Gender-Based Violence Risk Score
A Methodology and Tool for Calculating the Material Risk of GBV in Financial Models

Developed by Criterion Institute and Equilo, with support from UNICEF.


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<th>ACRONYMS</th>
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<tbody>
<tr>
<td>DHS</td>
<td>Demographic Health Surveys</td>
</tr>
<tr>
<td>E&amp;S</td>
<td>Environmental and social</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social, and governance</td>
</tr>
<tr>
<td>FGM</td>
<td>Female Genital Mutilation</td>
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<tr>
<td>GBV</td>
<td>Gender-based violence</td>
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<tr>
<td>GBVR</td>
<td>Gender-Based Violence Risk Score</td>
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<tr>
<td>GDP</td>
<td>Gross-domestic product</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>IPV</td>
<td>Intimate partner violence</td>
</tr>
<tr>
<td>LGBTQIA+</td>
<td>Lesbian, gay, bi-sexual, transgender, queer, intersex, asexual, or ally</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on Investment</td>
</tr>
<tr>
<td>TAAP</td>
<td>Transforming Agency, Access, and Power Framework</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations International Children’s Emergency Fund</td>
</tr>
<tr>
<td>WGI</td>
<td>Worldwide Governance Indicators</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
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</table>
Background

Gender-based violence (GBV) is a material risk to financial investments, including within infrastructure, energy, manufacturing, tourism, agriculture, and health industries. Approximately 1 in 3 women and girls experience physical and sexual violence during their lifetime,¹ and the cost of GBV to the global economy estimated to be 2% of global GDP, or US$1.5 trillion.² Addressing GBV across investments is imperative from impact, outcomes, and risk perspectives.

This paper lays out why GBV is a material risk to investors across geographies, asset classes, and investment types. It demonstrates the materiality of GBV to investment analysis across multiple dimensions of risk and then provides a tool and methodology for how investors of all types to incorporate GBV risk analysis to get to better outcomes.

The Challenge: Reframing a Social Factor as Material

Broadly speaking, GBV is not seen as a material risk to investments. The investors most likely to be addressing GBV in their investments are government investors, such as Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs); for the most part these investors are treating it as a social rather than a material risk.

Applying a materiality approach entails including GBV data in financial calculations in the same way as standard macroeconomic indicators. The crises of the last two decades in financial systems have demonstrated that systems of finance have been most vulnerable to factors left outside the pricing calculation.³ In 2008, the exclusion of real risk calculations in mortgage portfolios led to the building up of incredible volumes of investments accumulated in mispriced assets. When those assets incorporated the information that had been excluded, the repricing of the assets to their true value resulted in the largest financial crisis since the Great Depression. The incorporation of the previously unseen is of enormous significance to investments of all types, and there is growing acceptance that “social” issues—such as inequity based on race, gender, caste, etc.—are among the most consistently overlooked material factors.

The Solution: Value GBV Risk in Financial Models

Similar to the way in which climate change concerns have increasingly shaped risk/return analyses and become embedded into investment decision-making over the last two decades, GBV must be measured and comprehensively integrated into risk calculations and decisions.

The lens of violence prevention should be integrated into the core investment and risk processes and teams, rather than being limited to gender and compliance processes and teams. Governments, in their role as financing institutions, play a critical role in establishing precedents and benchmarks for investments. The Criterion Institute’s research has demonstrated the importance of leveraging these institutions in order to lead and accelerate change in the assessment of risk. If the financial institutions directing investments in all industries, and in particular infrastructure and other male-dominated sectors, coordinate to recognize and seek responses to GBV as a ubiquitous risk, similar to the risks posed by the climate crisis, then the significant budgetary allocations to investment can dramatically move the needle in reducing GBV.

A Tool to Measure the Material Risk of GBV

To this end, the Criterion Institute partnered with UNICEF and Equilo to develop this GBV Risk Score (GBVR) methodology. The purpose of the GBVR is to enable investors of all kinds to assess the risk GBV poses to different types of investments, similar to assessing political, economic, or other financial risks, within financial models. The GBVR, similar to other risk types considered in financial models, may be used for financial investments across different geographies, sectors, and time frames.

