

A close-up photograph of a smiling Black woman with short, curly hair. She is wearing a vibrant, multi-colored patterned top with circular motifs in red, yellow, and white. She is also wearing large, red, teardrop-shaped earrings. The background is blurred, showing other people in a meeting or office setting.

Gender Lens Investing

OeEB's Position Statement and Implementation Plan, January 2020

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1. Executive Summary

OeEB is committed to contributing to the achievement of the Sustainable Development Goal 5 on gender equality and the empowerment of all women and girls. As a private sector development bank, we consider it our role to promote women's economic empowerment via our investments.

Bundling our efforts to support women makes sense from three perspectives:

- Investing in women is the right thing to do because their economic participation is still significantly limited.
- Women account for 60% of the world's work hours but receive only 10% of the income.
- Investing in women is also the smart thing to do: women represent US\$ 20 trillion in consumer spending and gender-diverse boards and senior management teams can lead to better business performance.

National and international policy frameworks, such as the Three-Year Programme on Austrian Development Policy 2019-2023 also encourage us to invest in women. We have committed to integrating a "gender lens" into all our investment activities and 'Gender Lens Investing' is the approach we have chosen to do this.

Gender Lens Investing is the intentional integration of a gender analysis into financial analysis to make better investment decisions and to achieve gender-equity that benefits women and girls.

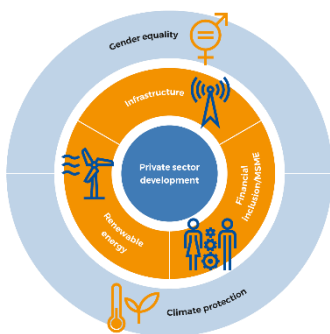
With our investments, we aim to:

- increase access to capital for businesses which are owned and led by women,
- promote gender-equitable workplaces where women work in leadership positions, and their workplace needs are met, and
- support companies which develop products and services that can directly improve the lives of women and girls.

As a first step, we integrated gender analysis into our financial inclusion investment activities and our environmental and social risk management system. Furthermore, we prioritised building up our internal capacities. We will continue to communicate our efforts to achieve gender equality to the outside.

2. Background

As the Development Bank of Austria (OeEB), we support developing countries in their implementation of the **Sustainable Development Goals (SDGs)** by financing sustainable investments in the private sector.



As described in our current strategy¹, we focus our efforts on financing renewable energy, infrastructure and financial inclusion/MSMEs. We have decided to highlight our contribution towards **gender equality** and climate protection in **all our projects**.

Our reasons for focusing on gender equality (see Box 1) and women's economic empowerment (see Box 2) are threefold:

Figure 1 OeEB's strategy at a glance

1. **Investing in women is the right thing to do** because their economic participation is still significantly limited. On average, women continue to earn less than men (women account for 60% of the world's work hours but receive only 10% of the income)², account for only 12.8 per cent of agricultural landholders in the world³ and bear the burden of unpaid care and domestic work (women do four times more unpaid work than men in Asia and Pacific)⁴. Nearly a billion women worldwide have no access to financial services⁵– denying women a safe way to save⁶, borrow⁷ and invest. Moreover, the global gender gap in account ownership between men and women is not getting any smaller.

¹ OeEB (2019). Financing our Shared Future. Retrieved 15 November 2019 from <https://www.oe-eb.at/en/about-oeeb/our-focus.html>

² According to OXFAM (2014) women account for 60% of the world's work hours but receive 10 percent of the income.

³ UN Women (2019). Facts and Figures: Economic Empowerment. Retrieved 19 March 2019 from <https://hbr.org/2009/09/the-female-economy> <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

⁴ ILO (2018). Care Economy. Retrieved 19 March 2019 from https://www.ilo.org/asia/media-centre/news/WCMS_633284/lang-en/index.htm

⁵ World Bank Group (2017). Global Findex Database

⁶ According to the Global Findex (2017), women are 16% more likely than men to save for future expenses

⁷ According to the IFC (2017), there is an estimated US\$1.7 trillion finance gap for women-owned micro-, small- and medium sized enterprises (MSMEs) in emerging economies.

