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The Field-Building and Grantee Experimentation Role of Foundations in Impact Investing as Illustrated by a Gender-Lens Investing Case Example

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Introduction

Foundations have played diverse roles in the impact investing sector, including facilitating the development of impact investing infrastructure by funding pilots, studies, technical support, and intermediaries; and contributing to market building by providing capital, supporting capacity building to increase deal flow, sharing best practices, and reducing transaction costs (Martin, 2013). As investors themselves, foundations have engaged in a variety of approaches, including program-related investments, social impact bonds, taking part in blended finance deals, and providing catalytic capital. Foundations often prioritize an impact return over a financial one by allowing for below-market-rate financial returns, which is sometimes known as “impact first” investing (Thornley & Dailey, 2010; Yaşar, 2021). This is in line with another role that foundations have played in impact investing — emphasizing meaningful impact returns and strengthened evidence of social impact (Reisman et al., 2018).

In line with the roles that foundations have traditionally played in the impact investing sector, this article emphasizes and argues for two approaches that are critical for the success of impact investing:

1. Commission and/or support research that helps build more equitable and socially just impact investing.

Key Points

- This article argues for foundations to play two critical roles in the impact investing ecosystem: to commission and/or support research that helps build more equitable and socially just impact investing and to fund grantee-specific experimentation in areas of impact investing and social enterprise that are nascent or developing.
- To illustrate what this can look like, this article presents action research conducted on gender-lens investing, describing in detail a 2019 Mastercard Foundation grant to Engineers Without Borders Canada. The project involved two main goals: testing and developing gender-lens investing tools and processes with seed-stage investees during pre- or post-investment phases and evaluating the implementation of Engineers Without Borders Canada’s gender-lens investing strategy and the assumptions underpinning it. Field-building products that resulted from the grant included a report on the lessons learned and a comprehensive literature review on gender-lens investing in sub-Saharan Africa that contributes to a growing evidence base.
- This article details the purpose, approach, results, and immediate impact of the action research and evaluation for Engineers Without Borders Canada for Mastercard Foundation and for the field. Further, the article highlights how the grant continues to impact Engineers Without Borders and the participating ventures today, and why it is important for foundations to play the role of field builder and make grants to support experimentation and field building, especially around issues of equity.

2. Fund grantee-specific experimentation in areas of impact investing and social enterprise that are nascent or developing.

The impact investing sector has faced sharp critique regarding the potential for “impact washing,” which can stem from a lack of meaningful stakeholder engagement and the resulting lack of materiality on the way impact is determined and reported (Busch et al., 2021; Carroll et al., 2013). We know from experience in other sectors, such as international development, that equitable approaches to program design, implementation, and evaluation that involve meaningful stakeholder engagement are critical for success (Bayiley & Teklu, 2016). Foundations, with their decades of experience in social sectors, are ideally positioned to lead in equitable and socially just impact investing and are already demonstrating this when it comes to racial equity (Onek, 2019). Foundations are also already demonstrating their support of academic and nonacademic research, case studies, good practices, and more to push the impact investing sector toward a more participatory and effective investment practice. The Impact Management Project is a demonstration of this type of support. It was supported and funded by the Impact Management Project Advisors, a group made up of diverse organizations including the Ford Foundation, the John D. and Catherine T. MacArthur Foundation, and the W.K. Kellogg Foundation. Similarly, the Global Impact Investing Network’s lead supporters include the Ford and Rockefeller foundations. It is critical that foundations continue to commission and support these types of projects.

Another area where foundations are poised to play a key role in impact investing is in supporting nascent or developing areas. In their article, “The Investment Gap that Threatens the Planet,” Burger et al. (2018) argue that “the most effective portfolio to achieve climate change mitigation will require thoughtful investments in climate solutions along the entire ‘innovation continuum,’ from conceptual ideas to solutions that are ready for commercial deployment and widespread impact” (para. 4). However, the authors also determine that there is an investment gap

at the conceptual level and, in order to correct it, new financing vehicles are needed that tolerate long development timelines and accept high risk in exchange for high social and environmental impact, adding that philanthropists are the investors best suited to fund these vehicles.

We broaden this argument to all social and environmental challenges facing our world. Whether in the space of public health, housing solutions, women’s empowerment, sustainable agriculture, or any other complex problem facing our communities, we see foundations as playing an important role in funding experimentation and early-stage innovation. Unlikely to be able to dedicate their own resources to innovation while ensuring profitable returns, entrepreneurs and investors rely on injections of support from patient capital — something foundations are poised to provide (Deeg & Hardie, 2016). Indeed, foundations are already doing this. For example, the MacArthur Foundation hosts the Catalytic Capital Consortium, “an investment, learning, and market development initiative bringing together leading impact investors to encourage greater impact and use of catalytic capital” (n.d., para. 1).