The GBVR leverages Criterion’s extensive research on the complex topic of financial investments and GBV. It also builds upon Equilo’s existing gender equality scoring methodology, database, and platform to operationalize the GBVR for users in the form of an online tool powered with real-time data. This collaborative work to develop the methodology was co-created by Criterion and Equilo with support from UNICEF. Equilo developed and maintains the platform, tool, and regularly updated database with a cleaned dataset and automated calculations. Various DFIs and MDBs were also consulted during the iteration of the methodology and tool development.

Using the GBVR creates a virtuous cycle of reduced GBV, increased safety in workplaces, learning spaces, homes, and communities, which also decreases investment risk and increases investment opportunity:

- It allows investors to make safer investments in the short term by acknowledging GBV risk, and opportunities to address it, from the very first stage of the investment decision-making process.
- Using the GBVR tool, investors are able to classify GBV risk as “ubiquitous,” “significant,” “severe,” or “extreme” and implement effective actions to move beyond risk mitigation to identify opportunities to invest in transformative GBV prevention and response activities.

This GBVR may also be used by other actors, such as policymakers, development and humanitarian organizations, and civil society who can influence systems of finance through policy, technical support and collaboration, and advocacy efforts. This contributes to critical long-term efforts to combat the root causes of GBV, lower prevalence, and increase impact, thus improving people’s lives, especially the lives of women and girls who are disproportionally at risk of GBV, while also improving investment decision-making and outcomes.

If the financial institutions directing investments in all industries coordinate to recognize GBV as a ubiquitous risk and seek responses accordingly—similar to their approach to climate risk—then the significant budgetary allocations to investment can dramatically move the needle in reducing GBV.

This GBVR methodology and dynamic tool is intended to support financing institutions and governments to have informed conversations regarding the materiality of GBV to investments toward the end goal of financing the reduction of GBV globally. Users may visit app.equilo.io to access this GBVR tool to support financial analysis, with customized tools, data, and insights for countries and sectors.

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4 The content of this white paper, as well as country-specific GBV Risk Scores for 132 low- and middle-income countries, real-time data, and future methodological/indicator updates are accessible by logging in at app.equilo.io.
The Challenge for DFIs: Safeguarding vs. Material Risk

Currently, most investors address GBV in their investments from a safeguarding perspective rather than regarding it as material. Safeguarding is an approach that protects an investment or project from harm or damage with appropriate measures, with a focus on risk mitigation for reducing potential harm an investment could have on people or the environment. Materiality, on the other hand, refers to information that is considered significant to financial decision-making—that is, to an assessment of a potential investment’s upside and risk over a period of time. As such, information that is considered material becomes a part of an institution’s financial risk analysis. Over the past decade, there has been tremendous progress in incorporating a safeguarding perspective to reduce the risk of gender-based violence within investments, reflected in the “Do No Harm” approach. In this approach, responding to GBV appears as an increased cost of compliance (e.g., following specific standards or rules set by institutions or regulatory bodies)—for example, the costs associated with hiring a gender specialist, implementing an independent reporting mechanism, providing training for contractors, designing codes of conduct, etc.

While critically important, the implementation of this approach has also highlighted its limitations. While safeguarding is vital, it is typically siloed within Environmental and Social (E&S) teams and has resulted in a compliance-led approach with limited repercussions in cases of noncompliance. This means GBV prevention and response is largely not integrated into risk/investment teams’ core work, and often means that addressing GBV often continues to be a “tick-the-box” activity after an investment decision is already made. Investments that apply safeguards after the project has already been selected and approved both miss an opportunity to integrate GBV prevention into the project’s design and can have unintended consequences that penalize survivors of violence.

In contrast to safeguarding, a materiality approach underscores the importance of integrating GBV from the very beginning so that it is built into the financial models that investors use to evaluate the viability of a given investment and price risk. GBV is thus reframed—it is no longer limited to risk mitigation activities, although those continue to be an important element, but also a critical element of decision-making. It unlocks the way we view opportunities, not limiting investment to risk mitigation and minimum compliance, but pushing further to identify opportunities to invest in lasting transformative change. While safeguarding is largely limited to mitigating negative issue impact, a materiality approach has the potential for three types of positive outcomes: issue impact (prevention of violence and better support for survivors), better outcomes at the project level, and better investment outcomes.

