

Investing in women is good business.

**And we can help
you deliver it.**



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Women are an underserved and underutilised part of our economy, representing an estimated \$28 trillion in missed opportunities.

At CDC, we've identified how investors can capture the value that women bring to an asset and across the value chain. And how to do so in a way that helps manage and reduce risk, while driving commercial gains.

We have identified four key areas to consider across the investment lifecycle:

- + Women's leadership and diversity at the top.
- + Female talent across the workforce.
- + Supporting women's access to finance and entrepreneurship.
- + Identifying market opportunities where women are primary purchasers, influencers, users or beneficiaries.

Thinking about gender in this way not only drives value, the impact is good for society too.

\$28 trillion added to GDP

If women's participation rates in the labour market were the same as men around the world, it would add \$28 trillion, or 26 per cent, to annual GDP by 2025.² Yet constraints, such as time spent on unpaid work, lack of access to finance, health or education, impose large costs on overall economic growth and job creation.

3.7% higher returns

Companies with more than one woman in senior management have returns 3.7 per cent higher than sector peers with no women.¹ Yet globally, women make up only 4 per cent of all CEOs and hold an average of 13 per cent of all board seats in listed companies – 14 per cent in Africa and 10 per cent in Asia.

\$320 billion financial opportunity

The financial opportunity to serve women entrepreneurs is around \$320 billion.³ Yet most women entrepreneurs in Africa and Asia are trapped in the microenterprise sector, unable to access larger business loans to grow their businesses.

\$15 trillion female consumer spending

Women control about \$15 trillion of global consumer spending, over half of which comes from developing countries.⁴ Yet they consistently lack the voice and agency to fully participate in the economy and offer insights about how products and services can better serve their needs.

And we can help you deliver it

Here are the top five questions we think you should be asking in each key area:

Women's leadership and diversity at the top

- 1** Does the company have at least a 30 per cent share of women in senior management and on the board and if not, how can that be achieved?
- 2** What steps is the company taking to increase diversity and inclusion?
- 3** How do you or the company work with recruitment agents and networks to ensure gender balanced candidates are put forward for openings?
- 4** Are you aware of any local laws or quotas related to women on boards?
- 5** How are you measuring the impact on diversity in leadership to underlying performance of the business?

Female talent across the workforce

- 1** Does the company have a representative share of women in the workforce at all levels?
- 2** What is the gender pay gap? (average mean salary of all male employees vs. average mean salary of all female employees)
- 3** Are you aware of the local laws related to women in the workforce? (e.g. childcare, equal pay, maternity leave)
- 4** What challenges does the business face and how might a gender lens help solve them? (e.g. turnover, staff satisfaction, retention, client acquisition, competitive edge, productivity, absenteeism, brand image)
- 5** How does the company address barriers to women's full participation within the workforce, and how might this help improve the company's performance? (e.g. childcare, workplace harassment, safe transportation, flexible working hours, hiring, promotion and remuneration policies, unconscious bias)

Supporting women's access to finance and entrepreneurship

- 1** Is the company you are supporting (directly or via an intermediary) owned, co-founded or led by a woman?
- 2** How and why do women entrepreneurs face challenges accessing finance?
- 3** How might you learn about the market gap for financing women entrepreneurs within your sector or geography?
- 4** Do you actively try to invest in women entrepreneurs through your investment thesis or procurement policy?
- 5** What barriers have you had, if any, to identifying more women entrepreneurs for your pipeline or uptake of your offerings?

Identifying market opportunities

- 1** Does the product or service a) meet women's unique needs b) address an issue impacting women c) have mainly women customers d) mostly women beneficiaries?
- 2** What are the market barriers for serving women consumers within the sector or geography?
- 3** How are you thinking about access and affordability for female consumers of the product or service?
- 4** Does the product or service enable women to a) increase safety or security b) access to finance or markets c) access to health d) access to education e) save time?
- 5** How might your business model shift to reach more female consumers? (e.g. bringing a gender lens on the workforce, product design, marketing, sales, delivery, after-sales)

How we can help

At CDC, we are looking at how investing can help to advance women's economic empowerment by identifying 'gender smart interventions' that help capture the underlying economic and social value for fund managers, companies and the markets in which we invest.

We work collaboratively with our partners to support them in the following ways:

We offer the following types of financial products for gender investing:

- + **Loans:** direct, long-term funding tailored to financial institutions' needs to finance women, particularly women-owned SME portfolios.
- + **Risk sharing facilities:** structures that allow CDC to share the credit risk on a portfolio of women-owned SMEs.
- + **CDC Plus:** technical assistance (for our investees) to develop new products and services for women and build capacity and knowledge.

We also offer a range of value added services:

- + **Gender diagnostics:** We support our fund managers and companies to carry out gender diagnostics of a portfolio or business. We start by analysing the challenges and opportunities the business wants to address in order to identify gender smart ways to realise productivity or other commercial gains. We can also help to develop the business case through a combination of data gathering and analysis, market research and benchmarking.
- + **Gender action planning:** We design strategic gender action plans based on the realities faced on the ground. We can also support implementation with technical assistance from CDC Plus.
- + **Capacity building and training:** We have designed an interactive training programme for fund managers and companies which covers opportunities associated with gender in businesses, leadership and across value chains.

- + **Board placements and senior level recruitment:** We help fund managers and companies improve the gender balance of their organisations by connecting them to networks and specialist services who excel in finding strong women candidates, including those with relevant skills and experience in Africa and South Asia.
- + **Setting industry standards:** We are working across the impact investment industry to advocate for consistency in standards and approaches towards gender lens investing. Central to this work is our recent commitment to the *G7 DFI 2X Challenge* (www.2XChallenge.org), which aims to commit and mobilise \$3 billion to invest in the world's women.
- + **Building the gender ecosystem:** We have a range of gender networks and specialist providers that we can tap into, to help fund managers and companies drive change and accelerate ideas.



CDC Group plc
123 Victoria Street
London SW1E 6DE
United Kingdom
T +44 (0)20 7963 4700
E enquiries@cdcgroup.com

CDC is the UK's development finance institution and is wholly owned by the UK Government. For the last 70 years we've been investing in Africa and South Asia to create economic growth and prosperity. We're on a mission to show how investing in women is vital for businesses and countries to reach their full potential. Find out more at cdcgroup.com/gender or contact our gender team: genderteam@cdcgroup.com

Notes

1. The Credit Suisse Gender 3000: Women in Senior Management, 2014
2. The power of parity: How advancing women's equality can add \$12 trillion to global growth, McKinsey Global Institute (MGI) report, 2015
3. Strengthening Access to Finance for Women-Owned SMEs in Developing Countries, IFC, 2011
4. Gender Lens Investing, Joseph Quinlan (Bank of America), Jackie Vanderbrug (Bank of America), 2016, Wiley publishing