2. **Investing in women is the smart thing to do** – the **business case** for investing in women has been proven time after time. Women represent US\$ 20 trillion in consumer spending and make the majority of the household consumer purchasing decisions worldwide⁸. McKinsey Global Institute report found that, in a 'full potential' scenario, gender equality could add up to US\$ 28 trillion to the world's output by 2050⁹. Gender-diverse boards and senior management teams can lead to better business performance, including an increase in return on equity of up to 27% according to Credit Suisse¹⁰. Also, supporting equal access to capital, jobs and services for women will fuel sustainable economies and benefit societies and humanity as a whole¹¹.

3. **National and international policy frameworks** also encourage us to **invest in women**. Our commitment is intended to support the **women's economic empowerment (WEE)** commitment set out in the Three-Year Programme on Austrian Development Policy 2019-2023. We have also committed to supporting gender-smart decision making in investment processes and operations by signing the Gender Finance Collaborative mission statement in 2018¹². Furthermore, all EU states have committed to gender equality via the EU Gender Action Plan 2016-2020. All of these are a means of contributing to the achievement of **SDG 5, gender equality and empowering all women and girls**. See **Fehler! Verweisquelle konnte nicht gefunden werden.** for OeEB's strategic positioning.

Box 1: Gender equality

Gender equality means women and men having equal conditions, treatment, and opportunities for realising their full potential, human rights and dignity, and for contributing to (and benefiting from) economic, social, cultural, and political development. Gender equality is, therefore, the equal valuing by society of the similarities and differences between men and women, and the roles they play.

Box 2: Women's economic empowerment

Women's economic empowerment is a step toward achieving gender equality. It's the process by which women exercise their right to economic resources and the power to make decisions that benefit them, their families and their communities.

⁸ BCG (2009). The Female Economy. Retrieved 05 May 2019 from <https://hbr.org/2009/09/the-female-economy>

⁹ McKinsey (2015). How advancing women's equality can add \$12 trillion to global growth. Retrieved 15 November from <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

¹⁰ Credit Suisse Research Institute (2014). *The CS Gender 3000: Women in Senior Management*.

¹¹ UN Women, 2015 Sustainable Development Goals – SDG 5. Retrieved 17 April 2019 from <https://www.un.org/sustainabledevelopment/gender-equality/>

¹² OeEB (2018). OeEB signs DFI Gender Finance Collaborative. Retrieved 15 November 2019 from <https://www.oe-e.at/en/news/news/2018/gender-finance-collaborative.html>

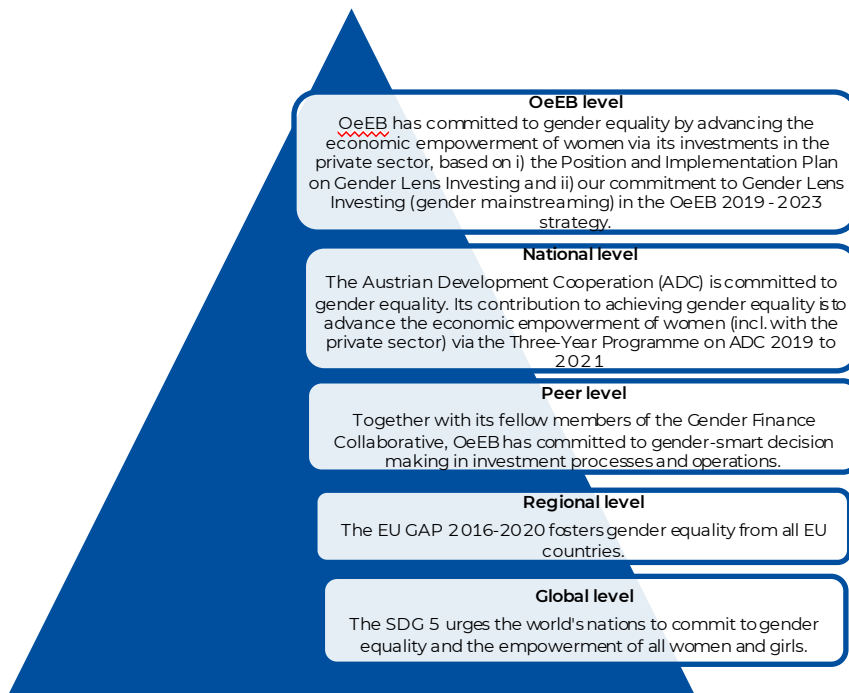


Figure 2: OeEB's strategic positioning of its gender commitments

This Position Statement and Implementation Plan on Gender Lens Investing aims to set out and operationalise our strategic gender commitments.