Materiality of GBV in Financial Investments

What Does GBV Risk Look Like in Practice for Investments?

Gender-based violence (GBV) includes physical, sexual, verbal, emotional, and psychological abuse, threats, coercion, and economic or educational deprivation. The pervasive nature of GBV in society is undeniable. An estimated 1 in 3 women globally have experienced physical and/or sexual intimate partner violence or non-partner sexual violence in their lifetime.⁵ This does not include more common forms of GBV such as harassment, which has been described as a nearly universal female experience; multi-country studies suggest that the majority of women have experienced physical or sexual harassment, including in the streets and online.⁶ ⁷

GBV is rooted in power imbalances and structural inequalities and is characterized by the abuse of physical, emotional, or financial power and control. GBV is compounded by different facets of identity including race, ethnicity, class, age, disability, gender identity or expression, and sexual orientation. For example, in low- and middle-income countries, women with disabilities are two to four times more likely to experience intimate partner violence than other women.⁸ Despite a lack of standardized data, there are widespread reports of brutal physical, psychological, and sexual violence perpetrated against LGBTQIA+ persons due to stigmatization of their real or perceived gender non-conformity.⁹

Why does this matter for investments? There is increasing recognition that gender equality is critical to unlocking positive investment outcomes and ending GBV—a symptom of the social devaluation of women, girls, and gender non-conforming persons—requires tackling gender and social inequalities. As investors have increasingly institutionalized safeguarding mechanisms as well as gender analysis and action planning across sectors, a deeper look at GBV as material to investment outcomes is the next step in this evolution.

Throughout the life cycle of a project or investment, GBV disproportionately impacts women, girls, and LGBTQIA+ persons in several ways, including as members of the workforce and supply chain, partners and family members, and community members.

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Employees and Contractors

Sexual harassment and misconduct are widespread and pervasive in the workforce, and especially in fields traditionally dominated by men. For example, women employed in construction work are particularly vulnerable to harassment, sexual violence, and other forms of GBV from male colleagues and supervisors. Workplace harassment and violence are also more common in industries with historical power imbalances—for example, the commercial flower industry or the garment industry in which almost exclusively female workforces are supervised and managed by men. Intersecting forms of discrimination based on gender, race, class, disability, sexual orientation, gender identity or expression, age, and other identity characteristics compound a person’s experience of harassment and violence. For instance, young women, women of color, women with disabilities, and transgender women or men may have uniquely victimizing and damaging experiences.

Partners and Family Members

Women’s increased economic activity may increase intimate partner violence (IPV) risk when it challenges predominant social norms and traditional household power dynamics. Some evidence suggests that there is an inverted U-shaped relationship between economic empowerment and violence against women, meaning that where women have consolidated, long-established economic power, they tend to be at lower risk of violence. However, when women’s economic power is in transition, men may feel threatened and there may be a short-term increase in GBV.

Community Members

Projects or investments that involve community-level work pose specific risks. For example, for infrastructure projects, GBV and harassment often take place between construction workers or project implementers and the local community (e.g., male construction workers and local women). An influx of outside workers for infrastructure construction poses risks for local communities and may lead to increased rates of gender-based violence against local women and girls, as well as child, bonded, or forced labor. There are also risks associated with the increased prevalence of transactional sex.

The impacts of GBV are serious for survivors, who may experience acute injuries, chronic pain, gynecological problems, depression, psychological trauma, substance abuse, lower self-esteem, unwanted pregnancy and unsafe abortion, and social stigma and exclusion. These further pose a number of material risks to a project, such as increased insurance premiums, lower return on investment, higher implementation costs, and overall compromised effectiveness.

Understanding the Material Risk of GBV for Financial Actors

Before investing in a specific country, company, or project, it is critical for investment officers and financial analysts to carefully evaluate different areas of risk that will affect their expected outcomes. One approach to calculating overall financial risk is to examine the following four types of risk:

Operational Risk

Investors must analyze the prospect of loss resulting from inadequate or failed procedures, systems, or policies.

