



FMO: Gender lens investing

EVALUATION – CASE STUDY

2024

Dalberg

x

FMO

Entrepreneurial
Development
Bank

ALIVE | Executive summary

ALIVE's gender-lens investing (GLI) approach, backed by strong leadership commitment and a clear strategy, has achieved 44% women in leadership roles across its portfolio

In 2024, FMO invested US\$ 10 million in ALIVE's second fund, Acumen Latin America Early Growth Fund (ALEG II), which aims to raise US\$ 80 million; FMO also funded ALIVE's Technical Assistance (TA) Facility.

ALIVE invests in early and growth-stage companies in Latin America, focusing on scalable, socially impactful businesses, with US\$ 71 million in assets under management. Recognising the need to tackle gender inequality and barriers that women-led businesses face, ALIVE places a strong emphasis on gender - with 100% of their first fund, ALEG I, meeting the 2X criteria.

ALIVE embeds gender equality as a core value throughout its investment process to drive gender outcomes.

Pre-investment, ALIVE conducts gender assessments during due diligence that guide investment decisions. Post-investment they also provide TA tailored to the needs and culture of each portfolio company. Given FMO just invested in ALEG II (in 2024), it has not yet directly impacted ALIVE's gender actions. Nevertheless, this case study highlights the gender actions and impacts that are likely to be replicated and expanded with FMO's support for ALEG II.

ALIVE's gender-lens investments through its first fund (ALEG I), contributed to women holding 48% of leadership positions and making up 45% of the workforce in its portfolio companies, leading to indirect impacts for their investees.

These include greater workplace equity through updated policies, improved retention, higher wage equity and an increase in job opportunities. This shift also influenced companies to develop more gender-inclusive products. Additionally, there were instances where having more women in leadership positions led to more structured meetings, resulting in lower turnover costs and marked improvements in employee satisfaction. This has also led to unintended positive outcomes, such as increased gender awareness within the organisation and the development of gender champions. Overall, ALIVE's practices ensure that the impact created will be sustainable over the long term.

These gender impacts were largely driven by ALIVE's leadership commitment to gender, its clear Gender Strategy and tailored approach to TA. Since FMO only just invested in ALEG II in 2024, it has had a limited influence on these impacts - though its investment can facilitate future gender impacts.

ALIVE's leadership team champion gender equality and prioritise gender impact. The firm has a sharp focus on a few core gender objectives - such as promoting gender diversity in the workforce and leadership - which enables them to track and measure progress. Additionally, ALIVE's customised approach to TA ensures that gender strategies are tailored to each company's unique context, enabling sustainable, meaningful change.

ALIVE's GLI experience in ALEG I offers key learnings for FMO's own investment efforts.

First, strong leadership commitment and modeling gender inclusivity internally set the foundation for success. Assessing gender dynamics early ensures it becomes a core value in investment decisions. Tailored strategies, aligned with each company's context can drive sustainable change, while quick, high-impact initiatives build early momentum. Regular monitoring through consistent check-ins ensures accountability and steady progress on gender goals.

Customer context



About

Acumen LatAm Impact Ventures (ALIVE) invests in early and growth-stage companies in Latin America, focusing on scalable, socially impactful businesses with US\$ 71 in assets under management. Through its first fund in 2019, the **Acumen Latin America Early Growth Fund I (ALEG I)** supported social ventures in Colombia and Peru. In 2024, ALIVE's launched its second fund, **ALEG II (ALIVE Early Growth Fund II)**, which aims to raise **US\$ 80 million** to invest in **10-15 early-stage SMEs**, continuing its mission to drive social impact. ALIVE has a strong emphasis on **gender inclusivity**, and **100% of its first fund has met the 2X criteria**.

FMO's investment

In 2024, FMO committed **US\$10 million** to the ALEG II fund through the Building Prospects fund, to support its goal of raising US\$ 80 million. **FMO has also funded ALEG II fund's TA facility**. FMO's investment has not had any impact on ALIVE's GLI in ALEG I. While FMO's involvement has not directly impacted gender efforts so far, the case study highlights successful initiatives and impacts in Fund I that are likely to be replicated and expanded with FMO's support in Fund II.

Goals of case study

Rationale for selection

- ALIVE's gender-lens investment (GLI) approach **provides valuable insights on how gender-intentional investment strategies can promote gender impacts**, particularly for women in leadership. By understanding ALIVE's approach, FMO can learn from best practices to inform its own GLI approach.
- This case study primarily explores the domain of **women as leaders**, but also examines impacts on women as employees.

