

# Becoming a recognised leader in gender-smart investing and driving impact for female customers



## About Insitor Partners

Established in 2009, Insitor Partners makes equity and quasi-equity investments in early-stage businesses to improve the accessibility and affordability of basic goods and services to low-income communities across South and Southeast Asia.

## Our gender partnership

**We supported Insitor in its application to achieve 2X Flagship Fund status and strengthen its gender lens investing approach. This included integrating gender into its technical assistance programming, enabling portfolio companies such as CreditPer to better serve female customers.**

## Impact highlights

- + Fund manager adoption of gender-inclusive policies and new gender resources unlocked for Insitor as a result of 2X Flagship Fund status
- + Two-thirds of Insitor Impact Asia Fund II (IIAF II) now 2X aligned with one of the 2X Criteria
- + Ambitions for portfolio company CreditPer to reach 50,000 female borrowers within two years, supported by our gender-linked technical assistance





## Setting the scene



Lack of capital is a key barrier to the growth of early-stage businesses in emerging economies across South and Southeast Asia. Without financing, these businesses struggle to respond to market demand and grow, thereby reducing access and affordability of basic goods and services for low-income populations. This has a direct effect on women, who continue to hold primary purchasing power for household expenses, and remain the driving force behind consumer decisions.

Since its founding, Insitor's long-standing commitment to gender equality is evident through its record of inclusion-focused investments in emerging markets. As a woman-led fund manager with strong female representation throughout the company, it had always prioritised responsible and gender-lens investing (GLI) from inception. For example, as part of its due diligence process, Insitor systematically screens for impact, identifying companies focused on solving pressing social challenges. Furthermore, beyond providing capital, Insitor works closely with investees, offering gender-lens business support.

In recognition of its efforts, we evaluated Insitor Partners against the 2X criteria and shepherded it through the process of attaining its status as the first Asian 2X Flagship Fund in 2022. Insitor's selection was a testimony to its dedication to GLI and strong commitment to empowering women and advancing gender equality across emerging economies.



## Gender technical assistance timeline

2015

We invest \$15 million in Insitor Impact Asia Fund I (IIAF I)



2021

We assess Insitor against the 2X Criteria as part of our \$20 million investment in Insitor Impact Asia Fund II (IIAF II)



2022

IIAF II recognised as the first 2X Flagship Fund at the Pioneer tier in Asia, and Insitor signs an MoU with us committing to continued gender-lens investing efforts



2023

AF II attracts additional investment from FMO supported by its 2X Flagship Fund status

2015



2021



2022



2023



## Laying the foundations with IIAF I

When IIAF I launched in 2015, we took an active role, seeing an opportunity to demonstrate the development impact and financial viability of investing in inclusion-focused businesses across emerging economies like Pakistan and Cambodia. Through our Technical Assistance (TA) Facility, we ensured best practices, including on environment, social and governance (ESG) policies and processes, as well as investment management oversight. Empowered by our TA, Insitor integrated more gender considerations, including safeguarding risks and the investments' impact on women. At the same time, it began more consistently monitoring portfolio companies' impact metrics disaggregated by gender.

Over five years, IIAF I made a total of 16 early-stage investments, performing strongly against diversity initiatives. By 2021, it had impacted 1.2 million people, of whom 68 per cent were low-income, and 48 per cent were women – a noteworthy performance given the restrictive social norms in these countries.



## Building momentum with IIAF II

In 2021, we invested in IIAF II, which would continue to target basic services and financial inclusion in South and Southeast Asia. IIAF II would also build on learnings from IIAF I to further institutionalise gender efforts, including by developing an explicit and intentional GLI strategy to guide investment decisions.

During our due diligence process for IIAF II, and as with all investments at the time, we engaged with Insitor to assess potential alignment with the [2X Criteria](#) (noting that our initial IIAF I investment predated the [2X Challenge](#)). Our assessment found that while Insitor was aligned with multiple 2X Criteria, there was an opportunity to further deepen and strengthen its gender ambitions.



### Insitor's 2021 2X assessment results

DIRECT CRITERIA	<b>Entrepreneurship</b>	One of the two Insitor co-founders is a woman and 63 per cent of shareholders were women
	<b>Leadership</b>	Women comprised 50 per cent of senior management roles and 33 per cent of the Investment Committee (IC)
	<b>Employment</b>	Women comprised 53 per cent of the workforce
INDIRECT CRITERIA	<b>Investments through financial intermediaries</b>	Commitment for at least 30 per cent of IIAF II portfolio companies to meet one the direct criteria



## The road to 2X Flagship Fund status

Based on the results of our 2X assessment, we nominated Insitor to be a [2X Flagship Fund](#), an initiative designed to drive and showcase best practice on gender equality at both fund manager level and within investment strategies and portfolio management.

Between 2021 and 2023, 2X Challenge development finance institution (DFI) members could nominate fund managers that had demonstrated particularly pioneering work on advancing gender equality. Nominated funds were also expected to make additional future-focused commitments to advancing women's representation and inclusion at both manager and portfolio levels.