Sexual and physical harassment of workers translates into direct costs for companies, including costs associated with individual productivity, team performance, turnover, litigation, insurance, and brand perception and reputation. One meta-analysis of 41 studies on workplace sex-based harassment found that companies lose an estimated $22,500 in productivity per harassed individual. Literature costs are also significant: out-of-court settlements average approximately $75,000, while cases that go to trial award $217,000 on average in damages. For Fortune 500 companies, the cost of sexual harassment measured in employee absenteeism, lost productivity, and turnover may exceed a staggering $6 million annually. Although harassment and violence may occur in any workplace setting, certain historic working conditions and risk factors such as power imbalances have been associated with elevated prevalence in specific sectors and occupations, such as the healthcare sector, public emergency services, education sector, transport services, domestic work, agriculture and the rural economy, and textiles and clothing. Gender-based workplace harassment, including sexual harassment, is also especially common in fields that are traditionally dominated by men, such as construction, the military, technology, and engineering.

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Employees experiencing intimate partner violence (IPV) take more time off and, when at work, perform differently due to the physical and mental consequences of violence; their absenteeism and lower productivity affect the bottom line. Similarly, perpetrators may also miss days of work to escape the consequences or let a situation “blow over.” Many businesses may be entirely unaware of employees’ experiences of violence and do not have workplace policies to support survivors. In fact, supervisors may terminate an individual’s employment without understanding the reasons behind their employee’s absence or lower performance, which creates additional turnover costs.

When companies effectively address gender-based violence, including forms of GBV perpetrated at the workplace as well as those experienced by their employees at home or in other environments, they not only mitigate operational risk but also contribute to a world in which employees are poised to thrive. In environments where their safety and voices are valued, women employees are enabled to engage more fully, improving a company’s creativity and innovation potential. For example, workplace harassment is a significant barrier to improved gender equity in workplace leadership, and eliminating this barrier is critical to unlocking such benefits. One survey across 70 countries found that almost three-quarters of companies across various sectors that tracked gender diversity in management reported profit increases between 5-20% that were associated with greater diversity. Fifty-seven percent of businesses stated that it was easier to attract and retain talent, and 54% said they saw improvements in creativity, innovation, and openness in their companies.

**Reputational Risk**

*Investors must anticipate threats to the good name or standing of a business or entity.*

Incidence of violence can impact both domestic and international reputations, and, in a world that increasingly supports an end to GBV, companies are under increased scrutiny. When GBV occurs in the context of an investment, there are reputational risks with financial implications. Some experts suggest that in terms of risk prevention and crisis management, #MeToo concerns—or, in other words, GBV as a reputational risk—are as serious as cybersecurity breaches and corruption. Market analysts attribute the record number of Chief Executive Officer (CEO) exits in 2019 as a result of changes in what behaviors were tolerated given the rise of the #MeToo movement.

Companies that invest in safe workplaces—and especially those that take the extra step to invest in safe homes and safe communities—are well-positioned to weather (and lead) changes in societal tolerance around GBV globally. They will be perceived as leaders in growing movements for gender equity and social change, which may bring transformative knock-on effects such as improved retention and satisfaction of women and socially excluded groups who are employees, increased brand value and perception, and customer loyalty. For example, in the agribusiness sector, increasing agriculture workforce diversity is linked to strengthened human capital outcomes; higher performance, innovation, and profits; improved productivity, yield, and product quality; reduced costs by mitigating gender-based violence (GBV); increased access to higher-value markets; enhanced company reputation; and stronger relationships with local communities.

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29 IFC. 2016. The business case for women’s employment in agribusiness. Available at: https://www.ifc.org/wps/wcm/connect/187c236c-6efb-4a99-b5a9-1700da096437/Women_in_Agribusiness_Report+03.06.17cs-covers.pdf?MOD=AJPERES&CVID=IGBMENs
**Regulatory Risk**

*Investors must consider how laws and regulations, including abrupt changes, will materially impact a security, business, sector, or market and present an investment risk.*

Robust laws, policies, and regulations on gender-based violence lay the groundwork for long-term changes in the social acceptance of gender-based violence, which is fundamental for reducing associated costs. Annually, it is estimated that GBV costs the equivalent of 2% of global GDP, or US $1.5 trillion, accounting for direct health and psychosocial services, legal costs, and child welfare services; and indirect cost of lost wages, productivity, and potential.

