

## GENDER ACTION PLAN

### A. Gender Context

1. **Globally, women are significantly underrepresented as investment decision-makers and founders of investee companies at private equity and venture capital firms.** In 2019, companies founded by women received just 2.7% of global venture capital funding (a small increase from 2.2% in 2018) for a total of \$3.54 billion, while 11.5% of the year's total funding went to mixed-gender founding teams with the remainder (85.8%) going to all-male founder teams.<sup>1</sup> Women are also significantly underrepresented among the investment decision-makers at these investment institutions. In Asian investment firms, women comprise on average 18% of employees and fill just 12% of senior roles, which is the lowest figure of any asset class and is unchanged from 2017.<sup>2</sup>

2. **In Southeast Asia, very few private investing firms apply a gender lens to their investments, but gender lens investing is gaining traction in the region.** Most investors in the region consider gender impact only after the investment is made, rather than using gender impact to inform investment decisions. Typically, investors understand gender lens investing as investing in women-owned or women-led businesses. Other strategies such as investing in businesses that provide goods or services that improve lives of women or that promote good workplace practices are lacking. Majority of investments using gender lens are targeted towards microfinance institutions and institutions that promote women's financial inclusion. Many investors report difficulty in finding investable enterprises that are owned or led by women.<sup>3</sup> Gender lens investing has been gaining momentum in the region. In 2019, capital raised by private market gender lens investment vehicles in Southeast Asia rose to \$815 million from \$180 million in 2018.<sup>4</sup>

3. **In Indonesia, gender lens investing is increasingly having significant development impact.**<sup>5</sup> Indonesia ranks 101 of 156 countries in Gender Gap Index with inequalities stemming from women's lower economic participation, opportunity, and educational attainment. While women-owned businesses make up more than half of all small enterprises and about a third of medium-sized enterprises, they face multiple constraints including accessing financing.<sup>6</sup> In Indonesia, financial services, agriculture, and workforce development sectors have seen gender lens investing activity. According to Global Impact Investing Network, as of 2017, three investors deployed \$27.6 million into nine deals in the country using a gender lens approach, and others are scouting for opportunities to do the same (footnote 3). The most common strategies used by gender lens investors in Indonesia include providing critical goods and services to women and supporting women-led and -owned businesses.<sup>7</sup>

### B. Northstar Equity Partners Limited (NEP)

4. **NEP gender inclusiveness.** Overall, 36 percent of NEP staff are women. Staffing is almost gender balanced among the professional staff working in Investment, Operations, and

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<sup>1</sup> Fortune. 2020. [Funding for female founders increased in 2019—but only to 2.7%](#).

<sup>2</sup> Preqin Ltd. 2019. [Women in Private Equity](#). London

<sup>3</sup> Global Impact Investing Network. 2018. [The Landscape for Impact Investing in Southeast Asia](#).

<sup>4</sup> S. Biegel et al. 2020. [Gender Lens Investing Landscape: East & Southeast Asia](#).

<sup>5</sup> While NEP V is primarily Indonesia-focused, the Fund may invest up to 35% of committed capital in companies operating outside Indonesia (including the Philippines, Singapore, Thailand, and Viet Nam).

<sup>6</sup> International Finance Corporation. 2016. [Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions](#). Washington DC.

<sup>7</sup> Global Impact Investing Network. 2018. [The Landscape for Impact Investing in Southeast Asia](#). New York.

Finance divisions. At senior management level, about 15 percent (2 of 11) of staff are women.

**Table 1: NEP Staffing, sex-disaggregated**

Job Category	Men	Women	Total	% Women
Board	4	0	4	0%
Investment Committee	6	0	6	0%
Senior Management	11	2	13	15%
Investment Team	10	4	14	29%
Operations Team	2	2	4	50%
Finance Team	5	5	10	50%
Legal/Investor Relations/Corporate Affairs	3	0	3	0%
Administration and Support	18	10	28	36%
<b>Total<sup>a</sup></b>	<b>39</b>	<b>22</b>	<b>61</b>	<b>36%</b>

<sup>a</sup> The total adjusts for staff who may hold more than one position to avoid double-counting.

Source: NEP, as of 2020.

5. NEP covers some topics that support inclusion and productivity of women at workplace in its Compliance Manual, Employee Handbook, and Employee Code of Conduct, but does not have a dedicated gender and diversity policy that explicitly sets related practices. NEP has also not included gender equality awareness in its current training provided to staff. ADB's investment will address these gaps in NEP's operational standards.

### C. Gender Action Plan for Northstar Equity Partners V Limited (NEP V)

6. The project is categorized as Effective Gender Mainstreaming (EGM), wherein gender design features will be incorporated in NEP V's operations and investments. Particularly on adopting a gender lens in investment screening, Northstar V assessed the ADB gender scorecard template and the 2X tool, among the good practices in the private equity industry, as good methodology basis to develop its own gender scorecard. The proposed gender targets for NEP V are presented in the gender action plan as follows.

**Table 2: Gender Action Plan**

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting
<b>Outputs</b>		
2. Greater gender equality at investee level is supported by NEP V	2a. A gender equality scorecard <sup>a</sup> developed and applied in the Fund's screening process for new investments by Q4 2022 (2021 baseline: not applicable)	NEP V Fund's annual development effectiveness monitoring reports
	2b. At least 2 recommendations made annually to existing and potential investee companies on how to improve their gender equality commencing in 2022 (2021 baseline: not applicable)	
3. Gender equality of NEP V operations enhanced	3a. At least 70% of Northstar staff received gender equality training <sup>b</sup> by Q4 2022 (2021 baseline: 0)	
	3b. A Diversity and Inclusion Policy <sup>c</sup> for Northstar adopted by Q4 2022 (2021 baseline: not applicable)	

<sup>a</sup> The ADB Gender Equality Scorecard template may serve as basis for developing NEP V new tool, where the gender criteria for investees will be customized to fit NEP V investment operations.

<sup>b</sup> Content of these gender equality awareness training sessions will be developed and notably include topics on (i) gender-sensitive work environment, gender equality principles, unconscious bias and (ii) introduction of the gender equality scorecard tool and methodology of application.

<sup>c</sup> The Diversity and Inclusion Policy will serve as an explicit statement of the application of gender equality principles in Northstar's HR management, covering equal opportunities and conditions, provisions against any forms of harassment and gender in staffing.

Source: Asian Development Bank