Key learning objectives

- 01 Understand **how ALIVE applied a gender lens to its investments and the impacts this had on women in leadership**, in particular
- 02 Determine what **contributed to the success of ALIVE's gender-lens investing approach**
- 03 **Identify learnings for FMO** based on ALIVE's experience in adopting a gender-lens approach across its investment cycle

Gender challenges

Venture capital (VC) investment in women-led businesses is limited. In 2024, female-led businesses received less than 2% of global VC funding.¹ Only 25% of VC firms consider gender diversity in due diligence, and few prioritize gender when making investment decisions, partially due to biases and misperceptions that women-led firms are riskier.² This reinforces a cycle where female entrepreneurs are continually underserved.

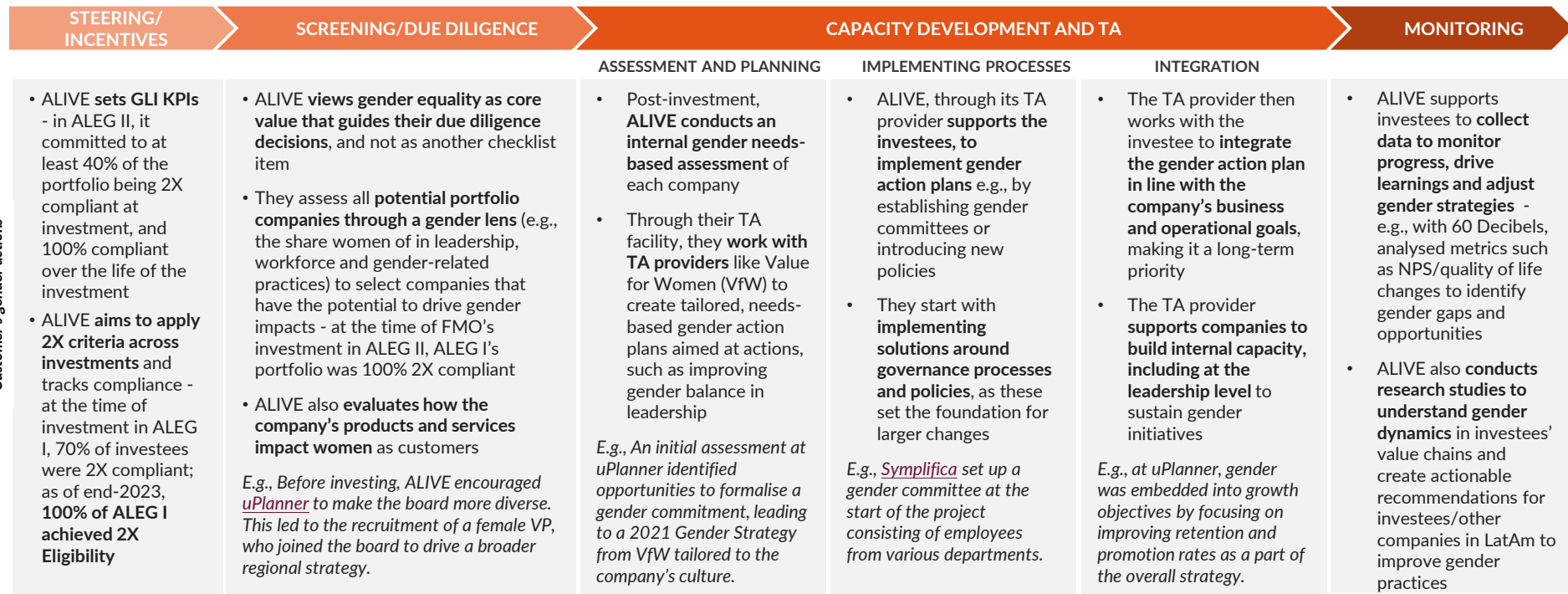
In Latin America, the problem is exacerbated, as women are underrepresented in leadership positions. Only 3.2% of CEOs in Latin America are women³ and only 27% of entrepreneurs in Latin America are women⁴, limiting the pipeline of women-led businesses for investors. These persistent gaps are likely driven by gender biases and discrimination that perpetuate inequalities in the talent pipeline.^{5,6}

ALIVE | Gender actions

Since 2018, ALIVE has applied a gender lens across their investment cycle for ALEG I to drive gender outcomes; FMO's 2024 investment can further enable these efforts in ALEG II

ALIVE's Gender Lens Investment (GLI) approach taken for ALEG I, stands out because of two key processes:

- 1 Conducting holistic gender assessments during due diligence to guide investment decisions
- 2 Providing comprehensive, TA that is tailored to each portfolio company's needs and culture, to support their gender efforts



Customer's gender actions

FMO's role

Given the recency of FMO's investment in ALIVE's ALEG II and its TA facility in 2024, FMO has not had a role to play in ALIVE's gender-lens investment process. However, FMO's investment is aligned with ALIVE's commitment to push gender outcomes and can potentially help them drive this forward.