With growing attention to this issue worldwide—including the new ILO Violence and Harassment Convention that enters into force in June 2021—many countries may be introducing regulations to hold companies accountable for GBV, including improved transparency around workers’ safety, including sexual harassment and assault. Similarly, there is a growing trend of treating GBV in the workplace as an occupational health and safety risk. Companies that find themselves out of compliance with changing laws are in financial and legal risk.

Investors that identify and value these trends set themselves up for success in a world where laws, policies, and regulations against GBV are on the rise.

**Political Risk**

*Investors must calculate the risk that an investment’s returns could suffer as a result of political changes or instability in a country.*

Violence against women predicts whether a society is generally prone to violent conflict. In fact, research shows that levels of violence against women are a better predictor of state instability than traditional measures such as wealth and the strength of institutions. Additionally, countries with high levels of violence against women are less likely to comply with international norms and treaty agreements, and they are less likely to operate peacefully in the international system. Thus, high levels of violence can indicate unseen instability in a country, including corruption and coercion, which increases the risk of an investment and generally diminishes returns.

When governments lead the way on gender equality through robust commitments to not only end GBV, but also create systems, instate well-enforced laws and policies, and shift norms for more equitable and safe communities, they are also investing in more sustainable economic growth and unlocking development benefits.

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Correlating GBV and Financial Risk

As an additional tool to understand the relationship among GBV indicators and different dimensions of financial risk—i.e., the materiality of GBV—we performed a correlation analysis. We used the World Bank’s Worldwide Governance Indicators (WGI) as proxies for political, regulatory, operational, and reputational risk.\(^{34}\)

**Table 1. World Bank Worldwide Governance Indicators Utilized for Correlation Analysis with GBV Indicators**

<table>
<thead>
<tr>
<th>Risk Dimension</th>
<th>Financial Risk Indicator</th>
<th>Indicator Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Risk</td>
<td>Control of Corruption</td>
<td>Perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as ‘capture’ of the state by elites and private interests</td>
</tr>
<tr>
<td></td>
<td>Political Stability and Absence of Violence</td>
<td>Perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism</td>
</tr>
<tr>
<td>Regulatory</td>
<td>Regulatory Quality</td>
<td>Perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.</td>
</tr>
<tr>
<td></td>
<td>Rule of Law</td>
<td>Perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.</td>
</tr>
<tr>
<td>Operational</td>
<td>Government Effectiveness</td>
<td>Perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.</td>
</tr>
<tr>
<td>Reputational</td>
<td>Voice and Accountability</td>
<td>Perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.</td>
</tr>
</tbody>
</table>

When analyzing the results, we uncovered the following statistically significant, moderate to strong correlations between each of the following GBV indicators and the WGI. This is a sample of the over 30 GBV risk indicators utilized in the GBVR, and which may be utilized within financial model calculations detailed in the proceeding sections.

\(^{34}\) World Bank. 2019. Worldwide Governance Indicators. Available at: https://info.worldbank.org/governance/wgi/Home/Documents
Table 2. GBV Indicators with Moderate to Strong Correlations with WGI}

<table>
<thead>
<tr>
<th>GBV Indicator</th>
<th>World Governance Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trafficking in Persons (TIP) Tier Ranking[^35]</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Political Stability and Absence of Violence</td>
</tr>
<tr>
<td></td>
<td>○ Regulatory Quality</td>
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<tr>
<td></td>
<td>○ Rule of Law</td>
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<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td></td>
<td>○ Voice and Accountability</td>
</tr>
<tr>
<td>Rate of police recorded offenses of sexual violence (per 100,000 population)^[^36]</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Political Stability and Absence of Violence</td>
</tr>
<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td></td>
<td>○ Voice and Accountability</td>
</tr>
<tr>
<td>Estimated prevalence of modern slavery (victims per 1,000 population)^[^37]</td>
<td>○ Regulatory Quality</td>
</tr>
<tr>
<td></td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Voice and Accountability</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>Is there legislation specifically addressing domestic violence?[^38]</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Political Stability and Absence of Violence</td>
</tr>
<tr>
<td></td>
<td>○ Regulatory Quality</td>
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<tr>
<td></td>
<td>○ Rule of Law</td>
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<tr>
<td></td>
<td>○ Voice and Accountability</td>
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<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>Is there no legal provision that requires a married woman to obey her husband?[^39]</td>
<td>○ Voice and Accountability</td>
</tr>
<tr>
<td>Female homicide rate (victims of intentional homicide per 100,000 females)^[^40]</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Regulatory Quality</td>
</tr>
<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
</tbody>
</table>

