



MSP'S APPROACH TO GENDER LENS INVESTMENT



Key Takeaways

- Private sector partnership facilitation provides an opportunity for firms to internalize women's inclusion and empowerment when integrated gender activities align with core business objectives.
- Integrate a gender lens at each phase of the investment process or you risk, for example, missing partners during outreach and not capturing the evidence of positive impact from women's inclusion during implementation.
- Aim for incremental change rather than a dramatic shift within the life of a partnership—if a firm is not aware of the importance of women's inclusion, disaggregating and analyzing data is a small but important first step.

As one core feature of its approach to private sector partnerships, the [Feed the Future Market Systems and Partnership Activity \(MSP\)](#) integrates a Gender Lens Investment (GLI) strategy into its Partnership Facility. This brief is the first in a series that presents key features of MSP's approach to partnerships.

Why Gender Lens Investment?

Strengthening gender equity is good for the business and good for society. Earlier [research](#) mapped evidence of firm-level benefits from including and empowering women, identifying data supporting the link to increased firm profits. There is also clear evidence that women's empowerment is essential to realizing the full potential of development activities. For these reasons, MSP has integrated a GLI strategy from the outset into its Partnership Facility—an \$18 million fund to directly facilitate partnerships with the private sector through pay-for-performance grants that create shared value from the alignment of core business objectives and development goals. This brief summarizes MSP's approach to GLI, focusing on the practical phases to our strategy that have been successful in our context and that can be adapted for other contexts.

MSP identifies opportunities to advance women's empowerment through our partnerships by positively impacting women as:

- **Entrepreneurs**—firms that are majority owned by women, led by women, or a significant proportion of the board is women;
- **Employees**—a significant portion of firm's workforce is women employees;
- **Customers**—a significant portion of people using the firm's products or services is women; and,
- **Suppliers**—a significant portion of the providers of a firm's raw materials are women.

Gender Lens Investment (GLI)

GLI refers to investment strategies applied to an allocation or to the entirety of an investment portfolio, which seek to examine gender dynamics to better inform investment decisions and/or intentionally and measurably address gender disparities.

The Global Impact Investing Network ([GIIN](#))

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MSP also has a unique opportunity to positively impact women entrepreneurs, who do not have equal access to capital for investment in their businesses. Pro Mujer's recent research identified the "missing middle" of capital for women entrepreneurs as between \$10,000–\$500,000, which overlaps with the size of MSP grants, which range from \$250,000–\$1,000,000.

Overview of MSP's GLI Strategy

MSP is a gender-lens investor—we deliberately incorporate gender factors into the identification of profitable investment opportunities, solicitation, and investment decisions to improve social and business outcomes. We then support our investees to strengthen their positive impact on women.

MSP's GLI objective is inclusive, working with all firms where they are on the inclusion and participation of women within their supply chains, marketing strategies, workplace policies, and hiring practices. By supporting firm partners to deepen women's inclusion and empowerment within all areas of their operations and activities, we aim to catalyze shifts in gender norms to ultimately enable broader women's economic participation within the system.

MSP's Partnership Facility

The MSP Partnership Facility is a global facility issuing grants for two-year partnerships in countries where USAID Missions buy in for this service. The MSP Partnership Facility does not have an adjacent technical assistance facility and MSP has no staff on the ground in our countries of operation. MSP's partnership activities are designed to maximize impact within the limitations of these parameters, and this context shaped how GLI was designed and applied on MSP.

With partner firms, we co-develop an integrated partnership women's inclusion and empowerment (WIE) strategy that helps to advance their core business goals, not just to generate social impact. MSP sees firms as being on a continuum of understanding and investing in women's empowerment (see Table I below), and nudges them towards stronger inclusion and empowerment of women. This continuum ranges from "No WIE Focus" on one end to "WIE Transformational". MSP's aim is not to move all firms to being transformational in women's empowerment. ***Rather, MSP applies a nuanced approach to identifying strategic opportunities for incremental change.***

MSP does not communicate a firm's assessed placement along the continuum to the firm partner itself in order to avoid a sense of ranking or pigeonholing. Rather, we use the assessed categorization for internal purposes, to inform the kinds of WIE activities we propose to a partner during co-development and to be purposeful about helping the firm partner shift to the next level.