Gender-lens investing (GLI) stands as one area that is both developing and an important part of socially just impact investing. As an approach, GLI promotes gender equality through women’s economic empowerment, primarily by investing in women-led businesses, businesses that provide critical products and services for women and girls (Maheshwari et al., n.d.), and/or businesses that will address gender inequality through targeted products and services. The Global Impact Investing Network (2018) defines GLI as:

- investing with the intent to address gender issues or promote gender equity, by investing in:
 - o women-owned or women-led enterprises,
 - o enterprises that promote workplace equity (in staffing, management, boardroom

- representation, and along their supply chains), or
- o enterprises that offer products or services that substantially improve the lives of women and girls;
- and/or investing with the following approaches to inform investment decisions:
 - o a process that focuses on gender, from pre-investment activities (e.g., sourcing, due diligence) to post-deal monitoring (e.g., strategic advisory, exiting); or
 - o a strategy that examines, with respect to the investee enterprises,
 - their vision or mission to address gender issues;
 - their organizational structure, culture, internal policies, and workplace environment;
 - their use of data and metrics for the gender-equitable management of performance and to incentivize behavioral change and accountability; and
 - how their financial and human resources signify overall commitment to gender equality.

To illustrate what it can look like when a foundation supports research and grantee experimentation to build a more equitable impact investing sector, this article describes Mastercard Foundation's 2019 grant to Engineers Without Borders Canada (EWB) to conduct action research on GLI. The project involved two main goals: 1) test and develop GLI tools and processes with seed-stage investees during pre- or post-investment phases, and 2) evaluate the implementation of EWB's GLI strategy and the assumptions underpinning it with a plan for sharing lessons learned and contributing to a growing evidence base on GLI. Field-building products that resulted from the grant included a report on the lessons learned, and

a comprehensive literature review on GLI in sub-Saharan Africa.

This article details the purpose, approach, results, and immediate impact of the action research and evaluation for EWB, for Mastercard Foundation, and for the field. Further, this article highlights how the grant continues to impact EWB and the participating ventures today, and why it is important for foundations to play the role of field-builder and make grants to support experimentation and field-building, especially around issues of equity. Finally, this article provides a discussion of the role of foundations in impact investing, based on the experience of the case study.

Action Research on GLI Case Example

Engineers Without Borders Canada is a registered charity that invests in people and ideas to tackle the most crucial causes of poverty and inequality. Over the past 20 years, EWB has iterated an impact model for social ventures in sub-Saharan Africa that combines seed capital, talent, and mentorship. EWB Ventures, a seed-stage investment vehicle operated by EWB, is an "impact first" investment vehicle, dedicated to supporting innovative early-stage, highly scalable social enterprises in sub-Saharan Africa. In addition to recruiting and placing strategic talent within these ventures, EWB Ventures makes tailored, long-term investments of up to \$100,000 in ventures that have high potential to drive systemic change for the benefit of the underserved.

The Mastercard Foundation is an international nongovernmental organization established by Mastercard in 2006 that emphasizes skill development and access to finance, with a focus on improving access to education and employment through multiple sectors, especially agriculture.

In seeking to better understand how to incorporate a gender lens as an early-stage investor, EWB, with financial support from the Mastercard Foundation, undertook a pilot to support early-stage ventures in sub-Saharan Africa in order to integrate a gendered lens for business and social impact. This is a case

example of the foundation funding research to develop nascent GLI approaches which simultaneously help build a more equitable and socially just impact investing sector.

The primary objective of the project was to test and refine EWB's GLI strategy. At its outset, EWB identified a gendered approach to its due diligence and post-investment support processes. The specific goals of the Mastercard project were to learn and iterate this, as well as to develop new tools and processes around gender-inclusion interventions in social enterprises, in relation to both pre- and post-investment support. The opportunity to iterate and innovate through this grant funding was pivotal for EWB in having the space to focus on this work.

A secondary objective of the project was to disseminate the lessons learned in order to provide thought leadership, unify the field, increase impact investing sector knowledge on GLI, and get feedback on EWB's tools and approach. EWB implemented the project with four ventures: MPost, Patasente, Numida, and Viamo. It also implemented its GLI strategy during pre-investment with two of the four participating ventures, with one receiving a financial investment. The strategy was implemented post-investment with all four ventures, though one was not part of EWB's portfolio.

Testing the EWB Gender-Lens Investing Strategy

The two pre-investment ventures signed a memorandum of understanding to undertake the gender project before they received their investment decisions. A gender lens was incorporated into the initial meetings with prospective ventures. During these meetings, EWB portfolio officers asked gender lens questions to vet whether prospective companies fit EWB's GLI strategy, which highlights the importance of gender in three key business areas: business model, operations, and intentions. Questions included topics such as how gender can be brought into the venture's business; demographics of the founding team; what gender data are already tracked or could be tracked; current gender inclusion thinking and perceptions at a company, such

as how they target women in the team; and the overall role of gender in the company.

During due diligence, the EWB investment team applied a gender lens, utilizing tools such as the Gender Scoring Tool and the development of a post-investment support plan based on these results. The gender score and information regarding the business' degree of gender inclusion and its inclination to work with a gender lens was provided to the EWB investment committee to support its decision-making around a venture's progression.

For the venture that received investment during the Mastercard project, EWB was one of many investors but did not lead the round, so it did not set the terms of investment. Yet because of EWB's gender lens and NGO status, the venture did sign an additional document including very specific gender metrics and reporting requirements to which the venture committed. In addition, EWB was offered an observer seat on the board in part due to its gender lens.

Refining the Gender-Based Technical Assistance Package

EWB took a systematic approach to this process while remaining nimble and flexible to accommodate each venture's context, needs, and speed. Implementation of the GLI strategy during post-investment involved a process of designing and implementing tailored gender strategies to the four participating ventures. The first step, if it hadn't been completed during pre-investment, was a gender frameworks analysis (see Appendix A) and gender score. This process involved a prequestionnaire, phone interview, and gender scoring tool. (See Figure 1.)