[^36] UNOCD. n.d. Police recorded offenses of sexual violence by country, counts and rates per 100,000 population. Available at: https://data.unodc.un.org/data/crime/sexual-violence
[^40] World Bank. n.d. World Bank Open Data: Intentional homicides, female (per 100,000 female). Available at: https://data.worldbank.org/indicator/VC.IHR.PSRC.FE.PS
<table>
<thead>
<tr>
<th>GBV Indicator</th>
<th>World Governance Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of women age 20-24 that report being married before age 15[^1]</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td></td>
<td>○ Political Stability and Absence of Violence</td>
</tr>
<tr>
<td></td>
<td>○ Regulatory Quality</td>
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<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>% of men or women that agree that a husband is justified in beating his wife</td>
<td>○ Political Stability and Absence of Violence</td>
</tr>
<tr>
<td>under certain circumstances[^2]</td>
<td>○ Regulatory Quality</td>
</tr>
<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Voice and Accountability</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>% of women ages 15+ who report that they feel safe walking alone at night</td>
<td>○ Control of Corruption</td>
</tr>
<tr>
<td>in the city or area where they live[^3]</td>
<td>○ Regulatory Quality</td>
</tr>
<tr>
<td></td>
<td>○ Rule of Law</td>
</tr>
<tr>
<td></td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>% of female workers who worry about violence and harassment as a source of</td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>risk to their personal safety while working[^4]</td>
<td></td>
</tr>
<tr>
<td>Extent of implementation of mental health services for victims of all types</td>
<td>○ Government Effectiveness</td>
</tr>
<tr>
<td>of violence[^5]</td>
<td></td>
</tr>
<tr>
<td>Sex ratio at birth (male births per female births)[^6]</td>
<td>○ Government Effectiveness</td>
</tr>
</tbody>
</table>

[^1]: World Bank. n.d. World Bank Open Data: Women who were first married by age 15 (% of women ages 20-24). Available at: https://data.worldbank.org/indicator/SP.M15.2024.FE.ZS
[^2]: DHS. n.d. Wife beating is justified for at least one specific reason. Available at: https://www.statcompiler.com/en/
[^5]: World Health Organization. n.d. Global Health Observatory: Extent of implementation of mental health services for victims of all types of violence. Available at: https://www.who.int/data/gho/data/themes/topics/indicator-groups/indicator-group-details/GHO/services-for-victims
Integrating GBV Risk in Financial Models

Leveraging GBV Risk Models to Make Sound Investment Decisions

The complexity of GBV (and gender inequity broadly) is often cited as a reason not to incorporate it into fundamental financial decision making. But as this tool and methodology demonstrate, the data and models to integrate GBV into financial models exist. While GBV can be challenging to quantify, it is no more so than the processes for deciding how any number of economic, political, and financial indicators should be quantified and be weighted within financial models.

In finance, predicting the risk of an investment begins not with data but with a conversation—a qualitative assessment of what matters and how much it matters. The data, models, and math come after decision-makers determine what is material to investments. The data are leveraged to justify what investment decision-makers and analysts believe to be true, to accurately compute risk.

The choice to integrate GBV into financial models should and can be made following the same guidelines and processes as any other social and environmental factors. Decision-makers at financial institutions simply need to ensure that gender equity and GBV specialists have a seat at the decision-making table, in addition to instituting measures to ensure diverse voices are included in decision-making, such as at least 40% women and/or gender-diverse individuals on investment committees. The decision point on whether to integrate GBV into financial models centers around decision-makers asking themselves these two questions:

1. Do we believe that GBV is a material risk to our investments?

2. If we do not integrate GBV into our financial models, are our models less accurate?

If the answer to both of these questions is “Yes,” then the next step is implementation: selecting to either use the GBVR or discrete GBV indicators, such as those laid out below, and applying them to the risk model the investor already uses.

