

USAID INVEST + USAID Office of Gender Equality



ADVANCING WOMEN'S EMPOWERMENT THROUGH GENDER-LENS INVESTING



PROBLEM

Gender-Lens Investing (GLI) is a promising approach to funnel greater investment into under-financed women-owned businesses, promote better gender balance at companies, and invest in products and services that improve the lives of women. While the social and economic benefits to investing in and for women is gaining traction globally, GLI remains nascent in many countries of sub-Saharan Africa.



INVEST SOLUTION

INVEST partner CrossBoundary conducted a market assessment of investment funds, initiatives, and transactions that could promote women's economic standing in Ghana, Kenya, Nigeria, Senegal, and South Africa. It identified common barriers to GLI and made recommendations on how USAID can promote it.



OUTCOMES

The five-country assessments synthesized common barriers to GLI and identified 25 funds or entrepreneurs that would benefit from USAID support. Programming recommendations included the following: fund women's networks to improve access to information and representation; build evidence on the benefits of female or mixed teams to increase interest from investors; develop best-practice guidance on investing in women-led businesses; and provide funding and support to GLI funds and impact investors shifting toward GLI.



LESSONS

Gender-lens investing can be attractive to investors due to its potential to increase returns, diversify portfolios, and generate social impact. However, a strong track record has not been developed in sub-Saharan Africa, and the data generated in other markets and contexts is not enough to convince investors of its potential. In addition, women-owned businesses around the region face unique challenges requiring flexible instruments, and ticket sizes can be small, both of which contribute to high transaction costs. Supporting the GLI ecosystem will likely require a multi-pronged approach by USAID.