Using what was learned from the initial interview and score, EWB's gender inclusion officer drafted a proposed gender inclusion strategy and garnered venture feedback. The strategy included both operations and business model opportunities for a gender lens to be applied. The strategy also included a contextual analysis, including the country or global context, business sector context such as financial technology, and an analysis that included the strengths,

FIGURE 1 EWB Gender Scoring Tool

Venture: Date:	Baseline (0)	Bronze (1)	Silver (2)	Gold (3)	Score
Business Model	Product or service has no obvious implications, positive or negative, for women, girls, and other marginalized populations	Product or service recognizes women, girls, and other marginalized populations as a segment, but does not specifically target them or consider their needs	Product or service targets women and girls, but does not address a specific gender inequality	Product or service directly targets gender equality or the empowerment of women and girls for systemic social change	3-5: Bronze 6-8: Silver 9: Gold
	Venture does not collect any data around their operations	Venture collects minimal information around the use of their product/service (i.e., number of users, number of staff), but not enough to guide strategy	Venture collects information broken down by gender around the access and usage of their product or service by engaging through customer consultation, feedback, collecting data, etc., but does not actively use this to influence their operations.	Venture explicitly collects information around access and usage of their product or service broken down by gender through customer consultation, feedback, collecting data, etc., and uses this feedback responsively to shape their operations	
	Venture has not considered how their business will affect women and girls	Venture has taken a strategic marketing and business plan which includes women, but has not directly considered specific implications for women and girls	Venture has taken a strategic marketing and business plan which directly considered specific implications for women and girls	Venture has strategic marketing and inclusive business plan to ensure their product or service is both accessible and responsive to women and girls	
Operations	None of venture's employees or founders are women	Venture has women team members but less than 20% women representation in senior leadership	Venture has minimum 20% women representation in senior leadership and a minimum of 30% women representation of all team members	Venture has a minimum of 35% women representation in senior leadership and a minimum of 50% women representation of all team members	4-7: Bronze 8-11: Silver 12: Gold
	Venture does not have a strategic method to their leadership team or future hiring plans	Venture has intentions on creating a strategy to diversify their team members to include more women	Venture has a diverse representation of women throughout their team, with a clear and tangible strategy to improve diversity within their senior leadership team	Venture has diverse overall staff and leadership team representative of the market they work in and a strategy to ensure their commitment to continue to build women in leadership and promote, recruit, and hire diverse leadership team	
	Venture has no formalized policies or procedures	Venture has no formalized policies and procedures for employee protection (specifically marginalized populations, including women and girls) but is open to getting these systems in place	Venture has policies and procedures in place to facilitate safe and conducive working environment for all employees, including a code of conduct and sexual harassment policy	Venture has policies and procedures explicitly targeting gender equality which may include but are not limited to paternity leave, flexible working hours, standardized promotions, treatment of whistleblowers, etc.	
	Venture's supply chain and/or strategic partners have been established to align with their business model with no explicit positive social impact	Venture has women representation in their supply chain/strategic partners, but no explicit reasoning behind how they've created these relationships	Venture has explicitly analyzed their supply chain/strategic partners to identify gaps where they could promote gender equality, but have not achieved a holistic representation of women and girls throughout this process	Venture has explicitly analyzed their supply chain and strategic partners to ensure women and girls are included and empowered in all aspects of their business	
Intentions	Venture recognizes impact, but doesn't explore how this can include women and girls	Venture recognizes gender equality as an indicator of impact, but does not continually consider women and girls holistically throughout their outward-facing operations	Venture continually and actively looks for ways to positively impact the lives of women and girls in their community and greater ecosystem	Venture recognizes gender equality as a key measure of impact, they act in a responsive manner to ensure their business operations positively impact their community and greater ecosystem for improvement of the lives of women and girls	2-4: Bronze 5: Silver 6: Gold
	Venture has no explicit opinion on gender inclusion within their business	Venture believes gender inclusion is important, but does not have tools and/or capacity to implement strategically	Venture has actions that could fall under a gender inclusion strategy, but has not formalized these intentions or actions	Venture has a holistic gender inclusion strategy with clear metrics and milestones and continually works to actively modify and improve this strategy for overall operational success	
Any Additional Comments:				Overall Score:	9-17: Bronze 18-26: Silver 27: Gold
				Previous Score & Date:	

opportunities, and challenges. Resources, such as examples from other ventures and articles on why gender inclusion is good for business, were recommended at the end of the strategy document. Once drafted, the proposed strategy was shared with multiple individuals at the venture to glean feedback on feasibility, actionability, gaps, and critical gender objectives or actions to include for each part of the strategy.

Once a gender strategy was drafted, the gender inclusion officer completed a comprehensive venture analysis. This was a process of learning more deeply about a venture—including its internal culture, ongoing activities, thoughts and perspectives of staff members, and its internal capacity to conduct gender activities. The information was gathered through a variety of methods, including interviews, desk review, and a survey. Interviews were conducted with a diverse range of staff, such as technical teams, program staff, leadership, and executive team members. The venture analysis identified actionable activities that could be done within the gender strategy and scope of the project, while allowing the gender inclusion officer to learn more deeply about the businesses and establish a baseline of the venture's existing gender understanding, thinking, engagement, etc. The survey was confidential and asked questions about topics such as gender understanding and background knowledge, gender-related mission or policies within the company, extent of staff members' feelings about gender in their work, and current gender-related activities around product or service provision.

