

Empowering Change: Truvalu's Journey in Gender Lens Investing

Shaping a Sustainable and Inclusive Future in Bangladesh

Over the past ten years, women in Bangladesh have significantly advanced, increasingly contributing to the economy outside their homes. Nonetheless, female entrepreneurs encounter considerable challenges, including difficulties in securing loans and investments, inadequate knowledge about financial products, limited access to networks, and limited opportunities for coaching and mentorship. In addition, the policies and regulatory frameworks required to facilitate gender inclusivity in businesses are absent. Consequently, the importance of gender inclusion and gender lens investing has been gaining attention among investors, aiming to empower women in their entrepreneurial endeavours.

Gender Lens Investing ("GLI") is the strategy or approach to investing that takes into consideration gender-based factors across the investment process to advance gender equality and better inform investment decisions.

The value of making investment decisions which have a positive impact and benefit women often has complementary and compounding effects on the strength and long-term success of an investment or business.

It has become easier for women entrepreneurs in Bangladesh when an organisation like Truvalu Bangladesh and a gender-inclusive programme like the Biniyog Briddhi (B-Briddhi) stand behind them.

Among many Swiss development initiatives in Bangladesh, Biniyog Briddhi is a commendable one.

Biniyog Briddhi (B-Briddhi)

Biniyog Briddhi ("B-Briddhi") is a multi-year programme supported by the Embassy of Switzerland in Bangladesh and implemented by Roots of Impact and LightCastle Partners. It aims to improve the lives of underserved groups in Bangladesh and increase their access to essential products and services by boosting the growth and scale of local impact enterprises. B-Briddhi integrates a gender lens and actively supports climate adaptation. In fact, it spearheaded some of the first GLI discussions in Bangladesh since 2021. Set up as a public-private development partnership (PPDP), the programme continues to deliver vital capacity building to impact enterprises in impact investment readiness, impact measurement and management, and Impact-Linked Finance readiness. It also provides eligible impact enterprises with catalytic capital in the form of Impact-Linked Finance instruments such as SIINC and IRMF.

B-Briddhi unites many important stakeholders including investors, incubators, accelerators, and other service providers. In addition, the programme advocates for a thriving impact ecosystem in Bangladesh by collaborating with a growing network of partners, peers and stakeholders. The Social Finance Academy, the capacity-building arm of Roots of Impact, serves as one of B-Briddhi's knowledge partners.

Beginning of the GLI Journey in Bangladesh

Biniyog Briddhi's activities on promoting gender inclusion, and with the support of the Embassy of Switzerland in Bangladesh undertook a number of awareness-building initiatives for the ecosystem about Gender Lens Investing.

Truvalu Bangladesh, The Embassy of Switzerland in Bangladesh, and the B-Briddhi programme formed a strategic partnership, focusing on advancing gender equality and women's economic empowerment in Bangladesh. By leveraging Truvalu's expertise in supporting emerging businesses, the Embassy's extensive experience in fostering good governance and human rights and B-Briddhi's successes in improving the lives of underserved groups, the partnership aims to create a significant impact in the realm of Gender Lens Investing, emphasizing the empowerment of women in the business sector and the broader community.

In an effort to mainstream the idea of Gender Lens Investing, the partners organized two insightful events in Dhaka - the first one in March 2023 was a seminar on "Opportunities and Prospects for Gender Lens Investing in Bangladesh" and the second one on September 2023 was a "Co-Creation and Co-Designing Workshop on GLI in Bangladesh".

These events aimed to create ecosystem awareness, sensitize investors, and facilitate the practical implementation of GLI strategies. Various stakeholders from the financial sector, development organizations, and entrepreneurs, highlighted the transformative approach of GLI and its potential to catalyse socio-economic change in Bangladesh.

Seminar on "Opportunities and Prospects for GLI in Bangladesh"

The seminar, held on 2 March 2023 in Dhaka, was aimed to raise awareness about gender-focused business solutions and highlight the significance of Gender Lens Investing (GLI) in Bangladesh. The event sought to identify solutions to address the predominant gender imbalances through business strategies and to facilitate the measurement and monitoring of the impact related to GLI. These objectives were in line with the UN Sustainable Development Goal 5, which focuses on achieving gender equality and empowering women and girls.

The seminar featured insightful keynote speeches and panel discussions. Speakers highlighted the business case for investing in gender diversity, emphasizing the need to address gender-specific barriers in the workplace and entrepreneurship. The discussions revolved around the challenges and opportunities in implementing GLI in Bangladesh, focusing on how it can serve as a catalyst for both economic growth and gender equality.

Entrepreneurs and industry experts shared their experiences and viewpoints, providing real-world insights into the challenges and benefits of operating gender-focused organizations. Their stories underscored the practical aspects of implementing GLI principles in business operations and the positive impact it can have on women's empowerment and business success.