The 2X Flagship Fund Committee voted to give 2X Flagship Fund status to Insitor, which then signed a 2X Flagship Fund Memorandum of Understanding (MoU) with us to commit to advancing opportunities for women at the Insitor fund manager and IIAF II portfolio level.



Even before we received our first investment from BII, our investments already had a gender component to them, but we were not actively tracking it nor communicating it externally. But it was a seamless fit as the nature of our investing strategy intentionally targets a customer base that is predominantly women. Once we started working with BII, it became very apparent that we were already highly aligned with 2X, both with the customers we target but also internally as a woman-led fund. So, it was a matter of putting the frameworks into place, tracking gender more meticulously, and getting our country teams trained up. BII really helped us strengthen our GLI framework and to make it more official.

– Insitor representative

## Inside Insitor's 2X Flagship Fund MoU



### Improve gender balance at the fund manager level

Insitor committed to meet the 2X Criteria thresholds (30 per cent senior equity partners and IC members, 40 per cent of all employees, excluding senior management, being women). To this end, it agreed to adopt a suite of activities, including gender equitable recruitment practices, gender-smart human resources (HR) management processes, annual gender pay gap analyses, and the publication of a competency framework for more equitable progression and promotions.



### Invest with an explicit and intentional gender lens

Insitor committed to build a minimum of 30 per cent 2X qualifying deals at the portfolio level over the life of the fund to fully integrate gender considerations into all stages of the investment process. It also committed to using the 2X criteria and indicator framework to complement and build on IIAF II's GLI strategy.



### Support portfolio companies to implement gender-smart practices

Insitor committed to identifying opportunities to support women's participation in IIAF II investments, regardless of their 2X eligibility status, including those below 2X thresholds that offer scope for gender value-add (*see CreditPer spotlight below*).



### Capture and report performance outcomes

Insitor committed to gathering and reporting gender metrics of IIAF II's portfolio companies in the fund's annual report and to align these metrics with the harmonised 2X indicators.



### Ensure accountability through leadership commitment and resourcing

Insitor committed to taking responsibility at the partner level alongside the appointment of an internal Gender Lead.

## Our gender impact to-date

For Insitor, 2X Flagship Fund status renewed its clear and long-standing commitment in advancing gender equality and with our MoU in place, Insitor has already taken concrete actions to fulfil its gender commitments.

### Impact highlights

**Fund manager adoption of gender-inclusive policies and new gender resources unlocked for Insitor as a result of 2X Flagship Fund status**

Insitor drafted and adopted a new HR strategy which included policies and processes on diversity and inclusion. This strategy included, for example, ensuring gender-balanced panels during recruitment interviews. Insitor also revisited its ESG policy to strengthen gender lens components throughout. In support of this, we delivered our GLI training for the whole Insitor team, and select employees also attended a variety of deep-dive GLI capacity-building programmes, including in Pakistan and India.

Additionally, Insitor received ANDE's "GLI Pay for Results" grant in 2022, allowing it to hire a full-time Gender Officer dedicated to improving internal systems and processes. The Flagship Fund status assisted Insitor's successful fundraising efforts with DFIs that recognise the value of 2X, including the Dutch Entrepreneurial Development Bank (FMO). As a well-recognised GLI investor in Asia, Insitor continues to be invited to events and workshops to share experiences with its wide network.

The Flagship endorsement was important on two levels: first, it helped us determine internally our direction and commitment after realising that we were on a good track but that we could do more. Secondly, it came during an important time for Insitor, as we were fundraising for [IIAF II]. The Flagship Fund status definitely helped us from a marketing perspective. The engagement with the 2X community has also benefitted us a lot. First, from a capacity building perspective. Secondly, by connecting us with peers and allowing us to learn from each other.

– Insitor representative

**Two-thirds of Insitor Impact Asia Fund II (IIAF II) now 2X aligned with one of the 2X Criteria**

As of December 2022, IIAF II was two-thirds aligned with its 2X commitments, with five out of its eight portfolio companies meeting at least one of the 2X Criteria. Additionally, Insitor has worked with us to integrate gender into TA projects for portfolio companies ([see below for our spotlight on CreditPer](#)).



**63%**

of Insitor's Fund II companies met the 2X Criteria as of December 2022 (five out of eight companies).

### CreditPer

CreditPer (previously known as Creditfix) is a Pakistan-based fintech company that use a mobile application platform to underwrite and extend asset-backed loans from \$50 to \$25,000. It uses an integrated digital credit platform that applies data-driven decision-making for financial assessing individuals and small businesses.

As part of Insitor's vision to target underserved markets, we contributed to the seed funding of CreditPer via IIAF I in 2021.

This is an example of how Insitor's inclusive approach to fund management enabled CreditPer to leverage our TA facility to integrate a stronger gender lens into its product offerings.

### Setting the scene

Pakistan has low rates of women's financial inclusion, with only 7 per cent of women having access to formal banking facilities. Low literacy levels, poor financial acumen, limited access to digital tools, and prevailing cultural norms are key contributing factors. Further, women remain disproportionately engaged in unpaid domestic work, and their access to financial decision-making within and outside of their household remains significantly limited.

