STRATEGY TOOLKIT

Gender Lens Investing

SAWI PROJECT
Support and Accelerate
Women's Inclusion

The Center of Inclusive Business and Leadership (CIBL) for Women
American University of Beirut 2022

Acknowledgments

The Center for Inclusive Business and Leadership (CIBL) for women would like to thank all our partners, advisors, and community members who have worked tirelessly over the course of the development of the SAWI project We are thankful for their efforts and collaboration. It has been a pleasure to be on this journey with such a great group of individuals and organizations, all committed to women's economic inclusion and to building more inclusive and dignified Human Resource Systems in the MENA region.

U.S. State Department, Middle East Partnership Initiative (MEPI) Program staff:
Shay K. McNeil
Ahmed Gutan
Anastasia Franjie
Rohan Thomas
Shane Stryzinski
David Lewis
Maya Barhouche

Principal Investigators at CIBL for Women: Lama Moussawi, Charlotte Karam, Wassim Dbouk, and Carmen Geha.

Research Team Members at CIBL for Women: Ghadi Al Ayache (Research Assistant), and Elissar Hanna Gebrael Saad (Research Associate).

Research Team Members from the Investment Management Program: Joel Abdallah, Rim Bannoutat, Narine Elmayan, Georges Makhoul, Nahida Shehab, and Peter Yared.

Management Team Members at CIBL for Women: Rima Isho (Deputy Director), Olfat Khattar (Regional Manager), Line Reda (Assistant Project Manager), Samira Hazzouri (Graphic Designer), Mireille El Habr (communications).

Advisors for CIBL for Women: Nahla Bou Diab, and Zeina Zeidan.

Contents

1. Introduction

Gender Lens Investing (GLI) is a new approach that is becoming more and more popular as investors and financial intuitions are adopting this strategy. In simple words, GLI means the use of capital to address gender inequality. GLI can be viewed from different angles. One way to think about is to create an investment strategy based on gender analysis with the aim of achieving a greater return. Another way is to respond the following question: "how can we use capital in order to improve the lives of women and girls positively?".

The investment considers both the improvement of the economy and social well-being for women and girls. GLI also goes under the name of "impact investing" which means any investment with the goal of creating a positive social or environmental effect . A study in 2020 from Project Sage identified a 58.6% increare in GLI funds from 2019 and up by 138% from 2017 (Biegel et al., 2020) implying an increase in awareness about the importance of GLI funds for investors.

The importance of GLI comes when we see a gender gap in politics, social life, cultural, intellectual or economic attitudes as mentioned by the World Economic Forum. In every single area mentioned previously, we can see various kinds of gender inequality, for instance salary differences, imbalance in the rate of female employees, managers and leadership positions. Another thing to consider is that a large majority of funds (almost 88%) reported that gender is one of their top four important criteria to consider while investing (GIIN, 2019). Developing a gender lens investing strategy toolkit aims to assist impact investors and help managers in identifying gender-based opportunities in their relative sectors. Therefore, it will provide investors with a well-planned strategy based on the best practices across the industry, as well as practical tools and tips that guide them to build a promising and impactful investment portfolio.

A GLI toolkit creates an environment where key questions are asked and answered, hence it has every detail that an impact investor must consider and study before taking further steps in his or her investment process, which makes it a valuable resource for guidance. On the other hand, developing a GLI toolkit is vital since it can serve as a concrete global standard set of GLI definitions, principles, regulations and conditions, which is, unfortunately, missing today.

2. Gli definitions

Since GLI definitions are evolving, it is important to study the change in scope and focus of GLI over the years. This process can be tracked through the efforts and work of the Criterion Institute. This non-profit institute, founded in 2002 in the United States, examines strengths within financial systems, as well as processes and functions within finance to analyze how capital flows in society. Its main goal is to empower more people to participate in the reinvention of the economy.

In 2014-2015, the definitional focus of the Criterion and Institute and GLI in general was on ways and means of directing more capital to:

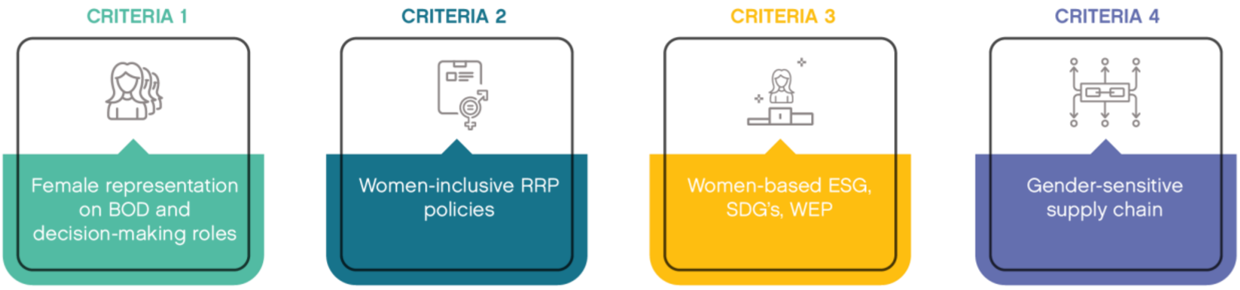
- Small and medium-sized enterprises that are Women-owned or -led (WSMEs)
- To companies where workplaces are safe and fair for women employees at all levels
- To firms that sell products or services that enhance the lives of women and girls" (Anderson and Miles 2015; Kaplan and VanderBrug 2014).

Both publicly traded investment funds and products adopted this GLI framing (Jackson and Sermento, 2020). For instance, Pax Ellevate Global Women's Leadership was one of the funds which was developed based on this framing. In fact, this fund focuses on investing in WSMEs and companies that value women's leadership and gender equality. In addition to investments and funds, this definition of GLI was adopted by several finance institutions (such as FinDev Canada) and grant-funded programs.

In 2017, the definition of GLI was further developed and broadened by the members of the Gender Lens Investing Working Group of the Global Impact Investing Network (GIIN), advised by the Criterion Institute and supported by Investing in Women. The framing and definition of GLI were expanded to include "a process that focuses on gender, from pre-investment activities for example sourcing and due diligence to post-deal monitoring like strategic advisory and exiting or even a strategy that examines, with respect to the investee enterprises, their vision or mission to address gender issues, their organizational culture, internal policies and workplace environment, and to incentivize behavioral change and accountability; and how their financial and human resources signify the level of commitment to gender equality" (GIIN 2019).

As stated by the Global Impact Investing Network, GLI is an approach or strategy to investing which considers gender-based aspects throughout the investment process to promote gender equality and better inform investment decisions. Investors adopt a gender lens investing strategy for different purposes. Some investors implement GLI to seek higher profits and better returns on equity, while others focus on promoting gender equality and empowering women regardless of the returns. Moreover, investors implement different strategies and focus on different criteria in GLI. That's why, the Global Investing Network, divides gender lens investing into two categories.

GLI has been defined historically, however, it is essential to implement GLI through modified criteria that helps the issues present in the MENA region. For this reason, CIBL created its own set of GLI criteria. The CIBL criteria is a contribution to the literature that incorporates inclusive supply chain practices and HR structures within the organisation. We are adding a layer where it is essential to make sure that the firm is inclusive. Employers should make sure that their organization follows this set of criteria to ensure an equitable workplace, as well as attract potential investors. Investors should look and screen for companies that follow this set of criteria.



We have put in place strategies for employers, investors, and women that help guide you on how to successfully implement gli with the criteria (for employers), and through the investment process (for investors). GLI is directed towards employers and investors. Employers and investors both need to be aware of the 4 criteria since GLI includes employers adopting the criteria and investors investing in the employers organization that adopt the criteria. Investors need to consider looking at their investment process. This is essential since if gender is not incorporated into the investment process, then it is not GLI based. When investors have a clear GLI thesis developed and look deeply at the gender-based assumptions implemented in their investment process. An organization or enterprise can now integrate GLI into a more fulsome strategy through the 4 criteria.

3. GLI Categories

GLI CATEGORY 1	1. Investing in women-owned or women-led enterprises 4. Investing in enterprises that promote workplace equity and employment opportunities 5. Investing in enterprises that offer products or services that substantially improve the lives of women and girls
GLI CATEGORY 2	1. Adopting a process that focuses on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-investment monitoring (e.g., evaluation and exiting) 2. Adopting a gender equality strategy that examines and modifies gender related components of a company or organization

a. GLI Category 1: Investing to empower women

GLI is emerging as an important source of funding for organizations, products, and services that benefit women. Hence, analyzing investment decisions using these three lenses, can help to assess the impact that these investments have on women (Value for Women, 2020).

GLI has been defined historically, however, it is essential to implement GLI through modified criteria that helps the issues present in the MENA region. For this reason, CIBL created its own set of GLI criteria. The CIBL criteria is a contribution to the literature that incorporates inclusive supply chain practices and HR structures within the organisation. We are adding a layer where it is essential to make sure that the firm is inclusive. Women owned business also need to be held accountable in terms of inclusive policies and practices present. The assumption that women owned businesses are already inclusive is inaccurate and investing in such businesses without ensuring that the set of inclusive criteria are present is not efficient. Additionally, firms that are seeking gender equity in their practices might not be inclusive nor have policies that protect their employers against gender discrimination. Finally, firms that are offering products and services to empower women might be doing so to generate profits without offering dignified work conditions for their own employees.

Investing in women-owned or women-led enterprises
Although venture capital firms that invest in women-owned or led businesses have shown better performances than those that do not (Kipnis et al., 2020), female entrepreneurs still face more barriers than men in raising capital. Indeed, several studies have documented large gaps between women and men in accessing early-stage finances for their enterprises:

- In Europe, VC funds are offered 93% to companies with all-male founders, 5% to those with a gender-diverse founding team, and merely 2% to those with all-female founders (Atomico, 2018).
- In the USA, 15% of VC goes to firms that hold at least one woman in their founding team, and nearly 3% of VC goes to all female-founded companies. Meanwhile, in the EU, businesses with at least one female founder acquire about 11% of VC findings (PitchBook, 2018; Fackelmann and De Concini, 2019).
- In the UK, for every £1 of VC investment, all-male founder teams receive 89 p, mixed-gender teams receive 10 p, leaving all-female founder teams less than 1 p (British Business Bank, 2017).
- About 16% of VC firms support Dutch mixed- and female-founded start-ups, providing them with only 3.5% of their cumulative start-up funds. Additionally, less than 1% of all funds was offered to start-ups with solely female founders since 2008 (TechLeap.NL, 2019).
- In France, female-founded start-ups estimate for hardly 5% of all start-ups financed and carry 30% less chance of being funded by leading investors than male-founded equivalents (Baromètre SISTA/ Boston Consulting Group (BCG), 2019)

Women's access to capital can be increased by investing directly in women-led enterprises and by offering credit programs targeting women.

Gender Equity in the Workplace
It is known that women still suffer from gender inequality in the workplace. Despite the risen discussions and publicity striving to close the gender gap, global statistics disclosed by the International Development Research Centre in Canada show there remains a tremendous amount of work to be done.

- The formal economy comprises 54% of the female workforce, in comparison to 81% of the male workforce
- A woman working full-time earns about 77% of her male counterpart's salary
- Men occupy about 95% of CEO positions at Fortune 500 companies, leaving only 4.8% for women
- Men realize only 34% of the unpaid labor that women do, including care work and household chores
- Only 56% of females own a bank account, in contrast to 63% of men (Maheshwari et al., 2019)

Investors can have a positive impact on women by favoring enterprises that promote gender equity. This kind of enterprises may have women in leadership positions, have equitable wage and leave policies or manage their supply chain in a gender equitable manner. An investor who looks to support women with this lens assures gender equity within workplaces, makes investment decisions based on their findings or the use of shareholder power to influence internal policies in order to make a difference.

Products & Services that Benefit Women

This lens includes businesses that are looking to improve by promoting gender equality, delivering products or services relating to women's health; labor-saving technologies or devices; or learning tools to improve the skills and capabilities of women. In general, investments revealed through this lens respond to a need, whether biologically or socially driven, that is particularly unique to female consumers (Özyol, 2020).

