



GENDER

POSITION PAPER

MOTIVATION

Women's rights and gender equality are a priority for Norwegian (foreign) policy¹. 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 5³.

Studies indicate 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 opportunities⁴.

Additionally, a 2019 McKinsey report demonstrates that Africa is lagging in the effort to make progress toward gender equality⁵. This is further supported by the 2023 Africa Gender Index, which shows that only modest progress has been made since 2019 in advancing gender equality on average across the continent⁶.

High gender inequality and strong gender stereotypes are risk factors that exacerbate the risk of Gender-Based Violence and Harassment (GBVH). GBVH is a widespread global challenge. It is estimated that one in three women have been subject to physical or sexual violence at least once in their life⁷. In addition to significantly impacting survivors of GBVH, it may also severely affect businesses.

Based on the above, and Norfund's mission to create jobs and improve lives and support the transition to net zero, 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 and Norfund's sustainability policy, Norfund focuses on gender equality as part of four cross-cutting issues.

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.

APPROACH

Norfund has identified three priority areas and objectives for the gender position:

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 safe and healthy working conditions and 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 minority owner. Norfund will promote safe and healthy working conditions and compliance with ILO Convention on Violence and Harassment. Norfund will additionally support 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, networks and events on gender equality and gender-related risks, including GBVH, organized by partners or ourselves. 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. We also request gender diversity as part of purchasing processes, for instance when engaging consultants.



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 favored⁸. 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 equality⁹. Through our investments, Norfund supports women's entrepreneurship and financial inclusion, which in the long run broadens access to resources for both women and men.

GBVH is an umbrella term encompassing a wide range of unwanted and unacceptable behaviors, including sexual, physical, psychological and economic abuse directed at - or disproportionately affecting - people of a particular sex or gender¹⁰.

IMPLEMENTATION

In recruitment and hiring processes, Norfund actively seeks gender balance and diversity by inviting candidates from all genders¹¹. At the level of management, Board, and Committees the same standard is used.

Norfund annually publishes a report on gender equality in our organisation, including a pay analysis to ensure that there is no systemic bias in our salaries.

By adhering to IFC performance standards in our investment process Norfund actively considers gender equality and gender-related risks, as non-discrimination and equal opportunity. GBVH are an integral part of the performance standards. This also requires addressing gender-based discrimination, violence and harassment. Norfund is committed to promoting compliance with the principles and provisions of ILO Convention 190 on Violence and Harassment in the world of work.

Through Business Support Norfund supports portfolio companies in sending talented participants to programs through The Boardroom Africa and the Female Future Program. These are programs that train women in rhetoric, leadership and board competence. In Business Support projects, Norfund sets requirements for a gender balanced share of participants where relevant, actively promoting equal opportunities for men and women.

As an active minority investor, Norfund collaborates with other DFIs, for example on ESG training with a focus on gender equality and in-depth GBVH trainings. Furthermore, Norfund is a member of EDFI and the 2X Global. Norfund also collaborates with relevant stakeholders (e.g. NGOs) in certain projects and external events.

For all three priority areas identified, Norfund reports yearly to the Board on status and priorities going forward. Since 2016, Norfund has collected data from all portfolio companies about the total number of women as employees, in managerial positions and on boards.

REFERENCES

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- 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://www.afdb.org/en/documents/africa-gender-index-2023-analytical-report>
- 7 WHO, London School of Hygiene and Tropical Medicine and South Africa Medical Research Council 2013
- 8 <https://eige.europa.eu/gender-mainstreaming/concepts-and-definitions>
- 9 <https://www.icrw.org/publications/understanding-and-measuring-womens-economic-empowerment/>
- 10 Addressing Gender-Based Violence and Harassment (GBVH) in the Private Sector, IFC, CDC, EBRD, IFC, 2020
- 11 Likestillings- og diskrimineringsloven 2017