 2016, IFC published a report, originally intended for financial institutions, on building a prudent business and entrepreneurial case in investing in women-owned SMEs. The report highlights a strategic business opportunity that can pay off for financial institutions and also benefit women-owned enterprises. In conducting a survey of 600 SME owners, IFC determined no huge difference in entrepreneurial profile among men and women, but noted that women tend to be more disciplined in repayment. Therefore, women's non-repayment ratio is lower than that of their male counterparts.<sup>84</sup> Moreover, women primarily start a business for self-employment and to become financially independent, whereas men tend to be driven more by their career aspiration. This may explain women's desire to start a business even without prior experience and focus on running smaller, more growth manageable businesses. IFC suggests that investing in unbanked women SMEs could be a new area to focus on and would go a long way in incorporating the SMEs' unmet need for financing, supporting their productivity and growth.

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<sup>84</sup> "Women-Owned SMEs in Indonesia." *IFC and USAID*. p.42.

## 5. Research and Interview Findings

The SIPA team has conducted 8 interviews with diverse ecosystem players to answer some of the research questions below. The list of the players includes impact funds such as BIDUK, Moonshot Ventures, Garden Impact, Good Return, YCab Ventures, Root Capital, Patamar Capital, SEAF, and the Sasakawa Peace Foundation and accelerators such as Simona Ventures and Digitaraya.

### Question 1: What are the ways in which leading investors are already investing with a gender lens in the three target countries?

#### Summary of findings

During our research, we found that 7 out of 11 investors [IIX, Root Capital, BIDUK, Moonshot Ventures, Patamar Capital, SEAF, and YCab Ventures] expressed interest in investing in women-led/ women-owned businesses. **7 out of 11 investors [Garden Impact, Good Return, BIDUK, Moonshot Ventures, YCab Ventures, and Patamar Capital] invest in products or services to redress inequality.** Our research shows that the deal sizes varied from 200,000 USD to 2 million USD.

**Finding 1:** Investors have designed unique investment instruments and funds to finance women SMEs. These not only include the traditional debt and equity instruments but also bonds that are traded on the stock exchange.

**Finding 2:** GLI benefits from knowledgeable and proactive LPs. Along with investors with a keen interest in GLI, Indonesia witnessed LPs that specifically asks the investors to spend money on gender inclusive activities. (See BIDUK)

**Finding 3:** The ecosystem players use metrics to evaluate the impact of their investments on gender. They use available tools or develop new tools. Data is evaluated before an investment is made to determine if it is a gender focused investment.

#### In Focus: Good Return- Gender Audit Handbook

Good Return has adapted IntelAction's Gender Audit Handbook. It is a self-assessment tool for identifying staff perceptions regarding how gender issues are addressed in programming and in internal organizational systems and activities. It is a continuous process for identifying and opportunities for increasing gender skills and organizational equality. It includes four steps:

- Step 1 - Preparing for the Gender Audit
- Step 2 - Staff Survey
- Step 3 - Focus Group Conversations
- Step 4 - Gender Action Planning

**Finding 4:** Investors, such as Root Capital and Patamar Capital, have been keen on applying a holistic approach to GLI. They not only invest in women SMEs, but focus on women as beneficiaries as well as invest in products to redress gender inequality. Root Capital not only invests in women led agricultural businesses and gender inclusive businesses, but also provides training to women leaders, invests in organizations to redress inequality and catalyzes gender inclusivity by developing business and impact cases.

**Finding 5:** The landscape is dominated by men with only 2 women founded impact funds (YCab Ventures and IIX) however, Investors are keen about promoting gender balance internally within their organizations. For example, Root Capital promotes gender inclusivity, internally with 46% of its employees being women. C4D provides internal training to staff on gender and makes sure that at least one woman is on the investment committee. Good Return successfully conducted 2 gender audits, and aims to strategize to have gender audits every three years. YCAB Ventures and YCAB Foundation in general have more female employees than male at the management level, and among staff, women make up 55% of 323 employees.

**Finding 6:** Indonesia has benefitted from accelerators and business incubators, such as Kinara accelerator, Digtarayaya and Simona Ventures, who invest as well as provide training and mentorship. Investors such as Patamar Capital, are also keen on providing training and mentorship in partnership with incubators and accelerators. Simona accelerators organizes mentorship summits. Through these events, it aims to raise awareness, inspire more women entrepreneurs, build a network of women entrepreneurs, invest in women founders, connect women entrepreneurs in Asia-Pacific countries (APAC) and build an ecosystem of female entrepreneurs. It explicitly trains and mentors Women in FinTech.

## Question 2: What practices from GLI are investors not applying, and why? What are the constraints and what support is needed?

Indonesia has the greatest number of GLI deals in the SEA region. The country has been very attractive to investments in women businesses. **8 out of 11 [BIDUK, Patamar Capital, Good Return, Moonshot Ventures, Simona Accelerators, Root Capital, YCab Ventures, and IIX]** investors interviewed have expressed commitment to GLI. However, there are few constraints that serve as a reason why the rest of investors are not applying GLI explicitly as a holistic approach. Investors are mostly focused on investing in women led or women owned SMEs. Moreover, some are not simply aware of specific GLI niches and have been using GLI in their practices without acknowledging it. Incubators and accelerators have not explicitly ventured into GLI but are more focused on providing training and mentorship.

### Constraints:

#### a. Perceived misconception of GLI as “pink banking” limits investors from embracing it

Investors such as BIDUK, who promotes GLI have expressed their concerns with GLI being referred to as a “charity” or “pink banking.” Because separating women as a specific sector may further exacerbate inequality and the notion of women as beneficiaries, investors see it as a challenge to promoting GLI. Some investors specifically avoid the term to get support from their partners. This all happens due to limited awareness of the benefits of GLI coupled with longstanding perception of women only worthy of philanthropic money and not being able to run their businesses and impact others. As long as investors see the multitude of effects of investing in women, this tainted belief of donating in women will outlive itself.

#### b. Majority of the GLI deals are made with women-led SMEs

As mentioned earlier, there are only a limited number of GLI deals for engaging women in value chains. Furthermore, the investors take limited steps to engage the client organizations on gender. **Only 4 out of 11 investors** [Good Return, BIDUK, Root Capital, and SEAF] interviewed expressed interest in engaging SMEs on gender workforce issues. One of the investors expressed concerns about how a lot of women-owned businesses are not necessarily solving problems for women customers.

#### c. Limited efforts to mitigate gender bias and identifying opportunities

Garden Impact believes that restricting to GLI may result in overlooking other investable opportunities and create an unwelcome image. They also feel that businesses should be aimed to change lives, alleviate poverty and reduce hunger, not only by being exclusively gender-inclusive, but focusing more on impact evaluation. Investors would agree that there is a lot that needs to be done in Indonesia, and not necessarily through gender-lens. They believe that having GLI together with regular investments could bring a holistic development to the country.

**d. Prevalence of cultural norms that restrict women participation in the impact investment arena**

two of the new ecosystem players interviewed, such as Garden Impact and Simona Ventures felt that the current environment is not very supportive of women leaders. The culture and social norms in Indonesia are not conducive for women leaders. Women are relatively shy and timid to participate in training programs. Many women require household support and several rearrangements in their lives to access the same opportunities as men. The number of women-led investment funds in Indonesia is significantly lower. There is still a mentality that the impact investment sector is like an “old boys club” dominated by men, women investors have limited entry points due to culture and social norms.

## Question 3: What are investors' motivations for investing with a gender lens? What is the emerging business case that they are seeing?

For the investors interviewed, the motivation to invest with a gender lens either comes from their institutional mandates or their personal experiences. In Indonesia, some impact investment funds have been created to work towards redressing gender equality. Three investors interviewed strive to achieve gender equality by investing in women as an explicit gender fund- BIDUK, C4D, and Moonshot Ventures. Impact funds, such as Root Capital, have been motivated by their investors to focus on gender in investments. Highly motivated individuals like Putri Izzati and Doreen Shinaz have founded organizations to reduce the gender gap in Indonesia.

### Institutional Mandate

#### 1. BIDUK

BIDUK was founded for GLI and offers flexible debt products that are tailored to the needs of the women-owned businesses. BIDUK seeks to build a financing model that bridges the financing gap many SMEs face as they grow and will provide proof of concept that the model can be viable and taken to scale.

#### *Business case for BIDUK*

From the BIDUK perspective, there are no financial intermediaries that are only focusing on women. Furthermore, there is a notion of subsidized financing to women because they are perceived as non-profitable. BIDUK aims to turn it around by up taking men clients too and by making it right for women and for everyone. They hope to show in their proof of concept that if diversity and inclusion is taken as a segmentation strategy - it is incredibly profitable. (Refer to case study on BIDUK)

#### 2. Capital 4 Development (C4D)

C4D considers gender in its mission of improving the livelihood of underserved communities in Indonesia. It created a gender strategy with 3 goals. It aims to invest at least 30% of its capital in SMEs owned or led by women. Since its inception in 2019, C4D is committed to gender inclusion within its organization. Its commitment to gender has led it to a partnership with Investing in Women and has started a fund called "C4D Asia Fund." The Fund has moved from an all-male team to a more balanced workforce comprising 40% women staff. The leadership and team are committed to advancing gender equality and has a well targeted gender strategy.

#### *Business case for C4D*

The team recognizes the need for a business case and mentioned that they would like to advance on: 1) the business case for investors to pursue gender lens investing, and 2) the business case for investees to further integrate gender into their business and impact considerations.

### In Focus: C4D Gender Strategy Goals (GSG)

Capital 4 Development has designed a gender strategy to constraints that women face. It focuses on identifying gaps in investing behavior. It has partnered with the Criterion Institute to develop GSGs. It includes:

- Capitalize 30% of our C4D Asia Fund in women-led and women-owned enterprises
- Consciously integrate gender analysis across our investment processes, conducted by a gender-aware investment team and investment committee
- Catalyze a shift towards gender inclusion and equity across the board, workplace and value chain by educating investment partners and portfolio companies.

### **3. Moonshot Ventures**

Moonshot Ventures identifies themselves as a gender-centric fund. It is explicitly focusing on investing in SMEs led by women, owned by women and serving women clients. The organization sees a huge potential for GLI in Indonesia with its 130 million population, 25 times the size of Singapore. Moonshot Ventures is seeking to collect sex disaggregated data to identify bottlenecks existing for women and girls. It seeks to invest into ventures that solve more specific issues rather than generic areas like agriculture. For Moonshot Ventures, impact evaluation is more important to decide on where to invest. However, the investor interviewed expressed that GLI in education is the least focused with very few investment pipelines. For the client organizations, it performs due diligence to ensure that the products or services do not exclude women and internal sexual harassment policies exist.

#### Investor's Motivation

##### **1. Root Capital**

For Root capital, the motivation comes from the investors. It started as a gender-neutral mission-driven social investment fund providing lending and financial training to agricultural businesses in poor rural areas. In the first ten years, 30% of its beneficiaries were women. In 2011, it conducted a market segmentation to identify what attracted investors to Root Capital. Several of its investors expressed a link between poverty alleviation and women empowerment. They called on a notion that they can impact women by investing in enterprises in which women participate and lead. This learning led to the launch of the Women in Agriculture Initiative (WAI) in 2012. Training women leaders is an integral part of the organization's mission, as they identify women leaders as 'hidden influencers' of the rural economy.

#### Personal Motivation

##### **1. IIX**

Mrs. Doreen Shinaz founded IIX after she recognized a massive movement around financial inclusion and women. She further developed the idea of financial inclusion and women's empowerment. Mrs. Shinaz

envisioned IIX to become the world's first social stock exchange, that provided scale up solutions to businesses, and brought impact investing from the margins to the mainstream of finance.<sup>85</sup>

### **Business Case for IIX**

IIX has closed two bonds to date, and is onto the third one to complete the 150 million USD goal. In the WLB 2, IIX was able to bring sectors from financial inclusion to clean energy and sustainable agriculture which addressed the intersection of 2 SDG goals on gender equality and climate change. IIX addressed the risk element at the bond level and it brought the investors to participate. (Refer to case study for more details.)

## **2. Simona Ventures**

Ms. Putri Izzati's personal motivation to reduce the gender gap in Indonesia led her to found **Simona Ventures**. It focuses exclusively on women-led businesses, businesses with women clients or beneficiaries and those striving for gender equality in the workplace. The ecosystem player interviewed feels that a woman entrepreneur has to undergo greater scrutiny to secure investments. And it is worse for women founders in FinTech services. Though Simona has not made any investments yet, it provides mentorship and training for women entrepreneurs. With three batches of networking, training boot camps, Simona has mentored 21 women enterprises from 11 APAC [Australia, China, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Thailand, and Vietnam]. The ecosystem player interviewed strongly believes that women entrepreneurs can be very successful, if given an equal opportunity.

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<sup>85</sup> IIX Global. "Who We Are: The IIX Story." Accessed April 27, 2020. <https://iixglobal.com/who-we-are/>.

## Question 4: What are the types of investable opportunities that investors could find if they apply a gender lens?

Even with constraints and challenges in the demand and supply side of investment, Indonesia offers several sustainable, profitable, investable opportunities to the investors. In Indonesia, SMEs are vibrant and provide opportunities for women, and women-led businesses make up 41% of the 5.6 million USD enterprises in the formal economy.<sup>86</sup> Investing in women-led and women-focused SMEs will further the employment opportunities to women. Especially, the tech-startups can offer flexible working hours, thus engaging 93.7% Indonesian women in the formal workforce.<sup>87</sup> They also require less capital investment. Several ecosystem players have already tapped into the profits of investing in women businesses. Global Entrepreneurship Monitor ranked Indonesia as 1st out of 65 countries in 2016 on the female-to-male early-stage entrepreneurial activity ratio.<sup>88</sup> The private sector could use this opportunity to capitalize on Indonesia's strength in vibrant female entrepreneurship.

**Ketiara**, a Sumatran cooperative of coffee-bean growers, received its funding from Root Capital under its gender-inclusive and women-led agricultural businesses initiative. It was formed by Ibu Rahmah, who organized 1,900 smallholder farmers, more than 40% women, to advocate more rights and better pay. Not only Rahmah proved to be a skilled businesswoman, she led her farmers to pursue Fair Trade certification so that they could earn a premium price for their produce. Rahmah's cooperative Ketiara chose to invest earned premium into better healthcare, quality education and improving infrastructure in their community, ensuring that they could thrive in the coming years. Ketiara initially received a 550,000 USD trade credit loan to pay farmers for the period between growing the coffee and selling it on the global market. Since then, the business has grown, and so has the loan size to 1 million USD in 2015, and then to 1.5 million USD in 2016. The cooperative is reported to have paid back each loan in full.<sup>89</sup> Other strategies for empowering women in agriculture are detailed in the Root Capital Investor Spotlight.

**Ojek Syari**, an app-based transport service for women started by Evilita Adriani. She started this service to address the transportation needs of the Muslim women. Moreover, Indonesia has recorded high rates of crime and sexual harassment. Ojek Syari was launched with hijab wearing Muslim women drivers. It employs 800+ women drivers. It was started in 2015 by bootstrapping 9 million rupiah, it later acquired an investment worth 100 million rupiah. After the first six months, Ojesy pocketed 25 million rupiah each month. Profits are shared with investors every month by 25% with an investment period of two years. There is a potential for huge returns to the investor, as Ojek Syari is planning to expand to all the cities in Indonesia. Ojek has an explicit motivation for reducing sexual harassment in the region. (Refer to the case study)

<sup>86</sup> "SME and Entrepreneurship Policy in Indonesia 2018 - En." *OECD*.

<sup>87</sup> "Empowerment of Women and Girls." *Interactions*.

<sup>88</sup> GEM Consortium. "Global Entrepreneurship Monitor Report". 2016. <https://www.gemconsortium.org/file/open?fileId=49480>

<sup>89</sup> Root Capital. "Ketiara: Advancing Women's Inclusion in Indonesia." Accessed April 24, 2020. <https://rootcapital.org/meet-our-clients/stories/ketiara-advancing-womens-inclusion-in-indonesia/>.

## 6. Recommendations

### **Recommendation 1: Private investors could tap into the strong network of Indonesia women entrepreneurs**

Private sector players, investors and accelerators could tap into Indonesia's strongest base of female entrepreneurs that is both large in numbers and is composed of highly aspiring women. Networks like ANGIN and AVPN are already publishing reports, articles to bring women-focused SMEs and women leaders into the limelight. They highlight the success stories and encourage other investors to invest in women. Potential GLI investors should leverage such publications.

### **Recommendation 2: Ecosystem players can collaborate to strengthen the understanding of GLI**

Ecosystem players can collaborate to spread awareness about GLI and provide training to women leaders. The language and definition of GLI is not consistent across the region. All the players could benefit from collaborating through networking events, round tables and workshops. Women leaders could also be connected with key players through mentoring summits. For instance, mentorship summits conducted by Simona accelerators, connects women leaders in FinTech with potential investors. Patamar Capital and Kinara accelerators are collaborating to provide training to organizations about GLI.

### **Recommendation 3: GLI investors could access readily-available tools to measure gender impact**

The ecosystem can benefit from standardized impact measurement tools. However, developing a standardized tool can be difficult. Hence, tools developed by SEAF, such as Gender Equality Scorecard, could be used by more investors. UN Women also has a Gender Equality Scorecard that could be accessed by GLI investors to measure impact.

### **Recommendation 4: There is an opportunity to consider GLI holistically**

Investors should focus on all aspects of GLI (mitigating inequality, engaging client organizations to have a gender lens, achieving gender balance internally) and not just on women led SMEs. The two holistic GLI investors, such as Patamar Capital and Root Capital, can develop strong business cases for applying gender lens across all aspects. Investors who have engaged with SMEs to promote gender equality at the workplace could speak about their motivations by conveying panel discussions, and conferences

## 7. SME Case Studies

### Case Study #1: Ojek Syari

A woman led, an app based transportation service for women with female drivers. It is a female only motorcycle taxi service operating in Indonesia. Internally, it has explicit gender equality policies and has an all women workforce.

#### Business Overview

Transportation service aimed at female passengers requesting for Muslim women drivers wearing headscarves and loose-fitting clothes. It accepts only women and children as passengers. Service that was launched in Surabaya, has now expanded across the main island of Java aims to address the demand for transportation in big cities where the rates of crime and sexual harassment are high

#### Behind the success

Ojek Syari, also called Ojesy, was started in March 2015 with just one driver. Within three months, it has employed 350 women drivers. Distinguishes from the competitors by combining on-demand service along with a once a month pay model for school children. It also provides diverse payment options like e-wallets, bank transfers. Received funding from an incubator called IDX and a private investor. It has received 100 million rupiah till August 2016

#### Female Leadership

Evilita Adriani is from Surabaya, Indonesia. She founded Ojek Syari when she was 19 years old. She was also the first and only driver of Ojesy. She explains why she started Ojesy as, "Riding motorcycle-taxis can be tricky for Muslim women because they are not allowed to ride with men that are not their mahram(husband). Indonesia also has a high rate of sexual harassment. I was compelled to solve this by providing a transport service driven by all hijab wearing Muslim women."

#### Impact

**All women workforce:** Ojesy has a team of 800 women drivers.

**Job creation:** Ojesy is planning to expand to all cities in Indonesia. Women drivers earn 50,000-100,000 rupiah per day

**Women Safety:** Provided safe transportation to 60,000 women. Internally, it has explicit sexual harassment policies and gender equality at workforce policies

#### Financials

Started by bootstrapping 9 million rupiah in 2015

After the first six months, Ojesy pocketed 25 million rupiah each month.

Profits are shared with investors every month by 25% with an investment period of two years.

"Ojek Syari Indonesia." Ojek Syari Indonesia (blog). *Platform Usaha Sosial PLUS*. June, 2015.

<https://ojeksyariindonesia.blogspot.com>

Jully, Eka. "KBR." *KBR* (article). September 25, 2015. [https://kbr.id/nusantara/09-](https://kbr.id/nusantara/09-2015/_ojek_syari_ojesy__membuat__wanita_nyaman_gunakan_jasa_ojek_/76212.html)

[2015/\\_ojek\\_syari\\_ojesy\\_\\_membuat\\_\\_wanita\\_nyaman\\_gunakan\\_jasa\\_ojek\\_/76212.html](https://kbr.id/nusantara/09-2015/_ojek_syari_ojesy__membuat__wanita_nyaman_gunakan_jasa_ojek_/76212.html)

## Case Study #2: Du'Anyam

**Category(ies): Women Led, Women Focused Supply Chain, Women Centric Products and Services**

Du'Anyam is a social enterprise that produces and distributes wicker crafts to empower women and improve maternal and child health in Indonesia. Du'Anyam is led by three women and works with women in rural Indonesia to resell their products to bigger markets branding and applying attractive design. Moreover, Du'Anyam provides nutrition packages to families and scholarships to high school students.

### Business Overview

Founded in 2014 by Azalea Ayuningtyas, Yohanna Keraf, and Melia Winata, Du'Anyam taps into the existing culture of wicker crafts to empower artisan women in rural areas around Indonesia. It improves the financial potential of women who are of childbearing age and consequently enables them to access healthcare more easily through providing an income alternative to subsistence agriculture. Du'Anyam therefore operates on three pillars: empowering women, promoting culture, and improving livelihoods. It helps women preserve the culture and sell their products at a higher value by providing design and access to markets which in turn enable women to access better healthcare and nutrition. Its target customer market is high-income and affluent individuals.

### Behind the Success

The founders Hanna, Melia and Ayu were friends since high-school and after reconnecting in Flores, Indonesia, they learned about its health crisis of alarmingly high maternal and child mortality rates. They identified the primary cause of these poor health conditions to be related to subsistence agriculture, the dominant industry there that was physically demanding work especially for pregnant women. Hanna, Melia, and Ayu became fascinated by the weaving craft of the women and recognised its potential value which could contribute to maternal and child health. Du'Anyam was therefore founded to enable the women they work with to sell their wicker crafts in an expanded market and provide them with a source of stable income. In addition to financial gains, Du'Anyam helps women increase their access to savings, better nutrition, as well as health services and education for their children.

### Impact

*Economic Empowerment Program:* More than 1100 women across 50 villages in Indonesia have joined the Du'Anyam Economic Empowerment Program that increased their income by 40%.

*Nutrition and health benefits:* Distributed 4000 nutrition packages, 500 lenses, 500 solar lamps, and midwifery to pregnant women.

*Education:* 175 high school scholarships to children on wicker craft artisan women.

*Eco Friendly Sourcing:* All products are hand-woven from Palm leaves grown on Indonesia's islands.

### Financials

Investor(s): Angels of Impact

Partners: BIKA Living, Alun-Alun Indonesia, The Oberoi, Marriot Vacation Club, Toyota, Bank DBS, BRI, and Toyota Indonesia.