- Investments in female-oriented products–products that ease household and caregiving responsibilities and/or improve safety for women, for example cook-stoves. According to Cambridge Associates, there are private debt funds that support the distribution of cook-stoves that enhance the health and well-being of women and reduce the time needed for their household chores, ensuring them more time for education and employment (Cambridge Associates, 2018)
- Investments focused on improving health and education for women and girls, i.e., investing in menstrual health and education. Admittedly, period poverty is a growing problem across the globe for women. In fact, many women cannot afford sanitary products due to financial implications and lack knowledge about their menstruation cycles and the availability of sanitary services, ensuring them a safe place to manage their cycles (Hume, 2021; Cambridge Associates, 2018).
- Investments in products that reduce problems for women, i.e., access to energy, clean water, safe housing (Cambridge Associates, 2018).

Capital markets with a mechanism, such as a gender lens to generate greater pools of capital towards these innovative business models, expand their scope and their impact.

b. GLI Category 2: Integrating gender into investment decisions

The second category of GLI consists of two ways that combined have the goal of integrating gender into investment decisions (GIIN, 2020). This can be achieved by a process that focuses on gender from pre-investment activities to post-investment monitoring, or by a gender equality strategy that examines and modifies gender related components of a company or organization.

Investment process

Pre-investment

Sourcing Channels:

Traditional sourcing channels and models for pipeline development depend on referrals and recommendations (Cheston et al., 2019). Due to the fact that these networks are gender-imbalanced this often causes the portfolios to be male-dominated. In addition, the sourcing channels may include events and meetings that may not be taking into consideration the needs of women which widens the gender imbalance gap (Gutterman, 2020). Hence, it is crucial for the companies and investors that seek to improve the opportunities for GLI to take these things into consideration and try to improve the way they develop their pipeline. Once this is solved, the issue of gender-imbalanced deal flow can be mitigated (Cheston et al., 2019).

Due Diligence:

It's the process of gathering data from the potential investee company about gender-related metrics. The data is then analyzed in order to assess whether there are business performance opportunities or risks that may affect a company's operations, financials, and reputation (GIIN, 2020). To effectively conduct due diligence with a gender lens, the team lead can follow two steps (Roberts, 2016): gather sex-disaggregated data to establish a baseline; and ask questions to assess gender-based opportunities and risks within the investee company operations and determine opportunities for value creation. Due diligence processes should seek to determine whether there is sexual harassment and gender discrimination which includes public health rights, quality care, confidentiality and whether the employees can exercise their rights and benefits. In order to optimize the process, due diligence should recognize gender-specific impacts. For instance, due diligence processes should not only include full-time salaried but also people with short term contracts especially due to the fact that a lot of women are often employed through informal and short-term contracts.

Post-investment

Monitoring and Evaluation

In portfolio management specifically in GLI the team's role is to support the investee company's leadership in achieving the gender outcomes agreed upon in the deal agreement. The investee company is responsible for achieving the goals agreed upon. The investor is not typically driving the day-to-day process of ensuring activities to address gender-outcomes that are underway, rather the investor receives reports on progress (Gutterman, 2020). The investors encourage the investee to adopt gender sensitive measures, highlighting the financial and social rewards of doing so. Additionally, investors require their investees to report back in order to track progress; to assess whether the goals that were agreed upon were achieved or not and to hold the company accountable if not in order to try to improve the strategies used.

Exiting

The role of the investor when exiting a gender lens investment composes of 3 components (Satar, 2019). First, the investors should try to assess how their exit will affect the company and its gender lens investing. Then, any returns on investments on the support provided by investor to achieve gender outcomes must be calculated, including the influence that gender outcomes have had on the commercial KPIs of the company. Lastly, maintaining the momentum of gender outcomes achieved, so that they are not potentially lost under the leadership of the potential buyer. Given the nascent but growing field of gender-smart investing, these 3 components define a successful gender-smart exit (Value for Women, 2020).

Gender Equality Strategy

Considering gender components of an organization can highlight financial risks, financial opportunities and financial levers for the company as a whole (Clesensio, 2020). It requires the employer or investor to examine their vision or mission to address gender issues, their organizational structure, culture, internal policies, and workplace environment, and their use of data and metrics for the gender equitable management of performance. Gender diversity benefits not only women by improving their spending power and living standards, but it also has a huge impact on an organization's productivity and success. One of the major benefits of improved gender equality in the workplace is a more cohesive and more productive workforce (WHO, 2019).

As a starting point towards developing a gender inclusive strategy, it is recommended that organizational members, starting with the leadership team, learn more about what gender equality entails and how it can be beneficial to their organization (Jaffe et al., 2019). A gender equality strategy is important to ensure that discrete initiatives are complementary and working towards the overall goals of promoting gender equality in the workplace and supporting the organization's business priorities. The strategy examines and modifies the following components of a company or organization (Alleman, 2019):

- Their vision or mission to address gender issues
- Their organizational structure, culture, internal policies, and workplace environment
- Their use of data and metrics for the gender-equitable management of performance and to incentivize behavioral change and accountability
- How their financial and HR signify overall commitment to gender equality

Sustaining a focus on gender perspectives is important, to start with due diligence and to end with post-deal monitoring and reporting. Depending on the objective and context, this may need new tools or strategies specifically focused on ensuring gender issues are proactively considered.

The investors should take all the steps in the process of gender lens investing into consideration. From assessing the firm at the beginning by considering all factors for gender balance and using metrics to assess whether the firm is adopting GLI initiatives or not by extracting and analyzing data for the full-time employees, the temporary employees, the suppliers (including second and third suppliers). Then, after the investment has taken place the investors should make sure that the firm is working on achieving the targets that have been set and should be held accountable if not.

4. Methodology

We at CIBL define Gender Lens investing as an approach to investing that targets and improves investment processes and structures in order to advance women's inclusion in the MENA workforce. This includes primarily investing in:

- Women owned or women led enterprises (WLB)
- Enterprises that promote workplace equity
- Enterprises that offer products or services that substantially improve the lives of women and girls.

As we mentioned ealier, we stress that GLI funds should be channeled to firms that have HR and supply chain inclusive structures. We realize that firms' gender policies and practices are not transparent to external investors. Hence, we have developed a criteria that could be used to analyze whether public or private firms are inclusive. Definitely,the more gender related data the investor has, the more informed the GLI decision will be and the GLI selection criteria can rely on a more extensive data in the analysis. Given the scarcity of gender data related to public firms and its absence for private firms, we modeled the criteria we used to identify public companies engaged, at least partially, in GLI activities around this definition and its practical applications. As such, we settled on the four following criteria:

1. Female representation on BOD and in decision making roles
2. Gender sensitive RRP (Recruitment, Retention, and Promotion) policies
3. Women based ESG, SDGs, and WEP
4. Gender sensitive supply chain

- **Criteria 1** – Is the most tangible way to measure if an organization is led by women. The two governing bodies in most public companies are the Board of Directors and the C - Level executives.
- **Criteria 2** – The only real way for a company to promote workplace equity is through its policies and their enforcement.
- **Criteria 3** – While not all companies offer products that improve the lives of women, many engage in ESG practices and services that do.
- **Criteria 4** – A company is not a solitary entity. The policies and practices of its partners are just as important as its own. Just as people are defined by the company they keep, so to is a business defined by the entities it does its business with.

These criterias are essential since they help establish the different properties that companies, and investors need for a successful GLI implementation.

515 public companies from our 8 target markets were gathered from the Screener and the MENA Company Screener applications available through the Eikon platform. We then split these companies into three tiers.

- Tier 1 comprised the companies that met at least three of the criteria
- Tier 2 comprised the companies that met at most two of the criteria
- Tier 3 comprised the companies that met none of the criteria

We have 12 companies in tier 1, 72 companies in tier 2, and the remaining 431 companies in tier 3. The information used to classify the companies into their respective tiers was gathered from various sources. Including the Eikon platform, the companies' annual and CSR reports, codes of ethics and conduct, and the companies' respective websites.

The way we applied the criteria is as follows:

- If the company had women on their Board of Directors or had women in executive or c-level management, it met the first criteria.
- If the company had specific RRP polices towards women or if they had equality towards men and women as one of their principles, then it met the second criteria.

- If the company supported one of the gender specific or gender related SDGs or supported one of the Women Empowerment Principles or participated in women based ESG, then it met the third criteria.
- If the company worked with at least one company that was led by/owned by women or worked with at least one company with Gender sensitive RRP policies, then it met the fourth criteria.

Companies should strive towards Tier 1 for the following reasons:

1. It's just good business. Studies have repeatedly shown that companies that are more diverse and inclusive from top to bottom, routinely outperform their competitors.
2. It's good press. With the increased interest and call for gender equality, companies that get ahead of the curve get more focus and this can lead to increased investment opportunities.
3. Positive feedback loop. As more companies strive for Tier 1 status, these companies start outperforming their competitors. So in order to keep up, said competitors also take strides towards Tier 1 status and more gender inclusivity. This makes the field itself more diverse.
4. It's the right thing to do. While the business case is important, we shouldn't forget the moral case. Women have a right to equal and equitable pay and opportunities. And companies should strive towards this goal.

5. Strategies for GLI Locally: The need for policies and action plans for Investing in GLI

GLI locally is directed towards investors, organizations employers, board directors, managers and HR. Many of them still confuses in understanding about how to integrate GLI into an organization's investment strategy. For some, it may be considered to invest in women-led businesses or organizations that promotes gender equality for others, to invest in companies that offer products or services the eases the lives of women and girls. However, this general meaning shouldn't be the reason to invest in a company instead, investors should look for companies that integrate all of this in their decision making process which will result in a positive outcome experienced by women and girls. (Karen Ng, 2019) Having an action plan is one good way to take a step further.

At first, investors should understand their investment thesis which states how much they believe in a future that is more fit for women and girls while valuing the market over time as well as considering the level of involvement that gender will have in the market which will eventually impact the risk or even the opportunity of an investment. When highlighting these features, investors can uncover trends and patterns in the market left out because of traditional market analysis. (Criterion Institute)

Second, you should think about how investments get made, and what underlying biases or assumptions related to gender are embedded in that process. 2 questions to be asked: 1) When you build your investment strategy does gender consider to be a factor into the referrals you trust? 2) What kind of investment are valued during screening? Is your power and influence been integrated properly? When implemented correctly, gender analysis can change your whole perspective during the phases of investments.

GLI is a way to discover assumptions made in the methodology while investing. Yet, sometimes it can face the well-established systems and structures. Examples that can be considered as a start are improving the culture of investment committees, structing deals with the right financial instruments that work well for women and increasing the access to capital.

Role of Employers and Organizations
By the end, when investors have a clear GLI thesis developed and looked deeply at the gender-based assumptions and biases implemented in their investment process, an organization or enterprise can now integrate into a more fulsome strategy. There's 2 questions to be asked for better understanding the level in which the company stands: 1) How does your leadership and organizational culture contribute to the work of GLLI? 2) What key performance indicators hold investors and asset managers accountable at all levels of the organization? To turn the gender perspectives into policies, procedures, programs into practices there's a long way to go to successfully implement GLI strategy (David Venn, 2018).

6. Strategies for Employers

To build a diverse workforce and a culture of inclusion, there are two main pillars that gather different actions to help companies in the MENA region advance towards gender equality and to attract investors. There are 5 recommended strategies: 1. Inclusive boards, 2. inclusive HR systems, 3. Inclusive supply chain, 4. Targeting products and services that empower women, and 5. Active actions and policies targeting investors.

a. Inclusive Boards

The board of directors is the governing body of a company and represents the company's shareholders. Every public company must have a board of directors, as it creates a separation between the company's owners and managers. While governance structures differ across companies, many of them have adopted a two-tier corporate hierarchy with inside board Directors, high-level managers within the company, and outside board directors recruited to provide an unbiased perspective to the board (Orazalin, 2019). The board meets regularly to set policies for corporate management and oversight. It therefore plays a key role in setting the corporate agenda for gender equality and women's economic empowerment in the workplace, marketplace and community. However, neither diversity of board members, nor a gender-sensitive boardroom agenda, will happen on its own. It requires strong leadership and targeted action to overcome the barriers to women's access to leadership roles and board seats.

