



**Luxembourg Microfinance  
and Development Fund**

**Invest Differently - The Women Effect**

**Investing with a gender lens**



Francisco de Paula Coelho

Dean EIB Institute



Luxembourg Microfinance  
and Development Fund



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**Social Impact Investor**



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**Executive Director of LMDF**



## Luxembourg Microfinance and Development Fund



Directorate for Development Cooperation  
and Humanitarian Affairs









- From entrepreneurship to impact
- Discovering LMDF – a social impact fund with venture philanthropy principles
- From gender blind to gender positive

**“It’s official: women on boards boost business”**

*World Economic Forum from World Economic Forum*

**More CEOs of companies called ‘David’ or ‘John’ than women**

*New York Times*



**Suzanne Biegel**

**Catalyst at Large**



# Invest Differently – The Women Effect

Luxembourg | 9 May 2016



# ABOUT ME

- Past Tech Entrepreneur
- Individual Philanthropist / Impact Investor
- Women Effect
- Confluence Philanthropy
- Women Donors Network (WDN)
- Ariadne Network
- EVPA Gender Lens Working Group
- Clearly Social Angels
- Toniic / 100% Impact
- SPRING Accelerator
- Criterion Institute



# SOME “LENSES” OF “GENDER LENS” INVESTING...



AND

Opportunity to achieve impact by seeing gender as a factor of analysis across *all* asset classes

