



# Empodera 360°

Technical Assistance and  
Finance for Women's  
Health Ventures

**Linked Foundation, based in the United States,** focuses its impact on addressing women's health often overlooked in Latin America. Together with its partner, New Ventures, Linked Foundation developed Empodera 360° to provide technical assistance and finance for women's health ventures (WHVs). Linked Foundation's and New Venture's relationship based on trust and collaboration has allowed to consolidate a comprehensive program that seeks to support WHVs financially and non-financially in order to strengthen the health sector with a gender lens.

## Empodera 360°

Technical Assistance  
and Finance for  
Women's Health  
Ventures



### LOCATION:

Latin America and  
the United States.



YEAR OF  
FOUNDATION:  
**2020**



### TYPE OF INVESTOR/SILO:

- Foundation (Linked Foundation).
- Professional services firm (New Ventures).



### SECTOR:

Health.



### CONTINUUM OF CAPITAL:

Venture Philanthropy.



### FINAL BENEFICIARIES:

Women.



### MAIN PARTNERS:

- Pro Mujer.
- Visa Foundation.
- The Case for Her.
- The Summit Foundation.
- Halloran Philanthropies.



### MOTIVATION OR PROBLEM TO SOLVE:

Bringing down capital availability barriers to strengthen women's access to health in Latin America.



### NON-FINANCIAL SUPPORT OFFERED:

- Strategic and operational strengthening
- Financial sustainability
- Corporate governance
- Access to networks.



### TYPE OF FINANCE / RESOURCES INVESTED OR DONATED:

Not available.



### IMPACT:

Comprehensive technical strengthening of

# 10 women's health

ventures in Latin America and catalyzing the gender lens health sector with the consolidation of the first fund exclusively focused on this issue in the region.

### SDGS





## OVERVIEW

Social, economic, and gender inequalities result in health inequality. They are systematic and prevent people and communities from reaching their full potential in health.<sup>1</sup> One of the barriers leading to health inequality is gender inequality, not only owing to the gaps that women face in accessing health services, but also due to their participation as workers in this sector, considering that 70% of the socio-health personnel globally is comprised of women.<sup>2</sup>

The barriers faced by women become evident specifically in reproductive, maternal, neonatal, children's, adolescents', and violence-related health.<sup>3</sup> This situation is even more concerning in the case of vulnerable women (living in poverty, indigenous communities, rural areas, among others), who face more systematic barriers to access reproductive health, which results in an unmet need for contraception, unwanted pregnancies, and undiagnosed cancers and STIs [sexually transmitted infections].<sup>4</sup>

In Latin America, a region marked by social and economic inequalities, there is a relationship between the lack of opportunities in the formal labor market and gender inequality in health. This is because women's participation in the labor market is 53% in urban areas compared to 77% for men. Additionally, 79% of employed women work in low productivity sectors, where rates of access to social protection are



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- 1 Tuluane University and UNICEF (2016). Informe sobre Equidad en Salud 2016: Un análisis de las inequidades en salud reproductiva, materna, neonatal, de la niñez y de la adolescencia en América Latina y el Caribe para guiar la formulación de políticas (p. 5). Accessed at: <https://tinyurl.com/2n37tgwx>
- 2 World Health Organization (2018). Salud de la mujer: Datos y cifras. Accessed at: <https://www.who.int/es/news-room/fact-sheets/detail/women-s-health>
- 3 Tuluane University and UNICEF (2016). Informe sobre Equidad en Salud 2016: Un análisis de las inequidades en salud reproductiva, materna, neonatal, de la niñez y de la adolescencia en América Latina y el Caribe para guiar la formulación de políticas.
- 4 Ibid.

also low.<sup>5</sup> The impact of this situation is strongly evident in that it restricts access to social protection and therefore to health care and services.

Despite these challenges, impact investment with a gender-lens in the healthcare sector is very low. Between 2018 and 2019, impact investors deployed more than \$600m USD in 619 deals in Latin America. \$291m USD focused on the agriculture and microfinance sectors, while only 20 deals—equivalent to \$8m USD—were invested in the healthcare sector.<sup>6</sup> This is because investors presume that, in the case of healthcare, clients look for low costs or free public services instead of higher-quality private options; hence the assumption that the public sector should be in charge of these investments. Additionally, many healthcare companies are too large to receive microfinance or informal local investment, yet too small or risky for banks, private equity firms, development financial institutions, and other investors focusing on financing larger, more mature organizations.<sup>7</sup> This way, not only did an unexplored healthcare issue arise, but also the opportunity to address the finance gap for this sector.