Policy makers and practitioners are starting to embrace the idea that increasing women's participation in corporate leadership is a means to achieve the inclusive economic growth needed to boost the region's competitiveness. Closing the gender gap in labour force participation by 2025 could add USD 12 trillion (26%) to global GDP. In the MENA region, estimates suggest this could take as long as 157 years, given current trends (Arayssi & Jizi, 2019). Implementing gender diversity on boards is not only fair and morally correct, but also, a matter of good business. Building gender equality into corporate governance and board leadership translates into tangible success for companies. In fact, a study developed by the International Labour Organization (ILO) found that companies with gender-balanced boards are approximately 20 per cent more likely to have improved business outcomes (ILO, 2019). Companies and organizations that implement gender-diverse boards stand to benefit in several ways.

Gender equal participation on boards contributes to a diversity of opinion in company-wide decision-making. It eliminates homogeneous ways of thinking and decision-making, and promotes diverse perspectives and better decision-making. Research into gender diversity on boards finds that having at least three women on corporate boards enhances innovation (Adeabah et al., 2019). Gender diverse boards tend to be more active in overseeing the strategic direction of the company and in reinforcing accountability through audits and risk management. Diversity has also positive spin-offs on employee satisfaction, company productivity and customer satisfaction. Gender-balanced leadership is also associated with stronger corporate governance.

The concept of boardroom diversity has gained a lot of attention in the past few years. Companies in the MENA region should work pro-actively in bringing diversity in the boardroom and considering opinions regardless of the gender, age, etc. (Kamp, 2020). Boardroom diversity has been gaining focus as the concept of corporate governance is gaining strength. There are many facets of boardroom diversity but gender diversity in particular is catching the attention of various companies (Kamp, 2020). Ideally board composition should match the company's strategic needs, which change as the business environment changes and the companies evolve (Haque, 2020). Moreover, the shareholders and the key people also attach importance to the value that diverse perspectives bring, including those related to racial diversity and gender diversity

A strong corporate governance framework is essential for MENA economies as they strive to boost economic growth, strengthen competitiveness and build prosperous societies (Mertzanis et al., 2019). An OECD (2019) report assesses the corporate governance landscape in the MENA region by identifying challenges and proposing policy options for reform. Overall, the report found that MENA economies have made progress in strengthening corporate governance frameworks in recent years, but that the region still faces challenges in adopting and implementing corporate governance measures that support economic efficiency, sustainable growth and financial stability (OECD, 2019).

Actions and Policies Toward inclusive board representation

- **Ensure executive leadership commitment**

Commitments by the company's CEO and Chair are essential for ensuring that the representation and inclusion of women on boards is realized. Board members are invited to use the Women's Empowerment Principles as a framework to tackle gender equality and women's economic empowerment in the workplace, marketplace, and community (Gunawan et al., 2019).

- **Implement a board diversity policy and appoint diversity and inclusion focal points**

A key strategy to embed diversity in the governance of an organization is through the establishment of a board diversity policy. This policy can outline company strategies for ensuring that hiring practices are inclusive and that barriers along the corporate talent pipeline are eliminated. To ensure effectiveness, this policy can be coupled with clear monitoring and reporting structures and progress can be reviewed regularly (Ghaeli, 2019). While it is the responsibility of all to abide by corporate policies and work to advance diversity and inclusion in the workplace, specific board roles can be established that are dedicated to monitoring and evaluating diversity and inclusion, with a focus on senior management positions and board membership. Companies can create a specialized committee to develop diversity criteria and engage recruitment search firms. The creation of a committee, task force, or appointment of a diversity manager signals that an organization or corporation is committed to equality, and research shows that appointing diversity managers increases both company social accountability and the hiring rate of women and other minorities.

Working with an external impartial council or monitoring body, diversity focal points and task forces can:

- Help set key gender representation targets.
- Ensure that the skills and talents of women from diverse backgrounds with different identities and abilities are represented and valued on company boards.
- Monitor diversity and inclusion goals in order to ensure company accountability.
- Conduct exit interviews with board members to capture their experience on the board to inform future efforts.

- **Expand board selection criteria and recruitment channels**

Having narrow hiring criteria for board, executive and leadership positions results in a lack of diversity. Public issuers often seek board members with previous CEO experience, which reduces the pool of female candidates. Rather than solely recruiting and hiring individuals with past executive and leadership experience or hiring individuals with skills that mirror those of the people they are replacing, companies can focus on competencies and transferrable skills and experiences. Other strategies to expand the choice of candidates include gender-neutral job descriptions, diverse interview panels, and blind résumés (Ghaeli, 2019).

- **Assess leadership effectiveness and maintain transparency**

Regular assessments of the board’s effectiveness, the composition of the leadership team and gaps in team organization and communication style can help companies to identify gaps in diversity and implement strategies to solve them (Orazalin, 2019). The publication of data about how many women sit on their boards, executive and leadership teams can ensure that companies remain accountable to their employees, stakeholders and consumer bases.

- **Institute age and term limits for board members**

Age and term limits for board members ensure that there are regular opportunities for new, diverse recruitments in board, leadership and executive positions. This also keeps companies competitive in the marketplace and provides an opportunity for qualified women to advance their careers. Companies can enhance their boardroom succession planning by monitoring future board vacancies and proactively determining women who would be a good fit for the role, as well as publicly disclosing these practices for transparency (Orazalin, 2019). Forecasting board vacancies means that companies are constantly looking for new talent to support diverse recruitment strategies.38

- **Expand the board table with additional seats**

Even with age and term limits, board turnover can still be slow. The representation of women on boards can be improved by adding positions and ensuring that they are filled by qualified women from diverse backgrounds with different identities and abilities (Ghaeli, 2019).

b. Inclusive HR system

By adopting gender-smart policies, companies may be able to fill the gaps unaddressed by laws and minimize the impact of inequality in the workplace. Although not all women work in these institutions, such policies are nonetheless impactful for those who do and could set in motion a new and replicable culture of work, one that is both business-smart and more gender-inclusive (Dalacoura, 2019). Gender inequality and discrimination hold back women's careers. Recognizing the importance of implementing principles that embrace equal employment opportunities for men and women, equal pay for equal work, and equal treatment, including for vulnerable workers, not only underpin a company's values but also advance its competitive advantages (Rodriguez et al., 2019). Furthermore, as women make up roughly half of the population, when companies are unable to manage gender diversity, they lose the opportunity to hire and retain top talent. Therefore, it is only reasonable that they try to create work environments that will be attractive to women.

One of the ways to achieve this is by adopting gender-inclusive work policies (Moghadam, 2020). Such policies address the challenges women commonly face in the workplace. Examples include policies on family-friendly work and sexual harassment. Such policies benefit not only both female and male employees but also the business overall (Moghadam, 2020). Take, for example, family-friendly policies. These usually include childcare solutions, flexible working arrangements and parental leave. Remote working made possible by technology, and childcare options help employees maintain better focus at work, increase productivity and avoid burnout (Dalacoura, 2019). The availability of accessible and reliable parental leave and childcare options encourage parents to feel more prepared to return to work and eases the transition back to their careers. For companies, this means they will be able to retain the people in whom they have already invested and trained. It also sends an important message: Workers are valued and, in the case of remote working, trusted to work with low supervision. Although not exclusively beneficial to women, family-friendly policies are key to increasing female labor participation. We cannot ignore the fact that in most households, caregiving and housework duties remain in the hands of women.

Diversity in the workplace can drive financial performance (Roberson, 2019). Boosting the number of women in work is not just a moral imperative but also has a measurable impact on the bottom line. This is the conclusion of a growing body of evidence that is persuading companies and governments around the world to act (Ng et al., 2020). Pay equality is important, but it's only the beginning of creating a truly inclusive culture. Governments and companies in the MENA region are making progress in workplace gender diversity, but there is still more work to be done. Although the gender gap is narrowing in western countries, for Middle East countries, much work still needs to be done. 12 of the 15 countries in the world with the lowest rate of female participation in the workforce are in the Middle East and North Africa (MENA) region and these countries may take up to 140 years to reach equal-pay status compared with 54 and 59 years in Western Europe and Latin America (WEF, 2020). For a nation to be competitive on the global stage, it needs to know how to make use of its female talent pool, otherwise referenced to as, give or take, half of the population. While more women have entered the workforce, there are still several amounts of progress to be made.

Historically, across the Arab MENA, there is a dire data deficit. Local, gender-disaggregated, accessible data is largely absent. In terms of women's economic participation, this has forced employers and other decision makers to rely on data measured and computed on international indices.More efforts are needed to capture the local and nuanced realities that exist in regional workplaces and across economic sectors. With the KIP Index and Lived Experience Index, CIBL for Women begins to tackle this regional data deficit, by tracking the recruitment, retention and promotion of women at work in the formal economies of the region. Progress toward dignified work for women and toward more inclusive human resources systems requires data. Strategic change necessitates data from the region, for the region. On this note, women's economic participation in the formal economies of the Arab MENA requires our urgent attention. Stakeholders from different sectors must work together to bring about sustainable change.

General Findings From The Kip Index (KIP, 2021)

Covering six sectors, across 11 Arab MENA countries, survey data on HR structures were collected and analyzed in order to create a first iteration of a roadmap for systemic change.

Here are the key findings from the KIP Index:

- Women do have the opportunity to work and want to work, but their career trajectory is hindered.
- Recruitment policies and practices in the Arab MENA region rank highest (41.72), followed by Promotion (38.27), while Retention ranks the lowest in the region (34.28).
- Healthcare ranks highest in the region, followed by education.
- The sector with the highest KIP Index score across the region is Healthcare (45.44) followed by Education (44.73), both scoring well above the Arab MENA average (38.67).

The KIP Index shows that employers in the Arab MENA region perform relatively higher on recruitment in these two sectors. However, given that the future of careers is in STEM, there is a prevalent absence of women in leadership positions today.
STEM is the lowest ranking sector across the Arab MENA in terms of the overall KIP Index score.

The lowest performing sector across the region is STEM, which consistently ranks the lowest across all three dimensions of the index. This ranking was most notable when it came to retention practices and policies (34.28) specifically in STEM and Other Services. Below average rankings, in numerous sectors.

As part of the Center for Inclusive Business and Leadership (CIBL) for Women at AUB, the SAWI Project aims at working directly with organizations across the Arab MENA region to promote gender-inclusive policies for women in the formal sector. In 2017, around 15 percent of women in the MENA region were part of the labor force in comparison to 36 percent, the next lowest ranked region. With an unemployment rate for women at 80% (significantly higher than that of men) (Dalacoura, 2019) and an average differential of 20% globally, women in the MENA region are far less likely to have opportunities to jobs than women worldwide. This economic gender gap is projected to persist in the Arab MENA, despite the skilled and college educated women who overwhelmingly remain unemployed in the region. It is essential to unpack these trends as they exist in specific sectors in order to investigate gaps and bridge pathways for gender equity and inclusion.

A survey conducted by Mkinsey (2019) shows that women across the MENA region want gender equality in terms of opportunity and access to leadership positions, as well as support for employees. Organizations can provide this by openly discussing and raising awareness of both conscious and unconscious bias, ensuring the right tone is set at the top, for example, by tying diversity to business goals, and setting up mentorship programs (Sadiqi et al., 2020). As a case in point, in the Middle East & North Africa (MENA) region, it is estimated that legal and social barriers to female participation in workforces represent an annual GDP loss of $575 billion (PWC, 2019). Studies have shown the importance of board diversity in triggering more creative solutions to business problems and enhancing corporate performance and competitiveness, hence, companies in the MENA region must strive to leverage a diverse workforce to drive business results and value (Bualay, 2019). To achieve that, they need to implement an integrated, holistic diversity and inclusion strategy.

The foundational reference for decision makers, human resource practitioners, and policy makers in both the public and private sector, is to engage in evidence-based dialogue, in order to accelerate effective change in employer policies and to strengthen gender-inclusive workplace practices across the region. Promoting the sharing of knowledge in the region is essential to highlighting policies and practices that an organizational culture is built upon. There is a need in the MENA region for human resource practitioners to tailor their policies to include women as a target group and to display salary, hiring, promotion, maternity leave, education, benefits, etc. online – which not only impact the branding of an employer, but the attractiveness of potential employees to them. It is particularly important for employers to note that family friendly policies, although include the role of women, should not be exhaustive of how women are considered in recruitment, retention or promotion. The latter necessitates policies and practices that are intentional to attracting women to apply to an organization, supporting them and following through on the promises that got them there, and developing their skills so they are able to move to management and senior positions as a key part of the work force.