When possible, a site visit took place. Three of the four ventures received a site visit (the fourth was a globally distributed team, so there wasn't a clear site to visit). The site visits involved multiple days at the venture's office, seeing the day-to-day context of staff responsibility, becoming familiar with different members of the team and their work, and learning about daily activities. The site visits also sometimes included field visits to customers or partners of companies, to provide further context for the gender strategy.

Following the gender analysis, enough data and context were understood for the gender inclusion officer to develop a detailed gender action plan. (See Figure 2.) The gender inclusion officer worked collaboratively with the contact person at each venture to develop a realistic and attainable gender action plan. Information from the gender frameworks analysis, gender score, gender inclusion strategy, and comprehensive venture analysis was used to identify core activities for each venture to focus on, given the timeline, interest, and resources available. It was a collaborative process of back-and-forth, with the EWB gender inclusion officer leading the drafting and the ventures providing feedback, ideas, and suggestions.

While each venture's gender action plan was tailored to its unique gender strategies, focus areas, capacity, etc., there were some common activity areas such as creating gender-inclusive policies and procedures (e.g., recruitment strategies, inclusive job description templates, professional development opportunities), gender lens product design and development, gender lens app design and development, activities in support of serving more female customers and serving them better, and hiring and retaining a more diverse team. The gender action plans included timelines and deadlines to help make them actionable and accountable.

Once finalized, the gender action plans were implemented by their respective ventures. Depending on the venture, and the activities in the gender action plan, a variety of company employees might be involved with implementation. For example, if human resources policies were being revisited and developed, HR staff was involved. If gender-disaggregated data were being collected and used, various technical staff might be involved.

The gender inclusion officer provided a mix of high- and low-touch ongoing support to the ventures throughout the project. The high-touch support involved providing templates and resources, such as gender-inclusive job descriptions or recruitment strategies, and reviewing the ventures' drafts. Most of these activities were

FIGURE 2 Sample Gender Action Plan

Objectives	Activities	Sub-Activities	Responsibilities	Time Frame/ Deadline	Relevant Links	Notes
1. Attract and retain more women to venture and ensure a work environment where they can achieve their full potential	1.1 Create gender-inclusive recruitment strategy	Create inclusive job description templates and recruitment guidelines that include: <ul style="list-style-type: none"> • Required vs. preferred skills • Equal Employers Statement • Screening for gendered language • Added guidelines around networking approach to recruitment 	EWB: Share templates Venture: Provide feedback	March		Will be hiring two new sales reps in the beginning of March
		Define interviewing policies that could include but aren't limited to: <ul style="list-style-type: none"> • Minimum of one woman on interviewing panel, or make sure at least one woman speaks to the candidate • Minimum of one local staff member on the interviewing panel • Strive for 30% women candidates 	Venture	March		
	1.2 Introduce new policies for enhanced employee protection and satisfaction	Deep dive into current policies and procedures, and look to develop policies that could include but are not limited to: <ul style="list-style-type: none"> • Salary bands • Standardized promotions • Code of conduct (including clothing guidelines) • Parental leave • Flexible work schedules 	EWB: Share templates Venture: Share current policies and procedures	February	Ventures' current employee handbook	Really want to get the ball rolling; this is a priority as venture grows and we want to have formalized policies and practices
		Develop a bank of resources and opportunities for both entry-level and management staff to improve their professional and leadership skills	EWB: Support building this resource	March		
	1.3 Increase professional development and leadership opportunities for employees	Managers to work with each employee to develop a professional development plan and identify relevant learning and leadership opportunities	EWB: Support templates and frameworks Venture: Buy-in from managers	June		Will develop these at the same time as performance reviews (in June and December)
		Hold one all-team professional development activity each quarter	HR Head (in collaboration with relevant stakeholders)	Ongoing (first in February)		Ideas: Excel training, leadership, confidence building, innovation workshops, human-centered design
2. Serve more women customers and serve them better	2.1 Improve collection of sex-disaggregated data and develop metrics to track in order to shape operations and strategy	Task each workstream to pick aspect of work to monitor gendered metric. Starting point: company objectives and key results metrics	Venture: Each department head	February		
		Check gendered metrics at set time frame to ensure recognition of any trends	Data Analyst	Ongoing		
		Explore all areas where venture could gather more sex-disaggregated data and do cost-benefit analysis of collecting that additional data. Examples: <ul style="list-style-type: none"> • CSS feedback form • % of women repeat customers 	Data Analyst	Ongoing		
	2.2 Conduct experiment with product development in order to better understand needs of current and potential women customers	Design survey to better understand current and potential women customers using a gendered lens and gender-sensitive metrics	EWB: Support and provide any templates Venture: Product team	April	Current market research tools and findings	
		Conduct experiment and analyze data to shape future strategy and operations	Product Team	June		Potential experiments could be incorporating new/different products or training (i.e., financial literacy trainings) to support women MSME owners
	2.3 Pilot gender-specific messaging to market service to women-specific channels	Design what "gender-specific messaging" looks like when related to venture and marketing	EWB: Share resources Venture: Marketing team	May		Want to have some of the sex-disaggregated data points to build off before starting this.
Identify women-centric channels to attract new customers and pilot using gender-specific messaging (example: WhatsApp groups of women entrepreneurs)		Marketing Team	August			

internally facing, but the gender inclusion officer also provided reviews and feedback on externally facing activities as well, such as best practices in collecting sex-disaggregated data. While the gender action plans were being implemented, the EWB gender inclusion officer maintained ongoing relationships with each of the ventures, namely through monthly check-in calls.