Linked Foundation, an organization created in the United States in 2006 that works on ensuring that financial resources are deployed for social impact creation, look into the finance gap in women's healthcare as an opportunity to achieve a more structured and systemic impact. Linked realized there was a demand from low-income populations in Latin America for client-centered, high-quality healthcare solutions and that initiatives that address that need are profitable, and make returns on investment.

Linked Foundation's mission includes a gender-lens based approach on the premise that women are essential agents of change as health and economic decision-makers for families and society. This assumption backed its engagement in investing in an underfunded sector with a focus on women, who

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<sup>5</sup> Ettienne, Carissa F. (2017). "Acceso de las mujeres a la protección social en salud", en un mundo laboral en transformación. Pan American Health Organization. Accessed at:

<https://www.paho.org/es/noticias/8-3-2017-acceso-mujeres-proteccion-social-salud-mundo-laboral-transformacion>

<sup>6</sup> ANDE (2020). Trends: 2018-2019 Report.

<sup>7</sup> Linked Foundation (2021) "Too risky not to invest: Why funding Latin America's healthcare sector should be an investing priority". Research of Linked Foundation. Accessed at: <https://linkedfoundation.org/2021/03/08/too-risky-not-to-invest-why-funding-latin-americas-healthcare-sector-should-be-a-priority/>

receive less financing as entrepreneurs, and are particularly a vulnerable group in terms of health. To achieve its goal, the foundation invests technical and financial resources to develop and scale social enterprises that improve the health of communities throughout Latin America and the U.S.

*"We invest in funds, we make direct investments, and we act as loan guarantors in a broader range of global investments that align with our criteria to create economic opportunities, healthier communities, and investing in women. Nancy Swanson, Executive Director, Linked Foundation*

Linked Foundation invests in scalable, market-based solutions with the capacity to produce outcomes and create cross-sector partnerships to ensure long-term, sustainable impact. It provides financial and non-financial support to comprehensively strengthen the health sector with a gender lens. As for financial support, Linked Foundation often uses a blended finance approach, co-investing with partners with grants and debt instruments. The Foundation applies the following criteria to invest:

- 1 Focusing on women as the main target group, whether as beneficiaries of portfolio enterprises or as active agents in enterprises.
- 2 Investing in health solutions for women with a particular focus on direct services and maternal and reproductive health.
- 3 Catalyzing health access in Latin America and ensuring access to reproductive health in the United States.
- 4 Investing in innovation and growth opportunities within early-stage health ventures, in which funding and technical assistance go hand in hand and have potential for scalability.
- 5 Supporting organizations that can be financially sustainable.
- 6 Supporting organizations willing to work together with the Foundation and other partners.



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To catalyze access to healthcare in Latin America, and supporting the expansion of existing services and initiatives, Linked Foundation joined efforts with New Ventures, a business group based in Mexico that accelerates and enables innovation and financing for social and/or environmental impact

enterprises. Together, they created Empodera 360°, an initiative to map, strengthen, and fund women's health ventures (WHVs) in the region.

They started collaborating with technical assistance to complete a mapping, selection, and strengthening process. Then, they created a fund to facilitate financing for enterprises in the sector. They focus on WHVs with great acceleration potential, given that the program prioritizes catalyzing the impact created, which goes hand in hand with financial development.

To achieve this goal, impact is expected on three main fronts:

- A** Sector development: Useful analysis for investors interested in contributing to the development of the impact investment sector with a focus on women's health.
- B** Entrepreneurs: Visibility and tailored technical assistance to improve their performance and increase their sustainability and social impact.
- C** Investors: Feasibility analysis and design of an appropriate financial mechanism from a better understanding of the industry players, as well as the sector's needs.