Despite improvements that have taken place in some industries and governments, the region overall still holds the lowest female labor force participate rate in the world, according on the region's prospects for women at work. A found that women in the MENA region are exposed to challenges including constrained interactions with seniors, limited support from team members and reduced exposure to role models and mentors (Mckinsey, 2020). Other barriers that have been identified include limited policies on work-life balance, lack of clarity on advancement opportunities and lack of essential services at work. In paving the way for more progress, employers should look to seize opportunities that make a measurable difference in addressing these gender disparities by upscaling their organizational policies and increasing female participation in their activities. As an immediate step, it is essential to educate the workforce through awareness-based training on gender equality with the aim of countering gender-based stereotypes and biases (Moghadam, 2020).

Actions and Policies towards inclusive HR systems

- Increase women's participation in representative and executive bodies
- Establish measures such as quotas to improve the representation of women
- Advance the use of leadership development programs to strengthen women's leadership capabilities.
- Take active steps to prevent, identify and address harassment and violence experienced by women when in the workplace.
- Take steps to strengthen or include inclusive policies that foster a safe environment
- Extending maternity leave provisions to ensure that they are in accordance with international standards, including Articles 4 and 6 of the ILO C183 Maternity Protection Convention (2000). This means ensuring a period of no less than 14 weeks of maternity leave with a 6-week post-natal compulsory leave after childbirth (Dalacoura, 2019). In addition, salary and benefits should be ensured for a sum of no less than two thirds of the woman's previous earnings.
- Review maternity leave provisions to: ensure that employers do not bear the costs of this leave directly and that indirect financing mechanisms are used, so that these costs are not associated with employing women; and ensure that the length of maternity leave does not significantly exceed the level recommended by the ILO C183 Maternity Protection Convention (2000); and complement maternity leave with parental and paternity leave so as to dissociate the costs of child-rearing with women as much as possible (Dalacoura, 2019).
- Consider introducing parental and paternity leave to facilitate sharing childcare between both parents and a balanced approach to family planning.
- Facilitate effective childcare solutions, including hours of operation and availability of places to support female labour force participation.
- Design other policies that allow employees the flexibility to balance their private and public lives, such as compressed work weeks, telework and job sharing either through government regulations and/ or by building incentives for employers to provide these types of flexible solutions (Moghadam, 2020).

Recommendations for Human Resource Strategies (SAWI, 2021)

Overcome the data deficit in HR and Online

Organizations can gain by creating ways to collect and track gender-disaggregated data on an ongoing basis, and then to use this data to inform the effective policy and process implementation. Ensuring that data is collected and used for continuous organizational improvement is key to building more inclusive workplaces in Tunisia. As part of this effort, organizations can work to engage in frequent employee surveys to pinpoint any issues encountered or exclusions experienced by different categories of employees such as women and other minorities. It is important to collect gender-disaggregated data on all employee-related decisions such as pay, absenteeism, turnover, etc. Such data is important in order to identify and address any lack of parity, and to design tailored ameliorating mechanisms. Further consideration could be given to designing and conducting exit interviews / surveys with employees leaving the organization to identify the reasons behind their departure, and then to find ways to alleviate such issues in future.

Raise awareness among employers

Raising awareness is a necessary driver that organizations should adopt in policies and strategic planning for effective social change. It promotes practices of transparency between employers and encourages partnership and networking, highlights policies and practices by making them accessible. It is essential to employer branding and visibility to target groups, particularly in sectors that remain male dominated such as STEM and Banking in the Arab MENA. In terms of gender equity, specifically, knowledge sharing is an essential component to corporate social responsibility in response to sustainable development goals. In terms of policies and grievance mechanisms related to sexual harassment, a relative silence on the part of business with respect to CSR, sexual harassment and sexual violence is noticeable2.

Promote strategic partnership among stakeholders

A joint value and collaboration amongst various stakeholders in the region is a valuable and strategic method in order to reach, maintain, and promote dignified work for women across the Arab MENA region. Such stakeholders could include organizations partner with like-minded human resource experts to assess existing human resource strategies and amend practices to bridge the gap between women and the formal economic sector. Stakeholders may include organizations of all sizes, sector-specific syndicates, committees, unions, and other local and regional organizations.

Document women's lived experiences in the public and private sectors

There is a need to nuance the data to be able to compare across the various sectors in order to identify key gaps in retention policies. Each sector has its own laws (codes) and organizational features, with the private sector being less regulated by mandatory internal codes of conduct. Employees in the public sector are explicitly more protected by mandated policies, as well as by the support of active labor unions. Thus, a needs assessment should be addressed and tailored to an organization with these factors in mind.

Adopt, implement and monitor protections against sexual harassment

Organizations can gain by developing a policy to prevent harassment in the workplace, sometimes these are aligned with national level (when available). Organizational efforts against this form of gender-based violence must involve clearly defining what harassment means as a form of violence. As a first step, it is important to implement clear clauses within the organization's codes of conduct and to train organizational leaders about the forms of workplace harassment, including types of behaviors, how to spot the early signs, and how to respond effectively. It is also critical to train employees to know when they are being harassed at work and implement clear steps that protect the employee who is harassed accordingly.

Overcome the data deficit in HR and Online
Organizations can gain by creating ways to collect and track gender-disaggregated data on an ongoing basis, and then to use this data to inform the effective policy and process implementation. Ensuring that data is collected and used for continuous organizational improvement is key to building more inclusive workplaces in Tunisia. As part of this effort, organizations can work to engage in frequent employee surveys to pinpoint any issues encountered or exclusions experienced by different categories of employees such as women and other minorities. It is important to collect gender-disaggregated data on all employee-related decisions such as pay, absenteeism, turnover, etc. Such data is important in order to identify and address any lack of parity, and to design tailored ameliorating mechanisms. Further consideration could be given to designing and conducting exit interviews / surveys with employees leaving the organization to identify the reasons behind their departure, and then to find ways to alleviate such issues in future.

Raise awareness among employers
Raising awareness is a necessary driver that organizations should adopt in policies and strategic planning for effective social change. It promotes practices of transparency between employers and encourages partnership and networking, highlights policies and practices by making them accessible. It is essential to employer branding and visibility to target groups, particularly in sectors that remain male dominated such as STEM and Banking in the Arab MENA. In terms of gender equity, specifically, knowledge sharing is an essential component to corporate social responsibility in response to sustainable development goals. In terms of policies and grievance mechanisms related to sexual harassment, a relative silence on the part of business with respect to CSR, sexual harassment and sexual violence is noticeable.

Promote strategic partnership among stakeholders
A joint value and collaboration amongst various stakeholders in the region is a valuable and strategic method in order to reach, maintain, and promote dignified work for women across the Arab MENA region. Such stakeholders could include organizations partner with like-minded human resource experts to assess existing human resource strategies and amend practices to bridge the gap between women and the formal economic sector. Stakeholders may include organizations of all sizes, sector-specific syndicates, committees, unions, and other local and regional organizations.

Document women's lived experiences in the public and private sectors
There is a need to nuance the data to be able to compare across the various sectors in order to identify key gaps in retention policies. Each sector has its own laws (codes) and organizational features, with the private sector being less regulated by mandatory internal codes of conduct. Employees in the public sector are explicitly more protected by mandated policies, as well as by the support of active labor unions. Thus, a needs assessment should be addressed and tailored to an organization with these factors in mind.

Adopt, implement and monitor protections against sexual harassment
Organizations can gain by developing a policy to prevent harassment in the workplace, sometimes these are aligned with national level (when available). Organizational efforts against this form of gender-based violence must involve clearly defining what

harassment means as a form of violence. As a first step, it is important to implement clear clauses within the organization's codes of conduct and to train organizational leaders about the forms of workplace harassment, including types of behaviors, how to spot the early signs, and how to respond effectively. It is also critical to train employees to know when they are being harassed at work and implement clear steps that protect the employee who is harassed accordingly.

c. Inclusive Supply Chain

Supply chains have revolutionized labour and the global economy in many positive ways, in particular creating opportunities for lower-income countries to diversify their economies and create jobs (Furlotti et al., 2019). Globalization has also increased competition among producers, sometimes creating downward pressure on conditions of work. In many cases their participation has allowed women to become more financially independent and contribute more to household income. They are also disproportionately affected by decent work deficits in global supply chains. It is therefore crucial to examine ways in which policies and practices can promote a future of decent work with gender equality (Furlotti et al., 2019). Achieving women's economic empowerment and gender equality in the world of work will require proactive and transformative policies from a variety of global stakeholders: governments, companies, all supply chain players in upstream and downstream supply chain, employers' and workers' organizations, and civil society (Stoian et al., 2018). In emerging economies women make up a considerable proportion of supply chain workers so targeting these supply chains is a strategic game changer for governments and businesses seeking to contribute to gender equality (Stoian et al., 2018) These policies can also positively impact women supply chain workers in advanced economies, highlighting the global impact of gender equality policies within a single supply chain. Also, companies need to look for supply chain partners that are inclusive at each of the different level of the supply chain, from the multi tier suppliers, to manufacturers, to distributors, wholesalers and retailers. Companies need togconsider inclusive supply chain partners including women led and women owned businesses. Due to globalization, many companies tend to be powerful players that have the upper hand in implementing their vision across the entire supply chain. Inclusive practices and action policies by these powerful companies make a significant impact and plays an important role in shifting practices of other supply chain players toward a more inclusive supply chain.

Companies that encourage diversity in their procurement processes promote innovation and set themselves up to better take advantage of changing trends within demographics, providing an opportunity to benefit in terms of market share. The importance of women's involvement in supply chains for host communities, one of the principal benefits of the extractive industries is the opportunity for direct and indirect employment (Oduol, 2017). However, women often have less access to these opportunities. Factors behind this gender imbalance in ownership include discrimination against women in the sector, and the fact that women often lack the necessary skills, resources, social capital and/or rights to engage in economic and financial opportunities. But evidence indicates that when women can access these opportunities in extractive communities, it can not only increase their income and financial independence, but can also be good for business, poverty reduction and social development (Ros-Tonen et al., 2019)

For several years, in the Middle East all international flows have been on LC's (letter of credit) and confirmed LCs. Supply chain finance (SCF) is a term describing a set of technology-based solutions that aim to lower financing costs and improve business efficiency for buyers and sellers linked in a sales transaction.Several organizations also traded on an open account through documentary collections. Having said that, supply chain financing (SCF) has become increasingly popular lately and almost every bank in the Middle East either has its version of SCF proposition or is planning to have one. The adoption of SCF in the Middle East has been relatively slow for the past few years since its introduction in 2008-2009 post financial recession. However, post COVID 19 pandemic, SCF has been looked at with enormous potential across different sectors as there are some of the key trends which are shaping future of supply chain financing in the MENA region (Al-Abdallah et al., 2021).

In conclusion, supply chain management can have a significant impact on women's economic empowerment in the MENA region. It requires a critical understanding and systemic analysis of the gender dimension of all workers' rights, as well as the ways in which the natural environment and technology are related to the implementation of inclusive supply chain policies. It also requires a solid understanding of the most effective ways of communicating expectations and supporting business partners. Ensuring a vision for inclusion across the supply chain is critical for more inclusive workplaces. this entails working with inclusive players or women opened or led businesses. With this foundation, companies everywhere can improve their operations and promote gender equality through their business relationships, so that women at all levels of supply chains can enjoy a future of decent work

Actions and Policies Towards inclusive supply chains

- **Broaden your talent pool**

To widen the talent pool, companies can create women-focused talent retention programs, providing female mentors to employees, and working to counter unintentional biases by including more women in the hiring process itself (Ros-Tonen et al., 2019).

- **Offer mentorship programs with opportunities to learn.**

Intentionally upscaling resources to pull them under the umbrella, train them up, and re-introduce them into the organization. This includes instituting more mentorship and sponsorship programs Advocating for women in supply chain and manufacturing roles early on can drives the leadership and technical skills to help women climb the corporate ladder (Al-Abdallah et al., 2021).