Table I: MSP Partnership Facility's Women's Inclusion and Empowerment (WIE) Continuum

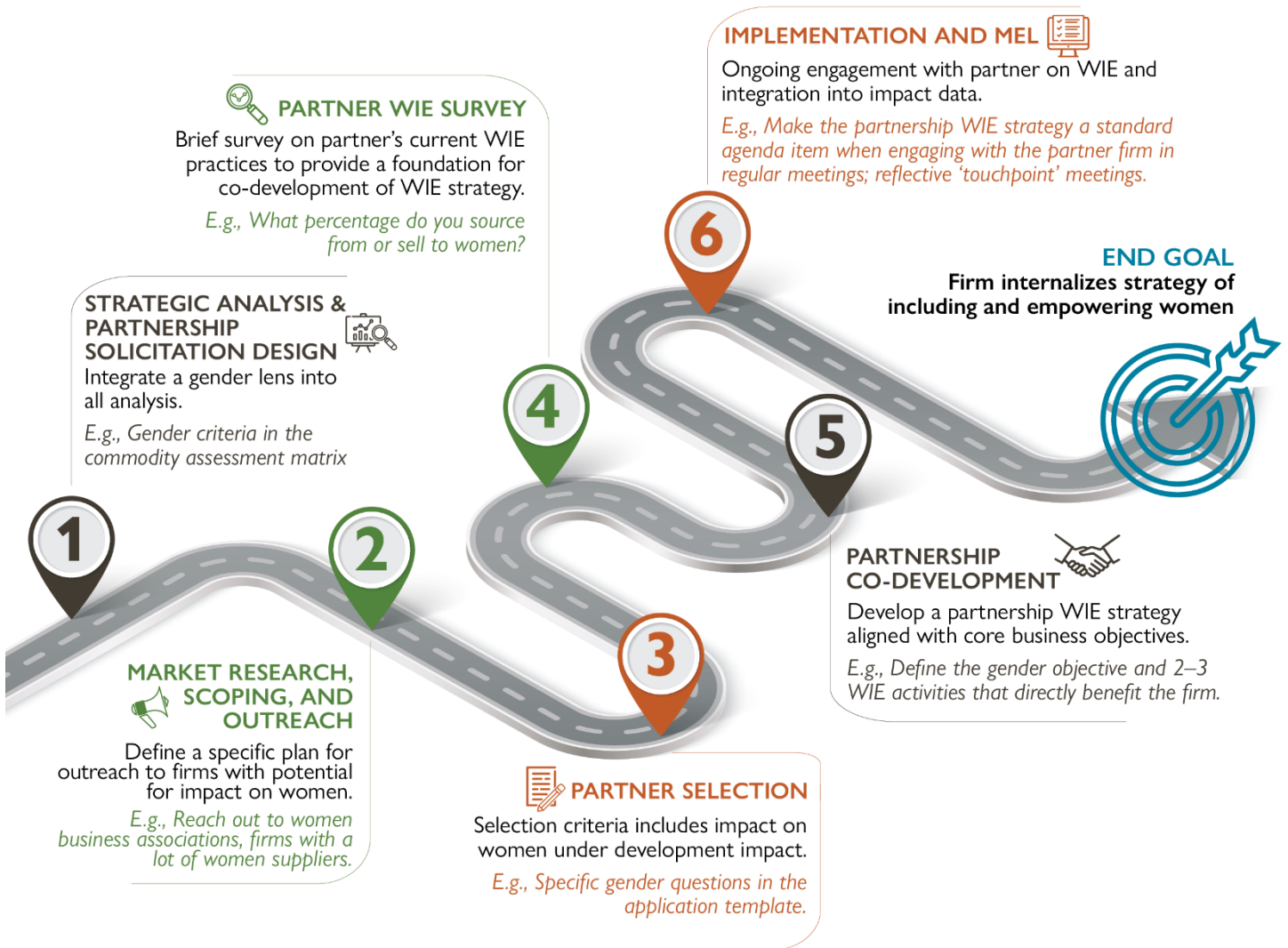
No WIE Focus	WIE Aware	WIE Intentional	WIE Transformational
No articulation of a women's empowerment focus for their business.	Some interest in women's empowerment but has not taken steps or made investments.	Demonstrates commitment to advancing women's empowerment through investments in women-responsive business activities.	Demonstrates clear commitment and capacity to advance women's empowerment through multiple investments in women-responsive business activities and monitors progress and risk.

Integration Throughout the Partnership Cycle

MSP integrates gender throughout our partnership cycle, with some phases of the partnership process involving more of a gender focus than others (see graphic).

6 Phases to Incorporate GLI into Private Sector Partnerships

The six phases at which MSP integrates gender throughout its partnership cycle, with the ultimate goal of seeing firms internalize the strategy of including and empowering women.