3. OeEB's Gender Lens Investment Strategy

To achieve our gender commitments, we have developed the “strategy house” below (**Fehler! Verweisquelle konnte nicht gefunden werden.**). The strategy house describes our overall goal to underpin the foundations for success. It is our **goal** to integrate gender analysis into financial analysis to **make better investment decisions** and achieve **gender-equitable social change** that benefits women and girls. Given our mandate to finance the private sector, we see it as our **sub-goal** to support **women’s economic empowerment**. We have made investing in financial institutions to promote the financial inclusion of businesses which are owned and led by women a timeline priority. We have decided to take a **Gender Lens Investing approach** to achieve our gender commitment, which will be further discussed in Part 4. We see the OeEB **departments** Investment Finance, Private Equity Investments and Business Advisory Services, as well as OeEB’s and our clients’ **workplaces** as the entry points for our activities. Furthermore, we have identified the following **key activities** for implementing our chosen approach: developing, implementing and refining tools (internally used instruments and templates), products (financial and non-financial offers for our clients), building capacities, learning, and monitoring and evaluating results (M&E). The entire journey is underpinned by **four guiding principles**, which are further explained under Part 5.

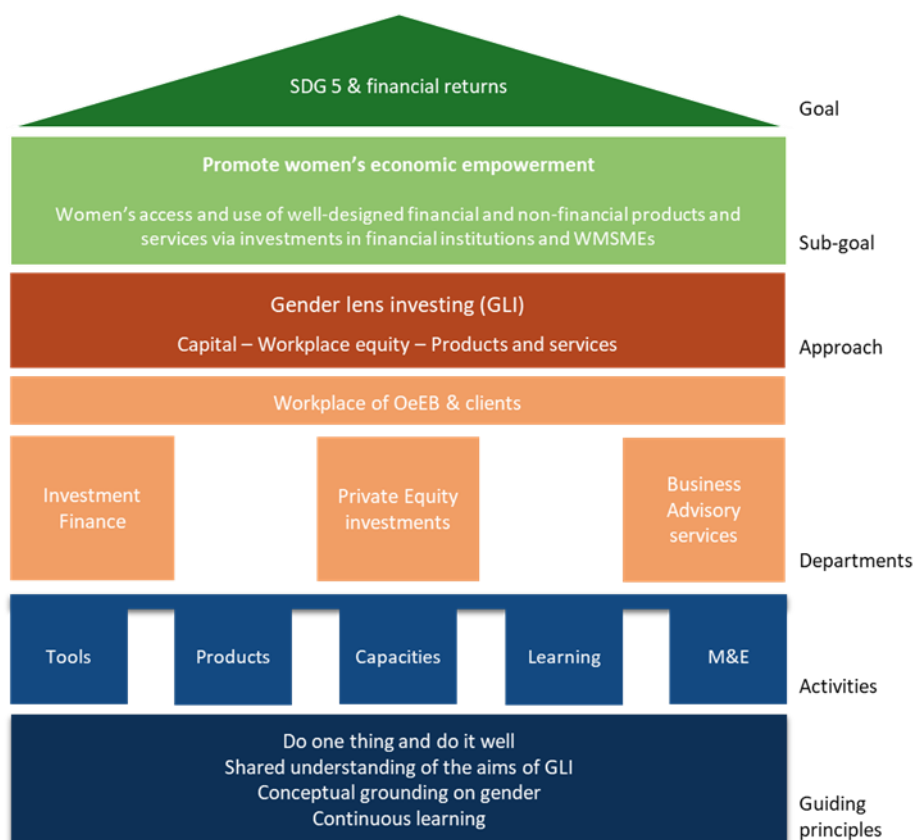


Figure 3: Strategy house for OeEB's Gender Lens Investing

4. OeEB's chosen approach: Gender Lens Investing

We have chosen **Gender Lens Investing** as our approach for applying gender mainstreaming in our own investment processes and workplace. Gender Lens Investing is the intentional integration of a gender analysis into financial analysis to make better investment decisions and to achieve gender-equitable social change that benefits women and girls¹³. Essentially, it is 'gender mainstreaming' for the investment world and its application has grown rapidly in recent years.

4.1 OeEB's three lenses to Gender Lens Investing

Our Gender Lens Investing approach pursues three dominant threads of investment activities – or 'lenses' – which open up a route to support women's economic empowerment and gender equality (Figure 4): Capital, Workplace Equity and Products/Services.

— **Capital focuses on promoting women's increased access to and use of capital.** There is an estimated US\$ 1.7 trillion finance gap for women-owned micro-, small- and medium sized enterprises (MSMEs) in emerging economies. Financing businesses which are owned or led by women is a key enabler for inclusive development and bridging the gender finance gap. OeEB is currently in the process of developing a gender-smart product range for financial institutions, to include financial and non-financial service offers.