"Hemiliana Nirong Tukan: "Against all the odds, I knew that we could make it." Du'Anyam, December 21, 2018. Accessed May 5, 2020. <https://www.duanyam.com/2018/12/21/hemiliana-nirong-tukan-against-all-the-odds-i-knew-that-we-would-make-it/>

"Du'Anyam," Angels of Impact, Accessed May 5, 2020. <http://www.angelfofimpact.com/duanyam.html>

"About us", Du'Anyam, Accessed on May 1, 2020. [http://www.duanyam.com/pages/about-us/?utm\\_source=all&utm\\_medium=learn-more&utm\\_campaign=homepage](http://www.duanyam.com/pages/about-us/?utm_source=all&utm_medium=learn-more&utm_campaign=homepage)



# The Philippines



# THE PHILIPPINES



## 1. Key Insights

### Range of impact investments across sectors has widened

In the past decade the range of impact investment methods and sectors receiving impact investments has increased. Moreover, a wider range of sectors like energy, workforce development, and agriculture are now receiving impact investments.<sup>90</sup>

### Range of impact investment tools have increased

DFIs have been involved within the Philippines' impact investing space but more recently, PIs are taking an increasingly active role in making impact investments. Impact investments are available in the form of debt and equity in the region.<sup>91</sup>

### There is a growing number of implicit gender lens investors in the Philippines

Although studies illustrate that only three investors explicitly categorize themselves as Gender Lens Impact Investors in the region, there has been an increase in gender lens investors who are implicitly deploying GLI strategy without identifying themselves as Gender Lens Impact Investors. For instance, despite reporting on how their investments impact women, LGT Ventures does not categorize themselves as Gender Lens Impact Investors.<sup>92</sup>

### There is opportunity for GLI investors to invest in untapped sectors focused on women in the Philippines

Most of the impact investments in the Philippines are still concentrated in the financial services sector. Investors in the region have a higher perceived risk of investments in sectors other than financial services, such agriculture where low-income women and female entrepreneurs are present as well. These perceived risks are less common among investors who have regional teams that are able to perform local due diligence.<sup>93, 94 & 95</sup>

<sup>90</sup> "Impact Investing Landscape Southeast Asia - Philippines." *GIIN and Intellectap*. 2018.

<sup>91</sup> *Ibid*.

<sup>92</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>93</sup> "The Power of Parity: Advancing Women's Equality in Asia Pacific." *McKinsey*.

<sup>94</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>95</sup> "Mastercard Index of Women's Entrepreneurs." *Mastercard*. 2019.

<https://newsroom.mastercard.com/wp-content/uploads/2019/11/Mastercard-Index-of-Women-Entrepreneurs-2019.pdf>.

**There is an opportunity to raise awareness among investors on the broad scope of GLI**

Despite the growth in the region's impact investing space, there's still a misunderstanding among impact investors regarding GLI. Several investors perceive GLI to mean only investing in women-owned or women-led businesses. This limited understanding prevents investors from calling themselves gender lens investors and hampers them from sourcing gender lens investments. This current state of GLI understanding presents an opportunity to raise awareness among investors on the broad scope of GLI, that goes beyond women-owned or women-led businesses to include supporting the development of business offerings that help women and girls, promotion of gender justice, and much more.

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<sup>96</sup> Ibid.

## 2. Gender Equality

### COUNTRY SNAPSHOT (sex disaggregated)

	The Philippines		Asia Pacific	World
	Female	Male	(Female)	(Female)
<b>Economic performance</b>				
Poverty rate (below USD 1.90 a day) <sup>97</sup>	5%	5%	3%	8%
GNI per capita (2011 PPP USD) <sup>98</sup>	7,541	11,518	11,385	11,246
Financial inclusion (% of account holders, age 15+) <sup>99</sup>	38%	30%	71.5%	64.8%
<b>Work and leadership</b>				
Informal sector employment <sup>100</sup>	56.4% <sup>101</sup>	66.7%	69.4%	58.1%
Labor force participation (% age 15%, ILO estimate) <sup>102</sup>	45.4%	72.5%	59.7%	48%
Leadership in SMEs (%)	53% <sup>103</sup>	47%	59% <sup>104</sup>	37% <sup>105</sup>

#### Legend:

**Green** (better than the Asia Pacific region's average)

**Yellow** (same as the Asia Pacific region's average)

**Red** (worse than the Asia Pacific region's average)

#### Progress

<sup>97</sup> "World Poverty Clock." *World Bank*. 2020.

<sup>98</sup> UNDP. "Human Development Report." 2019.

<http://hdr.undp.org/sites/default/files/hdr2019.pdf>

<sup>99</sup> World Bank Data. "Global Financial Inclusion Index." 2020. <https://datacatalog.worldbank.org/dataset/global-financial-inclusion-global-findex-database>.

<sup>100</sup> ILO. "Women and Men in the Informal Economy: A Statistical Picture." March 2018. <https://www.wiego.org/publications/women-and-men-informal-economy-statistical-picture-3rd-edition>

<sup>101</sup> IMF. "Measuring the Contribution of the Informal Sector to the Philippines." Accessed May 2020

<https://www.imf.org/en/News/Seminars/Conferences/2019/03/25/7th-statistical-forum>

<sup>102</sup> HDR, 2019.

<sup>103</sup> ADB. "Let's help them grow: Opening doors for women entrepreneurs." May 2018

<https://blogs.adb.org/blog/let-s-help-them-grow-opening-doors-women-entrepreneurs>

<sup>104</sup> ADB. "Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific." October 2018

<https://seepnetwork.org/files/galleries/Emerging-Lessons-on-Womens-Entrepreneurship.pdf>

<sup>105</sup> "The Global Rise of Female Entrepreneurs." *Harvard Business Review*. September 2013.

There is evidence to suggest that equality between men and women has existed in the region for centuries. Before the Spanish colonized the Philippines in the mid-16th century, the indigenous Filipinos showed great regard for women and matriarchal systems. Filipino women have had access to owning or inheriting family property, engaging in trade, fighting as warriors, and sermonizing as religious leaders, since pre-colonial times. This relative gender equity is also reflected in Tagalog mythology. In which a man and woman came from the same section of bamboo after a bird pecked at it. The Spanish, however, brought foreign, largely patriarchal, systems with them.

Nonetheless, indigenous matriarchal Filipino values persisted after the colonizers left the Philippines. This is perhaps why the regions had the smallest gender gap within the Asian continent.<sup>106</sup> Below are progress made so far according to our desk research:

### **Smallest gender gap in the Asia region**

The Philippines boasts a matriarchal culture and according to the World Economic Forum it also boasts one of the smallest gender gaps in the Asian continent.<sup>107</sup> The country is an outlier in the SEA region and Asian region at large when it comes to some aggregated indicators of gender disparities, and ranks well on international metrics of gender equity. It's also one of the few Asian countries who have elected two female presidents and two female vice presidents since its independence in 1946.<sup>108</sup>

### **Largest financial inclusion gender gap in favor of women.**

According to World Bank data, the Philippines is one of the few developing countries — along with Argentina and Indonesia — where women are more likely than men to have a bank account.<sup>109</sup> This phenomenon could be explained by the fact that women in the Philippines are mostly responsible for managing household finances and general budgeting. Another explanation could be that women form most of the clientele base of microfinance institutions.<sup>110</sup>

### **Equity of women in the workforce**

Women participate less than men in the Philippines' formal economy. However, fields that tend to have higher-paying are more likely to be occupied by women compared to their male counterparts. Furthermore, they have one of the smallest gender pay gaps in the world, even smaller than many developed economies.<sup>111</sup>

<sup>106</sup> Human Capital Leadership Institute. "The Gender Gap: What Asia Can Learn from The Philippines." October 2017.

<https://www.hcli.org/articles/gender-gap-what-asia-can-learn-philippines>.

<sup>107</sup> World Economic Forum. "Global Gender Gap Report 2020." 2020.

[http://www3.weforum.org/docs/WEF\\_GGGR\\_2020.pdf](http://www3.weforum.org/docs/WEF_GGGR_2020.pdf)

<sup>108</sup> Investing in Women. "Filipino women in leadership: Government and industry." 2017.

<https://investinginwomen.asia/knowledge/filipino-women-leadership-government-industry/>

<sup>109</sup> The World Bank. "The Global Findex Database 2017." 2017. [https://globalfindex.worldbank.org/sites/globalfindex/files/2018-04/2017%20Findex%20full%20report\\_0.pdf](https://globalfindex.worldbank.org/sites/globalfindex/files/2018-04/2017%20Findex%20full%20report_0.pdf)

<sup>110</sup> Alliance for Financial Inclusion. "Gender and Financial Inclusion in the Philippines." December 2017.

<https://www.afi-global.org/blog/2017/12/gender-and-financial-inclusion-philippines>.

<sup>111</sup> "Filipino Women in Leadership: Government and Industry."

## Gender Gaps

Despite the stellar indicators on gender parity in the country, there is still a gap among high income, middle income and poor women in the Philippines. Below are some gender gaps in the regions, according to our desk research:

### Class differences among Filipino women worsen inequality

According to a 2020 Oxfam report on inequality, not all Filipino women can partake in the same privileges. The report indicated that women in the poorest households were hit the hardest with income and wealth inequality. Furthermore, the poorest women in the country spent 40 minutes more each day on tasks like collecting water and fuel compared to those who were better off.<sup>112</sup>

### Widening political representation gap as there are fewer women in political positions

In recent years, the country has dropped some points on gender equity indicators due a decline in female political representation. For instance, female representation in the cabinet and parliament have declined.<sup>113</sup>

The proportion of women in politics or public office in the Philippines is still yet to meet the 30% “critical mass,” which some academics identify as the minimum percentage for a minority group to be able to influence decision making. Furthermore, the country’s electoral system, which follows a plurality system where the winner takes it all, affects the preference of political parties or groups in favor of financing male candidates over female candidates. As male candidates are perceived to have a better shot of winning the election. As a result of this system, women find it difficult to secure funding and political support for their campaigns.<sup>114</sup>

### Women still carry to weight of unpaid care work

Another 2018 ILO report cites that, in the Philippines, women spend between 10 minutes to 44 minutes less on unpaid primary care. Furthermore, paid work does not reduce the time women spend on forms of unpaid care work like the supervision of dependents.<sup>115</sup>

The unpaid housework burden experienced by most Filipino women, wherein they bear most of the responsibility for performing domestic duties reduces their potential to formally engage in economic, political, and social activities outside the home. A 2019 study by the Philippine Institute for

<sup>112</sup> Oxfam. “Time to Care: Unpaid and Underpaid Care Work and the Global Inequality Crisis.” January 2020. <https://www.oxfam.org/en/research/time-care>.

<sup>113</sup> Nikkei Asian Review. “Singapore Rises in Gender Equality Ranking as Philippines Slips.” December 2019. <https://asia.nikkei.com/Economy/Singapore-rises-in-gender-equality-ranking-as-Philippines-slips>.

<sup>114</sup> Philippine Commission on Women. “Women’s Political Participation and Representation.” Accessed May 2020. <https://www.pcw.gov.ph/wpla/-womens-political-participation-and-representation>

<sup>115</sup> ILO. “Care Work and Care Jobs for the Future of Decent Work.” 2018. [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_633135.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf).

Development Studies revealed that the time Filipino women spend doing unpaid housework can make up about 20% of the country's GDP.<sup>116</sup>

### Women suffer from high rates of maternal mortality

The country also struggles to maintain low maternal mortality rates. More effort on providing emergency medical care and family planning to pregnant women is required. It has one of the higher numbers pertaining to maternal mortality in the Asian Pacific region.<sup>117</sup>

Family planning contraception options like condoms, contraception pills and other forms of modern contraception are equated with abortion. Abortion is still illegal in the country. Due to which contraceptives are not easily accessible in some government and rural health clinics. House Bill 5043, also known as the Reproductive Health Bill, that pushes for a comprehensive range of programs and services for sexual and reproductive health is still under contentious legislative debate.<sup>118</sup>

Moreover, more than half of the births in the Philippines are supervised by a skilled birth attendant. This makes skilled care and intervention difficult thereby putting the mother's life at risk.<sup>119</sup>

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<sup>116</sup>The Philippine Institute for Development Studies. "Women's Unpaid Work in PH Is Worth Trillions of Pesos." Accessed May 2020. <https://www.pids.gov.ph/press-releases/439>

<sup>117</sup> "The Power of Parity." *McKinsey*.

<sup>118</sup> UNFPA. "Philippines: Maternal Mortality Rates Not Making Sufficient Progress to Meet MDGs." April 2009. <https://www.unfpa.org/news/philippines-maternal-mortality-rates-not-making-sufficient-progress-meet-mdgs>

<sup>119</sup> "Philippines: Maternal Mortality Rates Not Making Sufficient Progress to Meet MDGs."

### 3. The Philippines Impact Investing Snapshot

**A vibrant, robust and thriving civil society sector** and the presence of many international social investors have catalyzed the achievement of sustainable development goals in the country. The social enterprise landscape has rapidly evolved in nature and has transformed from community-based models to tech enablers, inclusive and asset light businesses. Social impact incubators and accelerators have mushroomed and have become an integral part of the ecosystem in the Philippines. According to a British Council estimate, **there are more than 160,000 social enterprises in the Philippines. The most common sector for social enterprises is agriculture (19% of total) followed by education (9%).**<sup>120</sup>

However, most impact investments have been made in financial services, energy, and workforce development. According to the GIIN report, in the decade between 2007 and 2017, at least 23 PIIs, including fund managers, family offices, foundations, banks, pension funds, plus other investors that channel private capital into impact investments, deployed over 107.2 million USD capital, into 54 deals here in the country.<sup>121</sup>

In addition to the PIIs, were 6 DFIs, government-backed financial institutions that provide the private sector with monetary support for investments promoting development. **DFIs cumulatively deployed over 2.3 billion USD in impact capital through 43 deals in the same time period.**<sup>122</sup> These numbers were reported by GIIN in 2018, and since then there have been several investing activities in the region, for instance, SEAF invested in Philippine based organization- Ellana, the Sasakawa Peace Foundation has invested USD 30 million in the Japan ASEAN Women Empowerment Fund (JAWEF) with a focus to work towards a future where all women in Asia, in particular the Philippines, are empowered to reach their full potential. Hence, it is safe to conclude that these numbers have ballooned significantly in the last two years given the numerous activities.

**All these transactions have positioned the Philippines as the second largest market for impact investments in the SEA region, next to Indonesia.** Impact investing is trending towards a more focused thematic or sector-based approach as opposed to general micro and SME investment.<sup>123</sup> Investment areas have diversified with a focus on sectors of workforce development, energy, and agriculture.

There has been a rise in deployment of alternative deal structures to align to different phenotypes of social enterprises. The GIIN report notes that the number and size of PII impact deals in the Philippines have recently increased, averaging a deal size of 1.9 million USD and PIIs have further diversified financial instruments to include equity investments in addition to debt capital. While PII activity has increased over

<sup>120</sup> British Council. "Reaching the Farthest First: The State of Social Enterprise in the Philippines." 2017 [https://www.britishcouncil.org/sites/default/files/the\\_state\\_of\\_social\\_enterprise\\_in\\_the\\_philippines\\_british\\_council\\_singlepage\\_web.pdf](https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_the_philippines_british_council_singlepage_web.pdf).

<sup>121</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>122</sup> Ibid.

<sup>123</sup> Davin Thorpe. "Impact Investing Trends in 2019 Include Greater Focus on Gender." Forbes. May 1, 2019 <https://www.forbes.com/sites/devinthorpe/2019/05/01/impact-investing-trends-in-2019-include-greater-focus-on-gender/amp/>.

time, the role of DFIs has remained consistent since 2007, with investments in two core sectors: energy and financial services.<sup>124</sup>

**The 23 PIIs are divided into 19 fund managers, three family offices/foundations and one impact-focused high-net worth individual.** The majority of the deals, 54% were of an average size of 1 million USD and were made with companies (microfinance institutions, SMEs and fintech companies) under the financial services sector, 86 % of which were deals as debt.<sup>125</sup>



Figure 6: Private Institutional Investors in Philippines broken down by type

Workforce development, 15% of the total, is another area with increasing capital deployment. Average deal size was 1 million USD and all were equity deals. Investment in agriculture at 13% of the total PII investments were a mix of debt and equity deals with deals averaging 500,000 USD. Finally, the energy sector saw investment at 11% of the total with 85% of these deals as equity with an average deal size of 10.5 million USD, amounting to a 63 million USD, the majority of which went into large-scale deals to develop geothermal and solar energy capacities.<sup>126</sup>

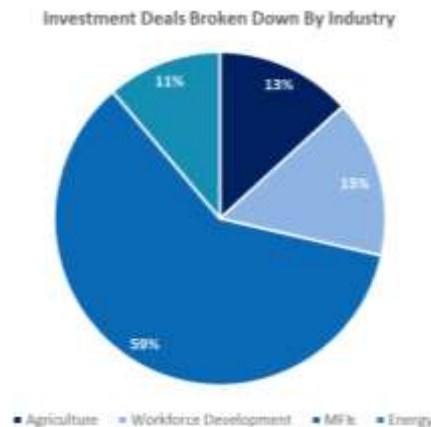


Figure 7: Percentage split of Total Investments (USD Value) broken down by Industry

<sup>124</sup> Ibid.

<sup>125</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>126</sup> Tayao-Juego, Annelle. "PH Hotbed for 'Impact Investments.'" *nquirer.Net*. December 3, 2018. <https://business.inquirer.net/261519/ph-hotbed-for-impact-investments>

## 4. Challenges and Opportunities for GLI

GLI has started to gain interest, with at least three fund managers conducting due diligence across the country for investment opportunities that positively impact women.<sup>127</sup> According to the report, as of 2017, only one PII had deployed capital reaching approximately 12.5 million USD across 20 deals using an explicit gender lens. Moreover, the common thread across all these deals was that these investments targeted women's empowerment by providing them access to finance through MFIs. The deals were facilitated after conscious analysis of the number of women that would benefit from the investments. The investor has tracked the impact of each investment on female beneficiaries. The GIIN anticipates that more investors will likely deploy capital soon as several gender-based investment opportunities are currently being scouted.<sup>128</sup>

### Challenges

Despite the Philippines having made strides on gender equity and a growing interest in GLI the ecosystem continues to experience challenges. These challenges limit the number and scale of innovative financial mechanisms with a gender lens. Such challenges include a lack of upfront funding available to develop and implement such instruments, a lack of risk-tolerant capital to pilot new innovative approaches, a weak pipeline of investment-ready organizations that can absorb and deploy investment capital mobilized from such innovative financial mechanisms to create scalable impact, and a knowledge gap among investors that makes them wary of investing in innovative financial instruments with a gender lens.

#### Limited understanding of what constitutes GLI opportunities and imperfect information have impeded progress

Whether you look at the wider investing community or even within the small circle of GLI investors, the awareness of GLI is limited. Investors have cited the lack of quantitative evidence on the performance of gender lens investments and proof of concepts as a roadblock to scaling the practice. The Sasakawa Peace Foundation's Asia Women Impact Fund team believes that the lack of knowledge amongst the investor community about SEA and GLI has been an impediment to making significant advances.

Investors from the Philippines have a narrow definition of GLI, limited only to investing in women-owned or -led businesses. GLI requires expanding one's view beyond counting the number of women on boards. Women's representation in leadership is critical to ensure a diverse set of views and experiences when making decisions, but it is not enough to ensure a positive impact for women and girls. Given the existing male-dominated financial ecosystem, it is easy to see how GLI might be watered down to a check-box exercise, but this has its own set of risks including missing out on more meaningful opportunities to invest in women.<sup>129</sup>

<sup>127</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>128</sup> Investique Consulting. "What Makes the Philippines an attractive investment for PEs and VCs." April 2019

<sup>129</sup> "Pioneering Asia's First Gender Investment Fund." *Sustainable Square*. June 2018. Accessed <https://Sustainablesquare.Com/Asia-First-Gender-Investment-Fund/>.

### Perception of a lack of investable pipeline

Few investors expressed interest in applying a gender lens, generally investors believed that their pipeline would be still further limited if they pursued only investments that are owned or led by women. While the Philippines has many female entrepreneurs, interviews with sector experts highlighted that most of these entrepreneurs operate microenterprises that are not perceived as financially viable investments. A weak pipeline of investment-ready organizations that can absorb and deploy investment capital is a glaring indication that this sector is not mature to attract mainstream investors. The Sasakawa Foundation highlighted that there is a lack of companies that are ready for GLI investing and therefore they invest in other funds instead of companies directly. The Sasakawa Peace Foundation's Director of Gender Investment and Innovation Group, Mrs. Mari Kogiso, mentioned in an interview that finding the appropriate and right gender focused projects and initiatives has been challenging. This caused Asia Women Impact Fund (AWIF) to look for more products in public equity funds that focus on women as there is currently absence of those funds in Asia.<sup>130</sup>

### Absence of blended finance mechanisms or concessionary funds for investors

Due to limited awareness and higher perceived risks of investing with a gender lens, investors posited that a lack of incentives to support GLI deters its growth. Several institutions and donors have recently stepped forward to promote the use of GLI, which will likely catalyze the ecosystem once they demonstrate sufficient evidence of GLI performance. Investing in Women, an initiative of the Australian government, provides seed funding to support blended finance structures to de-risk investments and address financing gaps facing women-led SMEs, but there remains demand for more blended capital.

Without evidence on performance, incentives such as subsidized return concessions from LPs or first-loss guarantees and other de-risking mechanisms will be critical to stimulating GLI. Notwithstanding barriers to scale, GLI has recently gained some traction in the Philippines and across Southeast Asia. Three investors using an explicit gender lens are scouting the country for potential investees and will likely deploy capital soon. With support from donors active in the region, such as Investing in Women, the Sasakawa Peace Foundation, and OPIC, several impact funds dedicated to GLI were established in 2016 and 2017. Successful investments by fund managers using a gender lens will likely further stimulate the GLI ecosystem in the Philippines.<sup>131</sup>

### Lack of a common evaluation system or indicators for gender equality

The first thing that people make an association with when they hear of gender equality is the percentage of women representing a company's workforce. However, it is just a partial picture of a complex social issue. There are other indicators that give us a more informed insight about gender equality issues such as: income gap or access to finance. Identifying the right indicators enables us to diversify our solutions towards the issue and more importantly, to assess the impact of the investment. Therefore, organizations like AWIF, SEAF are hoping to redefine what gender equality means in the region by working with some organizations associated with the work of the UN.<sup>132</sup>

<sup>130</sup> Ibid.

<sup>131</sup> "The Power of Parity." *McKinsey*.

<sup>132</sup> Sustainable Square. "Pioneering Asia's First Gender Investment Fund." June 2018. <https://Sustainablesquare.Com/Asia-First-Gender-Investment-Fund/>.

## Opportunities

Innovative financial mechanisms that are effectively designed to create positive impact with a gender lens can serve as a powerful tool for closing the gender gap for the world's underserved women. GLI has tremendous potential to create a world where women are seen as equals – but the right innovative financial mechanisms must be developed by a supportive ecosystem in order to move the needle on GLI and truly close the gender gap for women. To address these challenges and bring innovative financial instruments – particularly those with a gender lens – to scale in order to move the needle on gender equality, there are some clear areas of opportunity.

### Underinvested and untapped sectors led by women in the Philippines

Most of the impact investments in the Philippines are still concentrated in the microfinance and financial services sector. These enterprises seek to provide women access to finance and to support micro-entrepreneurship or other livelihood-enhancing activities. Investors in the region have a higher perceived risk of investments in sectors other than financial services, such agriculture where low-income women and female entrepreneurs are present as well.<sup>133</sup>

Moreover, there is high rates of child labor, malnourishment and undernourishment. Research shows that investing in women has positive ramifications on their health and their children's lives. Especially considering the fact that women in the Philippines are just as inclined as men to engage in entrepreneurship – investors may be missing opportunities to invest in women-focused enterprises that exist beyond the financial services sector. One investor has made gender lens investments in the Philippines into financial services enterprises—particularly microfinance—that provide women access to critical services. This gender lens investor reports outreach to women in its social performance assessments.<sup>134</sup>

### Gender-equal investment teams are significantly more successful

IFC found that gender-balanced senior investment teams generate 10% to 20% higher returns for private equity firms and venture capital funds. However, female advancement in the sector remains staggeringly slow and has remained stable for many years. While anecdotal evidence points to impact investing firms having higher shares of women, the gender gap remains.<sup>135</sup>

### Government momentum around proactive legislation to close gender gaps

Among the ASEAN countries, in terms of gender equality, the Philippines comes out on top as the leader with 44% of social enterprises being led by women and ranked fourth out of 80 countries in terms of the proportion of female managers.<sup>136</sup> The consensus in the community is that encouraging women-focused intermediaries can help more women to start and build investable enterprises. The World Economic

<sup>133</sup> "Impact Investing Landscape Southeast Asia - Philippines."