Phase I: Strategic Analysis & Partnership Solicitation Design

All MSP analyses integrate a gender lens into design and implementation, whether it is required by the client or not. This is an essential step as these analyses identify the potential areas for positive impact on women as entrepreneurs, consumers, suppliers, and employees and inform our strategic opportunity identification to surface the most impactful potential partnerships. If we omit a gender lens here, women can be

inadvertently excluded. The findings from these analyses are integrated into the design of the partnership solicitation.

Deliverable: Gender integrated into all analyses, solicitation (RFA), and application template.



Phase 2: Market Research, Scoping, and Outreach

MSP implements an outreach strategy for each partnership window to build awareness of the opportunity among potential applicants. MSP integrates a gender lens into this process by targeting two types of firms: those with significant potential for increased positive impact on women with support from MSP and women-owned firms that meet MSP's eligibility and partnership criteria. Women-owned firms often lack equal access to capital, and consequently, the MSP partnership grant could be particularly catalytic.

To build a pool of applicants that are likely to strengthen WIE and that include women-owned firms, MSP conducts targeted outreach to firms that currently have—or have the potential to integrate—a significant number of women employees, suppliers, or consumers. MSP identifies these firms by conducting outreach throughout the entrepreneurial ecosystem and to groupings of industry actors that are targeting women (e.g., venture funds, accelerators, industry associations); to networks of firms that are led by women; and to USAID bilateral projects and other donors or projects with these firms in their networks. This phase is critical to identify potential investments and to encourage applications from firms with potential positive impact on women that we would not otherwise identify.

Deliverable: A half-page strategic partner outreach plan with a gender lens.



Phase 3: Partner Selection

MSP integrates WIE into its development impact criteria. Our application template explicitly states that, "Preference is given to concepts that engage women as suppliers, customers, or employers and offer meaningful economic or social benefit." A separate question asks applicants to describe how the proposed concept will specifically benefit women. While partnership design, including the partnership WIE strategy, evolves significantly during the co-development phase (see Phase 5), a firm's responses to these questions in the application provide some indication of their current understanding and commitment to including and engaging women. The evaluation committee members are informed of MSP's GLI approach in their instructions from the MSP team and select profitable business opportunities with concepts that best align with MSP selection criteria.



Phase 4: Partner WIE Survey

Prior to entering co-development with the selected firms, MSP conducts a brief survey on their current WIE practices (see text box on next page). The results are analyzed using the MSP Gender Lens Scorecard. Rather than providing a numerical score, the qualitative results indicate the firm's current status on the MSP WIE continuum in each of the factors that drive women's empowerment (entrepreneurs, customers, suppliers, employees). These results provide insights on the firm and serve as an important foundation for the co-development phase. MSP also uses this survey to measure progress through the partnership by conducting the survey again near the end of the partnership to compare WIE status.

Deliverable: Color-coded gender scorecard that indicates the areas of relative strengths and weaknesses in women’s inclusion and empowerment of the partner firm.

MSP Initial Partner Survey Gender Questions

- What percentage of your employees are women?
- Do you have any gender equality policies, e.g., a workplace protection or anti-harassment policy?
- What percentage of senior managers in your firm are women?
- Do you disaggregate data of your customers or suppliers by sex?
- Do your firm’s products/services benefit women as customers or suppliers? If so, how?
- What percentage do you source from or sell to women?
- Have you customized your firm’s products or services to specifically target or benefit women as customers?
- Have you customized your firm’s activities to specifically target or benefit women as suppliers? If so, how?



Phase 5: Partnership Co-Development

MSP engages with partner firms to co-develop a partnership activity based on the firm’s proposed concept that aligns core business objectives and development goals. Integrated into this process, MSP co-develops a partnership WIE strategy that is aligned to the overall objectives of the partnership. The partnership WIE strategy defines a gender objective and two to three WIE activities that directly benefit the firm to nudge the firm along the women’s empowerment continuum.

This partnership WIE strategy co-development is tailored to the firm, the context, and the partnership activity and requires some knowledge of the core business as well as WIE. The initial focus is often on increasing women’s participation (as leaders, employees, suppliers, or customers). This can be of value where women are underrepresented, but it is not always the most impactful opportunity. It is important to look beyond representation to incorporate other ideas. For example, for firms that have a “No WIE Focus,” an important first step is to disaggregate and analyze supplier or customer data by sex and identify key takeaways that will influence their business decisions. Each partnership WIE strategy also includes expected results that are then integrated into the grant milestones. As MSP only awards pay-for-results grants, if the partnership WIE strategy is not incorporated into the milestones, then there is no incentive for implementation. See the text box below for examples of partnership WIE strategies from MSP.

Deliverable: WIE objective and two to three activities to include and empower women are incorporated into the partnership description along with expected results integrated into the milestones.