— **Workplace equity focuses on promoting fairness for women in the workforce, including in leadership positions, and ensuring support for women's workplace needs.** Globally, women are under-represented in leadership positions, receive lower pay for the same roles as men, and do double the amount of unpaid care work whilst being employed. Studies show that increased diversity in leadership and workforce boosts innovation, reduces staff turn-over, increases productivity and improves decision-making and enhances the stability of teams. Via our updated gender-smart environmental and social management system (currently in progress), we aim to flag such gendered risks and use our leverage to improve workplaces for women. This could mean supporting access to safe jobs for women by ensuring that personal protective equipment fits women's bodies or promoting safe ways of commuting free from sexual harassment.

— **The Products and Services thread focuses on investing in companies which develop products and services that can directly improve the lives of women and girls.** Women are a powerful force in the economy and control US\$ 20 trillion of consumer spending, yet studies show that most companies do a remarkably poor job of serving them. Women experience greater discrimination in accessing services such as telecommunications, healthcare and financial services than men do. Over time, OeEB will work on prioritising investments that serve female needs.

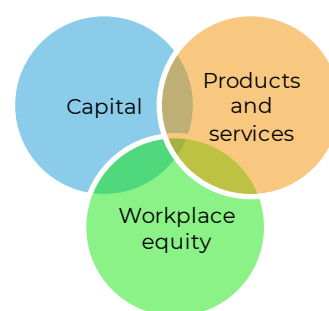


Figure 4: Three lenses to gender lens investing

¹³ USAID (2015). Gender Lens Investing in Asia. Retrieved 15 March 2019 from [https://www.usaid.gov/sites/default/files/documents/1861/Advancing%20Gender%20Lens%20Investing%20in%20Asia%20\(2015\).pdf](https://www.usaid.gov/sites/default/files/documents/1861/Advancing%20Gender%20Lens%20Investing%20in%20Asia%20(2015).pdf)

4.2 OeEB's women market segment approach

We realise that women are not a homogenous group and that their needs differ. Women differ not only in terms of their social identities (e.g. age, religion, ethnicity, sexual orientation, marital status, wealth etc.), but also in terms of their different functions and positions in the economy. They can be producers, employees/workers, entrepreneurs or consumers. Identifying and prioritising investments in specific women's segments helps us to develop **customised solutions for the needs of distinct women's segments or groups**.

We also recognise that women's positions and needs differ in the sectors in which we invest. While investments in the textile sector, for instance, must ensure that the predominantly female workforce is not exploited, investments in infrastructure could look at how to increase the share of females in the workforce and avoid a discriminatory work culture deriving from a male-dominated workforce. We are convinced that we can make greater impact and achieve better financial returns by pursuing a **sector-based women's target market segmentation approach**. This allows us to identify and prioritise gender-smart interventions tailored to women's needs in each sector in which we invest.