Evaluation

Evaluation was a consistent feature throughout the life cycle of the project. EWB engaged an external consultant who gathered and evaluated data on:

1. implementation of aspects of the EWB investment team's GLI strategy throughout the Mastercard Foundation project;
2. early outcomes of venture gender strategies on the venture (e.g., staff) and a sample of their clients/beneficiaries, implemented during the Mastercard Foundation project; and
3. assumptions behind the EWB investment team's GLI strategy (program theory) and gender-lens investing generally.

The purposes of the evaluation included improvement of the GLI strategy tools and process, knowledge development, and accountability, and centered around four main evaluation questions:

1. Is there evidence that the intended GLI outcomes are being (or will be) achieved?
2. How and how well was the GLI strategy implemented?
3. What early outcomes (e.g., employee satisfaction) for ventures and their beneficiaries resulted from participating in the EWB GLI strategy and individual venture gender strategies?
4. What existing evidence supports or denies the assumptions behind GLI at EWB and generally in the impact investing sector? In

particular, what evidence exists that GLI does or does not lead to increased or improved jobs for women and girls in sub-Saharan Africa?

Dissemination

Internally, lessons learned and recommendations were disseminated via a comprehensive evaluation report. Externally, lessons learned and recommendations were disseminated via two EWB publications. The first, "Supporting Early-Stage Ventures In Sub-Saharan Africa With Gender Inclusion: A Gender Lens Investing Pilot," was a descriptive report with a set of four case studies from the gender action research (Allan & Gregory, n.d.). Readers of this manuscript who are interested in more details on the ventures and the pilot can find them in this first publication. The second, "Gender Lens Investing in Sub-Saharan Africa: Key Findings from a Systematic Review of the Literature," reported on the methodology and findings of a systematic literature review (Bolinson & Wakiaga, 2020).

Immediate Results

Immediate results of this project were seen by both EWB and the participating ventures, signaling an initial success and the importance of this work.

This project allowed EWB to make a new investment in MPost, using its newly defined gender approach. While the investment capital did not come from the grant from Mastercard Foundation, this project allowed EWB to use and refine its GLI strategy, testing and validating its approach to applying a gender lens to the pre-investment and post-investment process. This was a key learning for EWB, which can be carried over into its future investing approach.

Additionally, this project allowed EWB to test and validate newly developed tools, such as the Gender Analysis Questionnaire, the Gender Scoring Tool, and the Gender Action Plan template. Site visits and close collaboration with the participating ventures increased EWB's understanding of venture realities, resulting in the adaptation and iteration ensuring its GLI strategy and tools had the ability to be context specific and relevant.

Gender-inclusion work within a venture is a journey and not a final destination. This project allowed both EWB and the participating ventures to iterate their approach to gender inclusion to identify the results and outcomes unique to their work. Through this project the participating ventures reported immediate results, including:

- drafting and implementation of gender-equitable policies and processes,
- increased collection of sex-disaggregated data for reporting and analysis purposes,
- increased use of sex-disaggregated data to make business decisions,
- increased professional development opportunities that were well received by staff,
- creation of a unique and realistic gender action plan, and
- increased gender knowledge, including operational dynamics and customer dynamics with a gender lens.

As a result, the project closed with the intention and expectation of seeing longer impacts. These results highlight the importance of having the freedom to innovate and experiment as both an early-stage impact investor (EWB) and a participating venture. The immediate results signaled to all participating in this project that the work was validated and important, and allowed for the expectation of seeing longer impacts and increased buy-in to continue pursuing gender outcomes.

Lasting Impact

The 12-month span of the specific project offered a relatively short time to track and monitor organizational change, as it can take years to come to true fruition, especially within the context of gender and social inclusion. Writing this article provided an opportunity to reconnect with the participating ventures, capture the longer-lasting impacts, and explore what the sustainability of projects like this may look like.

The immediate results signaled to all participating in this project that the work was validated and important, and allowed for the expectation of seeing longer impacts and increased buy-in to continue pursuing gender outcomes.

Key informant interviews were conducted with representatives from each participating venture nearly two years after the project closed. It is important to note that these two years coincided with the COVID-19 pandemic, which had significant impacts on social entrepreneurs all over the world and forced many businesses to close or lay off staff (Donthu & Gustafsson, 2020). Despite these external and contextual challenges, all four of the ventures supported through this project were able to survive — and even thrive — during the pandemic, all had continued the integration of gender through their work and all had identified three lasting impacts.

