

# Invest2Equal

## FUND MANAGER BRIEF

### Advancing gender equality through private equity and venture capital

#### OVERVIEW

**Invest2Equal** is an 18-month global program implemented by IFC with the support of the Women Entrepreneurs Finance Initiative ([We-Fi](#)) to support fifteen private equity and venture capital (PE/VC) fund managers in IFC's investment portfolio increase gender diversity within their firm and/or investment processes through [gender-smart investment strategies](#).

#### KEY FACTS

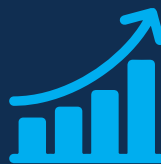
Only **11%** of all senior positions in PE/VC and only **15%** of senior investment teams are gender-balanced<sup>1</sup>

Only **7%** of total PE/VC funding in emerging markets goes to female-led businesses<sup>2</sup>

Of the estimated \$6.3 trillion in AUM within private equity, only **\$6 billion** is dedicated to gender-smart investing<sup>3,4</sup>

#### BUSINESS CASE FOR GENDER-SMART INVESTING

Reducing gender gaps between men and women in private equity and venture capital has the potential to:



##### Generate higher returns

PE and VC firms with gender-balanced senior teams delivered between 10 and 20% higher returns than teams with majority male or female leaders.



##### Increase profit, growth, and innovation

Evidence shows that gender-smart investment strategies can help grow a company's competitiveness, solidify its supply base, improve its human capital, and help build an overall enabling business environment. Fund managers can unlock opportunities for increased profit, growth, and innovation.

IN PARTNERSHIP WITH:



# HOW FUND MANAGERS CAN PARTICIPATE

Invest2Equal offers three activities for IFC portfolio fund manager participation:



## Peer Learning Platform

Peer learning will include six learning events for participants to interact, network, share their expertise, and expand their knowledge of best practices in gender-smart investing from local and global experts.

Invest2Equal will leverage expertise across IFC, partners, and the gender-smart investing ecosystem.

Topics selected for learning events will be based on fund managers' gender commitments, needs and interests, and may include:

- Opportunities to reach an underserved segment by providing capital to women entrepreneurs
- Leveraging initiatives and experiences of leading fund managers already implementing gender-smart investing
- Developing and implementing human resource policies that promote workplace equity (e.g., flex work, parental leave, anti-harassment policies) within the firm and across portfolio companies
- Sector specific portfolio measures to incorporate gender impact. Key sectors include financial services, fast moving consumer goods (FMCG), agribusiness, and disruptive technology



## Mentoring & Sounding Board

Based on fund manager needs, IFC will facilitate one-on-one expert mentoring and sounding board guidance to support fund managers in achieving their gender commitments in their firms and portfolio companies.



## Gender Assessment and Action Plans

Optional: IFC will make available to interested fund managers tech-enabled gender assessment tools and tailored gender action plans to identify gaps and opportunities to increase gender impact.

# WHAT DOES PARTICIPATION ENTAIL?

## Fund Manager Commitments

Fund managers participating in Invest2Equal are expected to make at least one firm-level and one portfolio-level commitment, including:

a) one firm-level commitment to institute internal change – ranging from strengthening gender diversity across the fund manager's leadership and workforce to creating more gender-diverse investment teams by addressing biases in recruitment, retention, and promotion. This can include providing paternity leave benefits and taking steps to address bullying and harassment.

b) one portfolio-level commitment – intentionally and measurably using capital to promote gender equality within each investment deal, such as investees adopting anti-harassment policies, investee company boards demonstrating higher female representation, committing that a percentage of portfolio investments be in women-led companies and/or align with [2xCriteria](#) etc.

Progress toward commitments will be monitored and highlighted in case-studies and project progress reports to demonstrate impacts achieved.

## Active Participation

Active participation in Invest2Equal activities, including willingness to share experiences, data, and good practices with others.

Appoint team members with at least one decision maker to participate in learning events. Any team member can participate in mentoring and sounding board guidance up to a maximum of 2 hours per fund manager.

## Resources:

- **In kind:** time, knowledge sharing, participation of decision makers.
- **Financial:** no membership fee to join I2E partnership. Cost sharing will be applicable only to gender assessments and action plans, which is optional and based on participating fund manager interests.

## Tentative timeline:

- Finalize participation of fund managers with signed commitment letters: June 2022
- Public launch of Invest2Equal: July/August 2022
- One-year progress report on commitments: July 2023
- Final assessment of progress on commitments: December 2023

## CONTACT US

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<sup>1</sup> IFC, 2019

<sup>2</sup> Ibid

<sup>3</sup> McKinsey, 2022

<sup>4</sup> Project Sage 4.0, 2021

<sup>5</sup> IFC, 2019

<sup>6</sup> IFC, 2017