Public  
Equities,  
Public debt

Private Equity

Venture Capital

Angel Investors

Community  
Investments

Microfinance

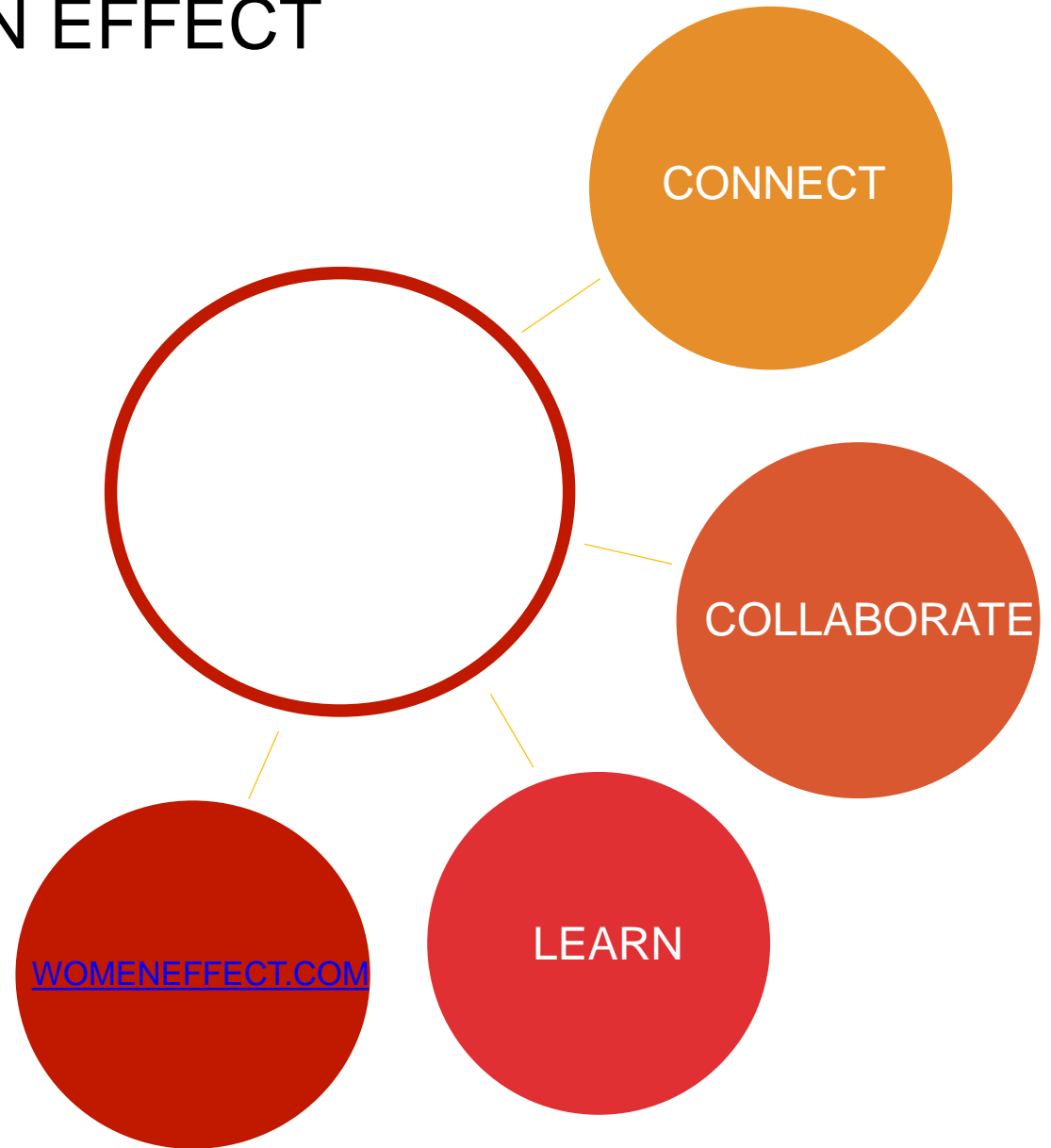


# INTRODUCING WOMEN EFFECT

Investing in women and girls leads to positive returns for investors and better social and economic outcomes for everyone.

Valuing women and girls when deploying or managing capital is called the **women effect**.

A growing number of investors with diverse cultural, geographic and investment perspectives have come to realise the women effect.





A dedicated GLOBAL network for investors from all asset classes which makes it easier to invest in women and girls in a strategic way

### **COLLABORATING**

Help investors articulate their principles and areas of focus, get input on new vehicles, and move forward on investment R&D projects of shared interest

### **FACILITATING LEARNING**

Sharing learning to build each other's capacity to increase impact

### **CONNECTING**

Connecting co-investors, co-funders, expertise, and deal flow





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LEARN • CONNECT • COLLABORATE

We believe that investing in women and girls is smart. It leads to positive returns for investors and better social and economic outcomes for everyone. This is **the women effect.**

Public companies with a higher proportion of women leaders enjoy 46% higher ROE and 51% EBIT margin  
*(McKinsey and Company)*

• Women led private tech companies see 35% more in ROI and and 12% increases in revenue with 33% less capital  
*(Kauffman Foundation)*

• Companies with greater board diversity display excess stock market returns when adjusted for sector bias. They exhibit higher returns on equity, higher valuations & higher payout ratio. *(Credit Suisse)*



# POSITIVE POTENTIAL FOR WOMEN EFFECT

With every increase of 10% in girls going to school, a country's individual GDP rises by 3% (*Global Poverty Project*)

Increases in girls education results in a decrease in both human and fiscal costs associated with challenges such as domestic violence and HIV (*BasicEd*)

70% of world's poor are women (*Global Poverty Project*) yet a billion women are poised to enter the work force (*Strategy*)

Achieving gender equality could add 12 trillion to the world GDP (*McKinsey*)  
Potential for positive returns for investors

Gender gaps in labour forces decrease GDP for both rich and poor countries (*Goldman Sachs*)





# UPGRADING INVESTMENT APPROACH, DUE DILIGENCE, and MANAGEMENT OF INVESTMENTS, WITH A GENDER LENS

Establish Criteria  
Search  
Screen  
Select  
Diligence  
Structure  
Negotiate  
Govern  
Report



Governance,  
Leadership  
And  
Management

Customers  
and Context

Supply Chain and  
Distribution Chain  
Questions

Product Design  
and  
Development,  
Products/Service  
es

Policies and  
Procedures,  
Labor

Marketing

You might look at:

Number of women in ...

Patterns of compensation...

Non traditional gendered roles...

Upward mobility and/or retention rates...

Customer data ...