The event also featured a panel discussion segment. Moderated by Sharawwat Islam (Managing Director, Truvalu Bangladesh), a panel of distinguished industry experts discussed the integration of GLI in the Bangladeshi financial and entrepreneurship ecosystem.

The seminar set the stage for future initiatives and collaborations aimed at promoting gender equality and empowering women in the business sector in Bangladesh.

Corinne Henchoz Pignani (Deputy Head of Mission / Head of Cooperation of the Embassy of Switzerland in Bangladesh) – "Switzerland has been supporting impact investing in Bangladesh since 2019. In 2021, we conducted a gender analysis, which helped us to better understand the gender dimensions in impact investing. An obvious follow-up was to deep dive into gender lens investing. We understand GLI to be an investing strategy that takes into consideration gender-based factors across the investment process, advances gender equality, and better informs investment decisions. This is fully aligned with Switzerland's ambition to leave no one behind."

Machteld Ooijens (Director of Programmes & Partnerships, Truvalu) (joining online) – "As investors, we need to deliberately invest in gender diversity and equality and address gender-specific barriers for women entrepreneurs and gender-focused enterprises. This is simply a smart thing to do!"

Humaira Azam (Managing Director & Chief Executive Officer, Trust Bank Limited) – "Financial institutions should take necessary risks to bolster the women entrepreneurs, who have the capability to upscale their business but require finance in the initial stage of their business. We need to ensure that women have equal access to financial services and products."

Maxime Cheng (Lead Impact Intelligence and Education, Roots of Impact and Programme Manager, B-Briddhi) (joining online) – "Companies need to focus on the impact data as to how men and women are reacting to their products. The inclusion of women, how they are served, and their experiences are very important which allow the world to be more creative and business to grow."

Sana Kapadia (Director of Strategy, 2X Global) (joining online) – "As part of advancing gender, broader diversity and inclusion across the whole business and the full spectrum of the value chain, we need to evaluate the impact of our investments on gender inclusion and the deeper shifts happening in terms of outcomes and change on the ground."

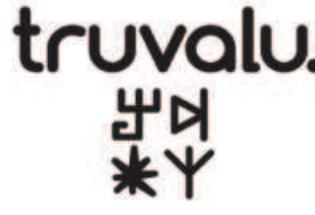
Syed Javed Noor (Deputy Managing Director, IDLC Finance Limited and Partner, IDLC VC Fund) – "Investors prioritize the quality of the management team and the growth potential of a business more than anything else. So, women founders should develop the skills of successful entrepreneurs to attract investments."

Bijon Islam (Co-founder and CEO, LightCastle Partners Ltd.) – "The one thing that sets Bangladesh apart from its peers is the female participation in the workforce, which is 40%+ higher than the South Asia average. It is evident that women are playing a great role behind the country's overall development."

Truvalu Bangladesh

Truvalu.enterprises Limited ("Truvalu Bangladesh") is the Bangladeshi subsidiary of the Netherlands-based impact investment company Truvalu B.V. which has active operations in several emerging economies including Bangladesh, Colombia, Kenya, and Uganda. It is dedicated to enhancing the capacities of pre-growth businesses in emerging economies, acting as a co-entrepreneur. Truvalu actively engages in various development programmes focusing on empowering pre-growth businesses. This engagement goes beyond financial support, encompassing a range of initiatives aimed at fostering sustainable development. Truvalu offers a wide range of support to small growing businesses, including growth capital, business development services (BDS), access to finance, access to markets, access to networks, and access to technology. These supports help businesses to build stronger, well-connected, and fair value chains, contributing to the economic, social, and environmental sustainability of their communities.

In this journey, Truvalu has received invaluable support through its collaboration with one of the gender-inclusive Swiss-funded programmes, B-Briddhi.



The Embassy of Switzerland in Bangladesh

The Embassy of Switzerland in Bangladesh is actively involved in various development programmes and initiatives, guided by the United Nations' Agenda 2030 and Switzerland's International Cooperation Strategy for Bangladesh 2022-2025. Their work in Bangladesh focuses on three main areas: 1) Governance and Human Rights, 2) Economic Development and Employment, and 3) Climate Change and Environment.



Switzerland's approach to development is based on the principles of sustainability, participation, and accountability. In Bangladesh, Switzerland works closely with the Government of Bangladesh, civil society organisations, and other development partners to ensure that its programmes and initiatives are aligned with the country's development priorities.

Co-creation and Co-designing Workshop on GLI

As a follow-up to the seminar in March, on 26 September 2023, a "Co-creation and Co-designing Workshop on Gender Lens Investing in Bangladesh" was held in Dhaka.