<sup>134</sup> Ibid.

<sup>135</sup> IFC. "Moving Toward Gender Balance in Private Equity and Venture Capital." 2019.

[https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/gender+at+ifc/resources/gender-balance-in-emerging-markets](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/resources/gender-balance-in-emerging-markets).

<sup>136</sup> "The Power of Parity." *McKinsey*.

Forum's Global Gender Gap report suggests that all countries in SEA have some degree of gender inequality, with only the Philippines and Singapore reaching the top 50 globally with respect to bridging the gender gap. Inherent inequality causes female entrepreneurs to face specific challenges intermediaries could address, such as limited social support, lack of confidence, and limited access to financial networks.<sup>137</sup>

### Potential pipeline for gender lens investors

Our conversations with several investors in the region (LGT Venture, Vilgro- *Accelerator and Seed Funding provider*, Capria VC, Ignite Impact Fund) all indicate that supply side players cite unintentional benefit for girls and women through the capital deployed for many of the impact investments. Although not deliberately focused on benefitting women or girls, certain investments have had a positive gender impact as a by-product highlighting the potential pipeline for gender lens investors. For instance, although DFIs don't typically have an explicit gender-related impact mandate, a significant volume of DFI capital in the Philippines has been channeled toward investments that inherently benefit women and girls by providing them access to finance. These developments signal to the fact that these players can be nudged into integrating an unequivocal commitment to empowering women.

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<sup>137</sup> Shawn F. Dorius and Glenn Firebaugh. *Trends in Global Gender Inequality (Forthcoming, Social Forces)*. 2010

## 5. Research and Interview Findings

### Question 1: What are the ways in which leading investors are already investing with a gender lens in the Philippines?

#### Finding 1: Philanthropic actors provide de-risking mechanisms that catalyzes investments from a broader pool of investors

Players leverage this tactic to make the risk-return profile of such instruments more attractive to private sector investors. IIX's Women's Livelihood Bonds have benefitted from de-risking mechanisms, a 50% credit guarantee from USAID as well as 500,000 USD in first loss investment capital from IIX.<sup>138</sup> Philanthropies, DFIs and Foundations are promoting GLI through bank loans and grants to cover upfront development costs and/or ongoing operational costs. Grant funding provided by foundations or donor agencies has been instrumental in defraying development or operational costs to make the mechanisms financially viable. In the case of SWOF, grant capital from DFAT was used to fund GLI training for the SWOF team and to fund the cost of applying a gender lens to sourcing and conducting due diligence on investment opportunities for the fund.

Moreover, these grants can help build a strong pipeline of investment-ready companies that can absorb and deploy capital to create sustainable impact on women. In the case of SWOF, grant funding from a corporate foundation was instrumental in either fully funding or subsidizing the costs of investment readiness and technical assistance, to ensure that the future investments made into these companies would be effectively used to scale their operations and their impact on women. The SWOF case study is an example in which DFAT also provided grant capital to be used by SWOF to make investments utilizing a gender lens.

**Finding 2: Without a local presence, investors source investees through business plan competitions, incubators, accelerators, and personal networks.** Almost all investors we interviewed are headquartered outside the Philippines, however they have co-invested with partners that have a local presence, which has improved their ability to regularly source potential investors and to provide the high-touch support required post-investment. While investors without a local team often point to the lack of deal flow as a key challenge in the Philippines, locally present investors take a more positive view. In fact, local investors make more than three times as many deals, on average.<sup>139</sup>

<sup>138</sup> IIX Foundation. "When Philanthropy Meets Innovative Finance: Opportunities for Foundations in Gender Lens Investing." July 2018 <https://iixfoundation.org/when-philanthropy-meets-innovative-finance/>.

<sup>139</sup> "The Landscape for Impact Investing in Southeast Asia."

**Finding 3: Private gender lens investors are looking for fast-growth businesses model, leaving a financial gap for early stage gender-focused SMEs**

Private gender lens investors are still focused on business models and enterprises that have proof of concept and are more traditional, leaving nascent and early stage ventures that are employing innovation to reach the bottom of the pyramid and women out of the pool. SEAF recently deployed capital to Ellana, a cosmetic and dermatology business in the Philippines, as part of their Women Opportunity Fund. Even though Ellana is a woman led and women focused business the industry has a 1.5 Bn market size with a growing market trend at 3.4% CAGR<sup>140</sup> and generally viewed as a high growth opportunity; again, strengthening the point that non-traditional and nascent ventures are not investor's first choice.

**Finding 4: Post-investment impact measurement has provided evidence for significant impact on women, and many investors who do not identify as GLIs still report such impact**

Investors use different tools to evaluate the impact they have made and also use different tools to collect due diligence information. The Sasakawa Peace Foundation is using 60 Decibel to evaluate the impact of the money they have deployed and do not have an internal standardized mechanism. There is not a standardized database for GLI in the country and the impact metrics tracked by entities vary. LGT Impact Ventures does not identify as a gender lens investor, it nevertheless reports how its investments are expected to impact women.<sup>141</sup>

**Finding 5: Investors engage with firms post investment phase to encourage them to adopt more gender-friendly policies and practices**

Xchange, an active investor in the Philippines, works closely with their portfolio companies to help them achieve their goals and advance gender-friendly practices within the organization. LGT Venture Philanthropy also ensures that the companies they invest in keep making progress around gender inclusivity and HR practices.<sup>142</sup>

Investors in the Philippines can be further categorized by their investment models:

- 1.) Directly invest into SMEs (Xchange, LGT Venture Philanthropy, SEAF)
- 2.) Invest in other funds (The Sasakawa Foundation's Asia Women's Fund invested in Blue Orchard's JAWEF and another Microfinance Lender)
- 3.) Create fund that invests in institutional investors (Blue Orchard's JAWEF)

<sup>140</sup> "Beauty & Personal Care Report 2019 - Skin Care." *Statista Consumer Market Outlook - Segment Report 201.9*. Accessed <https://www.statista.com/outlook/70020000/123/skin-care/philippines>

<sup>141</sup> LGT Venture Philanthropy, Portfolio Overview Q2 2013, <https://finanzblog.lgt.com/wp-content/uploads/2013/06/ba7f5d4f-43fc-45b6-af5d-ad76766651c9.pdf>

<sup>142</sup> SIPA Internal Analysis

## Question 2: What practices from GLI are investors not applying, and why? What are the constraints and what support is needed?

### Unintentional GLI and gender-blind investment thesis

The GIIN report and our conversations with 5 investors (LGT Venture, Vilgro- *Accelerator and Seed Funding provider*, Xchange, Capria VC, Ignite Impact Fund) within the region indicate that often side players cite unintentional benefit for women through capital deployed for a variety of other impact investments. Although not deliberately focused on benefitting women or girls, certain investments have had a gender-based default, highlighting the potential pipeline for gender lens investors. For example, although DFIs do not typically have a definite gender-related impact mandate, a big volume of DFI capital within the Philippines has been channeled toward investments that inherently benefit women and girls by providing them access to finance. GIIN reports that in most cases, these investments are made to support perceived market opportunity, with specific impact on women being coincidental. Similarly, many investments are made in women-owned or -led businesses without the investor's explicit, gender-based intent.

Post-investment impact measurement has provided evidence for significant impact on women, and lots of investors who do not identify as GLIs still report such impact. Even though the amount of capital deployed with an explicit gender lens remains small, a number of other impact investments have likely benefited women and girls in various ways, highlighting the potential pipeline for gender lens investors. For instance, although DFIs do not typically have an explicit gender-related impact mandate, a significant volume of DFI capital in the Philippines has been channeled toward investments that inherently benefit women and girls by providing them access to finance. In most cases, these investments are made based on perceived market opportunity, with specific impact on women being unintentional.

Similarly, many investments have been made in women-owned or -led businesses without the investor's explicit, gender-based intent. Post-investment impact measurement has provided evidence for significant impact on women, and many investors who do not identify as GLIs still report such impact. For instance, while LGT Impact Ventures does not identify as a gender lens investor, it nevertheless reports how its investments are expected to impact women.

### Limited local presence

Without a local presence, investors source investees through business plan competitions, incubators, accelerators, and personal networks. SoGal Ventures, headed by two female founders, hosts SoGal competition mitigates the limitations derived from lacking a local presence. Currently a large proportion of supply side players and support providers are concentrated in urban areas, whereas in the Philippines it is noted that many are based outside of the major cities as well. There is opportunity to invest in enterprises ignored due to logistical limitations. Additionally, many potential investees are excluded given the vintage of their operations and inability to generate market rate returns. Fund managers have an opportunity to raise funds from LPs that seek to bridge the seed and early-stage funding gap by providing

concessionary capital. However, as many of these ecosystem players are concentrated in urban areas, this approach could potentially limit pipeline breadth.

### Question 3: What are investors' motivations for investing with a gender lens?

#### What is the emerging business case that they are seeing?

The McKinsey's report stipulates that the Philippines could add 7% to GDP or 40 billion USD a year, by 2025 if it ensures that its women have equality in work, such as participation in professional and technical jobs and a healthy representation of women in leadership positions. The report recognizes that a priority area to achieve this goal is to provide access to finance to women. There is a clear business case that has emerged for investing with a gender lens. A lack of women in top management positions not only stunts the ability of women to have fulfilling careers and earn higher incomes, but negatively affects companies' bottom lines. McKinsey's latest research on the impact of diversity in business shows that companies in the top quartile for gender diversity on their executive teams are 21% more likely than other firms to report above-average profitability.

#### Institutional Motivation

There are organizations that have a mandate which is in the DNA of the company. For instance, IIX follows a mandate of empowering 385K women through sustainable livelihoods, building their resilience to socio-economic shocks and stresses in Cambodia, Vietnam, and the Philippines through enhanced access to credit, market linkages, and affordable goods and services. Blue Orchard invests in microfinance lenders because they believe that women are a reliable investment, with a lower average default rate with microfinance institutions than men. Research also shows that women re-invest more of their income in their households, multiplying impact locally. Moreover, Southeast Asian female business owners hire 17% more female employees than male owners, creating trickle-down impact.<sup>143</sup> All these data points have caused institutions to fund women-owned businesses, businesses with a strong track record of employing women, or companies that improve the lives of women and girls with their products and services

#### Investors Motivation

Gender-diverse top teams can offer more problem-solving tools and more effective solutions by bringing different perspectives. Inherent (gender and ethnicity) and acquired (from experience) diversity can help companies innovate and perform better than others. Moreover, stronger customer orientation: Women are heavily represented among companies' customers. For instance, they tend to control household finances in the Philippines given the matriarchal nature of society. By investing in companies that cater to this segment they can achieve high returns due to the game of volume.

Both the Sasakawa Peace Foundation and SEAF believe that women entrepreneurs are under-represented in many lucrative high-growth sectors and are more likely to run smaller scale businesses. Closing the gender gap to enable equal participation of women and men in entrepreneurship could lead to an increase

<sup>143</sup> UN ESCAP. "Fostering Women's Entrepreneurship in ASEAN." 2017. [https://www.unescap.org/sites/default/files/publications/SSD-Gender-FWE-report\\_0.pdf](https://www.unescap.org/sites/default/files/publications/SSD-Gender-FWE-report_0.pdf).

in the global economy of up to 5 trillion USD.<sup>144</sup> However, the world of entrepreneurship and investment is still not equally accessible to or inclusive of all genders and want to play a pivotal role in driving gender-equitable change by supporting social impact enterprises and ensuring that capital flows toward businesses that bring value to women. The Sasakawa Peace Foundation's motivation to incorporate the Asia Women's Fund came directly from data presented by the World Bank, CDI and Deloitte. The Sasakawa Peace Foundation uses three levers to shift the needle; support ecosystem activities of GLI in Asia- sponsor conferences like AVPN and insert GLI panel, publish reports and sponsor and co-author reports and finally identify GLI vehicles in Asia in the Public and private market where they deploy capital. During an interview, the Director General of the Gender Innovation and Investment division at the Sasakawa Peace Foundation spoke about the socio-economic development in SEA and the ramifications it can have on women i.e. suffering from a lack of employment opportunities. Thus, entrepreneurship is an important platform to make a living but, in many cases, women have great difficulties obtaining loans from financial institutions, meaning that female entrepreneurs have to keep their operations small. In order for women to actively participate in society it is necessary to create an environment that mitigates social gender disparities. The Sasakawa Peace Foundation believes that improving women's access to finance is an effective means to achieve this goal.<sup>145</sup>

### Personal Motivation

Some investors (LGT Venture Philanthropy, Xchange) and accelerators (Vilgro) we spoke to, believe that the business case for improved gender diversity in their portfolio companies, within the fund manager, and among stakeholders in their value chain is clear: women make up half of the world's population and including them in economic activity provides all the benefits of a more diverse workforce to the relevant business, as research has shown. They believe that investing in gender equality is the right thing to do, but anchoring their efforts around SDG 5 as part of an internal SDG campaign has helped crystalize their thinking and formalize goals and approach. Importantly, their theory of change, which postulates that women are more likely to spend money in ways that benefit their families and communities – on food, education and healthcare, for example – leading to improved living standards.

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<sup>144</sup> "The Power of Parity." McKinsey

<sup>145</sup> Sustainable Square. "Pioneering Asia's First Gender Investment Fund." June 2018. Accessed <https://Sustainablesquare.Com/Asia-First-Gender-Investment-Fund/>.

## Question 4: What are the types of investable opportunities that investors could find if they apply a gender lens?

In spite of constraints on the demand and supply side of investment, the Philippines offers several sustainable, profitable and investable opportunities to the investors. Several ecosystem players have tapped into the profits of investing in women businesses.

1. **Rags2Riches (The Philippines)** – The Philippines generates ~ 18,000 tons of waste on a daily basis. On the other hand, 33% of all Filipino households live below the country’s poverty line. Members of poor and underserved communities, especially women, have a lot of difficulty earning continued livelihoods from their locally made products due to lack of education, access to markets, consumer demand, product development. To solve this problem and elevate women from poverty, Rags2Riches provides lower-income marginalized women support in the form of product development, sales, marketing, and logistics in order to produce and sell stylish and eco-friendly products made from scrap wasted cloth. By training unskilled artisans, and through use of creative design and excellent corporate partnerships, participating women will be earning above national average of 100 USD per month, by producing creative, low cost, eco-friendly products made of scrap cloth.
2. **Ellana Cosmetics Pte Ltd (Ellana Cosmetics)** - a fast-growing skin first cosmetics brand established by founder-formulator, Mrs. Theresa Buenaflor, as a leading homegrown mineral cosmetics brand. Ellana Cosmetics creates and distributes non-toxic, hypoallergenic, and non-comedogenic products specifically catering to the requirements of Filipina and Southeast Asian skin types. From humble beginnings, Ellana Cosmetics started with foundation and primer products sold at a counter at a weekend bazaar in 2009. Today, the company has developed into a makeup brand that sells over 200 SKUs, including products distributed in more than 70 outlets. Ellana Cosmetics puts customers at the heart of its products and customer experience. Through its digitally-focused campaigns, the company cultivated direct relationships with consumers, fostering conversations both online and offline to gather insights on their needs and challenges. Ellana then used this consumer feedback to develop and refine its product offerings and formulations. With this consumer-centric approach, Ellana has developed a strong and growing customer base. “We believe that beauty does more, and we make that happen through products that put skin health first. Beyond beauty, we can do more by empowering our employees professionally and on a personal level.” The investment from SWOF enables Ellana Cosmetics to accelerate our business expansion while strengthening our commitments to empowering women, particularly our beauty consultants who are hired directly and to protecting the environment by consistently decreasing our brand’s packaging waste,” said Buenaflor.

## 6. Recommendations

### **Recommendation 1: Classification of GLI concepts and terminologies need to be standardized including the principles that underlie such classification**

Moreover, GLI language needs to become accessible and investor friendly to ensure that it does not preclude and disengage players who may not be well versed with gender specific terminologies. This can be done by convening round table conferences, panel discussions and creating content that tackles this issue of obscurities surrounding GLI. The Sasakawa Peace Foundation echoed these thoughts and believed that to ensure investors invest with a gender lens we need literature that is lucid and comprehensible.<sup>146</sup>

### **Recommendation 2: Ecosystem players should engage and inform implicit GLI Investors and other impact investors on the advantages of explicitly identifying and deploying GLI investments**

Gender lens Impact investing is not just growing, it is evolving. At the same time, the definition of the practice is being shaped and molded by new products and practices, creating tension among some players about what it is and what it should be. In order to directly stimulate investment, and perhaps other Investing in women components, partnerships with organizations who are similarly aligned, to build infrastructure for long term sustainability, including expanding the relationship with Capria to conduct additional training (or include training) for fund managers on GLI, including different types of fund managers through Capria Network and Capria Collaboration.

Building evidence through case studies elucidating institutions that hitherto only focused on donations have now shifted to instituting funds dedicated to women's empowerment will help shift the needle for other implicit GLI investors and non-GLI investors. For instance, the Sasakawa Peace Foundation, Rockefeller Foundation, USAID all see investing in women as a win-win opportunity and therefore have joined hands for IIX's WLB.<sup>147</sup> Hitherto, all these institutions and foundations were promoting gender equality through donations, now they are seeing it as an investment opportunity too.

### **Recommendation 3: Create women focused leadership events to encourage women investors and support first time women entrepreneurs**

Accelerators like Vilgro believe that not enough women investors are active in the Philippines and therefore there is a need to unlock the potential of women as LPs and fund managers for GLI.<sup>148</sup> There is a desire to support women leaders and invest in first time women entrepreneurs. Therefore, incubator and accelerator players like Endeavour and Kickstart Ventures should design and run a women leadership program modelled on a format initiated by Vilgro to create a network of women investors, with 2,000 USD as a minimum.

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<sup>146</sup> SIPA Team Internal Analysis

<sup>147</sup> Convergence. "Case study: Women's Livelihood Bond (WLB)." 2018. [https://assets.ctfassets.net/4cgqlwde6qy0/6NbRqYptDOEQ6CWQ6AEEeo/6fd21607718661f85bcd1473b026f77d/IIX\\_WLB\\_Case\\_Study.pdf](https://assets.ctfassets.net/4cgqlwde6qy0/6NbRqYptDOEQ6CWQ6AEEeo/6fd21607718661f85bcd1473b026f77d/IIX_WLB_Case_Study.pdf).

<sup>148</sup> SIPA Team Internal Analysis

**Recommendation 4: Strengthen non-financial business support facilities for women entrepreneurs and women focused organizations.**

Connecting women leaders with communication strategists and storytelling experts who can help them build their brand, tell their story better and attract GLI. Customized support should be offered by ecosystem players in aiding impact enterprises, since they take a longer time to test and validate their models. Accelerators and incubators should focus on building a model around the enterprise, rather than a templated program organizations pass through. Asia women investment fund conducts research and implements projects to support women entrepreneurs in SEA to overcome barriers, manage and grow their businesses and reach their full potential.

The Sasakawa Peace Foundation, Vilgro and Kick Start all alluded to the fact that firms need to become venture capital ready. Moreover, committed ecosystem players can mitigate false risk perception international investors have towards women focused enterprises by linking international investors with local enterprises that can conduct more thorough due diligence on the women focused enterprises. Locally present incubators like Xchange and Villgro can assist investors in better due diligence.

**Recommendation 5: Government and GLI investors should expand access to capital for underserved women who suffer from class disparities and are still left out of formal banking**

Ecosystem Players can commit to raising guarantee funds which will allow banks to drop their rates from 5% per month to 1% to 2.5% per month. Loss guarantee fund would help drop the 3 year profitability requirement and give access to entrepreneurs with at least 1 year of operations and cash flow access to much needed capital. If entrepreneurs are able to access 1 or 2 loans through this program, then they can build credit history (1 year) and then they can move on to more diverse financial products. IIX also provides a combination of subsidies and reimbursable advances to help women-focused social enterprises access specialist support to prepare for investment.

**Recommendation 6: As the country is LGBTQIA+ friendly, ecosystem players can expand their GLI investment to include the needs of queer women in the Philippines.**

In reviewing LGBT rights in the Philippines, the Philippines is more LGBT+ friendly compared to its neighbors and is a signatory to many international agreements promoting LGBT+ human rights. From our desk research and interviews with investors in the region, we recognized that there is not an explicit GLI strategy that goes beyond the male-female binary to invest in queer Filipino women. This is a missed GLI opportunity within a region that already has some LGBT+ friendly laws and regulations.<sup>149</sup>

<sup>149</sup> UNDP. "Being Lgbt In Asia: The Philippines Country Report." 2014.  
[https://www.undp.org/content/dam/philippines/docs/Governance/Philippines%20Report\\_Final.pdf](https://www.undp.org/content/dam/philippines/docs/Governance/Philippines%20Report_Final.pdf)

## 7. SME Case Studies

### SME Case Study 1: Hapinoy

#### Category: Women Centric Products and Services

Hapinoy is a Philippine-based social enterprise that enables sari-sari stores (small local community shops) that are mostly women-owned and operated to provide goods and services to the base of the pyramid (BoP) market.

#### Business Overview

According to an ADB report, the poor sometimes pay more than the rich to access essential goods and services in the Philippines. These gaps to access goods and services faced by the BoP population prevents them from joining the formal economy and society. Hapinoy seeks to close this access gap by leveraging and empowering a network of women-owned local community shops known as “sari-sari” stores.

#### Behind The Success

Their ability to provide training to micro-entrepreneurs who operate sari-sari stores on best practices in business and finance. Then linking the micro-entrepreneurs who operate sari-sari stores to goods in their area, and providing a more affordable and diverse product range for the rural poor population who purchase items from the sari-sari stores.

*“The sari-sari store (local community store) has evolved and it’s no longer just for nanays (mothers). If you take it seriously, the income is comparable to a professional” - Sari Sari Store Operator*

#### SME Category: Women Centric Products and Services

Their focus on enhancing networks and capabilities of sari-sari stores inadvertently helps women entrepreneurs, most of whom are sari-sari store owners/operators. Hapinoy now has partnered with and trained over 14,000 sari-sari store microentrepreneurs. Who are now better equipped with sustaining the growth of their stores and providing for their communities.

#### Impact

Access to Capital: provided capital to community shop women entrepreneurs who usually have high barriers to accessing capital.

Education: provided store owners with up-to-date knowledge and training on business practices and finance.

New Business Opportunities: connected community stores with more products and services they could sell.

#### Financials

Investor(s): LGT Venture Philanthropy, Global Social Benefit Institute, Master Card

“Hapinoy.” *Hapinoy*. Accessed April 2020. <https://www.hapinoy.com/>.

“Poverty in the Philippines.” *Asia Development Bank*. 2009.