But it will vary by:

CONTEXT

SECTOR

GEOGRAPHY





Wider spectrum of asset classes and capital needs for different kinds of businesses and organisations that can take different kinds of capital with a gender lens

Type of Finance	Sources of Finance
Microfinance/Inclusive Finance	Funds, MFIs (and their investors)
Larger Loans/Quasi Equity for “Normal” Growth Companies/Enterprises/Social Purpose Orgs	Banks, Peer to Peer Lending, Angels, Foundations/Trusts, Funds
Seed Capital for Ambitious SGBs (Grants, debt, equity, quasi equity)	Foundations, Angels, Incubator/Accelerator MicroVC Funds, Corporates, Crowdfunding
Scale Up Capital for Ambitious SGBs (Equity, debt)	Foundations, Family Offices, Angels, VCs, Other Funds, Corporates, DFIs
Growth, Mezzanine, PE and Public Equity Capital for Growth/Mature Businesses	VC, PE, Banks, DFIs, Family Offices, Corporates, Holding Companies, Public Markets, Pension Funds



# STRATEGIES - PUBLIC EQUITIES



(in development)

Morgan Stanley  
Parity Portfolio



aperio



SHE (new ETF)



# FACTORS OF ANALYSIS - PUBLIC EQUITIES

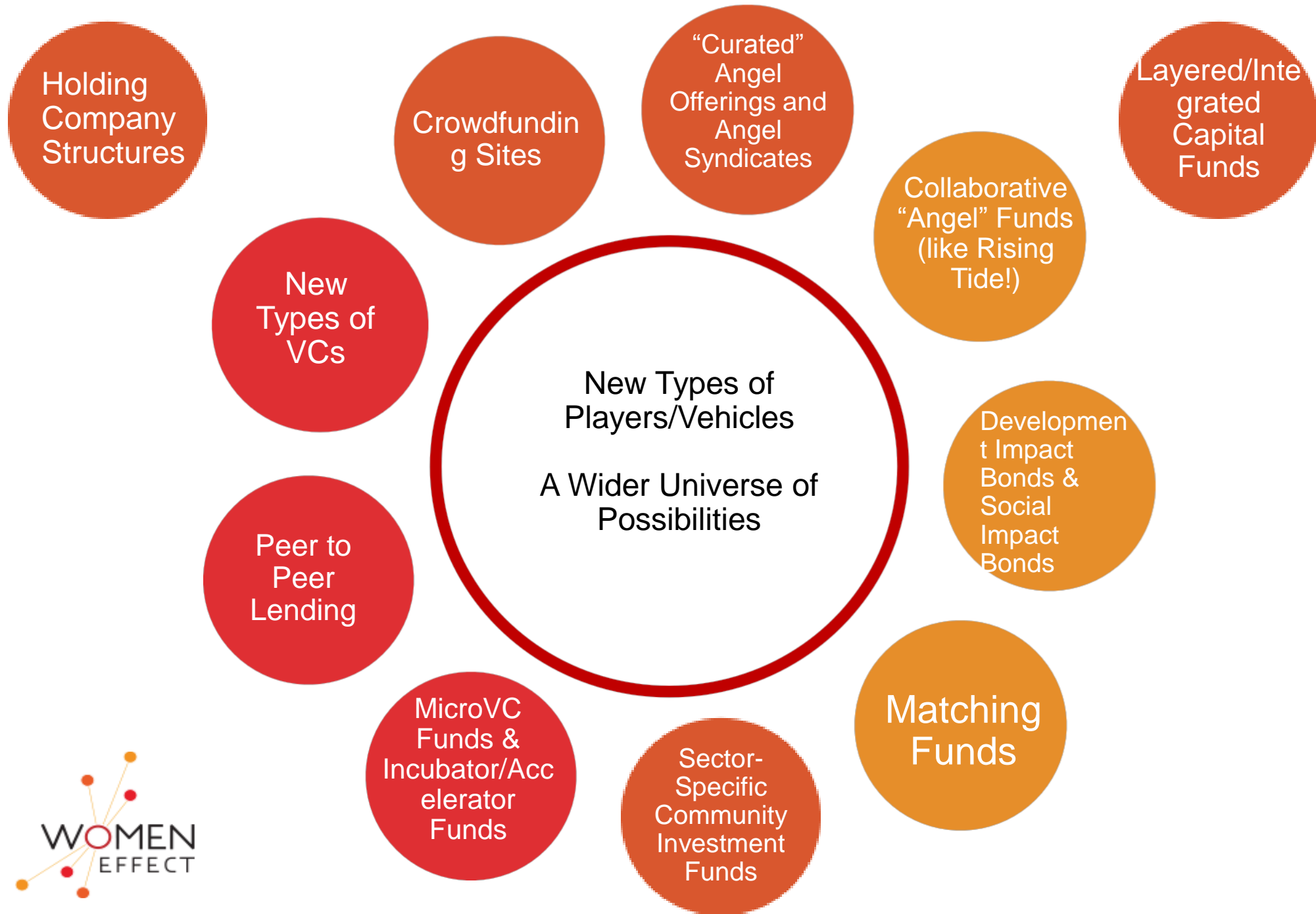
WOMEN ON  
BOARDS / BOARD  
DIVERSITY/  
SENIOR  
MANAGEMENT

PARENTAL /  
FLEXIBLE  
WORK  
POLICIES

PAY GAP

HUMAN  
RIGHTS  
IMPACT  
ASSESSMENTS  
/ SUPPLY  
CHAIN

SEXUAL  
ORIENTATION /  
DISCRIMINATION



# GLOBAL NORTH & GLOBAL SOUTH CONTEXTS & GENDER LENS INVESTING

- How do we source deal-flow with a positive women effect?
- How do we find investment offerings with a positive women effect?
- How do we mobilise capital with a positive women effect?
- What else is needed beyond financial capital?
- How do we know what is strategic, impactful ?





















