



# Learning Brief:

# Lessons from the Scaling Frontier Innovation Program

## APPLYING A GENDER LENS TO SOCIAL ENTREPRENEURSHIP IN THE ASIA-PACIFIC REGION

The Scaling Frontier Innovation Program (SFI) convened a Results Reflection to determine how the program will integrate its new Gender Strategy into the existing SFI Program Performance Framework. This Learning Brief provides a description of how gender has been integrated into the SFI Program Performance Framework, provides updated indicator definitions, highlights approaches that Brokers are taking to measuring results, and puts forward lessons learned to date. There will be a follow-up Learning Brief in June 2020 to share learnings from SFI Program implementation.

### OVERVIEW

The Australian Government Department of Foreign Affairs and Trade (DFAT) is strongly committed to being at the forefront of efforts to empower women and girls and promote gender equality around the world, especially in the Asia-Pacific region. This commitment is codified in the Gender Equality and Women's Empowerment Strategy, which requires that, at a minimum, 80 percent of all aid investments must effectively address gender issues in their implementation.<sup>1</sup> On the Scaling Frontier Innovation (SFI) Program, DFAT's innovationXchange (iXc)-managed initiative to support social enterprises to scale their development impact in the Asia-Pacific region, DFAT engaged the Criterion Institute in 2018 to develop an SFI Program Gender Strategy to further define to approach to gender and inclusion to drive innovation through social-entrepreneurship in the Asia-Pacific region.

To operationalise the gender strategy, SFI's Monitoring, Evaluation, and Learning (MEL) partner, Moonshot Global (Moonshot), is integrating gender lens-driven measurement into the overall SFI Program performance framework, with a specific focus on the Frontier Brokers and Frontier Incubators components, which both incorporate activities that bring a gender lens to implementation.<sup>2</sup>

On 16 April 2019, Moonshot convened a webinar with SFI program implementing partners to solicit feedback on proposed new metrics to be integrated into the performance framework. Partners were engaged bilaterally in advance of the webinar to gather information on how they currently collect these or related data and to discuss challenges they have faced.

<sup>1</sup> <https://dfat.gov.au/aid/topics/investment-priorities/gender-equality-empowering-women-girls/gender-equality/Pages/gender-initiatives.aspx>

<sup>2</sup> "The Global Impact Investing Network defines gender-lens investing as a set of strategies that either "seek to intentionally and measurably address gender disparities" or "examine gender dynamics to better inform investment decisions."

# INTEGRATING A GENDER LENS INTO THE SFI PROGRAM PERFORMANCE FRAMEWORK

The updated SFI Program Performance Framework draws upon the concepts laid out in the SFI Gender Strategy, the latest gender indicators designed by IRIS+, and the six gender lenses developed by Duke University's Center for the Advancement of Social Entrepreneurship and Catalyst at Large.<sup>3</sup> It also takes into consideration approaches already in place among SFI Program implementing partners.

## THE SIX GENDER LENSES

1

### WOMEN AS INVESTORS

Women show up as both private or institutional investors involved in deploying capital.

This is about women as fund managers, on investment committees, in senior roles in asset management.

This is also about women as individual investors or sitting in positions of influence, driving capital decisions.

2

### WOMEN IN THE SUPPLY CHAIN

Women show up in the supply chains or distribution channels as workers and owners.

This refers to areas where there are disproportionate numbers of women, opportunities to shift gender norms, or how people thrive (or not) in supply chains.

Note: This can be difficult to measure or track given that this is often outside of the direct control of a company and can be informal or formal economy roles

3

### WOMEN'S ACCESS TO CAPITAL

Access to capital includes access to investment, loans, equity for women fund managers, founders, or owners of businesses.

For example, financing women entrepreneurs and women-owned businesses, as well as financing enterprises that promote women's access to finance or financial inclusion.

4

### WOMEN IN LEADERSHIP

Women leading companies from the board and senior management positions. This could refer to investing in companies that are founded or led by men, but with a strong track record of women in leadership positions.

3

### PRODUCTS AND SERVICES

Investing in companies with products/ services that address women/ girls' needs from a social equity perspective or where women make markets. This may also include providing equitable access to products/ services across women/ girls and men/ boys.

6

### WORKPLACE EQUITY

Organisations with gender balance, parity, equity across roles, and / or policies and practices.