Examples of MSP Partnership WIE Strategies

Condor Anacardium, a processor of raw cashew nuts in Mozambique, recognized the importance of WIE as 67 percent of its processing plant employees are women, and its data shows that women are more productive. The aim of its MSP partnership WIE strategy is to strengthen the role of women in its supply chain. Condor Anacardium will do this by increasing the number of women machinery operators to over 50 percent, improving on-site childcare services for its employees, and mitigating potential harm by establishing and enforcing a workplace protection and anti-harassment policy.

Khmer Cold Chain (KCC), a newly established cold chain logistics company in Cambodia, already had a Gender Based Violence, and Harassment (GBVH) mitigation strategy but recognized the need for further WIE engagement. to proactively strengthen the workplace for women as they expect to have 30 percent women employees. The firm, therefore, conducted GBVH mitigation training for all employees. The training expanded awareness across the team and beyond, as the firm included other stakeholders (e.g., construction companies, the port authority).

KCC also aims to increase cold chain services to women-owned firms or firms that source crops produced by women and will therefore develop and share a strategy for outreach to potential clients that are owned and operated by women or that source crops and/or products from women.



Phase 6: Implementation & Monitoring, Evaluation, and Learning

Ongoing engagement around WIE is key for successful implementation of partnership WIE strategies. MSP does this by making the partnership WIE strategy a standard agenda item when engaging with partner firms in monthly meetings, semiannual technical touchpoint discussions, and milestone feedback, etc. A review of WIE expected results is integrated into milestone monitoring. MSP requires all partners to conduct gender-sensitive [customer or supplier insight surveys](#), which offer fresh insights about motivations, perceptions, and capacities. While the survey questions are determined by the specifics of the firm, MSP requires responses to be sex disaggregated. The survey also often includes questions focused on gender, such as questions around gendered household roles, that may impact how training, marketing, and needs are tailored.

MSP has also integrated gender-learning questions into the MSP layered learning strategy for partnerships to gain broader understanding of successful strategies to influence firms towards stronger WIE for financial returns to the firms and social impact. For example, in a recent reflective technical touchpoint discussion, MSP and the partners revisited the gendered goals established during co-development, seeking partners' reflections on how well they were doing meeting these, what might be drivers of progress or challenges, and how they are adapting as a result. To support continued learning—including around gender—MSP also probes during successive touchpoints for ongoing reflections on how the findings from the insight surveys and implementation to date are shaping firms' actions going forward.

Early Influence of MSP's GLI Strategy

As of January 2023, MSP's earliest partnerships have been active for a year and are already demonstrating MSP's early influence in strengthening WIE, validating MSP's intentional focus and approach to GLI.

One example is Nature's Nectar, which has already internalized the strategy of including and empowering women and, in the first year, expanded its WIE activities beyond the initial partnership WIE strategy.

The Impact of Nature's Nectar Partnership WIE Strategy

Nature's Nectar recognized the benefit of increasing women's participation as they analyzed data from previous honey production and saw that women-managed hives are more productive. The MSP partnership WIE strategy influenced the firm to shift its approach for geographic targeting of hive placement. The firm now engages directly with farmers rather than going through an NGO.

In addition, with learning gleaned from the supplier insights survey, Nature's Nectar increased its focus on improving farmer accessibility to the hives through in-person site visits prior to hive distribution. The company now holds separate women-only farmer meetings to better ensure the hive locations are in sites accessible to women, and if not, to solicit the women's input on a new location. As a result of these activities, the firm increased women's participation in its beekeeping supply chain from 15 percent to 50 percent.

The impact on Nature's Nectar of the partnership WIE strategy extends beyond the initial activities. Motivated by the MSP partnership, the firm is hiring women for at least 10 percent of zone lead farmer or zone lead farmer helper roles—currently, no women are in these roles. The company has also adopted bi-annual surveys of its suppliers as a standard practice to continue to glean insights for strengthened engagement with suppliers.

MSP's approach built on existing strategies in the GLI space of using gender scorecards that are then used to design targeted gender inclusion and empowerment strategies, with one of our real innovations being that we apply this strategy across all partners, who come to MSP at a variety of points along the empowerment continuum.

Taking the Partnership WIE Strategy Forward

MSP's approach to Gender Lens Investment provides a straightforward example of how to integrate a gender lens across a partnership portfolio with potential for impact in changing firm behavior. MSP's partner firms have increased their understanding of how a focus on women employees, suppliers, and consumers is in direct alignment with their business interests. This increased understanding is the catalyst for firms to include and empower women as part of their core business strategy—our ultimate goal. This example of MSP's approach to GLI could be easily applied to other partnership facilities or challenge funds.