- **Look Behind the Numbers**

Supply chain is often seen as a numbers game. And it can be all too easy to boil down female representation in the industry into a list of percentages and statistics. While this is helpful to start a conversation about just how important the issue is, change will only happen once there is a real-world impact and action is taken as a result.

Ultimately, for companies to build more equality there needs to be a bigger commitment from those in leadership positions to find and develop a strong and diverse talent pipeline. Companies must sponsor high potential women, which means actively working to position them effectively; understanding the challenge presented; and being direct in counseling about the importance of mobility and flexibility on their career trajectory (Ros-Tonen et al., 2019).

- **Collaboration is Key**

What's interesting to note, however, is that skills and traits that are typically defined as "female" are often the ones that are most beneficial when it comes to working in supply chain. Collaborative skills are especially important. The ability to effectively negotiate and work with multiple stakeholder; whether this is internally among marketing and supply chain, or externally between trading partners—is key to smooth and efficient supply chain management (Furlotti et al., 2019).

Essentially, supply chain is about balance, not dominance. And the true leaders in the field are able to find this balance consistently. Working in a way that leverages the skills of everyone involved in the supply chain process means people are better informed and equipped with everything they need to ensure a high-functioning supply chain. Supply chain leaders should reward those employees who can see the bigger picture and are able to find a way for the team to win as a whole, instead of just individually.

- **The Building Blocks**

Common proposed ways to best promote gender equality in the industry are based on a few key points have stood out (Furlotti et al., 2019):

Quotas

If you say the word "quota" in terms of employing women, it can spark a lot of debate and draw quite strong opinions from both sides of the argument. Yes, some may say it goes against the traditional approach to merit-based career advancement, but it has been pointed out repeatedly that a specific numerical target is most likely needed to really make change happen.

Promoting work/life balance

It is understood that balancing work commitments with everyday life is key to ensuring better gender representation in the supply chain.

Support career progression

There is a critical junction in many women's careers where they are often left to choose between family and full-time employment. It's important that businesses provide ongoing assistance with career planning, advocacy and general job support. A number of companies have programs in place that help keep women on track during the critical transition from a director position to VP (Ros-Tonen et al., 2019).

Looking at the future of supply chain and considering the hugely beneficial skills women can bring to the table, it's high time we knock down the barriers currently faced by the majority of females. To truly succeed and make a difference to the world's biggest issues, the industry will require a new generation of skills, and that will create an equal and diverse leadership.

Actions and Policies for Companies with a Vision for Diversity

- Ensuring that employment-related decisions are free from discrimination.
- Setting individual DEI goals to foster diverse representation and an inclusive environment within their teams.
- Engaging in conscious inclusion and other behaviors that promote equity.
- Mitigating potential unconscious bias in employment decisions and talent practices (including performance and development, compensation, hiring).
- Drawing from a broad pool of talent in region in order to inclusively reach talent, create diverse slates and, ultimately, a workforce that reflects the communities we serve.
- Providing reasonable accommodations for otherwise qualified individuals with a disability and to those with needs related to their religious observance or practices in recognition of personal religious expression. What constitutes a reasonable accommodation depends on the facts and circumstances and is addressed on a case-by case basis.
- Creating an inclusive and safe work environment that supports DEI and behaviors that reinforce
- Cultivating a culture that inspires respect for all employees, customers, vendors, contractors and others in the work environment.
- Contacting Global Services – Human Resources (HR) or local HR when becoming aware of an employee who may be subject to discrimination, harassment or bullying, either by receiving such a complaint or otherwise receiving information about such conduct.
- Appropriately addressing any other behavior not consistent with this, other policies and applicable laws relating to equal opportunity, diversity, equity or inclusion

Actions and Policies for Companies that use Diversity in the Supply Chain Process, Strategies, Operations and HR Systems

1. **Develop an inclusive supply chain** Do you have an inclusive supply chain? Establish policies and practices to promote economic inclusion when selecting suppliers. For example, seek out and solicit (1) suppliers owned by women; (2) suppliers owned or staffed by members of vulnerable, marginalized or underrepresented social groups; and (3) small and medium-sized suppliers.

2. **Examine your supply chain** Determine where men and women are participating in your supply chain (and where they are getting compensated or not for that participation). Build metrics into highest-level dashboards to examine equality in the supply chain.

3. **Measure and react to supplier gender data** How many women you work with directly in your supply chain.

4. **Provide support to women in your supply chain** Provide gender-sensitive assistance to women smallholders and producers in their supply chain.

5. **Require inclusive policies from suppliers**
    - Require suppliers to have a non-discrimination and equal opportunity policy.
    - Conduct supplier surveys to get a better understanding of who you are working with.

6. **Act from the Top** Senior leaders should publicly launch and support procurement and purchasing policies that minimize/reduce/do no harm in buying practices with vendors and suppliers.

d. Reporting on international criteria regarding women's inclusion (e.g. ESG, SDG's, WEPs, etc)

Gender equality has become a central concern for international reporting linked to economic development, corporate social responsibility, and inclusive human resource practices. Reporting on such criteria is essential since it helps ensure that inclusive structures take place throughout the organization.

Actions and Policies

- Monitor and report on system-wide compliance with intergovernmental mandates on gender balance, including at the senior and decision-making levels

- Monitor and report on international women inclusive criteria and efforts

- Apply internal gender equality policies, including achieving gender balance, eliminating harassment and promoting work-life bala

Actions and Policies for attracting investors

Given the nascent but growing field of GLI, there are few best practices documented to draw upon to define a successful gender-smart exit. As the field grows, and investment periods of recent and newly-committed GLIs close, examples will emerge from which investors can learn.

These principles serve as guidelines on how investors can maximize gender outcomes and mitigate the risk of losing progress on gender equality with buyers that may not be as committed (IFC, 2020).

Principle 1: Demonstrate to potential buyers that the investee company's commitment and performance on gender equality measures is a downside protection and can potentially lead to increased valuation. Investee company commitment to inclusive HR systems, including recruitemnt, retention and promotion policiessuch as improved female retention and maternity return rate, or increased capture of a female customer segment, is evidence of improved business performance.

Principle 2: Demonstrate to potential buyers that the investee company's performance on gender equality measures is a premium asset. Focused efforts on tracking the gender milestones and outcomes achieved, and the linkage of gender-smart solutions to commercial KPIs, can offer proof to potential buyers that investee companies can innovate, grow, and profit by closing gender gaps.

Principle 3: Demonstrate to potential buyers that the systems, processes, and people the investee company has put in place on gender activities will continue to perform (especially if the potential buyer does not already have a commitment to GLI). Similar to how establishing good corporate governance ahead of an IPO is key to attracting outside investors, an investee company's performance on gender outcomes can send a strong and positive message to potential shareholders (both private and public) who are increasingly valuing ESG practices, including commitments to gender equality. Early on, Investors can build buy-in from the investee company's leadership to establish continuity of gender activities post-exit. A gender-smart Investor will initiate this at the time of the deal commitment, and continuously provide support on gender activities throughout the investment period – with the goal of institutionalizing gender commitments across the company operations and culture. This will help to ensure that the company's gender management systems are self-sustaining, with the infrastructure and governance in place to maintain gender commitments.

Principle 4: Aim to attract buyers (both private and public investors) who share the same values and are committed to GLI. High female representation across staff and leadership, commitments to gender diversity and supportive policies and processes, and successful female client acquisition, can all potentially attract buyers, especially for those whom gender equality is a priority. A growing number of investors across the investment ecosystem are investing with a gender lens and are therefore more likely to be interested in companies that demonstrate strong gender performance.

Principle 5: Prepare investee companies for questions from prospective Investors. As part of its support of an investee company, the Investor can prepare the company for questions from prospective buyers. Support can include providing relevant data and examples that show the extent to which business improvements have been achieved through gender outcomes and demonstrate a linkage with commercial KPIs.

Principle 6: Proactively prepare gender analysis and reports. Investors can prepare reports with credible sex-disaggregated data that has been gathered throughout the investment period to demonstrate how gender activities are a value-add. Investors may consider proactively preparing such reports to address requests from buyers as well as to honor listing requirements. Increasingly investors, both impact and commercial, request data on gender. Even if the data may not directly affect valuation, it can serve as a 'carrot' or offer intangible value to buyers of interest.

7. Strategies for investors and capital providers

a. Select Gender Lens

i. Relevance of GLI to the investee company business model and the sectors and markets they operate in

GLI is not simply about philanthropy as it benefits both the investor and the investee company. On one hand, investors seeking gender diverse companies can expect to receive higher dividend payouts and return on investment. On the other hand, investee companies will also observe a higher return on equity, better operating result and an overall improved business performance. Alongside, these material improvements, having a gender-inclusive workforce leads to a healthier work environment, as it allows for a cultural shift and introduces a range of perspective that enrich conversations, idea and planning processes.

Several studies have highlighted a link between women in senior leadership positions and better business performance. Companies with 15 percent or more women in senior management generate higher payout dividends, better stock performance and higher return on equity than those with 10 percent or less (Maheshwari et al., 2021). Moreover, companies with a higher share of women on executive committees outperformed those with all-male executive committees by 41 percent in return on equity and 56 percent in operating results (Maheshwari et al., 2021). Additionally, a study of 22,000 publicly-traded companies found that an increase in women in leadership from zero to 30 percent correlated with a 15 percent increase in profitability (Greider et al., 2019). Likewise, a study by Catalyst, a global non-profit organization focused on empowering and accelerating women in business, where Fortune 500 companies with three or more corporate directors who are women, in at least four out of five years outperformed those with zero women directors, by 84% on return on sales, 60% on return on invested capital, and 46% on return on equity (Brooms, 2021).

This is clearly the result of diversity in the workplace as academic research has revealed that teams benefit from enhanced decision-making and problem-solving when leadership roles are gender-diverse, which translates to better overall performance.

Gender-focused products and services also represent a significant opportunity for growth. For example, based on a study of insurance firms in 10 emerging markets, the insurance sector could capture up to $1.7 trillion in new business by 2030 if insurance firms provided more products and services targeted at women (Hunt, 2020).

Another example of GLI growth is the FemTech industry, which refers to software, products and services that use technology designed for women’s health, such as pregnancy and nursing care, period care or sexual wellness. The sector saw a growth from USD 57 million invested in 2012 to USD 800 million in 2019 (Rosas, 2019).

ii. GLI where there is the largest gender gaps and opportunity to make a difference

In 2020, only 47% of women participated in the labor force, in comparison to 74% for men. That is a 25% difference. And on average, women hold 28% of managerial positions and only 12% of board positions. They are also often relegated to positions considered "feminine" such as HR, meaning there is a 72% gap worldwide for women in leadership. Even in the regions with the highest rates (North America, New Zealand, Europe, Australia, and Latin America), women only held 38% of managerial positions. Whereas in the regions with the lowest rates (Northern Africa and Western Asia and Central and Southern Asia), women only hold 13% of managerial positions. That is less than half the world average (United Nations). In addition to the already persistent disparities in men and women's wages, labor force participation and access to financial services, the effects of the Covid-19 pandemic have disproportionately affected women, who are more likely to work in low-wage health and social care sectors (Clesensio, 2020). Research suggests that the effects of the pandemic could set progress for women back as much as six years (Ngoasong et al., 2020).

These challenges, however, lead to several opportunities, as the case for impact focused recovery investments such as GLI has never been stronger. Studies have shown that the majority of successful GLI initiatives were conducted where they will have the maximum impact: Asia, sub-Saharan Africa and Latin America, reflecting the importance of GLI across the globe, especially where it is mostly needed (Ngoasong et al., 2020).

It is true that GLI offers a road map for achieving greater gender balance in organizations, but its impact is far beyond the company level, as it is an opportunity to make a difference on the society level. For instance, studies show that women spend almost 90% of their incomes towards their families, compared to only 30-40% by men (UN Women, 2019). Therefore, investing in economic empowerment of women has the potential to drive progress on not only investor-investee returns, but also for several other goals; it will contribute towards eliminating poverty, reducing hunger, achieving food security, maintaining good health and well-being, and fostering quality education (Azcon et al., 2020).

iii. GLI where data can be gathered

Although data is limited in emerging markets, increasingly, there are sources that are tracking gender lens investments. Project Sage, a Wharton Social Impact Initiative with Catalyst at Large, tracks capital raised with a gender lens across private equity, venture capital, and private debt vehicles. This cleared $4.8 billion in 2019, up from $1.1 billion in 2017, and is increasing (Hunt et al., 2020). The same report found that in 2019, 138 investors were investing with a gender lens, up 58.6 percent from the previous year, reflecting increasing demand for GLI solutions. When it comes to capital deployed, 2020 saw some tremendous new and achieved GLI allocations. The 2X Challenge, which is a global financing for women organization, celebrated its achievement of mobilizing $4.5 billion in gender lens investments in two years, exceeding by fifty percent its initial goal of mobilizing $3 billion by the end of 2020 (Gokhale et al., 2021).