1. *Ensuring sustainability of a gender lens through a key point of contact:* Having the opportunity to participate in this project allowed all four ventures to explore what integrating gender into their business looked like and the specific approach they would take given their unique contexts. With each venture, EWB worked with one key point of contact who often became a leader for gender inclusion within the company. While the contact's level varied — from co-founder to mid-level manager depending on the venture — having a gender champion allowed the conversation and gender inclusion to be top of mind and to continue after direct support from EWB finished.
2. *Supporting the organizational building blocks for an inclusive company:* Each company identified areas to incorporate a gender lens based on its organizational priorities and areas

By injecting capital, expertise, and space for experimentation, foundations can play a pivotal role in furthering the impact investing industry.

for opportunities, including HR, data, and market research. Further, the longer-term impact of the expertise which EWB provided supported the development of building blocks upon which the businesses built new processes to ensure an inclusive workplace. Examples given through the key informant interviews identified what policies and practices should be in the work handbooks; the tracking and measuring of sex-disaggregated data, such as the number of women in certain positions; or the disaggregation of employee satisfaction by gender. These building blocks provide ventures with a strong foundation of inclusion as they continue to grow and scale.

3. Supporting mindset shift and an inclusive culture among leaders and employees in social entrepreneurship: The dialogue as it pertains to gender — and more broadly, social inclusion — is constantly evolving and improving. However, it can be a daunting conversation for social entrepreneurs and business leaders to address. EWB was able to bring in external expertise through a gender inclusion officer who guided conversations with the ventures in order to better understand why and how gender can play a role in the organization, especially given each venture's sector, region, and other specific context. Each participating venture noted a mindset shift within its teams toward more inclusivity. The space to encourage ventures to innovate and really think about what gender inclusion means for their business, as funded through this project, was important in spurring this mindset shift and, ultimately, offered an opportunity to thrive more as an employer and business.

To understand whether there was a lasting impact on EWB, we conducted a key informant interview with EWB CEO Boris Martin, who highlighted what an opportunity such as grant funding can offer impact investors as they define a new investment thesis and strategy. At the time of the grant, EWB was working toward launching a new investment fund, Hummingbird, which was scoped to be a gender-first investment fund. According to Martin, EWB used a number of the key findings and learnings from the Mastercard pilot to shape Hummingbird's investment thesis and process. Unfortunately, due to COVID-19, EWB was unable to launch Hummingbird as planned. Yet, as Martin explained, EWB hopes to re-enter this space in the future and will utilize the findings and analysis of this pilot to inform an updated GLI strategy.

Foundations can look at the lasting impacts as outlined above and recognize the important role that they can play in the impact investing sector. Ultimately, the ventures that participated in this project were all able to speak two plus years later about the benefits they saw and conversations that started due to the external support and expertise of EWB.

Lessons Learned for Foundations

The case study above highlights the successes and approach to gender inclusion for ventures through the support of impact investors and foundations. By injecting capital, expertise, and space for experimentation, foundations can play a pivotal role in furthering the impact investing industry. One key takeaway that emerged from this project for foundations was that iteration is necessary for ideation.

A key objective of this project was for EWB to improve its GLI strategy as an investor supporting early stage ventures in sub-Saharan Africa. This pilot allowed a process of testing and iterating tools EWB had created, such as the Gender Scoring Tool, Gender Analysis, and its GLI strategy. Additionally, the ventures themselves could test these tools to find suitable and effective ways to integrate gender into their business, according to their unique needs.

An important lesson for foundations to take away from the pilot is that both the investor and ventures had allotted time for iterating, brainstorming, and editing a gender-strategy approach. Improvements were made not only to the process and approach of this pilot, but also to the different tools, in order to better their applicability and usability. Foundations that can support impact investors and ventures that can take a nimble approach to integrating gender inclusion will amplify the overall social and business impact of their work.

Discussion

At the outset of this pilot, EWB hypothesized that incorporating a gendered lens into its investment process and post-investment support would strengthen a venture's business and social impacts. The venture case studies found there were noticeable business and workplace culture impacts for businesses participating in the pilot. Additionally, EWB showcased how early-stage investors in sub-Saharan Africa could integrate a gendered lens into their process in a lean and workable manner. The project provided helpful insights to inform the way EWB should move forward with any new investment and identified what worked well and what hindered gender inclusion approaches with early-stage ventures. These experiences with four ventures impacted the way EWB will think about technical assistance vehicles in the future, and also emphasized the importance of having advisory support for ventures looking to incorporate a gendered lens. The results show that external support can spur innovation and change and allow companies to build a strong foundation.

Extensive evidence in emerging markets shows that ventures that take specific efforts to increase gender diversity in leadership and raise internal awareness of gender diversity have seen both employee and overall business benefits. A study found that teams with gender-diverse leadership had 23% more profits, 13% higher organic growth, and overall improved employee satisfaction, client retention and other business-level improvements (Landel, 2016). Similarly, McKinsey's "Women Matter Africa" study found that companies in the top quartile of

Foundations that can support impact investors and ventures that can take a nimble approach to integrating gender inclusion will amplify the overall social and business impact of their work.

those with women's representation on executive committees outperformed industry margins on earnings before interest and tax by an average of 14% (Moodley et al., 2016). Lastly, teams with a higher proportion of women have demonstrated greater levels of "collective intelligence" when it has come to solving visual puzzles, brainstorming, making moral judgements, and negotiating over limited resources — thus highlighting that gender diversity spurs innovation, which is an essential aspect of solving tough problems (Woolley et al., 2010).