<sup>3</sup> IRIS+ is the generally accepted system for measuring, managing, and optimising impact. The Gender Lens indicators were developed in partnership with the Criterion Institute. For more information on IRIS+ visit: <https://iris.thegiin.org>

Review of these resources and feedback from program partners during the Results Reflection resulted in the addition of Outcome Areas 2.3 and 3.2, and the expansion of Outcome Areas 3.1, 4.1, and 4.2. These indicators were added to track the effects of applying the gender focus to the Frontier Incubators and Frontier Brokers component.

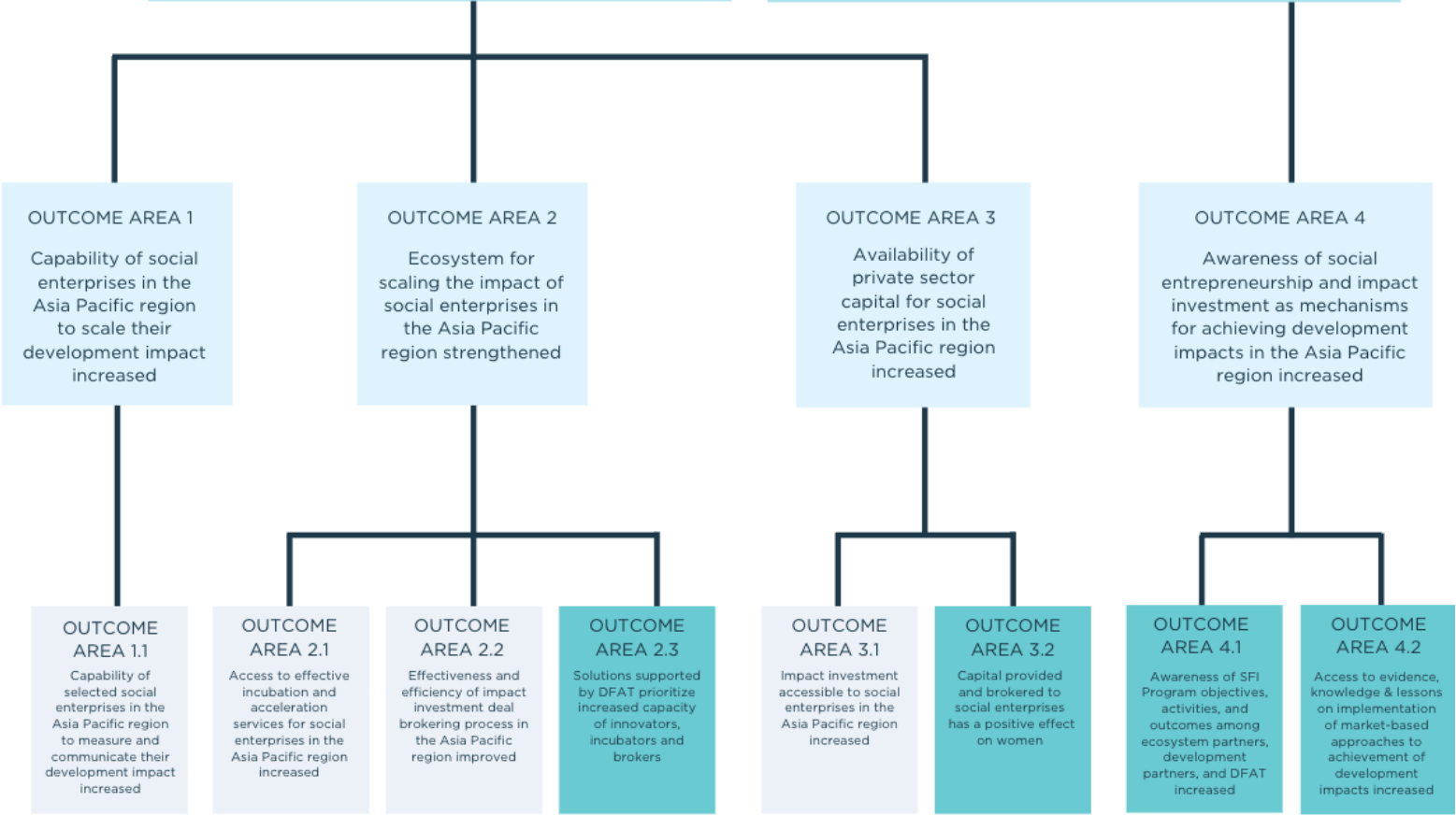
**PERFORMANCE FRAMEWORK  
REVISED JUNE 2019**