<https://www.adb.org/sites/default/files/publication/27529/poverty-philippines-causes-constraints-opportunities.pdf>.

“Hapinoys: Financial security makes happy Pinoys.” *Good News Pilipinas*. May 2018.

<https://www.goodnewspilipinas.com/hapinoys-financial-security-makes-happy-pinoys/>.

## SME Case Study 2: Rags 2 Riches

**Category(ies):** Women Led, Women Focused Supply Chain

Rags 2 Riches is social enterprise, eco-ethical fashion and design house empowering community artisans in the Philippines.

### Business Overview

Founded in 2007 by Reese Fernandez-Ruiz who has experience, Rags 2 Riches employs underserved daily wage workers who are mostly women artisans. It cuts the middlemen out and ensures the artisans receive fair wages. Its target customer market is high-income and affluent individuals.

### Behind the Success

What makes them unique apart from providing fair wages to its artisans, the enterprise also helps its workers receive financial education and set up bank accounts. Enabling many of their employees to save income for their families and higher education

*"I know how to save money and I'm now more confident"* - Artisan at Rags 2 Riches

### SME Category: Women Led, Women Centric Supply Chain

The enterprise was founded by Ms. Fernandez-Ruiz who experienced poverty first hand while growing up. Their supply chain of workers mostly consists of underserved women artisans who were being exploited by middlemen and narrower opportunities to earn a fair wage. Moreover, many of their offerings are environmentally friendly and upcycled

### Impact

Access to capital: Through their partnership with micro-financing institutions, they provide access to capital and financial services for their employees

Education: Train employees on business skills and keep them informed on finance literacy

Eco Friendly Sourcing: They procure environmentally friendly upcycled materials and scraps to produce their offerings

### Financials

Investor(s): LGT Venture Philanthropy

CNBC. "How These Women Went from Earning 20 cents a Day to Sending Their Children to College." June 2018. <https://www.cnn.com/2018/06/22/rags2riches-social-impact-artisan-fashion-line-payatas-philippines.html> "Rags to Riches: A Fashionable Way to Empower Poor Filipinos." *National Geographic* November 2016. <https://www.nationalgeographic.com/news/2016/11/reese-fernandez-ruiz-explorer-moments-ethicalclothing-helps-women/#close>

## SME Case Study 3: BagoSphere

**Category(ies):** Women Focused Internal Policy, Women Focused Products & Services

BagoSphere is a workforce development enterprise that assists people develop human skills that tap into their full potential. BagoSphere represents a pathway to a better life for a lot of women in rural Philippines. Their short programme accommodates single mothers and has an 80% job placement rate, with individuals earning up to 4x more than their unskilled counterparts. They also partner with companies directly to creating a successful recruiting pipeline.

### Business Overview

Founded in 2010, BagoSphere provides skills training to vulnerable populations in rural Philippines and connects them to high demand jobs. Many of their program participants are rural youth and single mothers.

### Behind the Success

They have a scalable and affordable training program for underprivileged low-skill students who would like to develop hard skills as well as soft skills to access higher paying jobs and job security in the Philippines. Their students can also access micro-loan funding.

“We [...] prepare people from all levels of society with skills to thrive in an increasingly digital age. By doing that [...] we can have a more equitable world.” - Zhihan Lee, Co-founder

### Impact

**Parental Support:** Provides parental support for single mothers and parents who are a part of the skills training program

**Skills-matching:** Trains underprivileged individuals and connects them to high demand jobs  
**Skills-training:** Their workforce development focuses on technically hard and soft skills to help individuals secure jobs

### Financials

**Investor(s):** Xchange, Alphatech Holding Pte Ltd, elea Foundation, Kickstart Ventures, Small World Group

BagoSphere. “BagoSphere.” Accessed April 2020. <https://www.bagosphere.com/about-us/>.  
Newswire. “BagoSphere Completes its Second Capital Round led by Elea Foundation.” November 2015. <https://www.newswire.com/press-release/bagosphere-completes-its-second-capital-round-led-by-elea>. “BagoSphere Combating Poverty Through Job Training.” *National University of Singapore*. Accessed April 2020. <https://enterprise.nus.edu.sg/startup-story/bagosphere/>



# Vietnam



# VIETNAM



## 1. Key Insights

### **There is an increasing interest in impact investing despite its nascent stage in Vietnam**

The number of impact investing deals completed is very limited and the deal sizes are modest relative to other countries in the region. According to the 2018 GIIN report on the landscape for impact investing in SEA, more than 65% of impact deals in Vietnam have been made since 2015.<sup>150</sup> The report also noted that there have been only 4 gender lens investments made. However, our research found that more investments have been done since the publication of the GIIN report. New gender-focused programs, such as ADB's Women Accelerating Vibrant Enterprises in Southeast Asia and the Pacific (WAVES) program, have also been launched. We also found that non GLI investors, including 500 Startups Vietnam, do informally consider GLI, demonstrating progress in the field in Vietnam.

### **Business cases for GLI in Vietnam are emerging as initial round of investments from existing gender lens investors reach maturity**

Globally, there are clear business cases and impact cases for GLI from more developed markets (findings obtained from desk research on IIX's WLB as well as our interview with the Sasakawa Peace Foundation that cited data from other players for their motivation). However, from our interviews with all investors, except IIX and the Sasakawa Peace Foundation, business or impact cases specific to Vietnam are still yet fully emerged. Early investors, such as IIX, SEAF, and Patamar Capital are also leading the way to create templates for other investors to follow.

### **There is an untapped opportunity in seed-stage impact capital**

There is a misalignment between the existing players in the supply side and the currently available SMEs from the demand side (finding obtained from CSIP report). Thus, GLI private investors often target high growth businesses that are concentrated in the education, healthcare and technology sectors. There is also limited capital at seed stage as most angel and venture capital funds focus on tech startups. Therefore, there is missing capital for smaller deal sizes that matches the size and needs of most SMEs.

### **There is an opportunity for investors to collaborate and create a standardized database for gender lens investing**

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<sup>150</sup> "The Landscape for Impact Investing in Southeast Asia."

Investors employ different tools to collect impact information (based on our interviews with Patamar Capital, 500 Startups, and Blue Orchard). Thus, there is yet a standardized database for GLI in the country. Vietnam also does not have rigorous national statistics on gender, echoing the 2018 UN Women, which highlights the fact that the Vietnam Household Living Standard Survey (VHLSS) is not collected annually (finding obtained from desk research).<sup>151</sup>

### **Investors' gender lens practices primarily focus on women-led businesses**

Among the 8 investors interviewed, only 2 investors [Patamar Capital and SEAF] are integrating a holistic approach to gender lens investing. Other players interviewed remain focused mainly on one aspect of women-focused businesses primarily through supporting female entrepreneurs and business leaders (findings obtained from all 8 investors interviews and desk research preparation for these interviews).

### **More awareness on gender inequality can help drive GLI growth**

Women's expected roles and negative perceptions have been shaped partly by social and cultural norms. These expected roles undermine the motivation for GLI in Vietnam, as gender issues are underplayed or not viewed as an urgent matter to be addressed (findings obtained from both desk research and interviews with 8 ecosystem players that align with each other).

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<sup>151</sup> United Nations Women. "Unpaid Care and Domestic Work: Issues and Suggestions in Viet Nam." 2016. Accessed April 28, 2020. <https://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2017/01/unpaid-care-and-domestic-work-en.pdf?la=en&vs=435>.

## 2. Gender Equality

### COUNTRY SNAPSHOT (sex disaggregated)

	Vietnam		Asia Pacific	World
	Female	Male	(female)	(female)
<b>Economic performance</b>				
Poverty rate (below USD 1.90 a day) <sup>152</sup>	<b>Less than 3%</b>	<b>Less than 3%</b>	<b>3%</b>	<b>8%</b>
GNI per capita (2011 PPP USD) <sup>153</sup>	<b>4,147</b>	5,655	<b>11,385</b>	11,246
Financial inclusion (% of account holders, age 15+) <sup>154</sup>	<b>30.4%</b>	31.2%	<b>71.5%</b>	64.8%
<b>Work and leadership</b>				
Informal sector employment <sup>155</sup>	<b>50.2%</b>	59.0 %	<b>69.4%</b>	58.1%
Labor force participation (% age 15+, ILO estimate) <sup>156</sup>	<b>73%</b>	82 %	<b>59.7%</b>	48%
Leadership in SMEs (%)	25% <sup>157</sup>	n/a		

#### Legend:

**Green** (better than the region's average)

**Yellow** (same as the region's average)

**Red** (worse than the region's average)

<sup>152</sup> World Data Lab. "World Poverty Clock." 2020. <https://worldpoverty.io/map>.

<sup>153</sup> UNDP. "Estimated GNI per Capita (PPP), Female (Constant 2011 PPP\$)." Accessed May, 2020. <http://hdr.undp.org/en/content/estimated-gni-capita-ppp-female-constant-2011-ppp> and "Estimated GNI per Capita (PPP), Male (Constant 2011 PPP\$)." UNDP. Accessed May 7, 2020. <http://hdr.undp.org/en/content/estimated-gni-capita-ppp-male-constant-2011-ppp>

<sup>154</sup> World Bank Data. "Global Financial Inclusion Index." 2017. Accessed May 7, 2020. <https://datacatalog.worldbank.org/dataset/global-financial-inclusion-global-findex-database>.

<sup>155</sup> World Bank. "DataBank: Gender Statistics." 2018. Accessed May 7, 2020. <https://databank.worldbank.org/source/gender-statistics>

<sup>156</sup> World Bank. "Labor Force Participation Rate, Female (% of Female Population Ages 15+) (Modeled ILO Estimate)." *World Bank*. 2019. <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS> and "Labor Force Participation Rate, Male (% of Female Population Ages 15+) (Modeled ILO Estimate)." 2019. <https://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS>.

<sup>157</sup> Data from 2016 from "Women-Owned Small and Medium-Sized Enterprises in Viet Nam: Situation Analysis and Policy Recommendations." *Mekong Business Initiatives*. 2016. [http://www.mekongbiz.org/wp-content/uploads/2017/04/WBAs-Position-Paper\\_English.pdf](http://www.mekongbiz.org/wp-content/uploads/2017/04/WBAs-Position-Paper_English.pdf).

## Progress

In the past two decades, Vietnam has seen a significant socio-economic progress. Vietnam's shift from a centrally planned economy to a market economy has transformed the country from a low-income country into one of the most dynamic emerging players in the SEA region.<sup>158</sup> Below are progress made so far according to our desk research:

### Substantial progress has been made, moving Vietnam towards gender equality

In 2006, Vietnam adopted a national strategy to promote gender equality by raising public awareness, protecting women's rights and eliminating discrimination against women.<sup>159</sup> Through this strategy, Vietnam made substantial progress in promoting gender equality, achieving parity in educational enrollments among boys and girls at all levels as well as boosting women's labor force participation. Vietnam also provides paid maternity leave of 6 months with 180 days being mandatory --the longest maternity leave in Asia.<sup>160</sup> There are currently no specific incentives for hiring female workers, but the country is moving towards implementing these. A report by PricewaterhouseCoopers outlines potential steps that Vietnam is considering taking, including additional tax reductions for "companies engaging in manufacturing, construction and transportation activities [that] employ many female staff or ethnic minorities."<sup>161</sup> The report also notes that as of January 2018, certain incentives, including a lower CIT rate are granted to SMEs.

### Women's participation and empowerment in the workplace increased

A 2019 report by Mastercard ranked Vietnam as 7th in "Women's Advancement Outcomes," demonstrating women's "ability to thrive as business leaders, professional and technical workers, entrepreneurs, [and] labor force participants."<sup>162</sup> The same report ranked Vietnam 5th in "Knowledge Assets & Financial Access," which measures women's "inclination to borrow or save to start a business, women's access to financial services and products as well as tertiary education."<sup>163</sup> Moreover, the report found that 27% of businesses in Vietnam are owned by women. This number is a 1.1% change from 2018, demonstrating a positive development in Vietnam's women's economic participation.

### More women are found in key business roles

In terms of women in business leadership positions, Vietnam's proportions of women in different types of senior positions are consistently above the ASEAN averages. The country has the second highest proportion of female board chairs (7.8%) in SEA right after Indonesia, outperforming many other more

<sup>158</sup> World Bank. "The World Bank in Vietnam." Accessed April 24, 2020. <https://www.worldbank.org/en/country/vietnam>.

<sup>159</sup> "Women-Owned Small and Medium-Sized Enterprises in Viet Nam: Situation Analysis and Policy Recommendations."

<sup>160</sup> UNICEF. "The Apparel and Footwear Sector and Children in Vietnam." Accessed April 28, 2020.

<https://www.unicef.org/vietnam/media/1461/file/The%20apparel%20and%20footwear%20sector%20and%20children%20in%20Viet%20Nam.pdf> and "Viet Nam." Human Development indicators. UNDP. Accessed May 7, 2020. <http://hdr.undp.org/en/countries/profiles/VNM>.

<sup>161</sup> Pricewaterhouse Cooper. "Vietnam Pocket Tax Book 2019." 2019. <https://www.pwc.com/vn/en/publications/2019/pwc-vietnam-pocket-tax-book-2019-en.pdf>.

<sup>162</sup> "Mastercard Index of Women's Entrepreneurs."

<sup>163</sup> Ibid.

<sup>163</sup> Ibid.

economically advanced countries in the region.<sup>164</sup> These statistics echo a 2018 report by GIIN that notes considerable gender economic progress in Vietnam.<sup>165</sup> In particular, the report found that the country's economic progress has primarily resulted from the alignment between men and women in understanding the key obstacles for greater gender diversity.

## Gender Gaps

Despite the impressive progress in narrowing gender gaps, Vietnam still has a long way to go before achieving parity. Our desk research and interviews suggest that there are still significant gender gaps that exist in the country. Below are some gender gaps in Vietnam according to our desk research:

### Cultural and social norms still prevent women's economic roles from being fully recognized

Vietnamese women's position in the labor market --both formal and informal --is still greatly influenced by socio-cultural expectations and norms. In 2017, a UN Women report called Vietnam to further improve opportunities for women to help them obtain "decent work and reduce their roles in unpaid care and domestic work."<sup>166</sup> The report also highlights that the terms "unpaid care" and "domestic work" are not used in Vietnamese official documents.<sup>167</sup> These documents include Vietnam's Marriage and Family Law, the Gender Equality Law and the National Strategy on Gender Equality 2011-2020. Instead, the term "housework" (*việc nhà*) or "family work" (*công việc gia đình*) are used, bringing to light how unpaid care and domestic work, which comprises mainly women, are undervalued. Consequently, the social and economic roles of both the work and the people involved in this sector are yet to be appropriately recognized in the society as well as in public policies in Vietnam.

### Women tend to work in lower paid occupational and informal sectors

Women still constitute a large majority of Vietnam's working poor and are disproportionately affected by underemployment, unemployment and unstable working conditions.<sup>168</sup> In fact, more women in Vietnam are working in lower paid occupational and informal sectors or in vulnerable employment compared to men. Women make up 55% of the self-employed in the country.<sup>169</sup> These jobs include migrant and non-migrant domestic work, street vending, and childcare, leaving these female workers unprotected by formal legal contracts, safety nets or the same resources and support that formal workers receive.

### Women face more barriers from a lack of adequate support and a limited access to skills development, labor market opportunities, and financial resources

In the formal sector, despite a high percentage of women in CEO and board level positions, women in the workplace generally are still at a great disadvantage. This disadvantage primarily resulted from women

<sup>164</sup> IFC. "Board Diversity in Southeast Asia." 2019. Accessed April 19, 2020. [https://www.ifc.org/wps/wcm/connect/21f19cfe-9cce-4089-bfc1-e4c38767394e/Board\\_Gender\\_Diversity\\_in\\_ASEAN.pdf?MOD=AJPERES&CVID=mM0qVBn](https://www.ifc.org/wps/wcm/connect/21f19cfe-9cce-4089-bfc1-e4c38767394e/Board_Gender_Diversity_in_ASEAN.pdf?MOD=AJPERES&CVID=mM0qVBn).

<sup>165</sup> "The Landscape for Impact Investing in Southeast Asia."

<sup>166</sup> "Unpaid Care and Domestic Work: Issues and Suggestions in Viet Nam."

<sup>167</sup> Ibid.

<sup>168</sup> "Equality and Discrimination in Vietnam." *International Labor Organization*. Accessed April 19, 2020. <https://www.ilo.org/hanoi/areasofwork/equality-and-discrimination/lang--en/index.htm>.

<sup>169</sup> "Women-Owned Enterprises in Vietnam: Perceptions and Potential."

having less access to skills development, labor market opportunities, and resources compared to men. The ILO suggests that this inequality also stems from the Vietnamese society placing “both a lower status and most of the unpaid care work to women,” while expecting them “to engage in productive work in subsistence agriculture and the market economy.”<sup>170</sup> This challenge is also present in the formal workplace, as women entrepreneurs also face significant challenges in establishing and growing their enterprises. In fact, access to capital remains a major barrier. Moreover, women entrepreneurs associations’ role in supporting the development of women-owned SMEs remains limited.<sup>171</sup> These associations are currently not recognized by the government as one of the official channels for collecting or disseminating information. Thus, their consultation remains excluded from building support programs tailored to women.

### **Fewer women compared to men receive financial access**

A 2017 report by IFC found that male and female entrepreneurs had similar access to governmental business loans from the government in Vietnam. In fact, female entrepreneurs had a slightly higher access to “money lender/Individual lender” as well as “saving schemes.”<sup>172</sup> Nevertheless, the survey discovered that male entrepreneurs had a much higher access to bank business loans compared to their female counterparts; the report found that 47% of men had this access, while 37% of women did. This limited access to bank business loans may be the reason why women were found to be “much more likely than men to use personal loans from banks and almost twice as likely to use personal credit cards to finance their businesses.” The report also noted that choosing to use personal funding may be Vietnamese female entrepreneurs’ response to the loan application procedures. In the survey, more women compared to men were found to view loan procedures challenging and expressed dissatisfaction with the process. This lower access poses a challenge to female entrepreneurs. A 2019 report by ADB noted that banks dominate Vietnam’s capital market. In 2018, it was found that Vietnam’s banking system regulated more than 96% of the total assets of its financial system, providing 68% of capital to the country’s economy.<sup>173</sup>

### **Marginalized groups of women face more constraints on economic participation**

The 2017 IFC report also found that marginalized groups of women, such as those of ethnic minorities, in rural areas face more obstacles to economic participation. This challenge is due to the fact that a more traditional division of labor persists. Consequently, women in these groups and areas experience “lower access to productive resources, lower access to health, education, and agricultural extension services, and lower likelihood of engaging in community leadership and decision-making.”<sup>174</sup>

### **In the formal sector, women face a double burden from work and family responsibilities compared to their male counterparts**

For women who choose to stay in their position and have a career in the formal sector, their business opportunities are greatly limited. One of the main challenges is business networking and development,

<sup>170</sup> “Equality and Discrimination in Vietnam.”

<sup>171</sup> “Women-Owned Small and Medium-Sized Enterprises in Viet Nam: Situation Analysis and Policy Recommendations.”

<sup>172</sup> “Women-Owned Enterprises in Vietnam: Perceptions and Potential.”

<sup>173</sup> Dang, Le Ngoc and Anh Tu Chuc. “Challenges in Implementing the Credit Guarantee Scheme for Small and Medium Sized Enterprises: the Case of Vietnam.” *Asian Development Bank*. April 2019. <https://www.adb.org/sites/default/files/publication/496271/adb-wp941.pdf>.

<sup>174</sup> “Women-Owned Enterprises in Vietnam: Perceptions and Potential.”

due to the reoccurring “extra burden of family responsibilities” as well as gender-based discrimination. Subsequently, women tend to regularly join these events less often compared to men.<sup>175</sup> This limitation means that women tend to have fewer business connections and opportunities for advancing their careers as well as for developing essential business skills. The impact of this limitation is clearly seen in local and national government trade promotion participation, which sees only a small number of women-owned enterprises participants. These findings are in line with another report that found that women in Vietnam “do have career ambitions” in the formal workplace and that yet “family commitments and lack of support from employers” eventually lead them to quit their jobs or choose not to be promoted.<sup>176</sup> In fact, up to 70% of women entrepreneurs divorce or separate, according to an unofficial Vietnam Chamber of Commerce and Industry (VCCI) estimate.<sup>177</sup> Thus, Vietnamese women continue to face “double pressure” from work and family life, preventing them from achieving a full economic inclusion in Vietnam.<sup>178</sup>

### Women still earn less than man across all sectors

Even though there is no significant difference in working hours and educational levels, women still earn less than men across sectors in Vietnam, especially in the informal sector.<sup>179</sup> The same report notes that, as of 2017, women earn 20% to 50% less than their male counterparts in the informal sector. A 2018 report by the World Bank also found that between 2011 to 2014, women earned an average of 1,302 USD less than men each year. This amount is approximately equivalent to a month’s income. Men were also found to earn more than women both in the state and non-state sectors and in agricultural and non-agricultural industries.<sup>180</sup>

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<sup>175</sup> “Women-Owned Small and Medium-Sized Enterprises in Viet Nam: Situation Analysis and Policy Recommendations.”

<sup>176</sup> Ibid.

<sup>177</sup> Ibid.

<sup>178</sup> Ibid.

<sup>179</sup> “The Landscape for Impact Investing in Southeast Asia.”

<sup>180</sup> World Bank. “Gender Gap in Earnings in Vietnam: Why Do Vietnamese Women Work in Lower Paid Occupations?” March 2018. <http://documents.worldbank.org/curated/en/685791521537975174/pdf/124438-BRI-19-3-2018-11-16-51-EAPVietnamBriefWEBv.pdf>.

### 3. Vietnam's Impact Investing Snapshot

**Impact investing is still in a nascent stage in Vietnam.** According to a 2018 GIIN report on the landscape for impact investing in SEA, more than 65% of impact deals in Vietnam have been made since 2015.<sup>181</sup> From 2007 to 2017, 10 PIIs have deployed 25 million USD through 23 deals. Over the same period, 6 DFIs have deployed more than 1.4 billion USD in impact capital through 50 deals. **Compared to Indonesia and the Philippines, Vietnam still lags significantly behind both in terms of capital deployment and number of deals.** To explain the underdevelopment of impact investing in Vietnam, the report raises a number of challenges facing the industry. Most notably, the scarcity of pipelines for impact investment was mentioned in the report and echoed across our conducted interviews as one of the reasons behind the lack of impact investments. Most SMEs in Vietnam are small, whilst impact investors prefer to invest larger amounts due to high deal sourcing cost. This mismatch between demand and supply side leads to the small number of deals.

However, **there are also many opportunities to expand impact investing further in Vietnam.** The country currently attracts many mainstream investors due to its impressive economic growth, a younger than average population (60% of Vietnam's population is younger than 30), and a developing entrepreneurial culture. **The expansion of mainstream investment flows in the country could have a spillover effect to the impact investing industry by strengthening the entrepreneurial ecosystem.** In addition, sectors like health care and education that typically attract impact investors are growing in Vietnam due to the booming middle class, providing more attractive investment opportunities for the investors.

In 2019, the Centre for Social Initiatives Promotion (CSIP) conducted a mapping exercise to account for all entities that are explicitly and implicitly involved in impact investing in Vietnam.<sup>182</sup> This mapping provides a **snapshot of the impact investing landscape in Vietnam.** The resulting stakeholder map shows that there are 46 entities in the supply side (including DFIs, philanthropic foundations, dedicated impact investing funds, private equity funds/ asset managers, venture capital funds, angel investors and commercial banks) and 35 ecosystem enablers.