Supporting gender inclusion within a workplace is not only important in leadership and workforce. It also has been proven to increase business productivity and efficiency. A report from the World Bank found that eliminating all forms of discrimination against women employees and managers and promoting inclusivity could increase productivity per worker by 25% to 40% (World Bank, 2011). To illustrate this further, Safaricom, a Kenyan telecom company, found that after introducing a creche, both men and women employees increased their work productivity and concentration (International Finance Corporation, 2017).

Given the discussion and case study this article has introduced and the evidence shown above, it can be recognized that gender and other forms of social inclusion are important for the success of economic and societal development in the impact and social entrepreneurship space. We see foundations playing a key role in facilitating experimentation and funding for impact

investors, ventures, and other actors in the social entrepreneurship space. This is especially true — and important — for nascent or developing sectors such as GLI, given the competing priorities of ventures and investors especially in emerging markets such as sub-Saharan Africa. As highlighted through the project and subsequent follow-up conversations nearly two years later, both EWB and the participating ventures were enthusiastic for this work and would welcome additional support for similar initiatives from foundations in the future.

Alongside overall support for experimentation and innovation, ventures had other key requests which foundations should consider as they think strategically about the role they can play in the entrepreneurship space:

1. Support enterprises to upskill and be trained. Thinking specifically about GLI, the ventures valued the expertise brought in through EWB to upskill their employees and leaders on the importance of considering a gender-lens in their business. Ventures were hungry for increased upskilling and support, especially in areas that may not seem essential to business operations at early stages of a venture, but are known and recognized to play a big part in the long-term success of a business.
2. Create accountability for businesses to consider other social impact measures. By having a formalized support mechanism via a grant-funding program, ventures were held accountable to their commitment and

goals, as outlined in the gender action plans. Ventures highlighted that having EWB as an accountability measure was a key mechanism in the success of the project. Foundations should act in a nonpunitive manner, but provide accountability and guidance for businesses to prioritize matters, such as gender, that are often deprioritized. Foundations can also support by advocating for the buy-in of gender inclusion within the impact investing space by sharing resources and providing a knowledge hub for enterprises to utilize as they figure out the best approach.

Conclusion

Foundations can and should play a pivotal role in the social entrepreneurship space, especially to commission and/or support research that helps build more equitable and socially just impact investing. This also includes funding grantee-specific experimentation in areas of impact investing and social enterprise that are nascent or developing. The gender-lens investing case study with EWB demonstrates what this type of role can look like, and the lasting results it can generate for both impact investors and entrepreneurs. Foundations should look for additional nascent areas of impact investing, particularly those that would contribute to a more equitable and just impact investing sector, such as meaningful stakeholder engagement or equitable and meaningful impact measurement and management that will push the impact investing sector to be more positively impactful for those communities and individuals we ultimately seek to support.

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APPENDIX A EWB Gender Analysis Frameworks

GENDER ANALYSIS FRAMEWORKS

PURPOSE:

In order to ensure each portfolio venture has a clear strategic plan on how to better incorporate gender inclusion into their operations, as part of EWBs Venture Offerings, a Gender Analysis will be conducted by an EWB Team Member, with cooperation from the venture. The purpose of this analysis is to identify gaps and leverage points, while taking into consideration a venture's capacity, resulting in improved profitability and success. The analysis will act as a baseline of gender inclusion for the venture, creating a roadmap of tangible actions and recommendations to improve the ventures gender inclusion, diversity and business growth. The ventures will also receive a document from EWB staff to look at the local and sectoral context of gender inclusion to ensure they are equal or leading from other actors. *It is a requirement for ventures to undergo the Gender Analysis Frameworks and work with the EWB Staff to create an attainable Gender Inclusion Strategy, the implementation of this strategy will be flexible depending on the capacity and stage of a venture. The venture will be required to re-visit these frameworks and the Gender Scoring Tool on an annual basis to ensure gender inclusion is kept in mind.*

GUIDELINES:

These frameworks are to be used as an initial document to create a baseline for all EWB Ventures. The aim is to take a collaborative approach to creating each venture a unique and attainable gender strategy. The responses will be recorded and a clear gender inclusion strategy will be created out of the findings from this analysis. These questions are meant to be a guiding framework, in conversations there may be other responses recorded or opportunities identified. The venture will be given a pre-questionnaire in order to prepare for the call. The call itself should take **no more than 2 hours**, and the objectives will be to delve deeper into the gender inclusion opportunities of the venture. Following this call, the venture and EWB staff member will work in coordination to **create an attainable gender strategy with clear action items within 1 month of having the call**. Ventures that are implementing their Gender Strategy are expected to update their Portfolio Associate on any successes, challenges or action items surrounding their gender strategy. It is then the expectation that the Portfolio Associate flags any notable updates to the Venture Gender Support Consultant or Gender Advisor at EWB. The Portfolio Associate will sit with the venture on an annual basis to review the Gender Scoring Tool and if necessary also review these frameworks to ensure the venture is moving towards greater gender inclusion.