*"For New Ventures, it has been exciting to be able to provide a more integrated service, which includes financing with technical assistance. Rodrigo Villar, Managing Partner, New Ventures.*



## INNOVATIVE FACTORS

The fund structured to finance Empodera 360° WHVs is the first one created with this approach in Latin America. This highlights the need for and the importance of the partnership between Linked Foundation and New Ventures in the impact ecosystem. Both actors met at the Latin American Impact Investing Forum (FLII<sup>8</sup>) and, together, they consolidated the program's goal with an *impact-first* approach. This

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**8** For more information: <https://www.nvggroup.org/flii>

means that achieving impact would be a cross-cutting priority in the health sector, above financial returns. In order to achieve this, each partner has assumed a key role aimed at facilitating the program's strategic, operational, and financial development, with constant collaboration and communication.

Linked Foundation and New Ventures have helped to strategically structure the program, link and attract other actors from the sector in Latin America. This work brought new funders to the first stage of Empodera 360°, providing the initial philanthropic capital with no return expectations, with technical capacity and knowledge of WHVs, such as Pro Mujer, Visa Foundation, The Case for Her, The Summit Foundation, and Halloran Philanthropies. Linked Foundation showed important leadership in this exercise by contributing the first donation, which offered confidence to the other contributors.

New Ventures contributed its knowledge, experience, and operational capacity to the program, based on its three service lines: acceleration, access to financing and capital, and dissemination of impact investing information to strengthen the ecosystem. In this case, innovation was based on closely linking acceleration and access to financing, which allows for a more comprehensive intervention in participating enterprises.

*"As the number of impact enterprises grows, they become increasingly visible. One could argue that this is not an isolated case or a particular niche but a new way to do business. We can help to shift the paradigm of how to do business." Rodrigo Villar, Managing Partner, New Ventures.*



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There were three stages in Empodera 360° for target enterprises. The first stage was mapping the sector in Latin America—, carrying out a market analysis of women's health ventures and their financial needs. Based on this mapping, WHVs were selected for non-financial support. The second stage was a technical assistance program to prepare WHVs to receive finance. This non-financial support became a reality through mentoring and consultancy divided into five components:

- ... Financial and legal advice: Strengthening basic capacities to have the necessary structure for receiving financing and developing strategic areas and corporate governance.

- ... Impact advice: Reviewing each venture's theory of change for relevant adjustments and updates. In this category, impact metrics are created to measure operations and understand how to report this impact to the different key stakeholders with the tools provided. Additionally, the service and product portfolio is reviewed to make it more affordable.
- ... Gender advice: Alongside mentors, establishing improvement opportunities and implementing gender policies together with other tools to apply the WHVs' perspective.
- ... Performance advice: Strengthening and optimizing the ways to define objectives and metrics using Objective Key Results (OKR).
- ... Health advice: Training according to the services, products, and needs of the ecosystem and each WHV.

The technical assistance program has been successfully run, strengthening ten ventures from different Latin American countries that work on various health aspects.

The third stage consisted on designing an appropriate financial mechanism to invest in WHVs, which started in 2022. It includes evaluating and preparing the appropriate framework to grow and scale impact WHVs, addressing market gaps and seeking innovative financing. In this case, the call for participation will be open not only to WHVs that received technical assistance, but also to other ventures that have not participated so far. This entails creating a selection and evaluation process different from the one applied in the second stage. For now, following the impact-first approach, there will be flexibility for structuring financing instruments (equity, debt, donations, among others) regarding terms, rates, and other conditions adjusted to each venture's reality. While the focus on finance prevails in this initiative, technical assistance will also be provided to portfolio ventures.



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## LESSONS

A relationship based on trust, collaboration, and constant communication, and not just in funder-operator terms, has been identified as the success factor to having developed the Empodera 360° program together with six organizations. Participation and collaboration did not happen only between New Ventures and Linked Foundation, but also with the rest of the partners, as they contributed both with capital, knowledge and expertise. Another highlight is the comprehensive way to address acceleration and financing for women's health ventures by understanding the joint challenges to generate impact in the sector. The sectoral focus on financing, technical assistance, and beneficiary selection also led to regional collaboration among organizations and thus to a stronger ecosystem.

The primary element stressed by New Ventures and Linked Foundation for the future is starting to provide technical assistance and using the fund to expand financing WHVs that are improving health access in the region. Thus, Empodera 360° team will seek to raise funds, prioritizing deploying catalytic capital with an ideal mix between philanthropic resources and patient private equity.