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<sup>181</sup> "The Landscape for Impact Investing in Southeast Asia."

<sup>182</sup> Oanh, Pham Kieu, Hoang Le Trang and Phan Duy Quang. "Vietnam Impact Investment Landscape." *Centre for Social Innovation*. 2019. <https://r9aye3we63z1k1j8a3ivhbdw-wpengine.netdna-ssl.com/wp-content/uploads/2020/03/CSIPs-Report-on-Impact-Investment-in-Vietnam.pdf>.

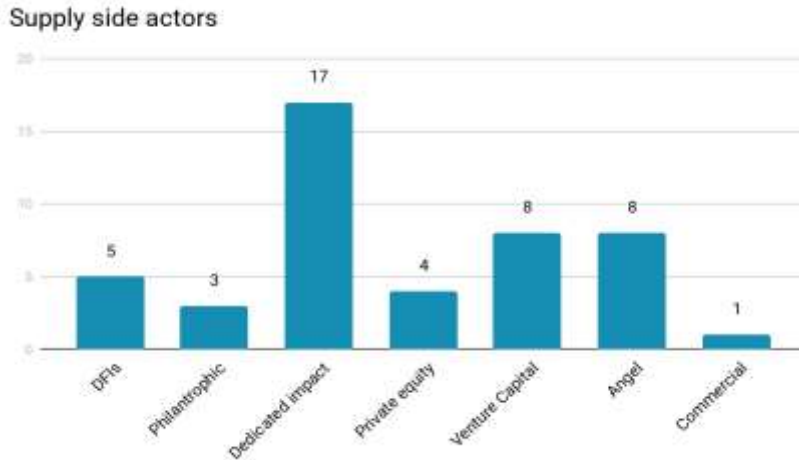


Figure 8: Supply side actors. Adapted from: CSIP report, 2020.

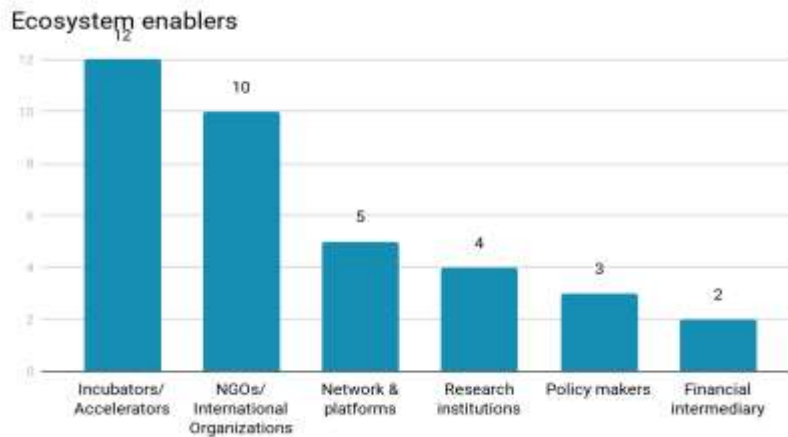


Figure 9: Ecosystem enablers. Adapted from: CSIP report, 2020.

As noted in the CSIP report, out of 17 impact dedicated funds, only 7 funds have a local presence in Vietnam, the rest are foreign-based funds that have investments in the country.<sup>183</sup> Given the emerging entrepreneurial ecosystem, having local presence will give investors more advantage in accessing deals and conducting businesses in Vietnam. Currently, setting up a local fund in Vietnam is still difficult due to lengthy bureaucratic processes. CSIP stakeholder mapping also confirmed the findings from the GIIN report that there is an unmet need for impact capital at the seed stage.<sup>184</sup> Most angel and venture

<sup>183</sup> Oanh et al.

<sup>184</sup> Ibid.

capital listed are not impact-focused and mainly invest in tech start-ups, making much needed seed capital unavailable to SMEs.

## 4. Challenges and Opportunities for GLI

According to the 2018 GIIN report, there have been only 4 gender lens investments made, that amounted to 3.3 million USD. However, more investments and progress have been made since then. This progress includes investors, including traditional investors and impact investors, that do not explicitly label themselves as a gender lens investor informally considering gender in their investment process and other investors launching gender-focused programs.

### Opportunities

Despite the fact that Vietnam's GLI market is not yet as mature as those in Indonesia and the Philippines, many opportunities exist in the country that will help drive the progress. These opportunities come from both the supply and demand sides as listed below:

#### Women-owned businesses create more multiplier financial and social effects

The 2017 report by IFC also found that women-owned businesses in Vietnam tend to hire more female employees than their male counterparts.<sup>185</sup> In particular, the report found that the difference is even larger in small-sized businesses, where female employees make up 42% of total staff in women-owned businesses and only 36% in men-owned.<sup>186</sup> For both female and male business owners, the ratio of female employees increases with a corresponding increase in firm size. Furthermore, women-led businesses were found to have generated more returns. The report highlighted that women-led SMEs tend to earn more revenue per employee than their male counterparts for both small and medium businesses.

#### There is a huge demand for funding into SMEs in general

These modest numbers in size and deals do not reflect the demand for gendered capital. The 2017 IFC report found the financing gap at 1.19 billion USD for women-owned SMEs throughout Vietnam.<sup>187</sup> The 2018 Provincial Competitiveness Index, which measures economic governance and socio-economic development across the country's 63 provinces, shows that the average loan term for women-led businesses is 13.74 months, significantly below the 16.41 months figure for their male-led counterparts.<sup>188</sup> In addition, a survey conducted by VCCI found that 40.5% of women-led businesses have difficulties with loan paper works. The same survey also suggests that, in cases where commercial bank loans are not available, women-led businesses often seek capital from friends and families, instead of other private investors.

These statistics above do not include the financing gap for other gender-focused SMEs as defined within the report. Therefore, there is a strong case to suggest a great demand for GLI in Vietnam, leaving many unexplored opportunities for impact investors who are interested in the space.

<sup>185</sup> "Women-Owned Enterprises in Vietnam: Perceptions and Potential."

<sup>186</sup> Ibid.

<sup>187</sup> Ibid.

<sup>188</sup> Malesky, Edmund J. "2018 Provincial Competitiveness Index." *PC Vietnam*. 2018. <http://eng.pcvietnam.org/publications/2018-pci-full-report/>.

### Existing investors are working on building a comprehensive case for GLI

On the supply side, there is an increasing interest from investors on tackling gender issues, driven by the participation of institutional investors, such as the World Bank, IFC, Canada Embassy, and Australia Embassy. Early private investors, such as SEAF and Patamar Capital, are working on providing business cases from their initial investments. Their potential success in GLI will propel more investments in this space in the near future and provide future investors templates to enter the space in Vietnam.

## Challenges

Despite these growing opportunities, challenges in GLI remain. These challenges, coupled with investors' primary preference for ticket sizes over 1 million USD, create a mismatch between supply and demand. This mismatch renders supporting women-focused businesses and GLI difficult, as evident in the gap in seed-stage capital.<sup>189</sup>

### Social barriers create obstacles in understanding the importance of gender related work

Substantial progress has been made in achieving gender equality, yet Vietnam continues to experience cultural barriers to GLI. As noted by a recent report by the World University Service of Canada *Entraide Universitaire Mondiale du Canada (WUSC EUMC)*, Vietnam currently has many organizations, programs, and activities related to GLI.

However, the country's deep-rooted gender issues and imbalances remain obstacles to Vietnam's GLI field. The report notes that these imbalances hinder women's full financial empowerment, undermining understanding of gender issues and GLI itself. Particularly, there are still prevalent negative perceptions of women, including those that perceive women as being "less educated and constrained by family obligations."<sup>190</sup> These perceptions render barriers to GLI more pronounced for marginalized women, especially those who face multiple challenges. These challenges include low income, gender-based violence, disability and ethnic minority status. Consequently, GLI concepts and mechanisms of GLI have not necessarily been integrated by mainstream actors.<sup>191</sup>

### Limited knowledge sharing between key ecosystem players

Different types of ecosystem players still need additional support to fully understand and integrate GLI. The WUSC EUMC report found that there is still no "common language" between GLI players. This barrier has primarily resulted from the government's and private sector's lack of capacity in having mechanisms for gender and finance specialists to collaborate and to share knowledge. As a result, supply side players still have yet to grasp how best to design gender-responsive financial products, limiting GLI growth in Vietnam. This impact is evident in how women-led SMEs are gaining increased importance from the government and investors as drivers of women's economic inclusion. However, there appears to be

<sup>189</sup> "The Landscape for Impact Investing in Southeast Asia."

<sup>190</sup> MacLeod, Erin. "Mapping Gender Lens Investing in the Global South." *WUSC EUMC*. April 2019. Accessed April 24, 2020, <http://assets.wusc.ca/GLI-mapping-in-Global-South-v3.pdf>.

<sup>191</sup> *Ibid.*

limited support and implementation of a diverse integration of GLI. Other approaches that still need more attention include incentivizing portfolio companies to look beyond women-led companies for women's economic participation and to also focus on these companies' internal policies, hiring process, supply chain, and services.

### **Small number of players/limited data supporting GLI**

The supply side is greatly undermined by the small number of players as well as limited data supporting GLI. Currently, the limited number of players are not able to keep up with the demand side. As a result, demand for existing GLI firms' services "far outweighs [these firms'] capacity."<sup>192</sup> GIIN also highlights that there is currently no impact-focused angel network in the country.

Moreover, there are currently limited data and cases demonstrating financial returns and social benefits of GLI specific to Vietnam.<sup>193</sup> Thus, Vietnam sees a limited integration of GLI concepts and mechanisms, including the implementation of sex-disaggregated data, by mainstream actors, including commercial banks, financial institutions, and the government.<sup>194</sup>

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<sup>192</sup> "The Landscape for Impact Investing in Southeast Asia."

<sup>193</sup> MacLeod.

<sup>194</sup> Ibid.

## 5. Research and Interview Findings

### Question 1: What are the ways in which leading investors are already investing with a gender lens in the Philippines?

#### **Finding 1: DFIs promote GLI through bank loans and micro finance products. Besides providing loans to women entrepreneurs, commercial banks also provide networking opportunities for women-led SMEs.**

DFIs, such as ADB and IFC, are promoting GLI through bank loans and microfinance products. However, these organizations have yet to fit the need of women-led/own or women-engaging businesses, most of which are micro SMEs that find the process of applying for loans difficult.

IFC provides concessionary finance to local commercial banks in Vietnam to provide loans and create products aimed at lending to women-led SMEs. One of its partners is Vietnam Prosperity Joint-Stock Commercial Bank (VPBank). According to our interview with IFC, VPBank partnership with IFC goes beyond funding; it includes getting advice from IFC to facilitate access to non-financial services for women-owned SMEs, making it possible for these entrepreneurs to share experiences with each other and find new networking opportunities for their businesses. The program registered strong results within just a year of its launch, during which VPBank lent 600 million USD to about 2,000 women entrepreneurs. There were gains in other aspects of the business as well: for example, nearly 2,500 women opened savings accounts, valued at almost 180 million USD.<sup>195</sup>

#### **Finding 2: Private gender lens investors are looking for fast-growth businesses model, leaving a financial gap for early stage gender-focused SMEs**

Due to high sourcing costs, private gender lens investors in Vietnam often target high growth businesses that concentrate in the education, healthcare and technology sectors [see SEAF and Patamar Capital case study in Appendix V], whilst most women led SMES are in the retail and wholesale trades (55%). There is also limited capital at seed stage as most angel and venture capital funds focus on tech startups. Therefore, there is missing capital for smaller deal sizes that matches the size and needs of most SMEs.

#### **Finding 3: GLI is still nascent in Vietnam. Therefore, most investors entering the space are still adapting and tweaking their models to suit the local needs.**

There is an increasing interest from investors on tackling gender issues, driven by the participation of institutional investors, such as the World Bank, IFC, Canada Embassy, and Australia Embassy. Concessionary capital from DFIs like DFAT allows private investors such as SEAF and Patamar Capital to invest in women and provide business cases from their initial investments. Their potential success in GLI

<sup>195</sup> IFC. "Women Entrepreneurs in Vietnam Get a Fair Shot with Financing." August 2018. [https://www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/news/impact-stories/vietnam-banking-on-women-entrepreneurs](https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/vietnam-banking-on-women-entrepreneurs)

will propel more GLIs in the near future and provide future investors a playbook to enter the space in Vietnam. Currently IIX is the only GLI investor in Vietnam with concrete business and impact cases.

**Finding 4: Investors use different tools to collect impact information but there is yet a standardized database for GLI in the country.**

For example, SEAF has developed its own proprietary GES©, which assesses women’s economic empowerment and gender equality within individual investment opportunities and portfolio companies. Whilst, other impact investors deploy different measurement tools to track the impact of their investments.

At macro level, Vietnam sees a limited integration of GLI concepts and mechanisms, including the implementation of sex-disaggregated data by mainstream actors, including commercial banks, financial institutions and the government.<sup>196</sup>

**Finding 5: Investors engage with firms post investment phase to encourage them to adopt more gender-friendly policies and decisions. However, the emphasis has remained strongly at the sourcing phase.**

All interviewed investors engaged with portfolio companies to guide them toward adopting more gender-friendly approaches and policies. The process post investment remains at conversational level and consensus driven. Investors focus more effort at the sourcing deals, ensuring that potential investees fit their criteria for GLIs.

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<sup>196</sup> Ibid.

## Question 2: What parts from GLI are investors not applying, and why? What are the constraints and what support is needed?

Of all 8 gender lens investors interviewed, all are targeting women-focused businesses. However, most companies have yet to include other approaches of the GLI process. 5 out of 8 investors interviewed [Patamar Capital, SEAF, Blue Orchard, IIX, and 500 Startups] currently have investment processes incorporating a gender lens, while no investors interviewed currently have an organizational management at investor level. Nevertheless, 2 investors [Patamar Capital and SEAF] are engaging companies to incentivize and encourage them to take gender into consideration.

This may be due to the fact that there appears to be a misconception and a limited recognition of gender issues in Vietnam, creating a gap in gender work as well as gender lens practices. While there are several investors that do have specific programs targeting gender as mentioned above, the GLI in Vietnam is still in emerging. Only 8 interviewed organizations explicitly label themselves as a gender lens investor or have a specific fund allocated to gender equality: Patamar Capital, SEAF, IFC, the Sasakawa Peace Foundation, Blue Orchard, IIX, IFC, and ADB.

### Constraints

#### 1. There is still limited understanding and recognition of gender issues in Vietnam

There are many opportunities for GLI to grow from both demand and supply sides in Vietnam. Seven ecosystem players interviewed [500 Startups, CSIP, SVF, Patamar Capital, the Sasakawa Peace Foundation, WISE, DNES, and UNDP] noted that there remains a limited understanding and recognition of gender issues in Vietnam. 8 out of 13 ecosystem players interviewed [CSIP, 500 Startups, SVF, Patamar Capital, the Sasakawa Peace Foundation, WISE, DNES, and UNDP] highlighted that gender is underplayed and not considered an urgent issue in Vietnam, rendering gender inequality awareness a difficult task.

According to 4 ecosystem players interviewed [ADB, SVF, DNES, and 500 Startups], this lack of awareness is present among investors, the general public and Vietnamese women themselves, suggesting that gender biases appear to be prevalent and have a great social influence. These gender biases often get translated into the workplace, forming a working environment that hinders women's career growth in the workplace, as mentioned by 4 ecosystem players interviewed [500 Startups, DNES, WISE, and SVF]. Specifically, 2 ecosystem players [500 Startups and SVF] noted that women often get more gender-based comments, particularly on their appearances, compared to their male counterparts.

#### 2. Female entrepreneurs and women in the workplace face more challenges compared to men

From the demand side, we found that female entrepreneurs, investors and employees appear to face more challenges compared to their male counterparts. These challenges, including verbal harassment at work, are often subconscious and typically appear not to be explicitly driven by gender biases. This type

of harassment was mentioned by 3 ecosystem players [500 Startups, WISE, and SVF]. Moreover, all ecosystem players interviewed similarly highlighted that more support and resources directed towards women are needed to help close existing gender gaps [500 Startups, CSIP, SVF, Patamar Capital, the Sasakawa Peace Foundation, WISE, DNES, and UNDP].

### **3. There is a gender gap in resources, particularly skills training, technical assistance, networking, mentoring, and/or financial support, allocated to women and women-focused SME**

4 ecosystem players interviewed, [ADB, SVF, DNES, and 500 Startups] noted that the Vietnamese society does not perceive gender inequality as an issue. Subsequently, gender-related work often does not get prioritized, undermining additional support needed by Vietnamese women and women-focused SMEs. In fact, all ecosystem players interviewed implied that the lack of understanding of gender inequality means there is a gender gap in resources, particularly skills training, technical assistance, networking, mentoring, and/or financial support, allocated to women and women-focused SMEs. Consequently, these stakeholders are unable to overcome cultural, economic and market barriers in Vietnam.

### **4. Women tend to face more work related and family pressure due to cultural barriers**

Furthermore, our field findings align with the data from other reports mentioned above. Specifically, we found that many female interviewees have faced cultural barriers in pursuing entrepreneurial goals. Two interviewed ecosystem players [DNES and WISE] expressed that many women had to hide career choices from family. They also highlighted that most women in Vietnam feel an enormous pressure to conform to traditional roles associated with women and to choose having a family over their own career before reaching a certain age. However, we found that 4 ecosystem players [WISE, SVF, and DNES] believe that if women choose to have both a career and a family, they are expected to excel in both. This dilemma between work and family life that Vietnamese women disproportionately face compared to their male counterparts highlights a gender-based disadvantage that prevents women from achieving a full economic inclusion. In fact, one ecosystem player [DNES] noted that women have a shorter period to achieve their goals due to the disadvantage, preventing further many from fully unleashing their career potential.

### **5. Women continue to face more networking, financial and capacity building challenges**

3 ecosystem players [500 startups, Patamar Capital, and SVF] also specifically noted that business networking events remain one of the most evident challenges for Vietnamese women, because these events typically involve drinking and are held later in the evening. As a result, women can hardly attend these events compared to men, or they choose not to attend them. Regarding other events, such as conferences and seminars, one ecosystem player [SVF] noted that due to a large gender gap in leadership and economic inclusion, few speakers are female. For all these limitations that women face in Vietnam, CSIP believes that women-led SMEs are often at a disadvantage because debt instruments require collateral. Nevertheless, women ownership is rare, making it more challenging for women entrepreneurs to access this source of funding.

5 out of 13 ecosystem players [IFC, Patamar Capital, SEAF, UNDP, and ADB] interviewed noted that because of a nascent stage of impact investing, it has been challenging for GII to develop. Moreover, there has been little progress in policy, supportive mechanisms and legal frameworks that specifically encourage

GLI. Thus, despite a growing number of impact investors in the country, gender is neither present nor explicitly included in their investment practices.

### **6. Lack of a comprehensive business or impact case for GLI in the country**

All investors interviewed believe that having an impact or a business case for GLI in Vietnam is crucial in driving the practice forward. Specifically, IIX has already created a comprehensive business case for GLI based on their WLB. Further information on this case is available in the case study section of IIX. As for the impact case, all investors in Vietnam are still in the process of building a case specific to Vietnam. However, the Sasakawa Peace Foundation cited studies by McKinsey, the UN, APEC, the Criterion Institute, the World Bank, and Deloitte. More information on their impact case is included in the Sasakawa Peace Foundation's case study section.

Two investors interviewed [Patamar Capital and SEAF] are currently generating an impact case and a business case, yet noted that more time was needed to generate a proper case. In particular, Patamar Capital noted that collecting information was challenging, because it invested in different sectors, making impact and business comparisons difficult. Furthermore, ecosystem enablers like CSIP, UNDP, and DFIs like ADB both claimed that finding investable and impactful businesses has been difficult for investors. These supply side concerns highlight an important gap between Vietnam's GLI demand and supply sides that can be closed with further development of the GLI ecosystem.

### **7. Lack of ecosystem builders dedicated to gender-focused firms**

Investors, including WISE and SEAF, noted that many actors in the ecosystems, including accelerators and incubators, do acknowledge the fact that gender issues need to be solved. However, both similarly mentioned that turning this consensus into a concrete work and implementing gender related policies require additional support. Specifically, ADB and SEAF, who has been working in the field for thirty years, noted that GLI in Vietnam had not moved forward as quickly as expected.

2 ecosystem players interviewed [CSIP and Patamar Capital] mentioned that a more rigorous and accurate national statistics on gender in Vietnam may help build a more robust GLI ecosystem in the country. Both ecosystem players also believe that there is a mismatch between the supply and demands sides, impeding the growth of GLI in the country. These findings echo both the 2018 UN Women Report and a 2019 CSIP report. UN Women reported that the VHLSS is not up to date because it is only collected annually. Specifically, the CSIP report also outlines specific obstacles to GLI in Vietnam: a lack of investable enterprises, absence of common understanding and a database on gender lens impact investments, limited number of fund providers, and lack of diversified financing instruments.<sup>197</sup>

We conclude that the nascent stage of GLI in Vietnam due to these constraints may be the reason why gender lens practices are yet to be comprehensive. Therefore, increased awareness and understanding of GLI can help drive the practice in Vietnam past its current stage of mainly being focused on female founders or entrepreneurs and towards a more holistic approach.

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<sup>197</sup> "Unpaid Care and Domestic Work: Issues and Suggestions in Viet Nam."

### Question 3: What are investors' motivations for investing with a gender lens? What is the emerging business case that they are seeing?

#### **(ADB, IFC, SEAF) Political commitment to tackle gender inequality**

For 3 out of 8 investors interviewed [ADB, IFC and SEAF], the motivation comes from the top because their institutional mandates take into account gender inequality in the workplace as well as in certain project objectives. For instance, ADB has a political commitment as well as policy frameworks to expand funding to women. Specifically, gender has been highlighted as one of ADB's strategic areas and the organization has recently released an internal policy against sexual harassment discrimination. Furthermore, ADB has "resident social development specialists" within each department at each country division.<sup>198</sup> These specialists help the implementation of a broad range of social development, gender and development and social protection related ADB's initiatives. Essentially, all gender related work being implemented by ADB in Vietnam are the results of ADB's commitment and policy trickling down to concrete programs at a local level.

#### **(Patamar) Strong business case from microfinance sector**

For the Patamar Capital Vietnam, the motivation also comes from the top. As highlighted in its case study, the firm's founders who have a lot of experience working in microfinance learned that women are "better borrowers."<sup>199</sup> The firm also noted that its team members in general were passionate about gender equality, influencing the firm's direction toward gender. These bases became the motivation to think about gender or women in operating their works, encouraging the firm to partner with Investing in Women and further their work in the field.

#### **(The Sasakawa Peace Foundation) Women empowerment leads to better social impact**

The Sasakawa Peace Foundation's motivation comes directly from data and cases done by other organizations, including McKinsey, the UN and Deloitte. Please refer to its case study for further information.

#### **(SEAF) Address the enormous deficit in capital for women entrepreneurs**

SEAF is committed to GLI through its "Women's Opportunity Fund," that is aimed to tap into the underserved markets and sectors as well as the "untapped potential of women entrepreneurs due to the significant gender financing gap that exists globally." As highlighted in its case study, SEAF believes that Vietnam is among their interested markets in SEA given its projected high growth rates over the next five years as well as the outstanding women entrepreneurs.