VALUE-ADD FOR VENTURE:

By completing the Gender Analysis Frameworks and working with the EWB Staff to create a tailored Gender Strategy, the venture **receives a free Gender Consult and Strategy**, resulting in a clear list of attainable action items and recommendations that will guide their venture to organizational and financial success. This strategy will cover up to 1 year from the initial date —with the flexibility to pivot as the ventures business model does. Reasons that a venture should implement their gender strategy is:

- *Improved Business Operations* — there is copious amounts of research that shows how companies with stronger gender inclusion have higher profits and better business strategy
- *Investor Interest* — many investors are increasingly interested in the way a company approaches gender inclusion

FRAMEWORKS:

Business Model

Product or Service

1. What is your product or service?
2. What is the intended impact of your product or service?
 - a. Have you recognized any unintended impacts?
 - b. How does your product or service impact women, girls and other marginalized populations specifically?
3. How did you consider women, girls or other marginalized populations in the design process of your product/service?
4. How does considering women, girls or other marginalized populations shape the way you pivot your product or service as your venture grows?
5. How do you engage with customers to garner feedback around your products?
 - a. What is primary feedback from your male customers? Your female customers?
 - b. What demographic of customer requires the assistance of customer support most often?
 - c. Do you have knowledge around if the buyer is also the end user of your product? (i.e., the male of the household is the 'customer' and bought the product, however the female and children use it more often)
6. How do you market or advertise your product or service?
 - a. Who is portrayed in your advertisements?
 - b. What medium do you use to advertise?
 - i. What time of day/week/month do you advertise?
 - c. Where are your advertisements located?
7. Do you have sales targets or KPIs?
 - a. Do you have specific targets for reaching female customers?

Strategic Plan & Forecasting

1. What is your plan to scale?
 - a. How have you considered women, girls and other marginalized populations in this plan to scale?
2. Have you identified any strategic ways to:
 - a. Reach more female customers
 - b. Employ more females
 - c. Incorporate more women into your supply chain, distribution channels and/or strategic partnerships?
3. What is your mission and/or vision?
 - a. Can you see an opportunity to embed a gendered lens aspect?

Business Challenges

1. What is the largest challenge your venture is facing as a business right now?
2. How do you conduct sales?
 - a. Are you currently facing any obstacles related to sales?
 - i. What tactics have you taken to mitigate this?
 - b. How do your male sales agents perform compared to your female sales agents?

Operations:**Composition of the team (where necessary)**

1. What is the breakdown of male to female employees?
 - a. Breakdown of male to female board members? (If relevant)
 - b. Breakdown of male to female senior leadership (High Level Managers & Decision Making Positions)?
2. Who are the various actors and stakeholders in your supply chain or strategic partnerships?
3. Do you plan to hire any new employees in the next 6 months?
 - a. If so, what are the roles and do you have a strategic approach on how to ensure you have a broad applicant pool?
4. How do you measure Employee Engagement?
 - a. If through an Employee Engagement Survey, what do these results look like broken down by sex?

Collection & Utilization of Data

1. Does your venture produce weekly/monthly/quarterly sales reports?
 - a. Does this include sex-disaggregated reporting?
 - b. Does this include product offering (if more than one product/package available) broken down by sex?
 - c. Does this include product retention rates broken down by sex?
2. Do you have data on your customers? What is the breakdown of male to female customers?
3. What other data do you collect?
 - a. Is this sex-disaggregated?
4. How does the data you collect influence your Business model and/or strategy?

Human Resources

1. What are the current policies and procedures your venture has in place?
 - a. Do you have and/or are interested in implementing the following policies:
 - i. Anti-Sexual Harassment Policy
 - ii. Anti-Discrimination Policy
 - iii. Maternity/Paternity Leave Policy
 - iv. Flexible Working Hours Policy
 - v. Standardized Promotions Policy
 - vi. Equal Pay Policy
 - vii. Code of Conduct
 - viii. Whistle-Blowing Policy
 - ix. Sexual Misconduct Policy
2. How do you recruit, interview and hire for positions at your Venture?
 - a. Do you have an Equal Employer's Statement in your job descriptions?
 - b. Do your job descriptions specify between required skills vs. preferred skills?
 - c. Do you have the following information around recruitment recorded by sex-disaggregated data
 - i. Applicants
 - ii. Shortlisted

- iii. Interviews
 - iv. Offers given
3. What are your Employee Leave Policies?
 - a. Annual Leave
 - b. Sick Leave
 - c. Unpaid Leave
 4. What benefits do you provide to your employees? (Healthcare, Childcare etc.)
 5. What trainings do you provide to your employees?

Professional Development

1. What opportunities does your venture have for employee professional development or leadership skill training?
 - a. If relevant, how are these opportunities utilized broken down by sex?
2. What is the promotion rate within your venture?
 - a. How does this compare broken down by sex?
3. What is the turnover rate within your venture?
 - a. How does this compare broken down by sex?
4. Does your venture typically grow employees within to be in leadership positions, or do you often externally hire leadership?

Office Space

1. Does your venture have a physical office space? If so:
 - a. What safety precautions have been put in place for the safety of your employees?
 - b. What is your protocol on employees children being in the office?
2. Does your venture work in a co-working space? If so:
 - a. How do you ensure the safety of your employees while working in the co-working space?

Intentions:

Capacity Assessment

1. What is your #1 priority for the upcoming year
2. Is there anyone on your team that has shown an interest in being a gender champion throughout the venture? What is stopping them from operationalizing this?
 - a. Funding
 - b. Time
 - c. Knowledge/Resources
 - d. Other

Closing Logistics:

1. Solicit Feedback
 - a. Will send an email in 1 week to ask for feedback.
2. Ask if they would like to check-in 1 years time to measure progress (put in EWB Ventures Calendar if so)