If the answer to either question is “No”, then it is important to assess:

- The breadth of gender equality and GBV expertise on the investment decision-making team; and
- How GBV and gender equality information and expertise are valued and weighted as a ubiquitous risk in decision-making related to financial model inputs and overarching decisions.

Selecting a Model to Utilize a Risk Score or Discrete Indicators

To incorporate GBV data in their decision-making, investors and financial analysts may choose between two different options: 1) to integrate the GBVR as an additional risk category or 2) to conversely integrate discrete GBV indicators into existing risk categories related to financial, economic, and political risk. (We use the risk categories of operational, reputational, regulatory, and political risk.) There is no right or wrong option—what matters is selecting a model that most closely aligns with financial models and calculation processes already used by the investor.
Option 1: Integrate the GBV Risk Score as an Additional Risk Category

One way to measure overall financial risk of an investment within a particular country is to use a weighted average of different dimensions of risk, adding a GBV risk dimension (GBR) as its own risk category.

\[
\text{Country Risk (country X)} = \frac{(\text{PR}+\text{OR}+\text{REPR}+\text{REGR}+\text{GBVR})}{5}
\]

- PR = Total political risk indicators
- OR = Total operational risk indicators
- REPR = Total reputational risk indicators
- REGR = Total regulatory risk indicators
- GBVR = Total GBV risk indicators

Option 2: Integrate GBV Indicators into Existing Risk Categories

Another way to measure the overall financial risk of an investment within a particular country is to use a weighted average of different dimensions of risk, adding GBV indicators into the formulas for each specific risk category. The GBV indicators that may be used are identified in the proceeding section.

The proceeding section on the calculation of the GBVR supports analysts and decision-makers to understand the GBV risk of a particular investment, and places that risk into four different levels: ubiquitous, significant, severe, and extreme. These levels may be used to guide investment decision-making processes and the way in which GBV reduction is financed as part of the investment.

\[
\text{Country Risk (country X)} = \frac{(\text{PR}+\text{OR}+\text{REPR}+\text{REGR})}{4}
\]

- PR = Total political risk indicators + GBV indicators
- OR = Total operational risk indicators + GBV indicators
- REPR = Total reputational risk indicators + GBV indicators
- REGR = Total regulatory risk indicators + GBV indicators
- GBVR = Total GBV risk indicators + GBV indicators

Considerations:

- Some institutions use scales of 0-10, others 0-6, others 0-100, and so on. Therefore, when utilizing either the GBVR (presented on a scale of 0-100) or discrete GBV indicators, care must be taken in scaling to align with the institution’s scale while maintaining the integrity of the GBV Risk integration.

- In both risk model options, weighting may be applied to each distinct risk category at the user’s discretion, as long as the GBVR weight is at least equal with one other risk category.

- GBV is always an additive risk; therefore, depending on the institution’s risk model calculations, there should never be a circumstance where GBV brings down the overall country risk. If it does, this indicates an error in scaling and requires correction via re-scaling of the GBVR.
The GBV Risk Score Framework

GBV is rooted in power imbalances and structural inequalities. It is characterized by the abuse of physical, emotional, or financial power and control. Central to the construction of a composite score is the need to combine indicators in a meaningful way that helps users to understand and assess GBV risk overall for a country, as well as risk within the sub-domains of GBV risk, such as laws and policies or knowledge and beliefs surrounding GBV.

**GBV Risk Score Sub-Domains**

The five indices below are drawn directly from the Transforming Agency, Access, and Power (TAAP) analytical framework. Each of the following sub-domains represents a distinct and unique dimension of the GBVR in aggregate, comprised of several unique indicators. Analyzing risk within these sub-domains is critically important to decision-makers in order to appropriately price risk, target investment criteria, and to fund the right GBV risk reduction.

**Human Dignity**

This sub-domain captures the actual measured experience of various types of GBV, such as physical or emotional violence or child marriage. Data on GBV experienced is often under-reported; therefore, indicators measuring formally reported GBV incidences are not used. Instead, indicators measuring self-reported experiences of GBV within anonymized household or workplace surveys are used.

**Law & Policy**

This sub-domain measures to what extent policies and laws are in place to appropriately prevent and respond to GBV, as indication of the enabling environment; it does not measure the extent to which the laws and policies are implemented. Discriminatory laws and a lack of legal protections affect women and girls globally, impacting their mobility, workplace experiences, remuneration, marriage, parenthood, entrepreneurship opportunities, asset accumulation, and access to pensions, among other aspects of their lives.

