**Input by Danish Family Planning Association to the Working Group's report on development**

**finance institutions and human rights 3.3.2023**

Questionnaire question*:* In your view, what are the main challenges and opportunities for DFIs to ensure the inclusion of human rights requirements in projects and to enforce the responsibility to respect human rights among clients?

*Gender equality and health is instrumental to respecting human rights and generate growth*

4 out of 5 companies globally have employees that do not thrive at work, which is a significant barrier to business growth and global development. Persisting discrimination and harassment on the basis of gender and sexual orientation in the world of work causes employees to miss out on their full potential and lose economic and decision-making power while they, their families, and communities suffer from it. Investing in gender equality and health in work places decreases sick days and employee dropout and increases productivity and growth. Therefore, it is paramount that DFIs are gender responsive in their screening of pipeline investees, work with investees to advance gender equality and health, and ensure continued commitment to secure gender equality and health when exiting investees.

*Commending DFIs initiatives to advance gender equality*

DFIs are making significant efforts to integrate gender objectives into their policies and investment processes[[1]](#footnote-2). Center for Global Development’s found in their survey (2020) that almost all the responding DFIs have both internal and external investment strategies and monitor the share of investments with a gender focus while most of them incorporate gender parameters into their due diligence and offer gender training to investment partners.

However, two issues need further examination by the Working Group and focus by the DFIs; i) the parameters used for systematizing the gender focus in the organization and ii) the impact measurement and follow up on gender equality and health among investees.

*The gender equality target frameworks need improvements*

There is a need for investigating what parameters, DFIs use in their due diligence and monitoring of portfolio composition. Many DFIs have committed to 2X Challenge (now part of 2X Global), which signifies great commitment among the DFIs to advancing gender equality. However, 2X Challenge criteria for investments to be eligible are not adequate measurements of gender equality. The monitoring on share of women in workforce, management, and ownership, and whether products benefits women is not enough to understand whether women e.g. are included in the companies. IFU and DFPA has developed a [scorecard to measure gender equality](https://www.ifu.dk/wp-content/uploads/2020/11/The-Gender-Equality-Scorecard-becoming-an-employer-of-choice.pdf) more comprehensively which parameters may serve as inspiration[[2]](#footnote-3).

*Impact measurement should be implemented by DFIs*

Although DFIs have the strategies in place and have integrated a gender focus into their due diligence, DFIs are struggling with mainstreaming gender responsive investment in their organizations. Many DFIs do not train their own staff on how to integrate gender analysis into their work with (potential) investees[[3]](#footnote-4). Further, many DFIs do not have the framework in place to follow up and continuously measure the impact of their efforts. The gender equality scorecard can be an inspiration for scores that could be systematically incorporated in the tracking of investments.

It is essential that gender responsiveness is systematically integrated in the entire investment process, so investments do not risk ignoring or exacerbating inequalities between genders’ rights, responsibilities, and opportunities among the investees. Therefore, DFIs still need to explore organizational development and monitoring that ensures actual impact on gender equality and health.

1. Gender Equity in Development Finance Survey (2020): https://www.cgdev.org/sites/default/files/gender-equity-in-development-finance-survey.pdf [↑](#footnote-ref-2)
2. Gender equality scorecard: https://www.ifu.dk/wp-content/uploads/2020/11/The-Gender-Equality-Scorecard-becoming-an-employer-of-choice.pdf [↑](#footnote-ref-3)
3. Gender Equity in Development Finance Survey (2020): https://www.cgdev.org/sites/default/files/gender-equity-in-development-finance-survey.pdf [↑](#footnote-ref-4)