# EXAMPLES OF FUNDS THAT USE A GENDER LENS



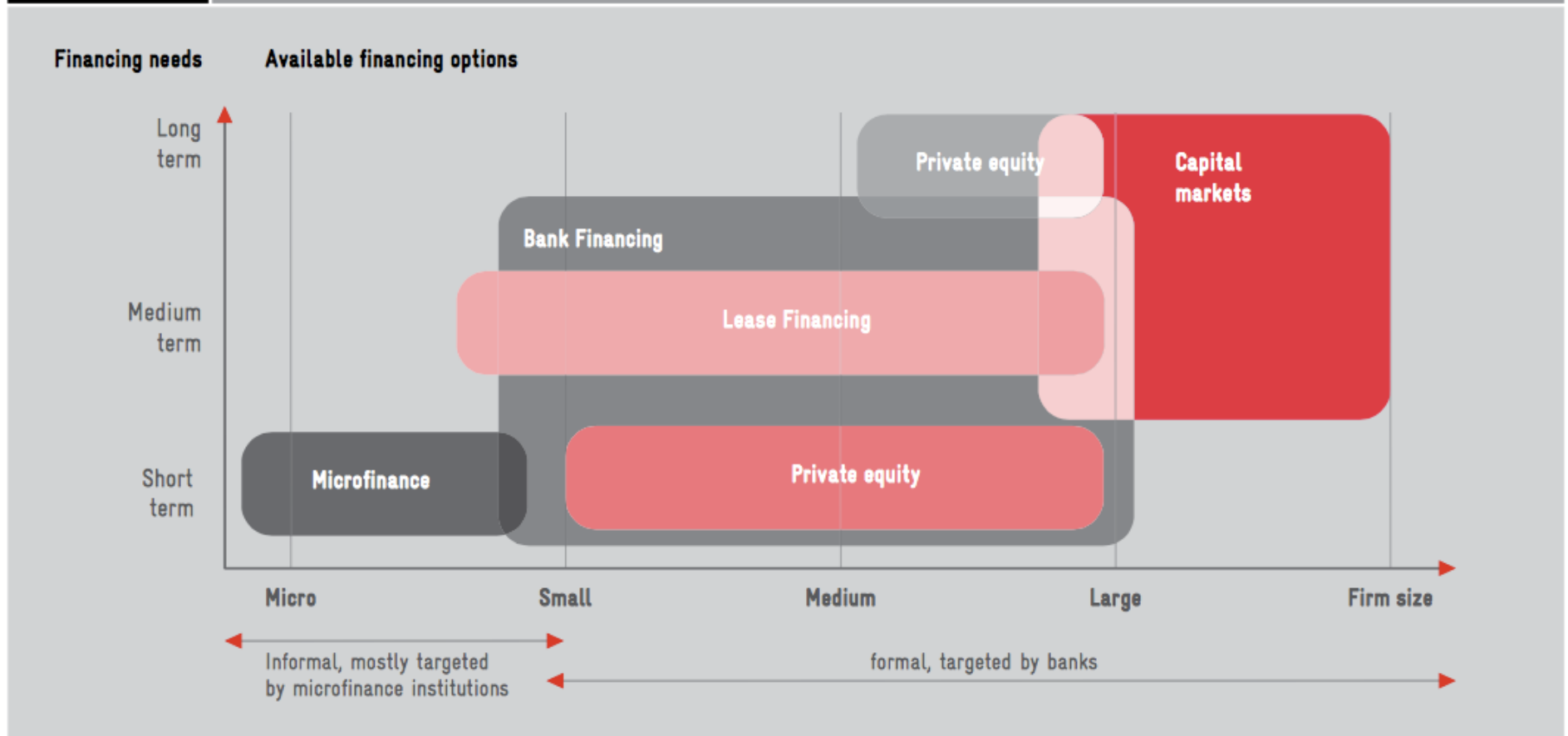
MERIAN VENTURES



*Radical innovation. Solid returns.*



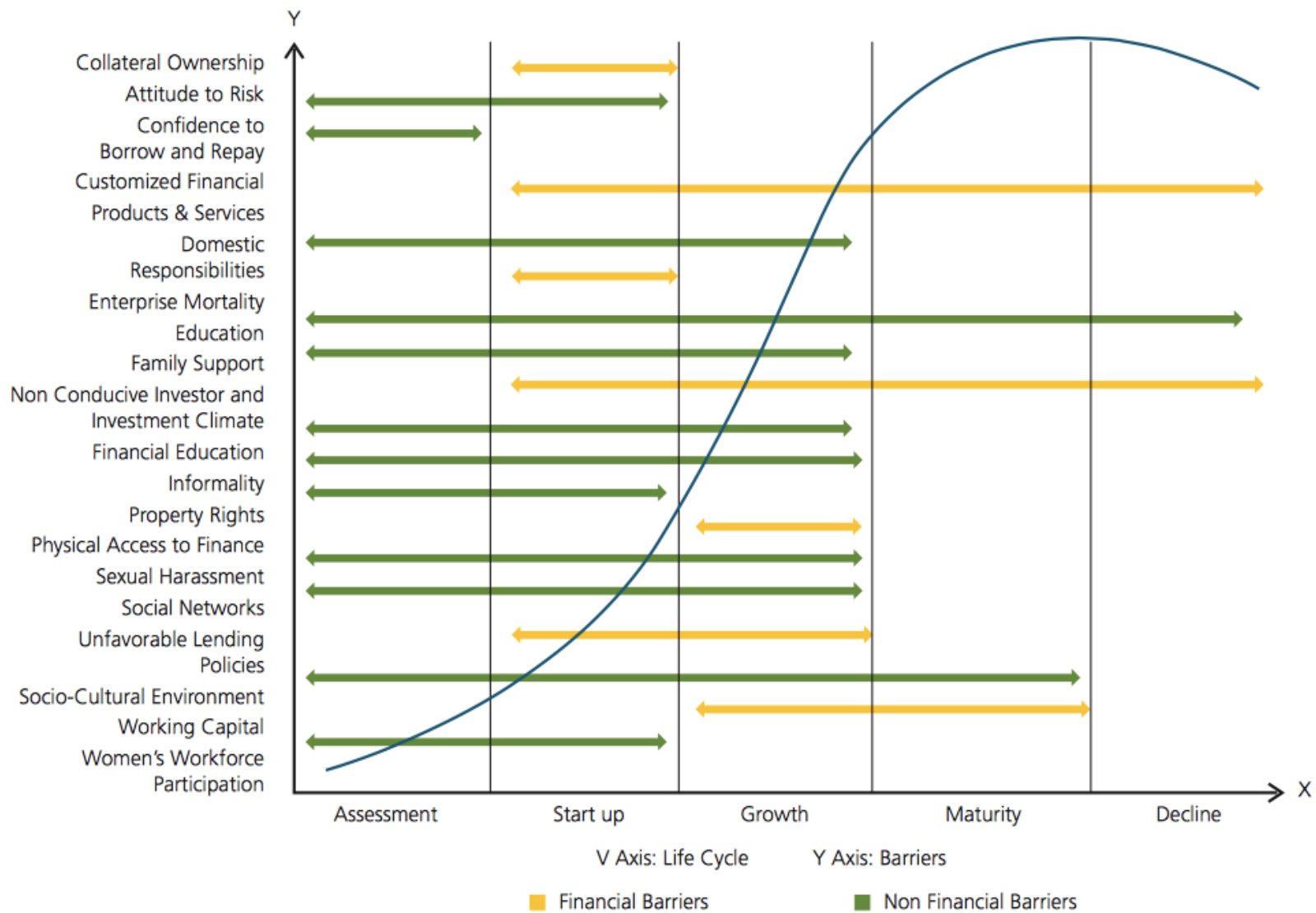


**Figure 1****Outline of the different types of enterprise financing needs and options for businesses**

Source: IFC, taken from *Two Trillion and Counting: Assessing the credit gap for Micro, Small, and Medium-size Enterprises in the Developing world*, 2010, IFC & McKinsey & Company



**Figure 4: Business Life Cycle Analysis – Constraints faced by women-owned SMEs**



# PHILANTHROPIC STRATEGIES

Grants to social enterprises/charities/impact businesses

- To get them through R&D, pilot stage
- To fund their impact measurement work
- To fund their participation with incubators/accelerators/advisers
- To fund their participation in conferences, events, training on capital raising

Grants to intermediaries

- Incubators/accelerators
- Research
- Advisory work for orgs you want to help
- Research on sourcing ventures to invest in
- Fund a competition, awards

Grants to gender lens investing market formation