We have already identified the women market segments we want to reach in the financial institutions sector. We aim to target **women in the financial institutions value chain**: owners, leaders and employees in the financial institutions, as well as owners, leaders and - over time - also employees of the micro-, small- and medium-sized enterprises the financial institution lends to.

5. OeEB's guiding principles on Gender Lens Investing

Our Gender Lens Investing strategy is built on four guiding principles to enable every chance of successful implementation (Figure 5):



Figure 5. Four guiding principles for OeEB's GLI journey

Principle 1: Do one thing and do it well. In order to become a market leader on Gender Lens Investing, zeroing in on one idea and executing it becomes a key factor. It makes it possible to bring everyone along the journey. We are starting by focusing on supporting women's financial inclusion, as well as integrating a gender lens into our environmental and social management system.

Principle 2: Shared understanding of the aims of Gender Lens Investing. Our approach to Gender Lens Investing is as much about making social change that benefits women and girls as it is about making wise investment decisions.

Principle 3: Conceptual grounding on gender. Our strategy takes a twin-track approach: it combines activities in a stand-alone track (specific measures that target women's empowerment and gender equality, e.g. a gender-focused credit line) and a mainstreaming track (integrates gender equality as an overarching issue e.g. making projects which do not already have a specific gender focus less gender-blind). We also aim to avoid falling into the pitfall of 'gender washing': simply reaching women, for example, by adding another female customer to a bank's portfolio, does not ensure that they will benefit from that investment. It is therefore critical that the gender analysis OeEB conducts identifies investment opportunities that can benefit and, ideally, empower different groups of women.

Principle 4: A culture of continuous learning. Using a Gender Lens Investing approach is an ongoing process over a medium-term timeframe. Continuous learning, reflection and analysis are key.

6. OeEB's Gender Lens Investing Implementation Plan

In line with our guiding principles, we have identified some areas where we want to bundle our efforts first. We have also identified mid-term activities – some of which are new and some of which describe necessary ongoing efforts.

Priority Activities	Mid-Term Activities
Tools	
<ul style="list-style-type: none"> — Incorporate a gender lens in our Environmental and Social Management System for selected sectors and pilot implementation — Develop, adopt and implement a guideline to better understand the local context of our investments in terms of gender issues — Develop and implement a guideline for gender marking our investments 	<ul style="list-style-type: none"> — Refine and strengthen the gender lens of our Environmental and Social Management System and develop tools for further sectors — Integrate gender analysis into the full due diligence process for all our products and clients — Set targets for our portfolio composition in terms of its gender relevance
Gender-smart finance products	
<ul style="list-style-type: none"> — Develop and pilot a gender-smart finance offering for financial institutions, incl. a gender credit line and a specific yet flexible Technical Assistance (TA) offer — Development of a teaser for Investment Officers to better support our clients with gender-smart products 	<ul style="list-style-type: none"> — Identify other potential women's segments to be reached via financial intermediary investments and develop value propositions to reach them — Develop gender-smart finance and technical assistance offers or all our investment streams (incl. private equity, project and corporate finance)
Capacities	
<ul style="list-style-type: none"> — Improve gender awareness and capacity of OeEB staff through training and knowledge sharing platforms — Appoint a gender focal point and departmental gender focal points — Consider strengthening OeEB internal work place policies with a gender lens 	<ul style="list-style-type: none"> — Continue developing gender awareness and capacity of OeEB staff and institutionalise such training within OeEB
Learning	
<ul style="list-style-type: none"> — Learn and reflect on gender lens investing within OeEB, with our clients and partners 	<ul style="list-style-type: none"> — Gender awareness and knowledge sharing with clients — Proactive involvement in key peer learning fora
Monitoring & evaluation	
<ul style="list-style-type: none"> — Identify impact tools to integrate stronger gender output, outcome and impact indicators and define relevant indicators — Communicate our gender smart financing activities to the outside 	<ul style="list-style-type: none"> — Learn, reflect upon and update tools

