

# DESIGNING A GENDER LENS INVESTING ACTION PLAN

## A Tool for Investment

Gender lens investing is the incorporation of a gender analysis into the systems of investing to make better decisions. A gender analysis is a disciplined approach to understanding how differences in power impact the advantages or oppression people experience based on their gender. An intersectional gender analysis considers how ethnicity, socio-economic status, religion, ability and other realities limit or compound experiences of advantage or oppression. An analysis of gender relations can tell us who has access, who has control, who is likely to benefit from investments, and who is likely to lose out if these power differentials are not taken into consideration. The point is to see and analyze patterns often unseen or undervalued in financial analysis that have implications for investments.

This tool can be used by anyone looking to develop a gender lens investing strategy – from foundations, to women’s funds, to investors across asset classes. Following a standard investment cycle, this tool supports the design of an investment strategy with considerations for how gender dynamics might present risks and opportunities. It provides a framework to consider building a gender lens into new or existing strategies. This tool can be used to inform investment strategy or in diligence. Wherever you find yourself in your gender lens investing journey, we hope this tool helps expand imagination of what is possible in the field.

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## Investment Thesis

An investment thesis states how an investor values the market over time. It drives investment decision making. An investment thesis states 1) where an investor believes trends will lead over time and 2) how the investor's financial and social capital will support, promote, and potentially accelerate the realization of their five- to ten-year vision of the future.

Gender dynamics present a pertinent risk, as well as an opportunity, in markets across the globe. By shining a light on these risks and opportunities, investors can see trends and patterns in the market often left out of traditional market analysis, thereby fortifying their investments.

### *Questions to help guide your gender lens investment thesis*

- *What market analyses do you currently do to identify trends? Do these include any analysis by sex or any other demographic characteristics? Who is benefiting most in the market? Who is losing out? Where is there untapped opportunity? How are these trends changing?*
- *What is your vision for the future five to ten years down the line?*
- *What is your unique position to drive towards your desired future?*
- *What investments are you looking to make now to help realize this future? What are the investment criteria?*
- *Consider the big gender patterns at play in the market(s) within which you work. How are these patterns changing over time? How might these (changing) patterns impact your ability to see your desired future realized? If you need help identifying these patterns, consider working with NGOs with expertise in gender analysis and market systems.*
- *Where might there be biases in the market that cause opportunities to be overvalued, undervalued, unseen, or changing?*
- *Have you made any assumptions about the market that are based on or rely on prevailing stereotypes? What data might you consider to challenge any assumptions made about the market? How might your assumptions change if attitudes, behaviors, or norms changed?*
- *Do you already have an investment thesis? If so, what is it? How might you refine your thesis thinking about the questions above?*

## Investment Thesis

*This space can be used to draft or refine an investment thesis*

## Investment Process

While an investment thesis drives priorities in decision-making, the investment process reflects how investment decisions are made. The investment thesis determines where you invest; the investment process determines how you invest. Investment processes are built on assumptions about what expertise is trusted and what processes are seen as valid within prevailing norms in the investment ecosystem.

The structure of this document aims to have you record your current processes, identify what assumptions you are making in each practice, and identify where you may want to interrogate your assumptions through analysis to ensure current practices are not built on bias. We then ask you to reflect on what actions you might take to challenge and correct any biases embedded into your processes. Finally, we look to potential externalities and potential partners. Potential externalities are factors important to your success, but perhaps outside your control to change. Potential partners are those that might help you accelerate your work, knowing any systemic changes that need to happen requires collaboration. Guiding questions for each section of the investment process are provided to support completion of your action plan.

<i>Investment process</i>	What is your current practice?	What assumptions are embedded in each practice. Where might there be bias?  What is trusted in this process? Who are the experts consulted?	What analysis might you perform to assess any bias in your current practice?	What actions might you take to address any bias?	What might make this work challenging? Who might make a good partner for you in this work?
<i>Pipeline development</i>	<ul style="list-style-type: none"> <li>• <i>What needs function in the market before you come in? What are your underlying assumptions about how the market works? Do all actors involved have the necessary power to do what is required? What might need to change?</i></li> <li>• <i>How do you build relationships? Are there any patterns to with whom you build relationships? In how you build them? What are the different ways power is expressed in these relationships?</i></li> <li>• <i>What referrals do you trust? Which do you not? Why? What are the patterns in which referrals you trust and why? How might these be based on unconscious bias?</i></li> <li>• <i>What are the assumptions in the networks within which you travel? How might these be informed by bias? How might you challenge them?</i></li> <li>• <i>What is your process for engaging with enterprises? Have you considered for whom your engagement process works well and for whom it might not? What are these underlying trends?</i></li> </ul>				

Screening	<ul style="list-style-type: none"> <li>• How might you use your power and influence in the market to signal what should be valued? What might others need to see or who might they trust to shift their viewpoint? With whom might you partner to signal different values in the market that challenge current thinking?</li> <li>• Where are the informal and formal decision-making points within the investment process? How and why are opportunities screened in or out? Where might there be bias in these screens or decision-making points?</li> </ul>				
Pre-investment due diligence	<ul style="list-style-type: none"> <li>• Where are the informal and formal decision-making points within the investment process? How and why are opportunities screened in or out? Where might there be bias in these screens or decision-making points?</li> <li>• How do you mitigate risk in an investment? How might a gender analysis change your calculations of risk? Calculations on return? Over which time factors?</li> </ul>				
Structuring	<ul style="list-style-type: none"> <li>• What is your financial instrument(s)? For whom do these instruments work well? For whom do they not? Who do you also need in the market to be providing capital?</li> </ul>				