The event was structured to facilitate a comprehensive understanding of GLI, with interactive sessions, awareness-raising activities, and group discussions. Participants focused on building awareness of gender-focused business solutions, sensitizing investors, and entrepreneurs about gender imbalances, and identifying practical business solutions.



Welcome Remarks by Sharawwat Islam (Managing Director, Truvalu Bangladesh) – "Truvalu sees a massive potential in Bangladesh, a potential that can be harnessed through collaborative efforts, through synergies that aim to mainstream GLI, and through initiatives that are grounded in research and understanding of the local context."



Introductory Speech by Corinne Henchoz Pignani (Deputy Head of Mission / Head of Cooperation of the Embassy of Switzerland in Bangladesh) – "Gender Lens Investing can be the perfect entry point to bring together gender, impact investing and impact of climate change, and we are heavily focused on the enactment of these three changes in Bangladesh."



Speech by Maxime Cheng (Lead Impact Intelligence and Education, Roots of Impact and Programme Manager, B-Briddhi) – "Root aims to provide capacity-building support to incubators, accelerators, entrepreneurs, and also catalytic capital to impact entrepreneurs. We have also launched Impact-led funds in the gender sector. To advance gender inclusion in Bangladesh, it has to be localized and that is why we have joined forces with Truvalu."



Awareness Raising Session by Machteld Ooijens (Director of Programmes & Partnerships, Truvalu) – "Machteld Ooijens conducted an awareness-raising survey exercise to engage the audience in an interactive conversation about the position of women entrepreneurs and women workers in Bangladesh."



Speech by Farzana Kashfi (Founding Board Member, Bangladesh Women Investors' Network) – "As decision makers, investors have the capacity to really push the boundaries of gender norms and beliefs permeating the society for such a long time. When investors ask these questions to a company, it creates a ripple effect across the economy."

Group Discussion Segment in the Workshop

The workshop included group discussions centred around solutions to addressing the gender divide in the economy, financial sector, and entrepreneurial ecosystem.

The first group, focusing on the investor perspective, delved into methodologies and tools for more gender-inclusive strategies. They emphasised the need for diversified investment committees and setting specific targets for portfolios while highlighting the importance of focusing on women as leaders, suppliers, and customers.

In the second group, discussing criteria for investees, participants examined the qualities that make an ideal investee, particularly when considering gender inclusion. This included aspects like passion, business acumen, and integration of financial literacy with sustainability, as well as a strong focus on supporting women-led businesses.

The third group explored how investor contributions can become more gender-inclusive and what incentives could improve sourcing practices. They stressed the prioritization of social impact and support for women-led businesses without discriminating against other genders.

Metrics and solutions for gender-inclusive investing formed the basis of the fourth group's discussions. They talked about the importance of proper impact measurement practices and financial literacy and suggested training and social behaviour campaigns to increase women's financial decision-making capabilities.

Finally, the fifth group addressed the challenges faced by capital providers in working with women-focused companies, identifying major hurdles like the reluctance of banks to provide loans to women-led businesses and the need for capacity building on both the demand and supply sides.

Overall, all participants emphasized the importance of strong financial performance, shareholder value, and social impact of investments when gender inclusivity is taken into consideration while investment decisions are made. Ubiquitous challenges like unconscious biases in investment decision-making, low representation of women in senior roles, limited engagement with portfolio companies for gender-smart practices, and a lack of gender-focused policies and regulations, need to be tackled head-on, as outlined in the discussion.

A consensus was reached that companies with women in leadership positions often outperform those without, and that empowering women economically creates a virtuous cycle of growth and opportunity.

The GLI Presentation

The "GLI Presentation" was developed following the two events. It is the culmination of insights and opinions gathered from the two multi-stakeholder events focused on Gender Lens Investing in Bangladesh, supplemented by local research and global expertise. The document discusses the concept of Gender Lens Investing as a powerful impact investment strategy that combines financial returns with the pursuit of gender equality and social well-being. It underscores the importance of investing in women in various roles - as business owners, customers, and leaders - to create stronger, faster-growing institutions that contribute to a more equitable world.

Truvalu's Activities in the Gender Lens Space

Since its inception, Truvalu has been trying to touch upon the gender aspect in its activities and implement a gender lens in both its investments and advisory practices. One of the companies in Bangladesh that Truvalu invested in is Classical Handmade Products BD Ltd. ("CHP"). CHP, founded by Md. Tauhid Bin Abdus Salam, is an export-oriented manufacturing company for handmade home decoration products using natural fibres and garment waste. Through a combination of financial and co-entrepreneurship support, Truvalu has helped professionalise the company and fueled exponential business growth. CHP currently employs around 6,131 people, of which 5,184 (85%) are women. The additional household income for the female workers helps them to improve the quality of their life. To date, CHP has trained more than 19,000 female workers. The company leadership envisions the addition of more women at the managerial level.