#### **(Traditional ecosystem builders/investors) Personal experience**

<sup>198</sup> From our interview with ADB

<sup>199</sup> From our interview with Patamar Capital Vietnam

Other investors and ecosystem players have been fueled by personal experience to pursue GLI. DNES believes in gender equality as its personal cause: As a woman herself, Mrs. Nhi Nyugen with whom we interviewed, emphasized that she wanted to advance other women’s careers and help promote gender equality at work. She has already built a small network of around ten female leaders and founders of companies, not only in tech, but also in hotel, spa, and other business sectors. Together, they work to expand career opportunities for women. More importantly, this personal motivation gets translated into DNES, where 12 out of their 50 incubates are female founders.<sup>200</sup>

Similarly, 500 Startups Vietnam team’s motivation is a personal one, although it does not explicitly target GLI in its strategy. Mr. Eddie Thai always leans into impact opportunities, mainly to increase diversity as a whole and not primarily for gender specific purposes. However, he noted that his team is planning on reaching out to areas outside of the main cities in Vietnam when their capacity increases. While 500 Startups Vietnam team does not track impact specifically, it does label companies as “impactful,” because the team has found that its impactful businesses are substantially outperforming conventional ones.<sup>201</sup>

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<sup>200</sup> From our interview with DNES

<sup>201</sup> From our interview with 500 Startups Vietnam

## Question 4: What are the types of investable opportunities that investors could find if they apply a gender lens

### **There is strong demand from women-led SMEs**

A 2019 report released by Mastercard found that 27% of businesses in Vietnam are owned by women. A survey conducted by VCCI found that 40.5% of women-led businesses have difficulties in loan paper works. The same survey also suggests that, in cases where commercial bank loans are not available, women-led businesses often seek capital from friends and families, instead of other private investors. These statistics suggest that there is a strong demand for capital by women-led SMEs that could be provided by private gender lens investors.

Both of our case studies focus on women-led SMEs. Please see our case studies on women-focused SMEs in Vietnam for detailed information.

### **There is limited pipeline for other types of gender-focused SMEs**

The expected roles and negative perceptions of women that have been created by social and cultural norms discourage GII in Vietnam. In addition, gender issues are underplayed or not viewed as an urgent matter to be addressed. As a result, there are limited SMEs working on tackling gender issues through products and services, supply chains, and advancing workplace equity.

## 6. Recommendations

### **Recommendation 1: Gender-focused ecosystem enablers to continue raising awareness on gender issues and remove barriers for GLIs**

One of the highlights from our interviews is that the gender debate is still underplayed in Vietnam. The lack of understanding of gender inequality among mainstream stakeholders (investors, government, incubators, accelerators, and entrepreneurs) means that gender-related work often does not get prioritized. Consequently, there is a gender gap in resources, particularly skills training, technical assistance, networking, mentoring, and/or financial support, allocated to women and women-focused SMEs. Therefore, it is important for gender-focused ecosystem players, such as WISE, to engage and inform mainstream stakeholders on key gender issues, in order to remove barriers for GLIs.

### **Recommendation 2: Ecosystem enablers to continue filling the gaps for skills development, labor market opportunities, and financial resources**

There have been efforts from both gender-focused and traditional ecosystem enablers to promote and support women entrepreneurs in Vietnam. However, due to the lack of awareness among mainstream stakeholders, there is a lot of work to be done by ecosystem enablers to achieve the goal of gender equality. Suggested actions include but are not limited to: building more training programs aiming at marginalized groups of women, providing grants and concessionary finance to women-focused SMEs, educating general public on the prevalence of gender biases in the workplace.

### **Recommendation 3: DFIs to provide more concessionary capital to incentivize private investors to pursue GLI**

Concessionary capital from DFIs has allowed private investors, such as Patamar Capital, SEAF and IIX, to start GLI investments in Vietnam. However, there is still a lack of private investors in this space, whilst DFIs like ADB and IFC focus more on partnering up with local commercial banks to approach women-led SMEs. This leads to lack of diversity in financial products that cover the needs of women-focused SMEs. It is vital that more concessionary capital is channeled to GLI private investors that will allow them to expand the scope and product offerings of GLI in Vietnam.

### **Recommendation 4: Investors to design appropriate financial instruments that fit the capital needs of gendered-focused SMEs**

Despite a huge financing demand for women-focused SMEs, especially for women-led SMEs, current financial instruments have not yet met the needs of these enterprises. In order to effectively resolve this mismatch in demand and supply, private investors are recommended to set up a local presence in Vietnam or work with local ecosystem players to better understand the market and create more appropriate financial instruments that truly fit the needs of women-focused SMEs.

## 7. SME Case Studies

### Case Study 1: ELSA (English Language Speech Assistant)

#### Women-Led

A woman-led and found digital application that helps non-English speakers improve their English speaking skills in order to expand their career potential.

#### Business Overview:

Unlike its competitors that typically teach vocabulary and grammar, ELSA trains users to modify their accents based on their ongoing performance and through the use of voice recognition and AI. With over 1,000 courses, the application charges 3.99 USD per month and 29.99 USD per year depending on the packages.

#### Behind the Success:

Started in 2015, ELSA received its first funding from winning the SXSWedu Launch Startup Competition in 2016. In 2018, the company received 3.2 million USD in capital led from Monk's Hill Ventures. In 2019, ELSA became the first ever Asian investee of Google's Gradient Ventures, a fund dedicated to AI. This Series A fund is worth 7 million USD and so far, the company has raised 12 million USD in funding.

#### Female Leadership:

Ms. Vu Van is from Vietnam and was inspired to start the application after moving to the United States for her MBA at Stanford and found herself struggling with English speaking skills. Thus, after working in consulting for a few years following her masters, she decided to work with a speech specialist, Dr. Xavier Anguera, to develop this application. Today, Ms. Van works between three offices in Lisbon, Ho Chi Minh City and the Bay Area and is now preparing for the next financing round in order to expand to other countries as well as to provide classroom experience.

Currently, ELSA's users are in more than 100 countries. Vietnam is still their primary market with over 2 million users. The company plans to expand to Indonesia, India, and Japan, while aiming to add additional languages.

#### Financials:

The company is still in its early stage and has not generated much in income. However, ELSA's future earnings appear optimistic as its paid subscription grew more than threefold between 2017 and 2018, despite the fact that it has not yet spent any funds on marketing. ELSA currently has 4 million users globally. The application's incredibly effective voice recognition and AI also render its technology difficult to duplicate.

**Investor(s):** SXSWEDU, Monk's Hill Ventures, Google's Gradient Ventures

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## Case Study 2: IMAGTOR

A women-led digital startup that employs people with disabilities to provide image editing services for the U.S, EU and Japan real estate market

### Business Overview:

Imagtor provides image editing services to real estate B2C customers to help build their brands and marketing to their property buyers.

The company provides training to people with disabilities (PWD) for 6 to 7 months and employs them post training. The average salary is 8 million VND (~350 USD).

### Behind the Success:

The company received up to five national and regional prestigious awards in 2017, and initial investment from international embassies and organizations partly thanks to the founder's great presentation skills.

Ms. Vân had practiced with coaching supports to gain her confidence before taking part in social startup and social innovation competitions.

### Female Leadership:

Ms. Nguyen Thao Van was born with brittle bone disease to an agricultural family in the poor rural area of Nghe An. As the CEO of Imagtor, Thao Van is passionate about promoting and empowering women with disabilities. In 2014, she organized a fashion show for women with disabilities, called "I Am Beautiful Too, Why Not?" In 2019, Van is honored by Forbes Vietnam as one of the 50 most influential Vietnamese women.

### Impact:

Inclusive workforce: Out of the 70 full time staff, 50% have disabilities, ~50% are women

Job creation: The business is expected to hire 20 additional staff in 2020. The company not only provides technical skills, but also social skills to its staff.

Corporate responsibility: 40% of the revenue goes to support people with disability around the country (give grants).

### Financials:

In 2018, the company's revenue was 10 billion VND (~420,000 USD) and its profit is 3 billion VND (~129,000 USD).

Investor(s): MYSC

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## APPENDIX

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### Appendix I: Key Informant Interview Guide for Investors

\*\*\*Please note: Actual data collection template has more space between questions to allow the interviewer to record detailed qualitative responses. \*\*\*

1. Name
2. Position
3. Organization
4. Fund description: a. Fund size b. Types of products c. Sectors d. Countries e. # of investees
5. What are your goals related to gender or women?
  - a. Do you have a gender lens strategy, either standalone or part of a broader strategy?
  - b. How did you get started in gender lens investing? What was/were your entry points?
6. What was your personal and your company's motivation for thinking about gender or women in your operations? Has this motivation evolved over time?
7. Do gender considerations affect your selection of the types of clients that you support? For instance, do you look for companies that fit into any of the following categories:
  - o Are women-led
  - o Offer products or services with disproportionate social or economic impact on women
  - o Have internal policies that promote workplace equity (i.e., protocols to ensure no discrimination, flexible work arrangements)
  - o Focus on women in supply chains (i.e., producers, sales agents, distributors)
  - o None of above
  - o Other \_\_\_\_\_
8. Do you try to engage with or support companies to apply a gender lens to their workforce, value chain, or products and services?
  - a. If Yes, how do you promote gender inclusion externally among your portfolio companies? (i.e., setting goals for women's participation in leadership, training on gender, sex-disaggregated data collection from investees)
9. Do you have initiatives or actions that seek to promote gender diversity or inclusivity within your workforce?
  - a. If so, how do you promote gender inclusion internally? (i.e., if have policies against discrimination, if trying to achieve diversity in workforce)
10. Does your organization think about gender issues in the process of investing? Why or why not? How does gender figure into the investing process in the different stages?
  - o Due diligence
  - o Structuring

- Post-investment engagement
  - Exits
11. Do you collect sex-disaggregated data – at the fund level, at the portfolio level, at the beneficiary level? If yes, how do you use this data?
  12. What are the main challenges you've faced in carrying out gender-lens investing?
    - a. How have you addressed these challenges or how do you intend to address them?
    - b. What is needed to apply or deepen your gender lens approach? i. Resources? Knowledge? Willpower? Training?
  13. Who is a leader in GLI that you know? Who is doing good work?
    - a. Fund managers
    - b. TA providers
    - c. Particular SMEs / businesses
    - d. Other experts in the field
  14. How would you characterize the state of work promoting gender equality in the country?
    - a. Where has there been progress?
    - b. Where hasn't there been progress?
    - c. What are the greatest challenges and constraints?
  15. Is there any part of your work that you'd like to highlight for our mapping and report? For example, companies that are solving gender or women's issues or practices you are employing that you think can be highlighted.
  16. Anything missing? Anything we didn't ask about that we should have or that you want to mention about your gender lens investing?

## Appendix II: Key Informant Interview Guide for SMEs Included as Part of Online Survey

- **Leadership and workforce:**
  - What do you think of the current % of men vs. women? Are you happy or unhappy with it?
  - She is neutral about the current % of men vs women because she does not have a set goal for number of women on her team
  - If unhappy, what would you like it to look like? Why?
  - What do you think is needed to reach the composition that you would like?
- **Leadership and commitment:**
  - Is the business interested in developing a strategy focused on gender or women? Yes/No → Why or why not?
  - If interested, what does the business need in order to develop a strategy focused on gender or women?
  - If the business already has a strategy, what is that strategy? How is it working out? What does the business see as the impacts of this strategy -- both positive or negative?
  - Does the business see any business benefits of developing a strategy or program focused on gender or women?
- **Sex-disaggregated data:**
  - If business collects sex-disaggregated data, does the business see any benefits to collecting this data? Any benefits of using this data?
  - What are the challenges or limitations to collecting or using this data?
  - What does the business need in order to collect or use this data?
- **Workforce & policies:**
  - What are the policies that the business would like to work on? Why?
  - What are the challenges to rolling out these policies? What does the business need in order to roll these out?
- **Customers:**
  - If segmenting, what are the business benefits of segmenting by sex?
  - If not segmenting customers, or using customer data, what are the challenges? What's needed to do this?
  - She believes that a lot of customers using her platform are already female so does not feel the need to segment in the near future



## Appendix IV: Team Members

### **Jazgul Kochkorova (Faculty Contact & IRB Officer, Indonesia)**

Jazgul specializes in gender and has worked for two years in Kyrgyz Republic. She was a part of the team that developed and implemented four-year-long activities with the Parliament of Kyrgyz Republic.

### **Nayana Nagapurapu (Faculty Contact, Indonesia)**

Nayana has worked for three years with the Ministry of Women and Child Development in India. She has also worked on women's economic empowerment programs in Thailand with the ILO.

### **Pattaraporn (Nat) Salirathavibhaga (Project Manager, Vietnam)**

Pattaraporn has worked on women-centered programs at Asia Initiatives. She is familiar with the grassroots development programs that aim to empower women through leveraging social capital in Asia.

### **Roshni Mukherji (Client Contact & Budget Officer, the Philippines)**

Roshni has worked on large-scale projects globally with Boston Consulting Group, Dalberg and CitiGroup and has a proven track record in strategy, business advisory, public policy research, and scenario building.

### **Ruby Khan (Client Contact & Budget Officer, the Philippines)**

Ruby has experience in working on women's development projects in Mumbai, India and Boston, United States. She has worked in the impact investing sector and has founded an impact investing fund.

### **Trang Ngo (Editor & Resource Coordinator, Vietnam)**

Trang has experience in conducting market research for the Insitor Impact Asia Fund in Vietnam. She is a native Vietnamese and has worked with Deloitte, prior to SIPA.

## Appendix V: Investors Spotlight

### 1. BIDUK

BIDUK is a custom-built lending platform aimed at meeting the needs of Indonesian small and growing businesses, with an emphasis on women-owned enterprises. It's part of the Frontier Brokers which is an initiative of the Australian Government's Department of Foreign Affairs and Trade's innovation Xchange and is the third network of organizations under the Scaling Frontier Innovation (SFI).<sup>202</sup> It is a representative Office of Athena Global Alliance in Indonesia, an off-shore lender with on-shore funds in local currency. BIDUK offers a blended finance ranging from 15,000 to 75,000USD and lends uncollateralized loans.

Due to limits in accessing remote locations as well as the firm's desire in making monitoring and evaluation easier, BIDUK operates in Jakarta for the time being, providing loans to businesses in the service industry. In terms of expanding to other sectors, BIDUK recognizes sizable pipelines in the supply chain because there are a lot of suppliers from the regions in Indonesia. Furthermore, BIDUK focuses on businesses that operate conventionally rather than (or as well as) over the Internet. BIDUK is aware of the growing share of companies in C-suite spots that use technology without necessarily being tech focused.

#### Custom-built for GLI

BIDUK, custom built for GLI, offers flexible debt products tailored to the needs of the women-owned businesses. BIDUK seeks to build a financing model that bridges the financing gap many SMEs face as they grow and will provide proof of concept that the model can be viable and taken to scale. It hopes to show in their proof of concept that if diversity and inclusion is taken as a segmentation strategy - it is incredibly profitable. Currently, BIDUK plans to invest in two companies that are in the process of acquiring certification for cleanliness and sterilization services for COVID-19.

The two funding sources are from Frontier Brokers and Investing in Women. The first type of capital funds innovation in the field and must have a proof of concept and innovation in the space. The GLI commitment stipulates that 30% to 50 % of the portfolio should be women owned and women-led businesses using the DFAT definition with smaller loan sizes from 10,000 to 50,000 USD. The second type of funding comes in bigger sizes, from 50,000 to 70,000 USD and is 100 % earmarked for women led/owned businesses.

BIDUK attempts to capture the impact through designing tools and investor approved metrics. The team is open to learning about the existing approaches other organizations have taken to not simply count women but also really measure the impact of women, while being conscious about local nuances. Like many other trailblazer GLI investors, BIDUK experiences various challenges in both proving their mission to the partners and the potential investors, but at the same time sees unique opportunities for new pipelines of investments.

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<sup>202</sup> BIDUK. "Investing in Business with Purpose." 2020. <https://www.bidukindonesia.com/>.

### Challenges in GLI and how BIDUK addresses them

- *“Pink” financing*

From BIDUK’s perspective, there are no financial intermediaries that are only focusing on women because women-targeted financing gets tainted in the market as “pink banks or products” and is not taken seriously. Furthermore, this approach perpetuates this notion that women are a special category that they have to have their own beneficiaries and subsidized finance. BIDUK aims to turn this notion around by up taking men clients too and by making it right for women, to getting it right for everyone who feels that their financial service provided does not meet their financial need.

Moreover, BIDUK’s team mentioned there remains a gender bias both among the investors and women themselves.

- *Internal gender bias*

BIDUK is composed of an all-female team except for one local male staff who was not a diversity hire, but a quality hire. Having a male representative helps BIDUK to address the cultural and contextual assumptions. Moreover, according to BIDUK, CEO’s and managers tell that there aren’t enough talented women in the field or that there’s no qualified pipeline in the field.

- *External gender bias*

Indonesia remains a very conservative society with deep-rooted stereotypes that portray men as superior gender, and women are far behind. Women are disproportionately kept out of the access to finance market, therefore a disproportionate number of BIDUK’s initial clients are women. Externally, people perceive the all-female organization differently, too, but because BIDUK is composed of expats, they are able to build connections and are not looked down on.

- *Investees limited knowledge about GLI and investors like BIDUK*

Because of limited knowledge about GLI among the rest of the population, the clients often have false perceptions about investors’ operations.

Furthermore, it takes additional time and effort trying to build trust when people are not aware of Biduk. BIDUK ends up bringing their advisors or someone from the loan committee to do the introduction, come to the meetings and even during the underwriting process just to help everybody’s learning curve.

- *Women are viewed as beneficiaries and given “charity money”*

The investor interviewed mentioned a notion about the two pockets, an idea from Ross Blaird, the founder of Village Capital. Historically, investors would profit maximize with one pocket by investing in extractive energy, and from the other pocket, they would donate to Greenpeace. According to the team, impact investing says its one pocket, but unfortunately in SEA, the “2-pocket principle” still holds.

### Opportunities and recommendations for GLI

- *Need for capital among SMEs*

Like many investors in this field, BIDUK sees a lot of investment opportunities in Indonesia and SEA because big investors like IW and partners have big investments that are for big businesses, they are still not small enough for SMEs. BIDUK fills in the access to capital in the supply chain, between microfinance and conventional private equity as a venture capital firm.

- *Invest in women and do good*

One of the revelations for BIDUK was a presentation by a Chinese investor who was able to convince that charity money could be used by well-intended and strategic investment that will also do good. He appealed to the audience who was composed of many Chinese and Indonesian investors that Confucian and Sharia canons can be used to multiply the positive effect to communities.

- *Widen the pipeline and meet the clients halfway*

There are significant opportunities in agriculture, tech industries as well that need middle financing. Women entrepreneurs can be approached where they are, like at churches and mosques, not where BIDUK requires them to be. This approach will ease women's burden of finding a substitute caretaker or housekeeper if necessary and will ensure they have access to this opportunity. Also, another part of BIDUK's successful strategy is that they do not require a lot of financial statements.

## 2. Good Return

Good Return is an Impact Fund, established as the Australian branch of World Education by humanitarian Guy Winship in 2003, with the mission of improving the lives of the poor in the Asia-Pacific region. Through livelihood development programs and improving access to financial services, Good Return works to improve the living standards of those living in the lowest poverty brackets.<sup>203</sup>

Good Return is launching an impact investment fund with the aim of supporting economic development in low-income communities across the Asia-Pacific region. This fund enables socially minded investors to put their funds to use for generating social impact. They also work with financial service providers (e.g. Commercial Banks, Fintechs, and MFIs) to extend loans to entrepreneurs looking to grow their businesses.

It has a fund size of 1 million USD for 1 year for impact investing for 3 components (mentioned below). It has already invested a 100,000 USD in Asia Pacific for gender lens investing. It focuses on the agricultural sector in the rural areas.

For all its gender lens investing, Good Return is applying 3 components<sup>204</sup>:

1. **Gender Benchmarking:** With a tool acquired by Palladium called [Include](#), the firm works with FI and assesses how that institution under review is performing on products for men and women, as well as against the FI's competitors. For many institutions and organizations, talking about gender is new. Thus, this approach is a useful entry point to see how they are serving their customer base
2. **Gender Self-assessment:** [InterAction](#) developed tool called Gender Audit Handbook. Good Return took this tool and adapted to its own usage in their own organization. Good Return successfully conducted 2 gender audits, with strategic planning every 3 years.

<sup>203</sup> Good Return. "About Us". Accessed April 24, 2020. <https://www.goodreturn.org.au/about-us>

<sup>204</sup> From our interview with Good Return

3. Gender Value chain analysis: Good Return's approach is to look at what tools already exist in the market and adapt it to use internally and mandate the approach to their partners. It has used this in the Solomon Islands, for analysis on coconut value chain. They have adapted the [USAID handbook](#).

Good Return has a blended finance approach.<sup>205</sup> It deals in 3 types of products:

1. CAFE- The firm has provided financial literacy training programs since 2003 in collaboration with the Governments and central banks of Cambodia, Nepal, and Solomon Islands. It has also collaborated with Microfinance, financial institutes and incubators.
2. Consumer Protection- Good Returns has developed an e-learning platform called Responsible Inclusive Finance Academy (RIF) to improve social performance in microfinance. Training is provided in local languages of partner financial institutions. As part of client protection principles, it works for 2 to 3 years with client organizations.
3. Impact Investing- Good Returns was a network convener in the Pacific region and invited 7 impact investment firms (Brightlight Impact Advisory, IIX, Good Return, Palladium, SecondMuse, Investing for Good Impact, Whitelum Group) that won grants under DFAT. The firm has brought together these other firms for collaboration, shared learning and connection to the wider entrepreneurial ecosystem.

Good Returns is also the Network convener for the Frontier Brokers Program. Through this network, it has launched an impact investment project in Cambodia and Indonesia called **Impact Connect**. Frontier Brokers is a part of the Scaling Frontier Innovation program, an initiative of DFAT, which supports enterprises to scale their development impact in Asia-Pacific. Impact Connect is leveraging risk capital from impact-first investors to stimulate debt financing of 20,000 to 250,000 AUD to SMEs in Cambodia and Indonesia. Good Return will use partial loan guarantees with financial service providers to incentivize lending to under-served sectors.

Together with Palladium, Good Return will assist financial institutions to introduce innovative loan structuring methods basing principal repayments on business cash flows (rather than a fixed repayment schedule) to meet early-stage enterprise needs, ultimately reducing risks to both the financial institutions and the investee enterprises. Gender Benchmarking and Organizational Gender Self-Assessments will ensure financial service providers understand opportunities for male and female customers and that gender equity can be mainstreamed into operations and products long-term. Good Return collects sex disaggregated data and use it to evaluate Private Financial Institutions that deliver loans guaranteed by them. They consider percentage change in management team, board, salary - compared to men and women.

The Good Return team found it challenging to speak with Financial Institutions about gender, since they have a varied understanding. Another challenge is finding a financial institution with women on the

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<sup>205</sup> Blended Finance Definition from GIIN- Blended finance is a strategy that combines capital with different levels of risk in order to catalyze risk-adjusted, market-rate-seeking financing into impact investments.  
GIIN. "Blended Finance". Accessed April 24, 2020. <https://thegiin.org/assets/upload/Blended%20Finance%20Resource%20-%20GIIN.pdf>

management board, a symbol of organizational culture. The Good Return team works with financial institutions to conduct the much-appreciated self-assessment of staff. They partner with other organizations that work on gender-based violence and use their knowledge. They believe in collaboration to achieve gender equality.