**GOAL**

The SFI Program is creating sustainable poverty reduction in the Asia Pacific region through scaling the development impact of social enterprises

**GOAL**

The SFI Program influences the delivery of aid in the Asia Pacific region by demonstrating the efficacy of new market based approaches in achieving development impacts



## INTERMEDIATE RESULTS AND CORRESPONDING INDICATORS

Table 1 outlines the updated intermediate results and corresponding indicators. A detailed SFI Program Key Performance Indicator Reference Table with further information on timing for data collection and disaggregation of data will be provided following the June convening.

INTERMEDIATE RESULTS	INDICATORS
Outcome 2.3 Solutions supported by DFAT prioritise increased capacity of innovators, incubators, and brokers to apply a gender lens	<ul style="list-style-type: none"> <li>• # of stakeholders trained in gender lens investing or gender inclusive strategies</li> <li>• % incubators and accelerators trained who report               <ul style="list-style-type: none"> <li>◦ increased knowledge/skills</li> <li>◦ % trained who implement a gender strategy</li> <li>◦ % trained who adopt new or improved practices</li> </ul> </li> <li>• % stakeholders who report positive perceptions of the program</li> </ul>
Outcome 3.1 Impact investment accessible to social enterprises in the Asia Pacific region increased.	<ul style="list-style-type: none"> <li>• # of lighthouse investment models tested</li> </ul>
Outcome 3.2 Capital provided and brokered to social enterprises has a positive effect (improved from the baseline) on women (performance against selected gender lens measures)	<ul style="list-style-type: none"> <li>• Women/locals as investors is a priority               <ul style="list-style-type: none"> <li>◦ #/% women as asset managers</li> <li>◦ #/% women on investment committees</li> </ul> </li> <li>• Women/locals in company leadership is a priority               <ul style="list-style-type: none"> <li>◦ % female ownership</li> <li>◦ % female Board members</li> <li>◦ % female managers</li> <li>◦ % female managers non-human resources/marketing</li> <li>◦ % female retention &gt; 1 year</li> </ul> </li> <li>• Investments have a positive effect on women in terms of:               <ul style="list-style-type: none"> <li>◦ Workplace equity                   <ul style="list-style-type: none"> <li>▪ Policies /practices in force (these must be specific, written and have a system for monitoring compliance of the policies or mechanism for employees to report issues/grievances)</li> <li>▪ Training on policies/practices</li> </ul> </li> <li>◦ Women in the supply chain                   <ul style="list-style-type: none"> <li>▪ Policies/practices in force</li> <li>▪ Training on policies /practices</li> <li>▪ % of female employees in supplier entities</li> </ul> </li> <li>◦ Products and services targeted to improve women's lives                   <ul style="list-style-type: none"> <li>▪ # of women users/consumers</li> </ul> </li> </ul> </li> </ul>
Outcome 4.1 Awareness of SFI Program objectives, activities, and outcomes among ecosystem partners, development partners, and DFAT increased	<ul style="list-style-type: none"> <li>• # of meeting and events covering gender lens investing</li> <li>• # of communication products developed and disseminated on gender lens investing</li> </ul>
Outcome 4.2 Access to evidence, knowledge & lessons on implementation of market-based approaches to the achievement of development impacts increased	<ul style="list-style-type: none"> <li>• # of knowledge products produced on gender lens investing<sup>4</sup></li> </ul>

<sup>4</sup> In this context, 'lighthouse' models are those that apply a new approaches (either new within the context, partners, or strategy) that apply a gender lens to providing capital to social enterprises in the region.



## LESSONS LEARNED

A few lessons emerged through the preparation for and discussion during the Gender Lens Results Reflection.

