

Norfund

Norwegian Investment Fund for Developing Countries



GENDER POSITION PAPER

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1. MOTIVATION

Women's rights and gender equality are a priority for Norwegian (foreign) policy.¹ Gender equality is not only a fundamental human right², but a necessary foundation for a peaceful, prosperous and sustainable world, and therefore embedded in Sustainable Development Goal number 5.³

Studies have indicated that there remain stark gender disparities in the economic realm, especially in developing countries. Fewer women than men participate in the formal workforce and women are underrepresented in management positions and boards. These studies indicate that investing in women creates economic opportunities.⁴ Furthermore, a 2019 McKinsey report demonstrates that Africa is lagging in the effort to make progress toward gender equality.⁵

Based on the above, and Norfund's mission to create jobs and improve lives, Norfund is committed to advancing women's and men's economic empowerment through investments and the promotion of equal opportunities for women and men in our organization and portfolio companies.

As an integral part of the investment strategy (2019 -2022), Norfund focuses on gender equality as part of four cross-cutting issues. Moreover, starting in 2016, Norfund has had a Gender Strategy.

2. DEFINITIONS

Gender equality is achieved when women and men enjoy the same rights and opportunities across all sectors of society, including economic participation and decision-making, and when the different behaviors, aspirations and needs of women and men are equally valued and favored.⁶ While we do recognize all genders, the focus of our policy is on the disparity between men and women.

Women's economic empowerment means that a woman's position is strengthened when she has both the ability to succeed and advance economically and the power to act and make economic decisions. Which means that women have access to resources (for example capital), norms and institutions that are favorable and promote equality.⁷ Norfund's investments and contributions to women's entrepreneurship and economic inclusion aid in increasing access to resources for men and women.

3. APPROACH

Norfund has identified three priority areas and objectives for the 2020 – 2022 Gender Strategy:

OWN ORGANIZATION

Ensure equal opportunities and promote gender balance across all levels in Norfund

Norfund will ensure gender balance in recruitment and safeguard equal opportunities for men and women within the organization at all levels. Norfund will furthermore assure equal pay for equal work and aim for gender balance in internal events.

INVESTEES

Promote equal opportunities for men and women across all levels in investees and through access to finance

Norfund will support the enhancement of women leadership capacity through training programs, like the Female Future Program and promote gender balance in external boards as part of being an active owner. Norfund will additionally promote entrepreneurship and self-employment through access to finance.

WIDER SOCIETY

Engage with relevant stakeholders to learn and influence others to promote gender equality

Norfund will engage in relevant dialogues and networks on gender equality, and relevant external events on gender equality organized by partners. This means engaging in debates that focus on the investment (areas and geographies) wherein we are active. Norfund will enhance the gender balance in external events organized.



4. IMPLEMENTATION

In recruitment and hiring processes, Norfund actively seeks gender balance and diversity by inviting candidates from all genders.⁸ At the level of management, Board, and Investment Committee the same standard is used.

By adhering to IFC performance standards in our investment process Norfund actively considers gender equality, as non-discrimination and equal opportunity are an integral part of the performance standards.

Through Business Support Norfund supports portfolio companies in sending talented participants to the Female Future Program, a program that trains women in rhetoric, leadership and board competence. In Business Support projects, and where relevant Norfund intentionally sets requirements for a gender balanced share of participants, actively promoting equal opportunities for men and women across all levels.

As an active minority investor, Norfund collaborates with other DFIs, for example on ESG training with a focus on Gender and is a member of EDFI and the Gender Finance Collaborative (GFC). Norfund furthermore collaborates with relevant stakeholders (NGOs) in certain projects and external events.

For all three priority areas identified, Norfund has developed an action plan with specific targets and KPIs and reports yearly to the Board. Since 2016, Norfund has collected data from all portfolio companies about the total number of women as employees, in managerial positions and on boards.

5. SCOPE

As an active minority investor working in many different cultural settings, Norfund's mandate and mission are challenging. Norfund can influence the companies we have invested in through the contract, dialogue and a seat on the companies' boards, however we also depend on buy-in from our partners. As such, Norfund's influence depends on the investment instrument, investment area, our shareholding (period) and partners' priorities.

Women's economic empowerment is furthermore dependent on several factors, including education, access to work, care burdens, control over assets, labor market characteristics, legal framework and social norms. Norfund invests in private enterprises and is committed to promote gender equality centered on areas outlined in this paper.

REFERENCES

- 1 Meld. St. 7 (2015 – 2016) 'Likestilling in praksis – Like muligheter for kvinner og menn', 9 Oktober 2015.
- 2 https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf ; see also UN Working Group on Business and Human Rights 'Gender Dimension of the Guiding Principles on Business and Human Rights', June 2019
- 3 <https://www.un.org/sustainabledevelopment/gender-equality/>
- 4 <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>; Worldbank (2012) 'World Development Report on Gender Equality and Development.
- 5 <https://www.mckinsey.com/featured-insights/gender-equality/the-power-of-parity-advancing-womens-equality-in-africa>
- 6 <https://eige.europa.eu/gender-mainstreaming/concepts-and-definitions>
- 7 <https://www.icrw.org/publications/understanding-and-measuring-womens-economic-empowerment/>
- 8 Likestillings- og diskrimineringsloven 2017