On another note, The GLI investment process in itself consists in gathering data about the investee company. In fact, it is divided into two parts: pre and post investment stages. The pre-investment stage includes sourcing channels and due-diligence.

Conducting due diligence with a gender lens is the process of gathering gender-related data and information from the potential investee company. This data is then analyzed to determine whether there are business performance opportunities or risks that may affect a company's operations, financials, and reputation (GIIN, 2020). A company that assesses for an opportunity where female customers or clients are currently underserved may have selected the gender lens to invest in companies committed to providing products that that consider the distinct needs of women as a consumer segment. To effectively conduct due diligence with a gender lens, the team lead can follow two steps (Roberts, 2016): gather sex-disaggregated data to establish a baseline; and ask questions to assess gender-based opportunities and risks within the investee company operations and determine opportunities for value creation. Additionally, investors require their investees to track and report against gender indicators to monitor whether the gender milestones agreed upon pre-investment have been achieved.

b. Apply Gender Lens

1. Deal Origination

a. Assess Networks and Adapt Sourcing Channels Deal Flow

Deal flow is a function of networks that signify equity-generating opportunities for companies. Traditional models for pipeline development often rely upon informal referrals or recommendations through networks (Cheston et al., 2019). Women are at a great disadvantage since most investor networks, which are male-dominated, provide male-dominated portfolio companies with leads and finance calls targeted to their availability and needs, leading to a staggering gender imbalance where women only represent 21% of all investment professionals and approximately 11% of investing partners (Chilazi, 2019). For instance, in many emerging markets, sourcing channels include pitchevents, held in capital cities, after work hours on weekdays. This poses a challenge for women entrepreneurs who have family care demands or where social norms do not support women's participation (Gutterman, 2020). It is important for investors and companies seeking to ameliorate opportunities for GLI to appraise gender unfairness in their networks and review the way they could enhance their pipeline. Investors can consider proactively attending women-focused entrepreneurship events, provide mentorship for women entrepreneurs (Chilazi, 2019), as well as consider the deal team's collective network and how traditional sourcing channels are failing to meet the needs of women. Once this issue is well addressed, the frequently cited matter of limited deal flow with a gender lens can be alleviated (Cheston et al., 2019).

b. Screen companies with a gender lens

When Fund Managers screen deals, the investment team will be searching for deals that align with the fund's investment criteria. Deals are screened depending on the selected gender-smart investment strategy. Two ways are viable for the screening process: negative screening and positive screening. Negative screening can be used to avoid potential financial, operational, and reputational risks caused by gender disparities. Most funds with environmental, social, and governance (ESG) criteria management will be undertaking negative screens as part of ESG requirements. Negative screens is exceptionally inclusive since it identifies companies from the pipeline that work in contradiction of the investor's values and don't meet the minimum standards for a gender lens or even seek to engage in social improvements. For example, in the early days of negative screening, religious investors refused to invest in "sin" industries such as alcohol, casinos and tobacco. A more modern example would be identifying companies not committed to gender-equality in the workplace or having high risks of gender-based violence due to the industry or constitutional structure of the company. A company that screens for this may have the intent, for example, to invest in companies that are committed to ensuring gender equality in the workplace. Positive screens are used to dynamically construct a portfolio of companies that are either already engaged or are willing to commit to a gender lens.

2. Gender due diligence

a. Gather sex-disaggregated data

In order to recognize the gender gaps in a company and in its operations, gathering sex disaggregated data is imperative. Furthermore, investors partner with firms to conduct a data analysis, ascertain where gaps are largest, and finally take corrective action such as design strategies and policies. Collecting sex disaggregated data may be challenging to obtain but surely important for the reason that it enforces accountability and tracks progress. Regularly, data that is closer to the company's operations is easier to collect and examine, the further away the more demanding it is to obtain this data. Consequently, a company's employment and leadership data is much easier to get, than say a company's suppliers and producers data. In conclusion, data is most easily collected in the order as follows: leadership, employment, succeeded by consumers, then the company's value chain (e.g., suppliers, distributors, retailers,) and in the end with members of the community. Hence, the most often-used gender-smart investing strategies are those where Fund Managers and investee company leadership have the most influence to gather data, such as in leadership, the workforce, and in the consumer base.

b. Ask questions to assess gender-based opportunities and risks

After collecting initial baseline data from the investee company, questions can be integrated into existing due diligence processes by deal teams. Data gathered in due diligence will be driven by the gender lens (or lenses) selected. For instance, asking the potential investee about the number of employees in the company ,salary expenses, specific questions about the percentage of women held positions, their suppliers, know if women are targeted in their products or services– and salary gaps between women and men in the same position and equally productive– should simply be a part of the investee selection process.

3. Gender analysis

Gender analysis comprises three key actions.

- Analyze sex-disaggregated data to identify gender gaps
- Define and agree actions to achieve a gender outcome with the investee company

- Present and discuss gender outcomes with the investment committee

To effectively carry out a gender analysis, both the investee company and the Fund Managers should, upon completion of the gender analysis: have a clear understanding of gender gaps that can be addressed over the investment period, the steps and actions the investee company will execute to close the gaps, and a pre-agreed gender results, noting that the progress is assessed by both parties.

a) Barriers and gaps facing women and men at the company level can be identified by the responses from clients and by the gender-smart investment strategy of the Fund Managers. This may contain discovering a misrepresentation of women in the senior management or board positions of the investee company, or a gap in the ratio of procurement devote for female/male-owned businesses over the total company's expenditure. Data from the company exposes the gaps within the company. If data unavailable, deal teams can take country or sector-level data as related to women's and men's economic contribution as reference.

b) The aim of the analysis of the findings from due diligence should be to identify where most gender gaps persist with the investee, and whether there is alignment on the value that could be generated by the business in narrowing these gaps. The Fund Manager and investee company, depending on the sector and business model, can agree on what activities will be undertaken. These activities could either be carried out by the company itself directly (pre- or post-investment), whereby the company would report back to the Fund Manager, or by a client in partnership with the Fund Manager (provision of technical assistance). Activities can especially include : developing a new clients plan to attract more of a female consumer market; working on a corporate goal to enhance the gender diversity in leadership; or offering paternity leave to increase equity in the workplace.

c) Once outcomes are discussed and agreed to between the Fund Manager and investee company, they'll be utilized to implement gender analysis into the investment decision-making process and prioritizing the steps to eliminate gender gaps and get them factored into the deal.

i. Deal structuring

1) Examine the impact of investment in products and structures on progress towards gender outcomes. First and foremost, the deal structure of gender lens investment is influenced by the capital requirements of the investee company. To meet the capital needs of the investee, some Fund Managers may have multiple financing options available, a mix of equity and debt could be one option. The way an investment product is structured and its type, can have an impact on the types of gender outcomes that the Fund Manager and investee are looking forward to see achieved over the investment period. As an example, if the Fund Manager's investment strategy is centered on the fast-moving consumer goods sector and its gender lens is to invest in companies committed to or willing to create a gender-inclusive distribution network. In this case, an agreed-upon goal based on gender (moving from 10 percent to 20 percent representation of female distributors) could be studied. For an investment that is structured in tranches this may be of particular use, where reaching both financial and gender-based milestones are mandatory to obtain pre-negotiated or additional finance.

2) The next step is to systemize these as part of the deal structure into the legal agreement and investment documentation, to ensure harmony on gender outcomes between the investee company and the Fund Manager. Mentioned below are rising practices of structural considerations and terms that top gender-smart fund managers expect it to guarantee the gender outcomes agreed upon before closing by the investee company are integrated in the post-investment phase. The practices tend to take two forms:

a) Fund managers set active incentives and rewards for investment firms to reach gender outcomes.

b) The Fund Manager also establishes punitive measures in case the investee company does not achieve gender outcomes as agreed.

It should be noted that the examples included in the investment documentation are still relatively few, which indicates that there is room for growth in this area of practice as gender-smart investing continues to evolve. As the field expands, and best practices are established, gender lens considerations may be codified in investment documents and are therefore a mainstream part of ESG investment and can be implemented along the routes taken over time (GIIN 2020).

c. Manage the Gender Lens Investment

The third and final stage of the process consists of managing the gender lens investment. After selecting the company and applying a specific investment strategy, investors and fund managers have three mechanisms through which they can drive gender impact (GIIN, 2020):

1. Portfolio Management: This is where fund managers and investors assist companies in applying the strategy, improving and modifying their policies and practices, and understanding the impact of the investment.
2. Portfolio Measurement: This is where investees track and report against gender indicators, and provide investors with the data needed to measure and assess the impact.
3. Exits: This is where investors and fund managers can evaluate and assess the impact of their exit from a company, and measure returns on investments.

i. Portfolio Management

Portfolio management is one of the mechanisms that can drive gender impact. Through portfolio management, investors and fund managers can achieve their goals and objectives, and fulfill their purpose. Unlike pre-investment, post-investments steps are not limited to the investors. In fact, the investee company is responsible for undertaking the action plan proposed by the investors. The fund manager's main role is to support the investee by reviewing policies and business practices and suggesting improvements. The investor is not typically involved in the day-to-day activities and practices of the investee company, rather the investee is expected to provide the fund manager with reports and data reflecting the progress and impact. After analyzing the business practices and policies of the investee company, fund managers can follow the steps below to provide support and assistance (IFC, 2020):

- Identify gender activities to target
- Ensure investee company ownership

- Establish a gender action plan with the investee company

1. Identify gender activities to focus on with the investee company

The fund managers and the company leadership should combine efforts and cooperate to identify what practices, policies and activities the investee company can implement to achieve the gender outcome agreed upon in the deal agreement. For instance, if the investee company lacks gender diversity in its board of directors or in its workforce, and the goal was agreed upon to increase diversity, the company can focus on implementing a strategy to increase female representation in the workplace. After identifying the weaknesses and defining the investment scope, fund managers can propose strategies and action plans tailored to the investee company.

One of the gender gaps identified within the investee company can be the lack of diversity and representation of women in senior management roles. To bridge this gap and increase diversity, the company leadership and fund managers should work closely to set goals, targets and key performance indicators (KPIs). Accordingly, the deal team will support the investee to establish, implement and monitor a gender policy and undertake awareness-raising campaigns in this regard. Policies, trainings and campaigns can target recruitment, retention, promotion policies, equitable sponsorship and mentoring programs, succession planning programs and leadership development programs.

Moreover, fund managers can support the investee company in improving women representation across the company's workforce, especially from middle management upwards. Both parties can work on data initiatives, as well as policy and strategy initiatives to reshape the workforce. For example, the investee company can work on obtaining a global gender certification, or develop a corporate strategy that bridges all gender gaps.

Last but not least, women's needs and preferences are not adequately considered in the design of services and products. That's why it is sometimes difficult for women to access products that meet their needs. After identifying these gaps and issues in product design and distribution channels, fund managers and investees can develop strategies that bridge these gaps. Companies can develop marketing plans and improve distribution channels to target women. Fund managers can also provide financing options for projects and products that consider women's needs and preferences.

2. Ensure investee company ownership

It is crucial to ensure that the investee company has control and ownership over the design and implementation of gender-smart strategies. In fact, fund managers can play an important role in encouraging the investee company to take ownership of the initiatives, through:

- Securing senior-level commitment: Diversity and gender inclusion should be embedded at the Board level of the investee company. Since strategic decision making is centralized, ensuring gender inclusion at the Board level can improve business practices and promote equality in the workplace. The commitment of the board is essential to demonstrate to the workforce the importance of the gender equality and diversity. Workers and employees are highly affected by the decisions and opinions of the top management.