### LESSON 1:

#### **There are existing approaches to measuring the effect of gender lens investing within the ecosystem.**

While measurement frameworks for gender lens investing are relatively nascent, implementing partners of the Frontier Brokers component are already track the performance of the activities they implement to promote gender lens investing in their portfolios. The following are a few examples:

#### **IMPACT CONNECT**

Impact Connect is an innovative brokering mechanism designed by Good Return and Enclude, which leverages risk capital from impact-first investors operating locally and internationally, to stimulate financing for social enterprises and improve lender confidence in missing middle social enterprises in Cambodia and Indonesia. Impact Connect will support gender audits of partner institutions and conduct Gender Value Chain Analysis (GVCA). GVCA is a tool that identifies where gender and power dynamics and imbalances are at play, draws out the tangible impact this has on the effectiveness of the value chain and identifies ways to change the power dynamics around which data, processes, and visibility are framed. Further, the program will facilitate organisational self-assessments that aim to understand staff and management perceptions, attitudes, and experiences of gender, and develop a baseline of organisational capacity to address gender equality. The Impact Connect team believes that “Identifying and rectifying gender-based constraints operating across the value chain highlights opportunities that would otherwise be missed.”<sup>5</sup>

Good Return has already begun trialing the annual collection of gender metrics in their work with small and medium-sized enterprises in the Pacific. These are defined as:

- # of new staff employed at the enterprise (gender disaggregated), percentage change over time
- # of managers (gender disaggregated), percentage change over time
- Average salary earned by employees (gender disaggregated)
- # of suppliers to the enterprise’s value chain (gender disaggregated where possible)
- Average income for suppliers (gender disaggregated where possible)
- % increase in revenue (of the enterprise)

Good Return is currently in the process of developing a Gender Action Plan, which will include additional metrics for their gender lens activities with financial service providers.

## BIDUK

Implemented by a consortium formed by Athena Global and the Whitelum Group, BIDUK is a lending platform aimed at meeting the needs of Indonesia-based small and growing businesses (SGBs), with an emphasis on those owned by women (WSGB).<sup>6</sup> Measuring the impact of investing in women is part of BIDUK's fundamental DNA and is fully integrated into the BIDUK operating model. Since BIDUK is a new lending platform, it will gender disaggregate all data from inception, hoping to demonstrate the proof of concept that investing in women is investing in success. BIDUK will apply finance industry standard metrics and experiment with metrics that value women to understand their impact under Frontier Brokers. The team notes, "As part of the experimental nature of Frontier Brokers, we have committed to experimenting with metrics to work toward measurement paradigms that aim to VALUE women, not just count them ...our goal is to move the conversation on better ways to value impact, both socially and financially for investments made into SGBs, with the owners of any gender."<sup>7</sup>

Their proposed gender lens metrics include:

- # women in C-suite
- # of women in C-suite, non-human resources or marketing
- Equitable maternity and paternity leave policies
- Equal pay for men and women employees in the same position
- Daycare support/subsidy or on-site daycare
- # of women on the Board of Directors
- # of women employees
- # of women retained > 1 year, > 5 years, > 10 years, > 20 years

Their proposed standard financial metrics include:

- # and volume of total new loans disbursed
- # and volume of total renewal loans disbursed
- Portfolio at Risk (PAR) 30/60/90 days by product
- # and volume of new loans to women disbursed
- # and volume of renewal loans to women disbursed
- PAR 30/60/90 days by product and gender
- % of portfolio allocated by product and gender
- Repayment rate

<sup>6</sup> BIDUK Frontier Brokers Summary

<sup>7</sup> BIDUK GLI Metrics Deck



## Equity@Scale

Through Equity@Scale, Impact Investment Exchange (IIX) seeks to address key weaknesses in the current entrepreneurial ecosystem and move three types of capital to social enterprises - namely, social capital in the form of access to mentoring and corporate networks; and financial capital in the form of access to investors and private sector equity and debt investments.

With an emphasis on shifting gendered power dynamics that make it more challenging for women to access these forms of capital, Equity@Scale will incentivize social enterprises to integrate women throughout their value chain. The project will also provide impact investing ecosystem players (including investors, foundations, banks, financial service partners, lawyers, corporate partners, mentors, etc.) with the tools to apply a gender lens to their business approaches, processes and strategies of engagement.<sup>8</sup>

IIX currently takes an intentional approach to 'Give Voice to the Voiceless' in their impact assessments, which are outcomes-focused, forward looking, and linked to funding. These assessments go beyond calculating outputs and focus on the deeper impact outcomes created by an enterprise and integrate interviews with women (and men) stakeholders at all levels of the enterprise and every stage of the value chain – including management, producers, processors, partners—to understand the integration of gender lens in the core of the business. The assessments also ensure that the enterprise's financial growth projections are aligned with scaling the social return on investment with a focus on empowering more women at all levels of the enterprise through its work.<sup>9</sup>