ALIVE | Direct and indirect impacts on ALIVE's portfolio under ALEG I

ALIVE's gender-lens investments and TA in its first fund ALEG I have helped improve women's representation in leadership and the workforce of their investees, leading to a range of indirect impacts

Indirect outcomes

Increased equity in the workplace

ALIVE
Assurance Limited Impact Services

Improved workplace policies for diversity and equity

6/7 of ALIVE's portfolio companies implemented gender-specific workplace equity initiatives.

uPlanner

Greater equity in promotion and retention rates

32% reduction in turnover of women employees from 49% to 33% at uPlanner after the TA support.

Levee

Greater gender equity in wages

50% reduction in the gender pay gap was achieved for candidates hired through **Levee's** hiring platform, helping to reduce gender bias in hiring.

Increased job opportunities

ALIVE
Assurance Limited Impact Services

Increased access to job opportunities

82% of new jobs

created across ALIVE's portfolio have been for women. The 60 Decibels benchmark for new jobs formalised for women is 53%.

Improved organisational performance

uPlanner

Increased productivity

uPlanner reported that after appointing more women to the Board, meetings were more efficient and focused on the company's strategic objectives. This resulted in:

Lower turnover costs and higher employee satisfaction

Enhanced product use and access

Slang

Increased access to new and improved products and services

Through its engagement with VfW, **Slang** developed mechanisms to

integrate diversity data into product design and customer service

enhancing its solutions' appeal and accessibility to underrepresented groups.

Direct outcomes

100% of the portfolio companies in ALEG I are 2X compliant.

Women in leadership
that are well-represented and influence decisions

48%

Women in leadership roles across the portfolio vs. the 2X benchmark of 30%.

Women as employees
that have equal and inclusive opportunities

45%

Female workforce across the portfolio vs. the 2X benchmark of 45% for the education sector in Colombia and Peru

Women as end-users
access and use inclusive products

70%

Student and job beneficiaries are female

ALIVE | Unintended effects and sustainability of impact

ALIVE's gender actions also led to unexpected positive effects – their overall gender impacts have the potential to be sustainable

ALIVE's gender actions led to some unintended outcomes



Improved awareness of gender issues

ALIVE's gender-lens investments and TA **helped raise awareness of gender** concepts among several portfolio companies, for example around unconscious bias and women's career advancement opportunities.

The increased awareness of gender can directly benefit women by prompting companies to engage in equitable career advancement opportunities, reduced bias, and improved representation in leadership roles.



Creation of gender champions

In several portfolio companies, including uPlanner, **ALIVE's emphasis on gender has fostered 'gender champions'** who promote inclusion internally.

Gender champions actively sponsor and advocate for women to attain leadership positions, motivating them to pursue these opportunities, which can support their career advancement.

ALIVE's impacts on women and girls have the potential to be sustainable

ALIVE works with investees to establish governance structures, such as gender policies and committees, that can enhance accountability for gender initiatives. ALIVE's leadership also prioritises gender, ensuring it remains a focus for both ALIVE and its investees. By supporting its investees to embed gender practices, ALIVE encourages them to drive implement structural changes, that have the potential to drive longer-term gender impacts.

ALIVE | Success factors and challenges

ALIVE's GLI approach has primarily been driven by their internal commitment to gender, though they faced some challenges

Success factors

ALIVE's success in driving gendered outcomes across ALEG I's portfolio is evident not only in improved gender metrics but also in transforming how companies approach gender inclusivity holistically. This was driven by several internal factors:

