

Gender Lens Initiative for Switzerland (GLIS)

Webinar 01 – Event Summary

21 April 2021

The Gender Lens Initiative for Switzerland (GLIS) is an SFG working group launched on 8 March 2021. It seeks to enhance the Swiss contribution to SDG5 (Gender Equality & Women Empowerment) through partnerships, industry standards, market research, financial innovation, organizational model assessments, events & media outreach.

What is Gender Lens Investing?



Industry Leadership

Improve gender diversity, equality & leadership in financial institutions.



Tailormade Services

Enhance the financial advisory & products offering for women as capital owners.



Capital Access

Increase capital access for women-led & women-owned funds & companies.



Broad Integration

Finance solutions to challenges that affect women & girls, including other SDGs.

Global Perspective

- SDG 5 is the most underfinanced Goal
- COVID-19 has worsened the global gender gap, and the WEF predicts it will take 135.6 years to reach parity, up from 100 years before the crisis.
- Market Size: USD 17B AUM including USD 11B in public markets & USD 6B in private markets (source: GenderSmart). 193 funds with a gender lens (source: Phenix Capital).
- Only 28% of companies surveyed by the UN have time-bound, measurable goals and targets for gender equality and women's empowerment.
- **Switzerland** ranked 8th in 2015 and 20th by 2018, with women earning roughly 20% less than men for the same type of work.

Gender Lens Industry Standards

- The 2X Criteria developed by the 2X Challenge provide a framework for investors to identify gender-smart business opportunities and have become the global standard for GLI.
- The criteria and metrics are aligned with the GIIN's IRIS+ and HIPS0 (in process).
- The 2X Challenge exceeded its initial 2020 target by 50%, by mobilizing USD 4.5B in capital towards women's economic empowerment.
- 2X Challenge is in the process of developing a label and funding facility for gender-smart funds.

Why Invest with a Gender Lens?

- 70% of people living in poverty are women. Gender inequality is a key driver of poverty.
- Up to USD 28 trillion could be added to the global GDP by closing the gender representation gap in the economy.
- Female entrepreneurs generate more revenue than their male counterparts, with less financial backing.

Gender Lens Legal Terms

- **Incorporating gender considerations from a legal perspective:** Loan agreements to create a balance between gender lens goals and financial considerations with required reporting on gender lens metrics. Alternatives: side letters or non-binding documents to ease the pressure of compliance on the portfolio companies.
- **Non-Compliance, Events of Default, and Consequences:** Aversion to tying gender impact-driven provisions to events of default in loan agreements. Preference for a more flexible approach to avoid having to exit an investment or penalize the portfolio company because of gender lens shortcomings that can be remedied with more time.
- **Takeaways:** The practice of using legal mechanisms to enforce gender considerations is still nascent. There is a need for more information-sharing, the standardization of legal language, and greater uniformity in best practices.

The GLIS

The GLIS will enhance Switzerland's contribution to SDG5 by:

1. Facilitating research to generate data and strengthen the business case for a Gender Lens approach – the academic research committee (ARCO) designs research related to gender lens investing, the gender balance of financial institutions, and women as capital owners and investors in Switzerland.
2. Showcasing financial innovation to help mobilize capital for SDG5 – the investment solutions committee (ISCO) verifies the gender impact of any product before it is featured in GLIS activities.
3. Building awareness through an outreach program of educational events and media coverage.

Gender Lens Impact Measurement

- **SME/Investee:** SEAF, IRIS+, Value4Women.
- **Fund/Portfolio:** IFC Principles for Impact Management, SDGs, 2X Challenge.
- **Sector Field Building Efforts:** The Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH) is helping to build the evidence base for investing with a gender lens, and to scale this approach across sectors.
- **Challenges:** Mostly output level or proxies at the enterprise and client level that is predominantly self-reported. Outcome level data that captures changes in well-being requires subsidy.

Aggregation and analysis are challenges given the diversity of data types and formats collected.



Financial Innovation

- **Drivers for growth of GLI:** Increasing awareness about the benefits of gender diversity and more evidence on the positive impact of gender diversity on corporate performance.
- **Financial products with a gender lens:**
 - AXA World Funds Framlington Women Empowerment Fund (listed equity fund)
 - Barclays Women in Leadership (ETN)
 - BGG Ventures Fund II (private equity fund)
 - QBE Insurance Group's Gender Equality bonds (gender bond)
- **Next step for innovation:** Gender performance going beyond workforce to include stakeholders, integrate gender performance into debt covenants, incentivize improvement in gender practices, integrate gender considerations in all sustainable finance instruments and investment funds.