Their proposed metrics for tracking their gender lens work include:

- # of social enterprises accessing online training in basic investment readiness and gender lens impact assessment
- # of social enterprises that prepare and submit their business plan, financial model, and gender lens impact report according to the templates provided
- # of mentors educated on developing gender-conscious, mutually beneficial mentoring relationships with women-focused social enterprises
- # of impact investors and debt providers are educated on incorporating gender lens investing into their investment approach
- # of corporate partners, especially the purchasing managers and corporate sustainability employees, that are educated in the gendered power dynamic that social enterprises face in market entry

<sup>8</sup> Equity@Scale Summary

<sup>9</sup> IIX's Approach to Gender Lens Investing Deck





## ASIA PACIFIC SOCIAL ENTERPRISE NOTES

Brightlight has brought together a global consortium (Brightlight Consortium) to co-create a unique and scalable solution: the world's first Asia Pacific Social Enterprises Notes Series (Notes Series). The Notes Series, issued every 6-12 months depending on demand, enables social enterprises to access the capital markets in a timely, cost-efficient and flexible manner while providing impact investors with a scalable, standardised, high impact and diversified investment product that embeds gender lens investing (GLI) principles into its design. Brightlight is currently working with gender analysis expert, Melissa Bungcaras, to integrate the UN Global Compact Women's Empowerment Principles, as well as the Six Gender Lenses into their due diligence approach for the program. This GLI approach and relevant key performance indicators will be integrated into Brightlight's impact management methodology, which is currently being developed in collaboration with the University of Melbourne.

### LESSON 2:

#### **When it comes to measuring the effect of gender strategies, one size does not fit all.**

Gender lens investing strategies and measurement frameworks can (and often do) take many forms. Manita Ray from y-gap, who is helping incubators and accelerators under the Frontier Incubators program develop custom gender strategies for their organisations noted that "Each organisation is different, and we need to meet them where they are... we start the process by asking what are their most pressing needs when it comes to gender and power." Suzanne Biegel, Catalyst at Large, elaborates a similar idea, "You might think about women's access to capital. You might think about products and services that positively affect women and girls or take advantage of the women's market. You might think about where women show up across the value chain of a business, in governance, in leadership, in supply chains and distribution channels all the way through to end customers. And you might be thinking about how we use our capital intentionally to shift structural gender inequality."<sup>10</sup>

Similarly, within the Frontier Brokers component, each organisation will be implementing related, but different approaches to applying a gender lens (or gender lenses) to their experimental work. As such, the SFI Program Performance Framework, and approach to MEL, seeks to be adaptive and avoid being overly prescriptive. Yet, a shared set of metrics is required to enable some level of comparison across activities and understanding the impact of the overall program. Buy-in from all participants is necessary to ensure that they are willing and able to collect the appropriate data needed to understand how their activities relate to the overarching framework. This is important to build evidence around the performance of the different strategies being deployed under the Frontier Brokers program.

<sup>10</sup> Biegel, Suzanne, "Gender Lens Investing: Why the Opportunities Are Growing," Aug 09, 2017 accessed from Knowledge at Wharton <https://knowledge.wharton.upenn.edu/article/why-gender-lens-investing-is-gaining-ground>





### LESSON 3:

#### **There are challenges when data collection is dependent on dealing with multiple stakeholders.**

During the Gender Lens Results Reflection, participants discussed challenges they currently face in collecting data to measure against their current gender lens investing indicators. For example, many of the social enterprises in which they invest do not have the appropriate systems and processes in place for rigorous monitoring and evaluation. And, when systems are in place, the data collection and analysis processes may not be consistent across enterprises, making it difficult to validate the quality of data. Another critical challenge is around data disaggregation. This is a challenge not only when working with social enterprises, but with financial institutions as well. According to Athena Global and the Whitelum group, “Over 90% of financial institutions do not have gender disaggregated data in their business portfolio, meaning they do not track whether a business account holder is a male or female.” Ensuring that SFI Program partners think through and incorporate questions that enable data to be disaggregated in formal and informal data gathering processes is an essential first step to addressing this challenge.