- Committing to a gender inclusive value chain: Fund managers should also ensure that the investee company is committing to an inclusive value chain. Companies should identify barriers faced by women in the value chain, and propose strategies and action plans to overcome these obstacles. In addition, the investee company can review its procurement policy and upgrade it to purchase proactively from female-led businesses. Anazlyzing of the value chain can help investors and investees identify weaknesses and opportunities to achieve gender equality.
- Identifying committed and empowered counterparts: To ensure that the investee company is effectively managing gender activities, it is crucial to identify counterparts that are committed within the investee company. In addition, companies can set up and gender working group whose main role is to design and implement strategies and action plans targeting gender issues.
- Agreeing to a cost-share arrangement: Implementing a gender lens investing strategy and targeting specific gender activities are likely to incur costs and expenses. That's why fund managers and investee companies need to establish a cost-share arrangement. Fund managers may require "in kind" contributions, such as the participation of employees in gender assessment, or monetary contributions, such as a specific percentage of costs. These requirements ensure the involvement and commitment of the investee company.

Establish gender action plan with the investee company
After selecting the gender activities and ensuring the commitment of the investee company, a gender diagnostic or mapping may be useful. A gender diagnostic involves collecting and analyzing both quantitative and qualitative data, to develop a better understanding of the gaps identified in due diligence.

The next step is to develop a Theory of Change which helps fund managers and investee companies understand how the gender activities will lead to achieving the goals and objectives agreed upon. A Theory of Change follows the following template:

- Objective Sought – Goals and objectives to achieve through gender activities
- Activity and Outputs – Gender activities identified and undertaken to achieve objectives
- Outcomes – What each activity will eventually achieve

Last but not least, fund managers and the investee company can work on developing a Gender Action Plan (GAP), a project plan which includes the following components:

- Proposed Action – Objectives and goals
- Activities – Gender activities identified and undertaken
- Prioritization (High/Medium/Low) – Designated priority of each activity
- Owners/Resources Required (High/Medium/Low) – Resources needed for each activity
- Targets – Expected outcome of each action
- Monitoring System – How users can systematically collect data and process information. (Monitoring Systems include statistics and reports.)
- Timeframe – Timespan for each activity

- KPIs – Key performance indicators

ii. Portfolio Measurement

Portfolio measurement also requires the cooperation of both the fund managers and the investee company. In fact, during this step of the process, investee companies are required to provide investors and fund managers with data and reports to assess the impact. Based on specific indicators and criteria, investees can measure progress and monitor whether goals and objectives are being met. Portfolio measurement can help fund managers assess the impact of their investments, and decide whether new decisions should be made. Fund managers can take the following measurement approach to measure their impact and ROI:

- **Annual self-reporting:** Fund managers and deal teams can require investees companies to report against a set of criteria and indicators on an annual basis. The indicators are agreed upon in the deal agreement, and are generally the same for all investees, to ensure consistency for comparison at the portfolio level.
- **Company visits:** Fund managers can regularly visit the company to assess and measure the impact. They can conduct interviews, observational and qualitative analyses, and look through key documents. These visits can help fund managers track progress on the ground, including impalpable aspects.
- **Deep-dive evaluations:** Deep-dive evaluations include comprehensive baseline, midline, and end-line data collection. The analyzed data help fund managers to assess the return and commercial impact of integrating a gender targeted strategy. Deep-dive evaluation includes surveys, interviews, observations…

iii. Exits

Exiting a gender-lens investments upon reaching conclusion entails three main roles for investors/fund managers:

- Evaluate the impact of the exit on the investee company's gender lens strategy.
- Calculate the ROI, and assess the impact of gender outcomes on the key performance indicators of the company; and
- Maintain the momentum of the investment strategy and outcomes reached, so they are not potentially lost after the fact.

8. Women led businesses and access to capital in the MENA region

a. Startups

Women led businesses, especially in the MENA region, face numerous challenges and obstacles. These difficulties include political instability, lack of expertise across the team, slow bureaucratic registration processes… However, the main challenge for startups led by women in the MENA region remains access to capital and funding. Women business owners rely on several resources to raise funds and meet the financial needs of their businesses. One of the main reasons for the lack of funding for women-led startups is unconscious bias since venture capital investors are mostly men. (Andrusiv et al., 2020).

Women can play a transformational role in the MENA region. According to UNESCO, women make up to 57% of all STEM (science, technology, engineering and math) graduates, which exceeds the rate in the United States and European Union (35%). In addition, studies proved that the GDP of MENA counties can increase by up to 30-40% if women are integrated in the economy.

According to the 2020 MIT Enterprise Forum Pan Arab Impact Report, women startups are constantly increasing in the MENA region. Despite this trend, women are still facing a lack of funding, which limits their potential.

The role of venture capitalists in funding startups cannot be understated. Through venture capital, investors offer funds to startups with the expectation of high returns in the long run, despite the possible losses in the short run. The MENA region experienced significant growth of venture capital before the pandemic. In 2019, 560 investments received more than $700 million of funding. Trends indicate that startups in the MENA region will remain an attractive investment and, consequently, venture capital should continue to increase (Al-Abdallah et al., 2021).

One positive trend in the MENA region is that the number of women VC and investors is likely to increase, since women own considerable assets in the region. Women VC and investors in the Middle East and North Africa should consider directing their funds and investments to women-led businesses.

Additionally, facilitating women's access to capital can be achieved by streamlining procedures and minimizing required paperwork, thus facilitating the process to apply for business loans.

b. Entrepreneurs

One of the many challenges that are faced by women entrepreneur in the MENA region is the lack of access to formal capital. According to a survey conducted in the MENA region only a very small portion of women in MENA use formal sources of credit for their businesses compared to other countries.

When asked to rank the difficulties women are facing to running their businesses the access to capital issue occupied the top positions and even ranked first in Jordan. In fact, 75% of the women surveyed have looked for external financing for their businesses during the last year. However, the majority have been denied the financing. In the UAE, Bahrain and Lebanon only 32%, 22% and 17% respectively of women entrepreneurs have access to bank loans or credit lines.

In order to finance their businesses, these women entrepreneurs have relied on personal sources such as their personal savings or borrowing from their friends and families. However, this is limiting their potential for growth due to the limited nature of these sources.

While some may argue that the economic situation and the state of the financial markets in these countries is the reason for this low access to capital; however, the higher percentage of male entrepreneurs having access to formal capital suggests otherwise.

When comparing the state of women entrepreneurs in Tunisia, where 47% of women entrepreneurs have access to capital, to the other MENA region countries one thing is apparent. The majority of women entrepreneurs in Tunisia are not homebased. Having a business that is not homebased may help these women gain better access to formal credit and therefore explain the higher percentage of women entrepreneurs obtaining bank loans. Contrary to what people may think, it appeared that the majority of women are not denied the access to capital or been mistreated due to their gender but rather due to the lack of a business track record. In fact, only 8% of the women entrepreneurs surveyed in the UAE, 5% in Jordan, 3% in Tunisia and 2% in both Lebanon and Bahrain claimed that they didn't receive formal credit for the sole purpose of being women.

The main reason for women entrepreneurs being denied access to capital is therefore the lack of collateral and the lack of knowledge of women about financial growth strategies and financial management issues.

9. Women friendly businesses and access to capital in the MENA region

a. Global funding opportunities

The World Bank's Gender Equity Model: The World Bank's Gender Equity Model (GEM) aims to promote gender equity in the private sector by developing a series of good practices in four key areas: recruitment, career development, family-work balance, and sexual harassment policies. It has contributed a Development Grant Facility of US$250,000 to Egypt, benefiting 10 companies in Greater Cairo. As a result, those companies have created gender-sensitive human resources regulations and codes of conduct, provided gender equality training to their employees, and displayed their commitment to the program online (World Bank, 2012).

2X Collaborative: The 2X Challenge is a major new commitment of the development finance institutions (DFIs) from the G7 countries (CDC Group, CDP, DEG, US DFC, FinDev Canada, JBIC/JICA, and Proparco). It aims to unlock resources that will help advance women's economic empowerment and gender equality globally, including the MENA region (2X Challenge).

MENA Gender Innovation Lab (MNAGIL): Only 1 in 5 working-age women in the MENA region are employed or are looking for a job. Women constitute 21% of the labor force and only contribute 18% to MENA's overall GDP. According to research, if the employment gap had been reduced over the past decade between the genders, the GDP growth rate in MENA could have doubled. MENA Gender Innovation Lab (MNAGIL) was launched by the World Bank. It is a platform to generate rigorous evidence and create smart interventions to inform the design and implementation of gender-related policies and programs across the region.

The Lab tries to understand how to empower women in MENA region (Mortaggi, 2019).

MDG Fund: Algeria's MDG Fund is a collaborative program promoting gender equality and women's empowerment. The joint program's goal was to support Algeria's efforts to promote gender equality and women's empowerment, with a special focus on enhancing women's access to work. Three interconnected strategic initiatives made up the joint program. It backed the creation of an environment conducive to fair decision-making, as well as increasing the capacity to collect gender-disaggregated data and research and incorporating gender into sectoral programs. By investing in existing job-creation processes and establishing trial initiatives, the program increased women's access to work. Partnerships with the media and civil society groups were used to spread knowledge about gender issues and women's socioeconomic rights (MDG).

The Mashreq Gender Facility (MGF): It's a five-year facility, from 2019 until 2024, that invests in women's economic empowerment and opportunity as a catalyst for more inclusive and sustainable communities where everyone benefits from economic progress. The facility supports government-led efforts, country-level priorities, and strategic regional activities that strengthen the enabling environment for women's economic participation and improve women's access to economic opportunities, such as investing in their businesses or access to finance, through collaboration with the private sector, civil society organizations, and development partners (World Bank).

DFC: DFC is a non-profit that is collaborating with Small Enterprise Assistance Funds (SEAF) to establish a $100 million fund, with DFC potentially contributing up to $50 million, to focus on market opportunities and address endemic problems in Morocco that require innovative solutions led by local entrepreneurs. The proposed fund helps small and medium-sized businesses (SMEs) and employs a 2X gender lens approach to all investments, as well as gender lens tactics (U.S. International Development Finance Corporation).

EBRD: Through its Women in Business Program, the European Bank for Reconstruction and Development (EBRD) invests in women-led SMEs in Morocco and provides training in financial literacy, marketing, leadership skills, and e-commerce (Galimberti, 2018).

b. Local funding opportunities

First Emerging Market Gender Bond by Garanti Bank: Turkey’s Garanti Bank issued a 6-year term maturity social bond with the value of 75 million U.S. dollars invested by the International Finance Corporation (IFC), a member of the World Bank Group. The bond became the first one of its kind issued by a private bank in emerging markets aiming to finance enterprises owned or managed by women (Garanti BBVA IR; Maheshwari et al., 2019). It provides female entrepreneurs with up to the principal amount of 400,000 Turkish Liras for the duration of up to 36 months (Garanti BBVA IR). The investment is in partnership with the Women Entrepreneurs Opportunity Facility (WEOF), started by IFC through its Banking on Women Program, and Goldman Sachs’ 10,000 Women initiative (Maheshwari et al., 2019).

MindShift Capital: MindShift Capital is a women-run venture firm located in Dubai that aims at supporting women-led technology start-up companies across the United States, Europe, and the Middle East. It identifies through global networking the firms with the most outstanding leadership and growth potential (MindShift Capital; Henyon, 2021).

Women's Angel Investor Network: Women's Angel Investor Network (WAIN) is the leading female investor network in the MENA region, located in Dubai, connecting women investors with women entrepreneurs in the Arab world. Its operations include supporting women-led start-up companies and women entrepreneurs in MENA with investments and mentorships and democratizing access to capital through providing investment opportunities to individuals and facilitating capital-raising for entrepreneurs (Women's Angel Investor Network).

Tenmou: Tenmou which is the first Business Angels Company in Bahrain, has developed a training and mentorship program for women interested in Angel Investing to equip them with the skills needed to excel and perform well in the Angel Investing Industry. The knowledge is passed on and shared by experienced and professional Business Angels, who are willing to undergo the significant risk of investing in new ventures, to women (Tenmou).