- 01 Internal leadership commitment:** ALIVE's two Managing Partners are gender champions and are committed to advancing gender outcomes, both externally across their portfolio and internally at ALIVE. This commitment shapes ALIVE's culture and strategic decisions, influencing investments and daily practices, in terms of applying a gender lens across the investment cycle. Leadership buy-in is essential as it drives accountability and ensures consistent application of gender-lens investing across the organisation.
- 02 Sharp focus on gender:** ALIVE has maintained a sharp focus on gender equality, focusing on a few core objectives (including promoting gender diversity within the workforce and leadership) across its portfolio companies. By concentrating its efforts on specific gender metrics such as women's leadership, wage equality, and promotion opportunities, ALIVE ensures that both leadership and staff remain committed to achieving measurable outcomes.
- 03 Tailored, flexible approach to TA:** ALIVE takes a structured, tailored approach to technical assistance, grounded in the belief that companies need support tailored to their specific needs and culture. They partner with gender expert organisations to implement this, ensuring specialised expertise that drives meaningful and context-appropriate gender outcomes.

In some instances, ALIVE faced challenges in driving gender inclusion in ALEG I's portfolio companies due to:

- 01 Limited awareness:** Some investees initially struggled to see the value of gender inclusion beyond representation, requiring ongoing support to recognise its positive business impact.
- 02 Turnover of key personnel:** The implementation of gender-lens action plans at some investee companies faced challenges when key personnel championing the projects left. Their departure disrupted momentum and made it difficult for new staff to resume the project.
- 03 Limited management involvement:** Progress was hindered when CEOs and management were not actively engaged, resulting in less effective and impactful gender initiatives.

Challenges

ALIVE | Learnings and opportunities

ALIVE's experience with GLI in ALEG I offers valuable lessons that other investors can apply to their own gender approach

Nurture gender champions

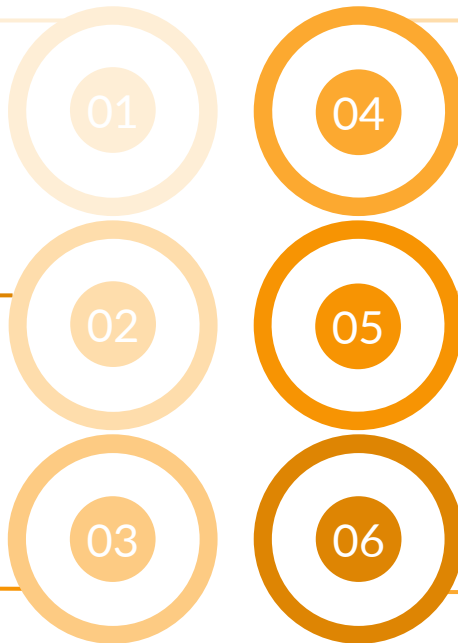
- ALIVE demonstrated how **having internal leadership gender champions (both within ALIVE and their investee companies) can influence strategic priorities, boost accountability and foster a culture** focused on gender outcomes.
- Similarly, investors can look to **identify and nurture gender champions** within their organisations and portfolio companies who amplify and advocate their gender approach.

Walk-the-talk by practicing gender internally

- ALIVE prioritises gender diversity in its **recruitment and organisational practices, leading to a gender-balanced workforce** and a culture that promotes gender equality.
- Investors can **work to continue to build on their internal gender diversity efforts**, to boost credibility and set an example for portfolio companies.

Implement gender processes and policies processes early on to build momentum

- ALIVE implements **governance structures** (such as gender committees, diversity and gender policies) **early on** in its TA projects. This early foundation enhances the effectiveness and sustainability of future gender-related TA.
- Investors can provide **technical assistance to their investees post-investment**. This can include providing supporting investees to establish gender committees and diversity policies during the pre-investment phase or within the first year.



Inculcate discipline through frequent monitoring

- Regularly **monitoring investees' impacts** is vital to understanding progress on gender impacts and refining approaches accordingly.
- This can include **frequent data collection focused on gender impacts**, enabling deeper insights and equipping investors to adjust gender strategies across a portfolio.

Consistently embed gender throughout the investment cycle

- ALIVE applies a **holistic gender lens by prioritising women-owned/led businesses**, integrating gender assessments into due diligence, and making gender equality central to investment decisions.
- Investors can adopt a **similar approach, designed to suit to their own investment processes, to increase the representation of gender-inclusive companies in their portfolios**.

Adopt a customised and flexible approach to TA

- ALIVE demonstrates that **tailored, structured and flexible TA, adapted to each investee's specific context** drives deeper buy-in - by aligning with the company's resources, needs, and culture - leading to long-term success.
- Building on this approach, investors can **offer flexible, pre-investment gender-smart technical assistance** tailored to each portfolio company's context, helping them achieve gender goals and improve their overall investment-readiness.