<i>Investment committee decision-making</i>	<ul style="list-style-type: none"> <li>• <i>What is the makeup and culture of the investment committee? Are there checks and balances within the processes and policies of the investment committee that can mitigate any bias that the individual members bring to the table, as a collective?</i></li> <li>• <i>What are the power dynamics between investment committee members? Are there changes that could be made to how the committee operates that might manage any uneven power dynamics in the room?</i></li> </ul>				
<i>Post-deal engagement</i>	<ul style="list-style-type: none"> <li>• <i>How might the way you work with your portfolio companies signal what should be valued in the market? What does a productive and supportive relationship look like?</i></li> <li>• <i>What might others need to see or who might they trust to shift their viewpoint? With whom might you partner to signal different values in the market that challenge current thinking in the way economic relationships take shape?</i></li> </ul>				

Exits	<ul style="list-style-type: none"> <li>What are the attitudes or awareness around gender in the broader investment ecosystem that might affect how your investments might be valued as you move toward exit? How might you influence the secondary market to value the market differently? Including to ensure exits?</li> </ul>				

## Practices to support action plan implementation\*

To change the way an organization thinks about its work often requires attention to change management. Here we talk about gender mainstreaming, or the process of incorporating gender considerations into policies, strategies, programs, project activities, administrative functions, and institutional culture – essentially thinking about gender across all of your work all the time. To be successful in this often requires five key elements: 1) clear vision of success for this process with measurable indicators; 2) high-level, consistent, visible support from senior leadership; 3) investment in technical and financial resources to support gender mainstreaming; 4) accountability at all levels of the organization for the action plan; and 5) an intentional approach deeply rooted in organization culture and competencies – the approach reflects who you already are as an organization. We ask you to consider what indicators or metrics would tell you you’re on the right track to achieve your gender lens investing goals, and where there’s need, what actions you might take to set you on the right track or stay the course.

\*References

2012. African Development Bank. [Mainstreaming Gender Equality](#).

2017. Henry et al. [Taking on the gender challenge in organisations: what does it take?](#)

### Questions to help guide your review of your current organizational practices

- How would you describe your organizational culture?
- Do you think the organizational culture as it is currently supports your gender lens investing strategy?
- Do you think the organizational culture needs to change at all to support your gender lens investing work? How might this be initiated?
- Do you have senior leadership buy-in for your gender lens investing work? What does this buy-in look like within the organization? Outside it?
- Who is your focal point for your gender lens investing work? Who is ultimately driving it forward? Are there other advocates within the organization?
- Who are the influencers within your organization? Outside it? How might they be brought into the fold if not already?
- How might team members be held accountable or incentivized to implement an action plan? What would most speak to them individually and collectively?
- Who is on the investment committee? Have they been consulted or briefed on the strategy? How might they help or hinder the process? How might the investment committee composition be a factor in advancing this work?
- Do you have internal KPIs for your gender lens investing work? What might be important to keep in mind as you move forward? As a trusted process, how might KPIs be used to influence those internal or external to the organization? Other such processes?
- What resources (money, time, expertise, etc.) can or could be made available to lead the process of learning and change?





	What are the indicator(s) that would tell you these elements are in place?	Are there action(s) needed to facilitate the achievement of targets set?
<b>Vision and mission related to beginning gender mainstreaming</b>	<i>Use each box to detail what indicators will help you see institutional progress made on your gender lens investing goals</i>	<i>And share what needs to happen to ensure your goals are reached, based on where you are now.</i>
<b>Senior leadership buy-in</b>		
<b>Focal person(s) and resources allocated</b>		
<b>Team accountabilities and incentives</b>		
<b>Policies, structures and culture that support or hinder mainstreaming efforts</b>		

## Fundraising

Fundraising is an essential part of fund initiation or growth. Current or future investors are important voices in directing fund strategy and signaling what is possible to the market. Alignment of interests is crucial. The following questions aim to help guide how you might think of externally fundraising to grow your gender lens investing strategy, and the importance of partnerships within it.

### What are the unique elements of the story you share externally to raise capital?

*What do you do currently? How might considerations for gender change what stories you tell? Are there things you might want to highlight or downplay based on the investor(s) in front of you?*

### What unique story do you want to share about how gender fits in your work in raising capital?

*What was the motivation of your organization for pursuing gender lens investing strategy? Is this a market differentiator that you could talk about? What is your unique take on gender lens investing? How does a gender lens advance your mission?*

### How might you engage gender lens investors?

*Your current investors, your future investors. How might you get connected to those with whom you might be aligned with a gender lens investing strategy? What partnerships might be important in advancing your mission? How do your partners of interest think about gender lens investing? What is the way they enter the conversation? Where might you be best placed to find common ground?*

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