Women in Fintech Bahrain: The main goal of this organization which was founded in 2018, is to encourage women with investments in the Fintech Sector and growing the sector. The strategy followed by "Women in Fintech Bahrain" which helps achieve this goal is done through creating career opportunities, entrepreneurship, education, and networking. The initiative serves the purpose of creating awareness of women's role in the Fintech sector, contributing to the development and enhancement of an inclusive and supportive Fintech ecosystem, and cultivating new industry opportunities in Bahrain (EDB Bahrain).

Cherie Blair Foundation for Women: With the purpose of supporting Lebanese women entrepreneurs, this program originated in 2011 which also helped women build relationships with financial institutions. Women who wish to expand their business and their marketing, financial, and networking possibilities can benefit from the project's services. Over 200 women entrepreneurs in Lebanon's Bekaa Valley were given the opportunity to improve their skill, confidence, and access to financial services. In other words, working together with important financial institutions to increase women's access to financial services, the program provides specialized business training, mentoring, and incubation assistance for women and their companies (Cherie Blair Foundation for Women).

Lebanon Women Angel Fund (LWAF): A program that attempts to assist women in becoming seed investors. They provide investors with an educational and training program, as well as investment options for entrepreneurs. The Fund also offers investment possibilities via a Special Purpose Vehicle to make Angel Investing more accessible (SPV) (Lebanese Women Angel Fund).

Khodi Khatwa Competition for Economic Empowerment and Entrepreneurship: Created to enhance the idea and spirit of entrepreneurship within female entrepreneurs with business ideas that benefit the economic and social development of Libya. This competition is organized by the Libyan Economics Empowerment program and is practiced regularly (Libyan Investment, 2018).

Tunisia Innovative Startups and SMEs Project: To support creation and investment of digital and innovation-driven startups and SMEs, this project was created. The aim of this program is to boost the employment and economics opportunities for Tunisia's youth and women (World Bank).

10. Conclusion

Gender lens investing is modern and inclusive investment strategy that serves an investor by unlocking new opportunities and illuminate risk towards better financial and social outcomes. It is unquestionable that the field of gender lens investing is the new trend and here to stay. As the latest research implies, volumes of capital raised with a gender lens across PE, VC, and private debt have quadrupled in the last two years, clearing $4.8 billion in 2019, up from $1.1 billion in 2017.

The COVID-19 pandemic had a reversed impact on gender lens investing, as we saw governments, consumers, and LPs eager to maximize impact and create value that is inclusive of both women and men. While the opportunities are encouraging and the intent is set, more needs to be done to equip investors with the corresponding tools and frameworks.

Therefore, we have consolidated, organized, and developed tools, examples and best practices, across the investment world into this stage-by-stage detailed guide for Fund Managers on gender lens investing. Fund Managers, thanks to this guide , can determine if they should start internally at the 'firm level' or within their deals at the 'portfolio level'.

At the firm level, Fund Managers can enforce gender diversity by following five key steps:

- Attract promote and retain female talent.
- Create a respectful workplace with a harassment and bullying-free environment.
- Track progress.
- Publicly commited to gender diversity.

Fund Managers can embrace of gender-smart investing across their firms via a four-part framework that contains:

- Designing strategy.
- Activating people.
- Upgrade processes.
- Motivating partners to engage.

At the portfolio level, an effective return realization is achieved through comprehensive integration of a gender lens across investment operations. Investors can invest in companies across five gender-smart strategies:

- Having women represented in the top management (i.e. Chairwomen, co-founder, partner and gender-balanced leadership teams).
- Committed to a gender-diverse and equitable workforces.
- Being gender-inclusive in the value chains.
- Offering and designing products or services that target women's needs and enhances their health/lifestyle.
- Ensuring their operations do no harm to women or men in the community.

The approaches mentioned in this guide assist Fund Managers with gender analysis, going from the process of counting and gathering data related to the representation of women towards examining how closing gender gaps between women and men will finally influence the business performance. Data gathered on women and men should be used to appraise the factors behind these gender gaps, which – if addressed properly – can help businesses increase their market presence, grow sales, enhance productivity, and inform better corporate decision-making.

Global gender disparities depicts an enormous lost economic opportunity. However, fund managers who prioritize closing the gender gap have made remarkable progress. Although adapting and creating new and inclusive systems and processes that promote gender equality will not happen overnight, but if efforts are effectively given in place now, Fund Managers will lead market trends and transform private equity – beside endorsing companies and economies, to also take advantage of the benefits of gender equality as a whole.

References

Aavishkaar (2019). Emerging India Fund. CDC Group. https://www.cdcgroup.com/en/our-impact/fund/aavishkaar-emerging-india-fund/.

Abou-Moghli, A., & Dandis, A. (2021). The association between entrepreneurship, management, and sustainable development in the middle east: A systematic review and meta-analysis. Management Science Letters, 11(7), 2091-2098.

Allen, S., & Truman, C. (2016). Women in business: Perspectives on women entrepreneurs. Routledge.

Bastian, B. L., Sidani, Y. M., & El Amine, Y (2018). Women entrepreneurship in the Middle East and North Africa: A review of knowledge areas and research gaps. Gender in Management: An International Journal.

Biegel, S., & Hunt, S. (2020). Tracking venture capital, private equity and private debt with a gender lens. file:///Users/mbpr/Desktop/Project%20Sage%203.0%20Final.pdf

Cheng, M. (2021). 8 Major Challenges Women Face In Business. Forbes. https://www.forbes.com/sites/margueritacheng/2018/10/31/8-major-challenges-women-face-in-business/?sh=690c73146461.

Cherie Blair Foundation For Women (2020). Women's Economic Empowerment in Lebanon. https://cherieblairfoundation.org/womens-economic-empowerment-in-lebanon/.

Daou, A., Talbot, D., & Jomaa, Z (2022). Redefining boundaries: the case of women angel investors in a patriarchal context. Entrepreneurship & Regional Development, 34(1-2), 137-157.

Fackelmann, S., & De Concini, A. (2019). Why are women entrepreneurs missing out on funding?: Reflections and considerations. European Investment Bank. https://www.eib.org/attachments/thematic/why_are_women_entrepreneurs_missing_out_on_funding_summary_en.pdf.

FinDevCanada. (2019). Gender Equality Strategy, FinDevCanada https://www.findevcanada.ca/sites/default/files/2019-09/2019_137_gender_equality_strategy_en_final_0.pdf

Galimberti, N. (2018). Microcapital Brief: EU Funding Expansion of EBRD Women in Business Programme to Morocco. MicroCapital. https://www.microcapital.org/microcapital-brief-eu-funding-expansion-of-ebrd-women-in-business-programme-to-morocco/.

Gnych, S., Lawry, S., Monterroso, I., Adhikary, A., & McLain, R. (2019). A guide to investing in collectively held resources.

Gender lens investing initiative. The GIIN. (2020). https://thegiin.org/gender-lens-investing-initiative

Gender Lens Investing: impact opportunities through gender equity. Cambridge Associates (2018). https://www.cambridgeassociates.com/insight/gender-lens-investing-impact-opportunities-through-gender-equity/.

Helping women entrepreneurs in the Middle East. Women's Angel Investor Network. (2020). https://womensangelinvestornetwork.wordpress.com.

Henyon, H (2021). A record year for venture capital funding–but not for everyone. Arabian Business. https://www.arabianbusiness.com/business/464219-record-year-for-venture-capital-funding-but-not-for-everyone.

Hume, T (2021). The Price Of A Period: Period Poverty Is Widening The Gender Equality Gap. Human Rights Pulse. https://www.humanrightspulse.com/mastercontentblog/the-price-of-a-period-period-poverty-is-widening-the-gender-equality-gap.

IFC Launches First Bond Supporting Women Entrepreneurs in Emerging Markets. International Financial Corporation. (2013). https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=16306.

IIX Women's Livelihood Bond™ Blueprint Paper, Rockefeller Foundation. IIX Global. (n.d.). https://iixglobal.com/product/iix-womens-livelihood-bond/.

Invest in Women. Invest in the World. 2X Challenge. (2020). https://www.2xchallenge.org.

Isaia, E (2004). "Microfund for Women: A Case History of Microfinance in Jordan,". University of Turin.

Jackson, E. T., & de Morais Sarmento, E (2020). Gender lens investing: co-creating critical knowledge to build a credible, durable field. Global Handbook of Impact Investing: Solving Global Problems Via Smarter Capital Markets Towards A More Sustainable Society.

Khodi Khatwa (2018). Competition For Economic Empowerment And Entrepreneurship. Libyan Investment. https://www.libyaninvestment.com/khodi-khatwa-competition-for-economic-empowerment-and-entrepreneurship/.

Kipnis, H., Raksit, A., Jordan-Kirwan, S., Tayal, P., & Tengtio, K. (2020). Private Equity And Value Creation: A Fund Manager's Guide To Gender-Smart Investing. International Finance Corporation (IFC). https://www.ifc.org/wps/wcm/connect/f9ad4204-42eb-4603-9c44-e99760a7c240/202011_GenderSmartInv_Guide.pdf?MOD=AJPERES&CVID=nnhxYiD.

Les conditions d'accès au financement pénalisent les créatrices de start-ups. Baromètre SISTA/ Boston Consulting Group (BCG). (2019). http://media-publications.bcg.com/Barometre-Sista-BCG-France-FR.pdf.

Maheshwari, P., Gokhale, A., Argawal, N., Makena, A., & Borthakur, S. (2019). The Global Landscape Of Gender Lens Investing. International Development Research Centre. http://hdl.handle.net/10625/57478.

Mashreq Gender Facility. World Bank. (2020). https://www.worldbank.org/en/programs/mashreq-gender-facility.

Mehra & Feldstein (2000). Women in Development in Jordan: A Review of Current Activities and Future Opportunities. U.S. Agency for International Development.

Minniti, M (2006). Global Entrepreneurship Monitor: 2005 Report on Women and Entrepreneurship. The Center for Women's Leadership at Babson College.

Mortaggi, L (2019). Invest in women to boost growth in MENA. World Bank Blogs. https://blogs.worldbank.org/arabvoices/invest-women-boost-growth-mena.

Motzafi-Haller (2005). Women in Agriculture in the Middle East. Ashgate Publishing, LTND.

Niethammer, C., Saeed, T., Mohamed, S., and Charafi, Y (2007). "Women Entrepreneurs and Access to Finance in Pakistan,". Women's Policy Journal of Harvard, Volume 4.

OECD (2019). Women Entrepreneurs in SME: Realising the Benefits of Globalisation and the KnowledgeBased Economy.

OECD (2005). Promoting Women's Entrepreneurship in the MENA Region: Background Report and Policy Considerations.

Our Funds. Clean Cooking Alliance. (2018). https://www.cleancookingalliance.org/market-development/supply-strengthening/our-funds.html.

Outline of the Fund. Water For Women Fund. (2019). https://www.waterforwomenfund.org/en/who-we-are/outline-of-the-fund.aspx.

Setting International Standards for Gender Equality in the Private Sector. The World Bank. (2012). https://documents1.worldbank.org/curated/pt/556151468190179469/pdf/93592-BRI-2012May24-World-Gender-Equity-Model-Box-385404B-PUBLIC.pdf.

S Siller, R., K Keulen, M., & Hulsink, W. (2020). Finance in Motion: Investing in Development.

Slyomovics, S (2000). Women and Power in the Middle East. University of Pennsylvania Press.

Transforming Women's Lives. Root Capital. (n.d.). https://rootcapital.org/impact_areas/women/.

Tunisia Innovative Startups and SMEs Project. World Bank. (2019). https://projects.worldbank.org/en/projects-operations/project-detail/P167380.

Underwood, B et al., (1997). Women Entrepreneurs in the Middle East and North Africa: Characteristics, Contributions and Challenges 80 Women Entrepreneurs in the Middle East and North Africa. Johns Hopkins Center for Communications Programs and Center for Arab Women Training and Research.

UNIFEM (2005). United Nations Development Fund for Women. Progress of the World's Women: Women, Work and Poverty.

Value for Women (2020). How to Invest with a Gender Lens: A Guide for Investors in Emerging Markets. https://v4w.org/resource/impact-investing-with-a-gender-lens-a-how-to-guide-for-investors/

WEPs, E. P. (2020). Appendix B Company Cases. Business Against Intimate Partner Violence, 175.