### 3. IIX

IIX is a pioneering impact investment fund focused on gender lens investing in SEA and was the first to be listed on the stock exchange. The organization is women-led and 70% of staff are female. The organization's mission from the beginning was to bring women to front and center by providing them with financial and capacity building resources to overcome substance living and become a catalytic force for the society. This mission has translated into a 11-year track record of GLI and developing innovative new programs, products and platforms to empower women, such as the WLB series.

The award-winning 150 million USD WLB Series enables over 3 million women across Asia to address key challenges preventing them from fully realizing their potential. To date, IIX has worked all over SEA, including in Indonesia, the Philippines, and Vietnam and has recently closed both WLB 1 and WLB 2 with a total of more than 20 million USD and impacting 635,000+ women in SEA. IIX was recognized for its work to catalyze gender-lens investing and received numerous awards including the Oslo Business for Peace Award, the "Nobel Prize for Business," and received two awards for integrating climate change into its mission. IIX is also part of the Frontier Brokers, an Australian Initiative and is helping to create an ecosystem for GLI through its innovative approaches.<sup>206</sup>

#### GLI is very much in the DNA of IIX

IIX spearheaded the GLI model with the introduction of award-winning WLB 1 in 2014. It was the first investment instrument focused on financial and social returns to be listed on stock exchange. WLB 1 provided debt security to inadequately served women as well as provided access to market linkages, and to affordable goods and services with the goal to "help them transition from subsistence to sustainable livelihood and redefine the dominant narrative from viewing women as victims to recognizing them as solutions to development, change and progress."<sup>207</sup> The fund was over-enrolled by investors and raised 8 million USD in private capital to empower 385,000 underserved women across Southeast Asia to transition to sustainable livelihoods.<sup>208</sup>

The founder of IIX, Doreen Shinaz, was from an era of microfinance institutions. As mentee of Muhammad Yunus, she recognized a massive movement around financial inclusion and women even then and further developed the idea of financial inclusion and women's empowerment. Doreen envisioned IIX to become

<sup>206</sup> IIX Global. "Women's Livelihood Bonds." <https://iixglobal.com/womens-livelihood-bond-series/>.

<sup>207</sup> IIX Foundation. "IIX Women's Livelihood Bond." 2017. [https://iixglobal.com/wp-content/uploads/2019/02/IIX-Foundation\\_WLB-Final-Blueprint-Paper\\_FEB-2019.pdf](https://iixglobal.com/wp-content/uploads/2019/02/IIX-Foundation_WLB-Final-Blueprint-Paper_FEB-2019.pdf).

<sup>208</sup> Convergence. "Case studies: Women's Livelihood Bond (WLB)." 2018. [https://assets.ctfassets.net/4cgqlwde6qy0/6NbRqYptDOEQ6CWQ6AEEEO/6fd21607718661f85bcd1473b026f77d/IIX\\_WLB\\_Case\\_Study.pdf](https://assets.ctfassets.net/4cgqlwde6qy0/6NbRqYptDOEQ6CWQ6AEEEO/6fd21607718661f85bcd1473b026f77d/IIX_WLB_Case_Study.pdf).

the world's first social stock exchange, that provided scale up solutions to businesses, and brought impact investing from the margins to the mainstream of finance. This is how its WLB came to life.<sup>209</sup>

The bond is structured to have multiple stakeholders to mitigate the risks and has an innovative and replicable debt security model to scale. IIX acts as the Portfolio Manager for the WLB. It distributes funds to five MFI and one impact enterprise (IE). The MFIs purpose is to empower underserved women by providing them with access to affordable micro-credit, micro-savings and microinsurance products as well as providing basic financial literacy training. This will help increase income, enhance ownership of assets and build financial resilience.

On the other hand, the IEs' mission is to integrate women into the agricultural supply chain that gives them access to market and improves their ability to adapt to climate change by practicing climate-smart and ecofriendly farming techniques. IIX believes that climate action has to have women at its foundation and that has been a unique feature of the WLB 2. IIX also echoes the statements from other investors' funds that stress the importance of changing the narrative of women as victims of poverty and inequality. Instead, they strive to portray women as key players and solutions to sustainable development who can create multi-generational impact, build resilient communities, and drive climate action.

### **Impact assessment is a base to measuring success**

IIX's proprietary Impact Assessment which is now widely used across Asia, was created by the founder and has been used for 11 years to successfully prove that the impact assessments, hand in hand with capital raised, are able to unlock more capital. Impact Assessment tool is the foundation of everything IIX does: it has been integrated into the training, deals, and the structuring. In this sense, IIX has really "built a highway for women's empowerment" by increasing impact on underserved women.

One of such processes is to conduct impact assessments which includes voices of the women who are being impacted by the projects or investments, and surprisingly, not many funds do that. With unique voices of women beneficiaries, IIX is able to go back to investors and show them how their risk - return - impact profile improves. The tool really cuts across all phases, the ROI, the specific needs and credit profile, as well the challenges of the investees. It is also used in due diligence to make impact projections and hold the investees and enterprises accountable to it.

Gender lens is also an integral part of IIX's due diligence. Since the beginning, the SDG 5 was on part of the assessment of social and financial performance to make sure they are reaching rural, low income, financially excluded, and underserved women who now make up 90% of WLB. In measuring the impact, IIX ties the outcomes to the gender lens by looking at the key business activities such as whether women's income has increased, they are financially secure, and have an improved quality of life. Thus, the Impact Assessment tool used together with WLB can use the data to incentivize behavior change, which will be a basis for securing more funding around programming for women.

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<sup>209</sup> "Who We Are: The IIX Story.," *IIX Global.*, <https://iixglobal.com/who-we-are/>.

**Business case and looking forward**

IIX has closed two bonds to date, and is onto the third one to complete the 150 million USD goal. But there were challenges in the beginning, too, as they were pressured to drop the name “women” from WLB by the majority of the regional bondholders. IIX addressed the risk element at the bond level, that’s what brought the investors to participate as they saw the de-risking element. Moreover, in the WLB 2, IIX was able to bring focus from financial inclusion to clean energy and sustainable agriculture which addressed the intersection of 2 SDGs on gender equality and climate change.

**Challenges and way forward**

One of the challenges that IIX is focusing on addressing this year is the scale of impact assessment, especially if it wants to include the voices of low-income women. Given the COVID-10 context, doing so will be challenging, but IIX hopes to bring a technology element by digitizing it, and thus making it more accessible to investors. IIX also is keen to help others measure impact with a gender lens at scale, especially pos-pandemic.

Another challenge in this space is that there is an overwhelming focus on investors, but not on the other end of the spectrum. IIX wants to address this challenge by focusing more on social enterprises. Measures that IIX is supporting these social enterprises include providing with technical assistance through capital raising, calculating their Social Return on Investment (SROI), such as gender disaggregated data, and then calculating financial return that the investor will gain. In this way, IIX can monitor and decide on investing in the enterprise as well, if it can expand and grow, then IIX can support them with WLB. Thus, the firm’s funding becomes a one pit stop. IIX also has an accelerator program funded by the Australian Government which could execute the one stop shop mission for enterprises. As enterprises go through the acceleration program, GLI is an integral requirement to receive TA.

Moreover, the gender lens is embedded in the questions about enterprises' impact assessment, and is used to analyze the overall health of the enterprise - financial and social health of enterprise. IIX then helps them to prepare their financials, communicate that impact to investors, and raise funds through crowdfunding platforms. IIX is capable of doing so because they also have a growth fund to attract more investors into GLI. They were able to prove their concept and already made 4 investments to date, mainly in Indonesia; all of the investees being women-led and women-focused enterprises that have graduated from the IIX accelerator.

IIX has proved that focusing on women and helping them lead sustainable livelihoods can not only impact the women and the communities, but also bring returns to the investors, who now begin to invest in the third WLB.

**4. Root Capital**

Founded in 1999, Root Capital is a non-profit social investment fund that provides agricultural enterprises in Latin America, sub-Saharan Africa, and Southeast Asia with financial capital and management training

to help them grow. With the fund size of 21 million USD, Root Capital supports businesses in 6 impact areas: Livelihoods, Women, Environment, Peace, Youth, and Food Security. To this date, Root Capital has worked with more than 700 businesses, ranging from coffee farmer cooperatives in Central America and Indonesia to cashew agro processing enterprises in West Africa that represent 1.3 million farmers and their communities, and enabling 4.6 billion USD in economic activity.<sup>210</sup>

Root Capital recognizes the dramatic potential of businesses working with small-holder farmers to transform their communities, therefore lending to these businesses will ensure the connection of farmers to more reliable and rewarding markets, and access to essential services like agronomic training and microcredit. The primary focus in financing is the “missing middle” - SMEs whose credit needs are too big for microfinance, but too small or risky for commercial banks. The amount of loans vary from about 200,000 USD to 2 million USD specially tailored to agriculture harvest and sales cycles.<sup>211</sup>

### ***Applying gender lens***

The firm did not specifically advocate gender inclusive investment for the first 10 years of operation. They were merely reporting gender statistics about the investees, who were making 30% or 117,000 at that time. It was only after a study conducted in 2011 revealed that many of their investors were connecting Root Capital’s work in supporting poverty alleviation to women’s empowerment. Investors saw the impact on women from investments in enterprises in which women participate and lead.

Though not intentional at the beginning, they realized that there is an opportunity to do more, and by having an intentional strategy, they could see how women benefit from financing as well as financial training. “This learning was a clarion call for us. It became a springboard to approach gender more deliberately,” a source noted.<sup>212</sup> Thus, the WAI was born in 2012 with a mission to support agriculture enterprises that are inclusive of women, both in the businesses and across the value chain.

In addition to Financing gender-inclusive and women-led agricultural businesses like Ketiara, WAI has 3 other pillars to promote greater economic opportunity for women by supporting SMEs committed to gender inclusion:

- **Train women** leaders, managers, support staff, and farmers in key financial and agricultural skills so they can succeed personally and professionally. Root Capital recognized the significant cultural and economic barriers women were facing and “tweaked” their training practices to attract more women participants. Root Capital responded by explicitly inviting women to participate, paying for childcare during training, and constantly refining training methodology to participants’ mixed educational levels. It has shared the best practices by developing a checklist for organizations and investors to help women overcome these barriers so they can have the same access to and receive the same benefits from financial management training.<sup>213</sup>

<sup>210</sup> “Vision.”. *Root Capital*. Accessed April 24, 2020. <https://rootcapital.org/about-us/>.

<sup>211</sup> *Ibid*.

<sup>212</sup> From the interview “UN international women’s day event – Root Capital remarks.” By Asya Troychansky.

<sup>213</sup> “Tweaking Financial Management Training to Better Serve Women: A Checklist.” *Back Roads to Boardrooms*. *Root Capital*. October 2, 2015. <http://blog.rootcapital.org/back-roads-to-boardrooms/tweaking-financial-management-training-to-better-serve-women-a-checklist>.

- **Foster women-led innovation** to advance gender-inclusion policies and practices. Root Capital's Gender Equity Grants (GEG) was initiated to design projects to improve their inclusion of women and enhance workers' quality of life. Three clients in rural Kenya were each awarded 20,000 USD grants to help offset the risks and build services that would benefit women and communities. Within a year, all three GEG recipients reported increase in household savings, financial independence, lessening the care burden for working mothers because of built childcare, cost and time savings as well as increased women's physical safety and security due to installation of collector for crops, and reduced stress, increased confidence, and improved self-respect.<sup>214</sup>
- **Build support** for gender inclusion by demonstrating both the business and social case for investing in rural women. Root Capital publishes a number of reports and regular issue briefs to share its experience of applying a gender lens to its work in smallholder agricultural finance. Through demonstrating success in investing in the "missing middle," the SMEs focused on women's empowerment and led by women, Root Capital hopes to "expand the dialogue in impact investing and international development to document, celebrate, and support these hidden influencers."<sup>215</sup>

### **Measuring Impact**

Measuring impact is engrained in Root Capital's mission. To learn more about the roles of women across the portfolio, to identify opportunities, and to deepen its impact and that of clients' on women, Root Capital devised a gender scorecard. Gender focused section in the impact scorecard calculated the proportion of women in the organization, the percentage of women-led SMEs and the percentage of women employees to classify an organization as gender focused or not based on these thresholds. Moreover, Root Capital conducted impact studies utilizing surveys and focus groups to highlight the effects and benefits for women and men involved in these agricultural businesses. In addition, it pinpointed barriers that women face in participating in them, as well as the ways that women and the enterprises were overcoming these obstacles.<sup>216</sup>

Thus, by 2019, Root Capital reported to have reached 467,000 women farmers, exceeding their 24,000 goal by 2020. It achieved this by investing in clients, 47% of which were gender inclusive, and targeting 39% of clients whose programs are designed specifically for women. By measuring the outcomes and effects of the investments, Root Capital hopes to amplify the voices of women entrepreneurs as well as set new targets to achieve in the years to come.<sup>217</sup>

<sup>214</sup> "Gender Equity G: Evaluating Key Benefits for Businesses, Workers, and Farmers." *Root Capital*. May, 2018. [https://rootcapital.org/wp-content/uploads/2018/05/GEG-assessment-summary\\_FINAL.pdf](https://rootcapital.org/wp-content/uploads/2018/05/GEG-assessment-summary_FINAL.pdf).

<sup>215</sup> "Applying a Gender Lens to Agriculture Farmers, Leaders, and Hidden Influencers in the Rural Economy." *Root Capital*. January, 2018. [https://rootcapital.org/wp-content/uploads/2018/01/Root\\_Capital\\_Gender\\_Lens\\_Isv\\_b\\_sue\\_Brief\\_v2.pdf](https://rootcapital.org/wp-content/uploads/2018/01/Root_Capital_Gender_Lens_Isv_b_sue_Brief_v2.pdf).

<sup>216</sup> UN international women's day event interview by Asya Troychansky.

<sup>217</sup> "WAI Annual Report." *Root Capital*. 2019. <https://rootcapital.org/wp-content/uploads/2020/04/WAI-2019-Annual-Report.pdf>



*Cumulative impact since 2012.* Source: [Root Capital 2019 Annual Report](#).

On the organizational level, Root Capital is also one of the champions in leading gender equality. 74 out of 119 employees are women, and while the management board is mostly men, it is shifting to more equal representation. However, one of the main challenges the organization is facing is to diversify not only the board, which is mostly white men, but also to have a more ethnically and racially diverse workforce.<sup>218</sup> Mainstreaming gender within and outside the organization can bring the teams to work more effectively, and to understand the needs of the clients better.

## 5. Moonshot Ventures

Started in September 2019, Moonshot Ventures is an impact fund that is sector agnostic. It is founded to address the needs of women. In spite being a small organization with 2 fund managers and 5 staff, it has made impressive progress so far. It aims to begin its investments from April, 2020 in the 5 organizations that it has already identified.<sup>219</sup> It is also in negotiations with 30 other organizations in Indonesia. Moonshot Ventures has a fund size of 30 million USD.

Moonshot Ventures is an explicit gender-centric fund. It will focus on addressing women issues and invests in SMEs that are owned, led and focus on women. It applies gender lens across investments, projects as well as in its internal policies. Internally, it aims to be gender balanced with 50% of the staff being women. Interestingly, Moonshot Ventures ensures that its lending partners, investors base and advisors are all women. Furthermore, Moonshot Ventures tries to move client organizations along gender. It does that by performing due diligence to ensure:

- The products or services do not exclude women
- The existence of anti-sexual harassment policies within the organization
- It has an intent to build these structures or policies.

The fund is working on developing an impact evaluation mechanism to collect sex-disaggregated data. The team believes it will enable them to identify bottlenecks which exist for women and girls. It seeks to invest into organizations that solve more specific gender issues rather than generic areas like agriculture. For Moonshot Ventures, impact evaluation is the key to determine where to invest. Its lending partner agreement contains the impact goals that have to be met by its clients.

<sup>218</sup> Interview with Asya Troychansky. February 25, 2020.

<sup>219</sup> Subject to change since the interview was conducted in February, 2020 (Pre-COVID-19).

The emerging number of impact investors in Indonesia is seen as a positive change. However, he feels that there is still a deficit of capital for female entrepreneurs and female ventures. The landscape is pretty empty with limited SME and MSME lending. The biggest challenge according to the team is the lack of a pipeline for investments in women. They expressed concerns that not a lot of women owned businesses are necessarily solving problems for women customers.

According to Moonshot Ventures, the education sector has the least number of SMEs and investments, calling for focused improvements. They see a huge potential for investments in Indonesia, given its population base of 130 million. Also, expressed great interest in collaborating with other gender centric funds and attending networking events to learn more about gender smart investments.<sup>220</sup>

## 6. Garden Impact

Garden Impact is an investment firm that aims to alleviate poverty. Headquartered in Singapore, the firm was established by Mr. Mason Tan. Its vision is “To have a continuously sustainable world where the poor and the marginalized will be equipped and empowered to live meaningful lives through our investments.”<sup>221</sup> Started 7 years ago, as of today it has made about 11 investments. The average investments range from 100,000 USD to 500,000 USD. It operates in Thailand, the Philippines and Indonesia. It aims to increase the fund size to 25 million, so that it can invest larger amounts ranging from 250,000 USD to 2 million USD. It invests in agriculture, food, inclusive community and services industry. Garden Impact invests in businesses that are financially sustainable, scalable and generate social impact returns.

Garden Impact has no explicit gender lens in investing but considers women led businesses with keen interest. Garden Impact focuses on alleviating poverty and discrimination and will invest in all businesses that strive towards this, irrespective of the gender of the founder. Garden Impact has no explicit internal gender policies. The organization aims to become gender balanced, as it grows in the future. Nevertheless, they hire stay-at-home moms to financially support them and include them in the workforce.

Garden Impact collects social impact measurement data and analyses organizations before making an investment. It chooses businesses based on their impact mission. Its recent investment in beehive farming in East Java is focused on women explicitly. The project focuses on women beehive farmers. Garden Impact invested in the project with an intention to create jobs. It targets 250 families, with an aim to reach 10,000 families in 5 years.<sup>222</sup>

The investor interviewed felt that the number of investors investing in women has increased over the years. However, the idea of a social enterprise is still rather new. People do not have a clear distinction between social impact organization and philanthropy. Garden Impact insists on investing in social

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<sup>220</sup> From our interview with Moonshot Ventures, Indonesia

<sup>221</sup> Garden Impact. “Our Vision.” Accessed April 27, 2020. <https://gardenimpact.com/about-us/>.

<sup>222</sup> From our interview with Garden Impact, Indonesia

enterprises that are sustainable and profitable, so more investors get around the stigma. Garden Impact is keen on using the term “sustainable business” rather than a “social enterprise.”

## 7. Simona Ventures

Founded in 2018, Simona Ventures acts as a startup accelerator for women led FinTech SMES. Putri Izzati started this venture to minimize the gender gap in Indonesia. It is founded on the belief that women founders could be very successful, but the environment in the tech industry doesn't really support them to thrive. Simona creates an environment where women have the same opportunity as men to showcase their strengths. Though it has not started funding the startups, it is a front runner in providing mentorship and training. In the coming years, it aims to raise 5 million USD to 10 million USD this year with an average ticket size of 200,000 USD for each startup. Through this fund, Simona Ventures plans to invest in the limited number of female founders receiving support.

In collaboration with Digtaraya, a world class accelerator, Simona Ventures launched three boot camps for networking and training. It has about 129 applicants from 11 APAC countries. Simona Ventures takes pride in all its participants being women. It focuses exclusively on women led, women focused SMEs in FinTech. Through these boot camps, it aims to raise awareness, inspire more women entrepreneurs, build a network of women entrepreneurs, invest in women founders, connect women entrepreneurs in APAC and build an ecosystem of female entrepreneurs.<sup>223</sup>

In the future, it aims to collect sex-disaggregated data before choosing an investment opportunity. The team believed that the Indonesian GLI ecosystem is still nascent and investors have limited knowledge about it<sup>224</sup>. They think that sometimes investors would question women founders' commitment to her business, especially if she has a family of her own, a question that might not be asked to male founders. In the opinion of the investor interviewed, the current environment is not very supportive of women leaders. They emphasize that collaboration among the ecosystem players is necessary to reduce the gender gap.

## 8. YCab Ventures

YCAB Ventures is part of the YCAB Foundation group that focuses on providing loans to marginalized groups, including women entrepreneurs with the condition that their children are educated. YCAB Foundation started in 1999 with a mission to support solely youth development and now has evolved into a group of entities supporting low-income populations, of which YCAB Ventures is part of.<sup>225</sup>

The social enterprise with ultra-micro capital loans (IDR 1 to 5 million) was established several years ago and has already lent to 50,000 borrowers and invested in 5 companies, 3 of them are women-led. These WSMEs have a beneficial impact on other women through creation of jobs and opportunities and their children by making sure they get educated. YCAB Ventures' broader strategy is to invest in post-revenue

<sup>223</sup> “Simona Accelerator: APAC Women Founders”. Simona Ventures (article). *Medium*. May 13, 2019. [https://medium.com/@hello\\_39436/simona-accelerator-apac-women-founders-bd8f57fcae54](https://medium.com/@hello_39436/simona-accelerator-apac-women-founders-bd8f57fcae54)

<sup>224</sup> From our interview with Simona Ventures, Indonesia

<sup>225</sup> “Meet Our Team.” *YCAB Foundation*. Accessed April 22, 2020 <https://www.ycabfoundation.org/who-we-are/meet-our-team/>

businesses which directly serve or benefit the base-of-the-pyramid population, the disadvantaged, women, and/or youths in Indonesia.

### **GLI as impact case**

YCAB Ventures believes that education could accelerate sustainable development, and realized that often women who get financial opportunities, invest back into their families and children. Although the organization does not explicitly target WSMEs, the majority of their clients are women, who work in the beauty business, and create jobs and opportunities for other women. Their approach is to identify green field companies by applying quantitative investment strategies which reveal clear and measurable impact objectives and demonstrate financial return. YCAB Ventures then wants to stimulate promising early stage businesses by bridging the capital gap and providing expertise and network to reach profitability and scale. At YCAB Ventures, they believe in investing for impact towards a more inclusive economy for all.

### **Promoting gender inclusive policies within the organization**

YCAB Ventures and YCAB Foundation in general have more female employees than male at the management level, and among staff, women are a majority too, making up 55% or 323 employees.<sup>226</sup> The organization has very gender-inclusive policies such as flexible working hours, child friendly office space, longer maternity and paternity leaves, among other benefits.

### **Opportunities for GLI**

There is a lot of competition in the GLI arena, various tools are being utilized to measure impact and investing in startups is ever-growing, so it looks promising. The only barriers are in the scalability of ventures. YCAB Ventures team is in the process of negotiating a limited partnership with Investing in Women to broaden their focus. It also supports organizations - women-led accelerators - not necessarily at the ventures level, but in working together on projects that promote inclusivity, employment, and ignite interest in STEM education.