Grants to organisations that then invest on

Accelerators and Incubators ... like this one...

**SPRING**

THE ACCELERATOR

GET INVOLVED

ABOUT SPRING

THE TEAM



LOG IN

**SPRING IS A PIONEERING ACCELERATOR THAT  
SUPPORTS BUSINESSES WHOSE PRODUCTS  
AND SERVICES COULD TRANSFORM THE LIVES  
OF ADOLESCENT GIRLS**

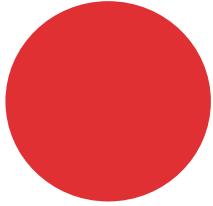
**MEET OUR 2015 SPRING PARTICIPANTS**



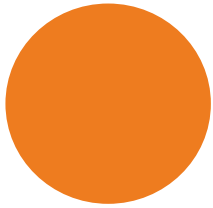
*Nike Foundation*



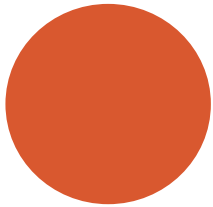
# ASK YOURSELF:



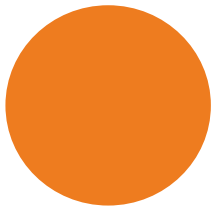
What role do you want to play in helping to move capital with a gender lens, or a much broader set of gender lenses?



How can you move your private / institutional funds or even corporate venture capital? What is the role you can play?



Where can your philanthropy/grants play a role?



Where can public sector capital / development finance play a role?





Suzanne Biegel  
[womeneffect.com](http://womeneffect.com)

Luxembourg | 9 May 2016





**Aude Lemogne**

**Director, LINK Management**



**Sarah Khabirpour**

**Strategy, Regulatory**

**Affairs & MarCom, BIL**



**Claudine Lorang**

**Extended Board Member**

**Foundation Fuse**

## Decision Making in Luxembourg

11%

Of women on boards of listed companies

## Percentage of Women in Government

23%

Only 4 out of 17 members of the government are female

## Wage Gap between Genders

24%

Less pay on the salary than man globally

## Percentage of Higher Education Graduates

52%

Aged between 30-34

## Percentage of management positions

25%

In the public service

## Percentage of working women in Luxembourg

64%

Of female between 20 and 64 were employed in 2012





LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère de l'Économie



Vincent Hieff

General Directorate

SMEs and Entrepreneurship

# So what can we do ?

- Awareness of unconscious bias
- Open discussion
- Gender lens & gender POSITIVE
  - As employer
  - As investors
- Education/Parenting
- Engagement
- Associations and programs in Luxembourg and beyond





## **Luxembourg Microfinance and Development Fund**

**#InvestDifferently**

**[www.lmdf.lu](http://www.lmdf.lu)**