Insitor's data review of its portfolio companies revealed that CreditPer was facing significant gender gaps; just 3 per cent of its customer base and less than 2 per cent of active borrowers were women. CreditPer was finding it challenging to engage with its female target market due to several factors, including (1) few touchpoints with women as men generally conduct in-store purchases where CreditPer's products are offered, (2) disproportionately low numeracy and literacy levels among women, (3) cultural norms that limit engagement with women, and (4) low digital adoption among women which hindered their access to CreditPer's products.

To bridge these gaps, CreditPer and Insitor sought our TA support. Collectively, we agreed to (1) better understand its female target market and, (2) subsequently design and test interventions (products, customer experience, and/or campaigns) that could help overcome identified barriers.

### Key questions that our technical assistance sought to address

In 2022, with Insitor's support, CreditPer applied for TA funding for its project, *Closing the Gender Gap: Driving Access and Responsible Usage of Credit Among Women*, which asked four questions:

- 1 What are the profiles/archetypes of the women that CreditPer should target?**
- 2 What are the specific characteristics of the loan products that the target women want or need?**
- 3 What obstacles would prevent them from accessing the credit products?**
- 4 How can CreditPer craft campaigns and user experience that encourage and enable access for the target women?**

Through the knowledge obtained from this project, CreditPer aimed to increase the share of women borrowers in its portfolio while also integrating lessons into its core offering. It demonstrated its commitment to the effort by proposing to share 33 per cent of the total project cost (or \$16,500 out of \$50,000).

As part of this project, we worked with a design studio with experience in driving behaviour change through human-centred design (HCD) and rapid prototyping to enable CreditPer to better understand potential women customers' preferences and challenges along their credit journey.

## PHASE I



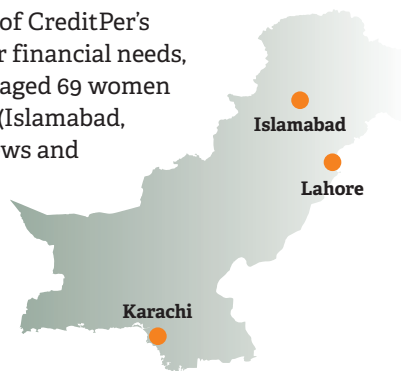
With the use of our technical assistance funding, we worked with CreditPer to undertake the project in two main phases:

## Research

The first phase included a deep dive assessment of CreditPer's female target market to obtain insights into their financial needs, behaviours, and preferences. The consultant engaged 69 women from different backgrounds in three main cities (Islamabad, Lahore, and Karachi) through individual interviews and focus group discussions.

The findings revealed insights along several themes. They included areas such as understanding women's motivations and enablers to earnings through paid employment, women's digital and financial literacy levels, and women's needs and aspirations as entrepreneurs. The research also explored CreditPer-related insights, ranging from women's loan and instalment behaviours to their trust in financial services.

We also developed user personas and journey maps to represent different women clients and how they would navigate CreditPer's offerings. These were supplemented with considerations and recommendations for each touchpoint in the end-to-end journey of using CreditPer's platform.



## PHASE II

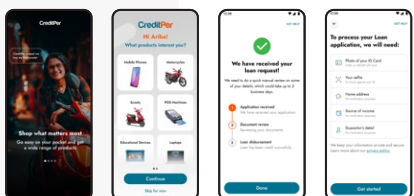


## Prototyping and interactive testing

Findings from the research were used to conduct ideation sessions with CreditPer to inform prototypes of credit products. An interactive prototype was developed outlining a user's journey – from onboarding to product and instalment selection, the application process, and referral pages.

This prototype was tested with samples of both existing and new/potential female customers and refined accordingly.

Based on the research results and findings from the prototype testing, a comprehensive set of recommendations was produced on how to attract and retain women customers in areas of discovery and building trust, value proposition, product offering, ease of process, pricing, flexibility, and reward mechanisms.



## Our gender impact to-date and looking ahead

**Ambitions for portfolio company CreditPer to reach 50,000 female borrowers within two years**

As a result of the project, CreditPer is implementing select recommendations borne from the prototype testing and it aims to extend loans to approximately 50,000 women between 2022 and 2024 – or 20 per cent of the loan disbursement projections over this period.

**Organisational upskilling in human-centred design to meet female customer needs**

Moreover, the project has equipped CreditPer with a better understanding of human-centred design and related tools to continue to better design products and services that meet the needs of its various customer segments.

**Developed a TA approach that is transferable across Insitor's wider portfolio**

The project was also a useful exercise for Insitor, as the approach can be applied to its wider portfolio.

“The ideation sessions were extremely informative for us. While we have lots of “theoretical knowledge” on the topic, deep diving into context-specific (Pakistan) and sector-specific knowledge made us reflect internally how we can best approach this entire topic going forward with the wider portfolio.”

– Insitor representative