One of the recent partnerships include Girls4Tech implemented together with Mastercard Foundation that aims to reduce the gender gap in education by providing technology skills to 60,000 girls aged 8 to 15 in the next three years. This partnership brought by YCAB Foundation is the signature education program that will have an indirect impact on additional 240,000 teachers, parents, and siblings.<sup>227</sup>

Other partnerships include HSBC Indonesia's financial assistance program to reduce unemployment. YCAB designed the entrepreneurship training in which participants learned financial management and were given venture capital to practice implementing business ideas. By providing the participants with job-ready skills, the YCAB Foundation hopes to encourage employment in Surabaya, one of the regions in Indonesia grappling with unemployment.<sup>228</sup>

<sup>226</sup> From our interview with YCab Ventures

<sup>227</sup> "Mastercard in Partnership with YCAB Foundation to Reach 60,000 Girls with Signature STEM Education Platform Girls4Tech." YCAB Foundation. December 16, 2019. <https://www.ycabfoundation.org/news-highlights/news-updates/mastercard-in-partnership-with-ycab-foundation-to-reach-60000-girls-with-signature-stem-education-platform-girls4tech/>

<sup>228</sup> "HSBC Indonesia and YCAB Foundation Reduce Unemployment Rates in Surabaya through Anak Bangsa Siap Berkarya 2020." YCAB Foundation. March 7, 2020. <https://www.ycabfoundation.org/news-highlights/press-releases/absb-2020-surabaya/>

### Considering economic shocks and COVID-19 implications on WSMEs

YCAB Ventures response to COVID-19 implications on women and their businesses is commendable. Seeing the women entrepreneurs are more vulnerable to economic fluctuations and will bear most of the burn by being out of business without a secured wage, they decided to step up and raise funds to provide basic food necessities for ultra-micro women entrepreneurs who were affected by. They will allocate the proceeds from this fund to purchase coupons that can be exchanged for food staples and provide it directly to small entrepreneur mothers around West Java, Lampung, and Central Java.<sup>229</sup>

## 9. SEAF

SEAF is a global impact investment management organization that targets both financial returns and significant social impact by providing capital, technical assistance support and a global network to support small and medium-sized business expansion. Since 1989, SEAF has invested in over 400 companies in 29 countries. SEAF launched the Women's Opportunity Fund, recognizing the untapped potential of women entrepreneurs due to the significant gender financing gap that exists globally. Indonesia, the Philippines and Vietnam were deemed to be excellent markets for the Fund, given their projected high growth rates over the next five years and the outstanding women entrepreneurs in the region. SEAF creates shared value for entrepreneurs, women, and investors by investing for women's economic empowerment and gender equality. Where implemented, SEAF's gender strategy is to invest in companies in certain domains where gender bias is particularly present, such that they present good opportunities to invest and benefit women. In addition to gender inclusion, the Fund's investment thesis targets growth-oriented companies that can scale to produce commercial, risk-adjusted financial returns along with clear and measurable social and environmental impact. The SWOF is sector agnostic, but is expected to make investments that involve other key impact themes beyond gender such as job creation, sustainable agribusiness, healthcare, education, and environmental sustainability.<sup>230</sup>

The SEAF Women's Opportunity Fund (SWOF) was instituted to apply SEAF's gender lens approach to make equity and quasi-equity investments of generally between 1 million USD and 2.5 million USD in women-led businesses in Vietnam, the Philippines and Indonesia. SEAF will also seek co-investment on a case by case basis from its global Flex Accounts. SEAF announced its first investment in the Philippines as SWOF has invested in Ellana Cosmetics Pte Ltd (Ellana Cosmetics), a fast-growing skin first cosmetic brand established by founder-formulator, Theresa Buenafior, as a leading homegrown mineral cosmetics brand. Ellana Cosmetics creates and distributes non-toxic, hypoallergenic, and non-comedogenic products specifically catering to the requirements of Filipina and SEA skin types. The investment from SWOF enables Ellana Cosmetics to accelerate business expansion, while strengthening commitments to

<sup>229</sup> "Support Small Business Women Entrepreneurs Against Coronavirus." YCAB Foundation. April 13, 2020 [https://www.ycabfoundation.org/news-highlights/support-small-business-women-entrepreneurs-against-coronavirus\\_\\_trashed-2/](https://www.ycabfoundation.org/news-highlights/support-small-business-women-entrepreneurs-against-coronavirus__trashed-2/)

<sup>230</sup> "Investing in Women Case Study Series: SEAF Women's Opportunity Fund". *Investing in Women*. [https://investinginwomen.asia/wp-content/uploads/2019/10/IW-Case-Study\\_SEAF\\_OCT-2019\\_Final.pdf](https://investinginwomen.asia/wp-content/uploads/2019/10/IW-Case-Study_SEAF_OCT-2019_Final.pdf)

empowering women, particularly their beauty consultants who are hired directly and to protecting the environment by consistently decreasing the brand's packaging waste.<sup>231</sup>

Its rationale for investing in Ellana was to advance its women economic empowerment programs. SEAF values organizational culture that celebrates individuality, promotes gender equity and empowerment, and espouses strong family values. After identifying organizations, they support its further expansion through this funding round. SEAF particularly chose Ellana due to its distinctive hiring policies and training programs and foresee it as a great role model for women's economic empowerment in the retail sector in the Philippines.

This investment strongly aligns with SEAF's mission of "improving Lives and Communities through Entrepreneur-Focused Investment." SEAF aims to provide capital to firms demonstrating high growth patterns and the potential for the implementation of women's economic empowerment programs. Through its minority investments in these companies, SEAF will take on a role of an active, hands-on partner that can help them improve their operations and institutionalize gender equality improvement plans which will address pay equity, workforce participation, compensation and benefits, leadership and governance, workplace environment and value chains.<sup>232</sup>

## 10. OikoCredit

OikoCredit was founded in 1975 as an ethical investment channel. Oikocredit is a social impact investor and worldwide cooperative that is privately financed by individuals and institutions who want to use their money for positive change. Its focus areas of investments are financial inclusion, agriculture and renewable energy. It supports organizations in Africa, Asia and Latin America by providing loans, equity investments and capacity building. The fund prioritizes social impact, while safeguarding the environment and generating fair financial returns for our investors.

Oikocredit is guided by the principle of empowering low-income people to improve their livelihoods and gender impact has always been at the heart of Oikocredit's work. Since the inception of the fund in the 1970s, the investors' key focus is on empowering disadvantaged people - women in the poor areas of the world, such as SEA have been considered as one of the disadvantaged groups. This principle ensures that gender equality is automatically considered in making any of the investment decisions from the very start.

In speaking with current investors at Oikocredit, we realized that gender impact is a core part of their mission, but instead of investing directly in women-centric organizations, they focus on ensuring that their investments have a positive economic and social impact on women. Gender is also incorporated in the

<sup>231</sup> Mars, Mesqueda. "Impact fund manager SEAF invests in PH cosmetics firm Ellana." *Deal Street Asia*. Accessed March 2020 <https://www.dealstreetasia.com/stories/seaf-ellana-cosmetics-philippines-178964/>.

<sup>232</sup> "SEAF Women's Opportunity Fund Invests in Philippines-based Ellana Cosmetics." *SEAF*. March 2019. <https://www.seaf.com/swof-invests-in-philippines-based-ellana-cosmetics/>

impact section of their ESG due diligence. For instance, potential investees receive extra points for having a certain proportion of women in management, and for an above certain proportion of women as end clients or beneficiaries. While this is not a selection criterion for any individual company, they consider gender impact when making decisions around portfolio management to ensure that a certain proportion of its portfolio companies are above their determined thresholds.

Oikocredit provides capacity building and technical assistance as part of their approach. For example, they created a data analytics dashboard with Power BI visualization tools to help MFI partners in India and the Philippines track clients' poverty levels using the Poverty Probability Index. A key finding was that the 23 training sessions provided by Oikocredit staff and consultants were of high quality and valued by partners. The program enabled them to access around five million financial inclusion records on two million clients.

## 11. Blue Orchard

Blue Orchard is a leading global impact investment fund. Founded in 2001 by a UN initiative, BlueOrchard is the first global commercial manager of microfinance debt investments. It has become a trusted partner for global DFIs and is considered an expert in blended innovative financial solutions that serves both the emerging and frontier markets. JAWEF is a blended finance fund that uses mezzanine and first loss to mobilize institutional investors. Till date, the fund has invested 6 billion USD across 80 countries providing financial and related services to 200 million low-income individuals (as of the end of December 31, 2018).

Under its core impact area of Inclusive Finance, BlueOrchard launched JAWEF in 2016 with a focus on Asia with a private debt asset class. JAWEF has been uniquely positioned to target issues of gender equality and enable women's economic empowerment. It focuses on doing so by empowering female entrepreneurs in the member states of ASEAN. Empowering women is of utmost importance to achieving the goal of improving their socioeconomic and personal well-being. As has been observed around the world, the empowerment of women not only improves their quality of life but also that of their families, larger communities and the society as a whole. Reducing the gender labor gap in the region could add an estimated 90 billion US every year to the regions' economy.

JAWEF set two main targets to achieve its goal of empowering women entrepreneurs in the ASEAN region:

- (i) At least 30% of all investees have to serve more than 75% female clients, and
- (ii) All of the fund's investees must have a minimum client base of 60% women and/or the investees must have a specific product offering aimed at empowering women.

As of December 2018, it is reported by the fund that 92% of JAWEF clients were female. Apart from the strong impact of the investments, the fund has also demonstrated strong financial performance, meeting investor targets right from the first distribution of dividends. As of Q4 2019, JAWEF has exclusively deployed debt, making 38 loans to 24 MFIs. Almost all loans are senior i.e. approximately 97% of investments) and most loans are invested in the agriculture sector, followed by trade. While institutional investors are a large potential source of funding for the JAWEF was structured with the intention of

mobilizing a specific target market – Japanese institutional investors – who required largely the same risk-return requirements, in accordance to their fiduciary duty.

While GLI and financial inclusion are more commercially established spaces, they serve important markets to mobilize additional sources of capital. Commercially oriented blended finance vehicles such as JAWEF are critical for increasing the exposure of institutional investors to developing countries and SDG projects. These investors would not have traditionally invested in a fund like JAWEF as they had limited exposure to or appetite for impact or gender-lens investing in such frontier markets.

In speaking with a Fund Manager from JAWEF, we understood that the fund employs a data-driven approach and ensure to track important investment criteria of institutional investors such as how many microentrepreneurs do they serve, what kind of industry is impacted in the end, the breakdown of rural vs urban and how many women they serve or impact.

## 12. 500 Startups

### Investor's Spotlight: 500 Startups Vietnam

500 Startups is a tech-focused global investor firm and ecosystem development that informally considers women founders strongly throughout their investing process. Headquartered in San Francisco, the firm was founded by Dave McClure and Christine Tsai in 2010 and now has over 740 investees around the world. It invests based on 17 thematic funds dedicated to either specific geographic markets or verticals, and has now grown to multiple international offices, including one in Vietnam.<sup>233</sup> For its seed accelerator program, companies receive an investment of 150,000 USD in return for a 6% stake. 500 Startups charges a 37,500 USD participation fee, which can be deducted from the firm's investment.<sup>234</sup>

In spite of having no explicit gender policies, gender proportion and positions of the 500 Startups' staff is rather impressive: Globally, 5 out of 9 staff are women; it also contributes to developing innovation ecosystems, allowing its programs to help 500 Startups' investment team broaden its network across genders, geographies, and industries. This access to new networks allows the firm to overcome network barriers and generate unique deal flows that other investors may not see. In this way, 500 Startups has a distinguished track record, enabling it to raise more than 475 million USD throughout 19 funds.<sup>235</sup> Moreover, 525 companies in their portfolio of more than 2,000 startups have at least one female founding team member. In the two most recent batches of its seed accelerator program in San Francisco, more than one-third of the companies have had at least one female founder. Additionally, 4 of the 10 unicorns 500 Startups has invested in (Canva, CreditKarma, Grab, and Talkdesk) include a female co-founder.<sup>236</sup>

<sup>233</sup> 500 Startups. "Press." Accessed April 18, 2020. <https://500.co/press/>.

<sup>234</sup> 500 Startups. "FAQs." Accessed April 18, 2020. <https://500.co/faqs/>.

<sup>235</sup> "Moving Toward Gender Balance in Private Equity and Venture Capital." *IFC*. 2019

<sup>236</sup> *Ibid.*

### In Focus: 500 Durians

500 Durians is a micro-investment fund under the 500 Startups. It is the first micro fund to invest in SEA. They have focused on the entire region since 2014 and invested through two funds. They have over 220 portfolio companies in the region. In Indonesia, 500 Durians has invested in Grab, Bukalapak, Carousell.

The firm currently has three funds specifically targeting Southeast Asia: 500 Durians Fund covering the entire region with Indonesia being the primary market, 500 Tuktuks with a focus on Thailand, and 500 Startups Vietnam. To date, the Fund has invested in 56 companies with a main criterion of having a “Vietnam connection.” Firms do not have to be based in Vietnam but simply need to have one connection to Vietnam through their work or founding team. Currently, 60% of this fund’s portfolio’s companies are based in Vietnam.

500 Startups does not have an explicit internal or external policy to promote gender equality, because the team aims for diversity. The team, however, typically checks whether each company is female-led in examining all deals considered by the Vietnam office. 500 Startups Vietnam spends more time in looking into deals of any companies with a female leader or founder in screening their applications, since the team does have an impact-motivated interest in supporting as many women founders as possible to increase diversity.

The Vietnam team also tracks sex disaggregated data. In fact, the team has come up with their own system of tracking gender splits in all rounds, although their two main criteria are founding team and market size. The team uses this sex disaggregated data to analyze gender splits within each round and between rounds. Their goals are to avoid any subconscious bias against female founders or leaders and to ensure that gender balance is achieved through the final rounds. This data collection is a very positive development in the investing field because an IFC report has found that female CEOs were slightly less likely to secure a subsequent round of funding after the first investment. The report also found that female CEOs associated with the first round of funding sometimes were changed to or replaced by men in subsequent financing, with 31% of portfolio companies changing to male CEOs in subsequent rounds as opposed to 2% changing to female CEOs.<sup>237</sup>

In addition, the 500 Startups Vietnam team tracks the number of companies with a female founder. However, they have not yet tracked gender among their portfolio companies’ customers. This lack of incentive to track customers of portfolio companies has resulted from the fact that the 2019 data shows investees with female founders performing worse than those led by men. Nevertheless, Mr. Tai noted that the result could have been skewed by the three big winners who were all male-led and that it may take the team up to five years to be able to present a comprehensive business case for GLI.

<sup>237</sup> “Moving Toward Gender Balance in Private Equity and Venture Capital.” IFC. 2019.

This interesting finding echoes a report by IFC. The report found that gender balanced teams that have 30% to 70% female members have higher valuation increases of 65%.<sup>238</sup> The report further found that funds managed by gender balanced teams outperformed male or female dominated teams across emerging market geographies and investment strategies by as much as 20% in annual returns. Hence, GLI discourse could potentially be doing a disservice in promoting the message that female team leaders or members often do better than their male counterparts. Moreover, this finding sheds light to the fact that higher performance may be attributed to a more diverse team in general, rather than just female-led.

Furthermore, despite the fact that the team does not track the impact of their investees, they do label them with their missions, such as financial inclusion and rural development, as “impactful businesses,” and have found that these impactful businesses are substantially outperforming conventional ones. To achieve more diversity by widening the application opportunity, the Vietnam team has also drastically eliminated language barriers by having both Vietnamese and English versions of their website as well as online proprietary resources. The Vietnam team also encourages companies in their portfolio to bring women into leadership.

The team argues that female staff may have a more customer empathy perspective or that having more women on board may be more attractive for GLI. In Vietnam, both the head of the Investment team and the head of the accelerator teams are women. As for the state of gender work in Vietnam, Mr. Tai believes that the majority of people in Vietnam do not admit that there is gender inequality, creating obstacles to gender work. He points out that female entrepreneurs and investors --to varying degrees --are harassed by male coworkers.

Female entrepreneurs also disproportionately receive more comments on their looks compared with their male counterparts. He further emphasizes that not a lot of substantial impact has been to advance gender equality in business made in Vietnam. In particular, conventional work cultures, such as drink meetings and networking cultures, deter many often make women feel uncomfortable and/or deter them from pursuing business work altogether.

### 13. Patamar Capital

Patamar Capital is an impact investing firm dedicated to unlocking better economic opportunities for low-income communities in South and SEA. The firm works in India, Vietnam, Sri Lanka, Indonesia, the Philippines, and Singapore with global teams based in Bangalore, Ho Chi Minh City, Jakarta and San Francisco.

Since its founding in 2011, the firm has raised a total of 68.6 million USD across two funds and invests according to three pillars: life enhancing products and services for low-income communities, supply chain, and distribution platforms. The “Patamar Fund II” was announced in June 2019, raising 23.6 million USD.<sup>239</sup>

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<sup>238</sup> Ibid.

<sup>239</sup> Mosqueda Jr, Mars W. “Asia-Focused Impact Investor Patamar Capital Hits First Close of New VC Fund at \$23.6m.” *Deal Street Asia*. June 5, 2019. Accessed 16 April, 2020. <https://www.dealstreetasia.com/stories/patamar-capital-vc-fund-138818/>.

Patamar Capital currently has 14 investees and has completed investments across 6 countries in numerous sectors, including agriculture, education, healthcare, financial services, and employee benefits.

Through its partnership with Investing in Women since 2017, Patamar Capital aims to finance the growth of six to eight “highly scalable women’s SMEs” in Indonesia, the Philippines, and Vietnam.<sup>240</sup> The program’s funding supports “Women’s SME Acceleration Program” for the expansion of early stage businesses, “Proof of Concept” investments into growth stage women’s SMEs and “Direct Management Support” to source and close deals.<sup>241</sup> The fund’s investments range between 200,000 to 300,000 USD and includes training and mentoring for 24 women’s SMEs in Indonesia with Kinara Indonesia. Patamar Capital provides qualified companies with early stage investments of 25,000 USD as a part of the firm’s acceleration program.

Patamar Capital’s SME criteria is listed below:

- Products and services that benefit women
- Women-led businesses
- Gender equity in the workplace.

Externally and internally, Patamar Capital explicitly promotes gender equality. Internally, it aims to promote the firm’s culture to help attract diverse talent as they believe that analyzing gender patterns and gender biases helps them “identify undervalued opportunities, leading to better investment and portfolio management decisions and improved returns for investors.”<sup>242</sup> However, due to a relatively small team size, Patamar Capital does not have anyone in charge of Human Resources directly overseeing this aspect. Nonetheless, the firm have a parental leave policy and anti-sexual harassment policy based on the best practice materials provided by sponsoring organizations, including the Criterion Institute and Investing in Women. Furthermore, the firm has a gender lens action plan. Essentially, the action plan is a framework that dissects the firm’s entire investment process to incorporate gender lens analysis through three actions:

1. Sourcing for better deals that can fight gender biases.
2. Conducting due diligence. (For instance, having different questions related to gender in questionnaires provided to men and women)
3. Informing portfolio managers to collect data on gender to help companies implement gender related strategies.

Specifically, in Vietnam, the team has been actively promoting GLI through participating in gender-related entrepreneur events, while supporting local organizations, such as Women’s Initiative for Startups and entrepreneurship (WISE). More importantly, the firm focuses on pipeline sourcing strategy within its portfolio companies and has seen good efforts demonstrated so far. In their existing portfolios, Patamar

<sup>240</sup> “About Patamar Capital.” *Investing in Women*. Accessed April 18, 2020. <https://investinginwomen.asia/partner/patamar-capital/>.

<sup>241</sup> Ibid.

<sup>242</sup> “Gender Lens.” *Patamar Capital*. Accessed May 11, 2020. <http://patamar.com/about/gender-lens/>.

Capital aims to engage companies more into gender as a “board member” to incentivize portfolio companies as well as those applying to incorporate more gender considerations.<sup>243</sup>

One of the reasons for this board member role is that the firm has a few all male boards in their portfolio, which may influence their decision making to not take into account gender inequality faced by women. Hence, this role enables Patamar Capital to push companies to have a better understanding of gender issues as well as to collect sex-disaggregated data to alter companies’ business approach. Patamar Capital Vietnam team claimed that it has already been receiving good responses from their investees. The team also encourages them to change their other business strategies, including marketing campaigns and having diverse candidates for future hiring.

For instance, Patamar Capital Vietnam team was able to influence their gender lens portfolio company Jup Viec to consider creating gender related policies such as health insurance and social insurance for their mostly female workers. The team has also encouraged Jup Viec to have sexual harassment policy as well as policies to deal with the case when workers are accused of stealing or breaking something.

Patamar Capital’s internal gender policy has also translated in the way they evaluate non-gender focused companies. For example, the firm was able to support an investee working mainly with pharmaceutical companies to look into statistics of female pharmacists, leading the company to discover that there are a high number of female pharmacists. As a result, the company began allowing women to take courses in their own home to attract and better serve more female pharmacists who face different challenges than male ones. This change allowed the company to build loyalty to the brand and to better understand the target consumers as well as drivers of consumption.

In another case in their general portfolio, Patamar Capital is also helping interested companies consider gender in their operations. For example, Patamar Capital did due diligence into a potential investee, which provides on-demand spa employment to single moms. In doing so, Patamar Capital was able to identify one gender-based criteria used in recruitment. This criteria was attractiveness, which perpetuated society’s beauty expectations of female workers that have nothing to do with the services and skills provided. The firm discussed this with the company’s management, influencing them to remove this criterion.

Nevertheless, while the Vietnam team has seen great early indications of GLI’s positive impact based on very robust metrics, Patamar Capital Vietnam is not yet able to present any specific business or impact case. At present, the Vietnam team is tracking data and impact, but believes that it is too early to generate a case. In particular, the team finds measuring impact challenging due to the fact that all investees are in different sectors, making benchmarking for impact between investees difficult.

The Vietnam team believes that there is still a persistent gender financing gap. After looking into this issue, the team discovered a mismatch between support currently available to women-focused SMEs in Vietnam

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<sup>243</sup> From our interview with Patamar Capital Vietnam

and what these businesses truly need. Venture capital or private equity firms tend to be the dominant players in the supply side. As a result, emerging SMEs have hard time to get financial support because they do not fit into these investor's conventional preferences such as high growth businesses or tech related. In addition, the team finds that female entrepreneurs face limited access to networking events, which often include drinking and are held later in the evening, preventing entrepreneurs who have family commitments to consistently attend. In fact, this issue has led Patamar Capital Vietnam to change how they host their networking events as they learned how to attract and support female entrepreneurs.

The Vietnam team is also challenged by an underdeveloped impact investing market and ecosystem in the country: there are not many self-identified GII firms compared with other countries or regions. Because the awareness of gender lens impact investing in the country is quite low, some investors still think that GII involves women-led businesses only. At the same time, Patamar Capital Vietnam highlights that the gender debate is quite underplayed in the country and there exists a lot of misinformation, such as the number of female founders that repeatedly come up in all our Vietnam interviews. All these factors together leave gender issues as non-urgent or unimportant for many Vietnam's investors and the government.

#### **Patamar Capital in Indonesia:**

As one of the leading investors in Indonesia, Patamar Capital is looking to raise a second fund of 150 million USD by 2020. Its portfolio includes agricultural and FinTech companies. In 2017, it partnered with Investing in Women to strengthen women-led SMEs in the region. Through this partnership, it has invested in Sayurbox, a women-led farm-to-table food processing unit. It has also invested in Dana Cita, a fintech lender providing affordable student loans, co-founded by a woman. In total, it has backed 6 seed-stage women SMEs which were leaders in their respective industries and geographic markets. It also trained 8 women SMEs through the dedicated Accelerator Program.<sup>244</sup>

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<sup>244</sup> "Patamar Capital Portfolio of Investments in Indonesia." *Patamar Capital*. Accessed April 23, 2020. <http://patamar.com/portfolio/>