**Knowledge & Beliefs**

This sub-domain measures the acceptance, by women and men, of GBV, with higher social acceptance of GBV correlating to increased risk of GBV. Gender, social, and cultural norms and beliefs shape individuals’ identities, social experiences, and opportunities.

**Access to Resources**

This sub-domain measures the extent to which GBV survivors have access to appropriate medical, legal, and mental health services, and to what extent they seek help after experiencing GBV. Lower access to resources and help-seeking behavior increases risk of GBV as perpetrators are aware of impunity, and exacerbate consequences for GBV survivors. Gender gaps persist in women and girls’ access to education, income, property, financial services, technology, social protection, healthcare, and other resources.

**Power & Decision-Making**

This sub-domain measures the extent to which individuals have autonomy and agency in making decisions for themselves; higher levels of personal agency and autonomy reduce GBV risk. It also includes the decision-making power and personal agency to meaningfully participate in the workplace, education, politics, social protest, and other activities; gain control over assets such as land and financial resources; and live healthy and productive lives free from violence.
The methodology to compute the GBVR is similar to that of other well-known composite index scores such as the Women, Peace, and Security Index (see Figure 1 below). We compute the GBVR for each country in two steps:

1. Compute a GBV score for each indicator; and
2. Aggregate the scores by domain.

Criteria for GBV Indicators

Specific indicators are used to calculate the GBVR sub-domain scores. These indicators are selected based on the following criteria:

- Provides an accurate representation of the GBV risk within each domain based on extensive qualitative literature and research.

- Represents the best available indicator to measure the domain (e.g., self-reported experience of violence in anonymous surveys rather than formally reported experience of violence).

- Drawn from publicly available, internationally standardized and recognized data sets backed by a valid survey methodology and instrument.

- Data are regularly updated and made available for the indicator.

The indicators are intended to be dynamic, such that as new data sets are released with brand new indicators, those may be incorporated into these calculations. New indicators and data will increase the robustness and strength of the GBVR. Although the indicators identified within this methodological paper remain static, the Equilo GBV Risk Score tool available at app.equilo.io will incorporate new indicators into the framework as they become available.

The GBV Indicators reflected above, and that are currently utilized to calculate the GBVR tool, may be found in Annex A.
## Figure 1 GBV Risk Score Inputs

<table>
<thead>
<tr>
<th>Domain</th>
<th>Human Dignity</th>
<th>Law &amp; Policies</th>
<th>Knowledge &amp; Beliefs</th>
<th>Access to Resources</th>
<th>Power &amp; Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBV scores are computed for each indicator.</td>
<td>% of women ages 15+ who report that they feel unsafe walking alone at night in the city or area where they live</td>
<td>Is there legislation specifically addressing domestic violence?</td>
<td>% of women/ men that agree that a husband is justified in beating his wife under certain circumstances</td>
<td>% of ever-married women who have ever experienced any physical or sexual violence who sought help to stop it</td>
<td>% of ever married women whose husband or partner displays 3 or more specific marital control behaviors</td>
</tr>
<tr>
<td>% of women ages 15-49 who have ever experienced physical or sexual violence</td>
<td>Does the legislation establish clear criminal penalties for domestic violence?</td>
<td></td>
<td>% of women/ men who agree that a woman in their family should be able to work for pay outside of the home</td>
<td>Availability of post-rape care in accordance with the recommendations of WHO guidelines</td>
<td>% of women who decide themselves how their earnings are used</td>
</tr>
<tr>
<td>% of women who experienced sexual violence before age 18</td>
<td>Is there no legal provision that requires a married woman to obey her husband?</td>
<td></td>
<td>% women/ men who prefer that women in their family exclusively stay at home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of women ages 20-24 that report being married before age 18</td>
<td>Are there penalties for authorizing or entering into child or early marriage?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of ever-married woman who have experienced physical or sexual violence committed by their husband or partner in past 12 months</td>
<td>Are there criminal penalties or civil remedies for sexual harassment in employment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex ratio at birth (male births per female births)</td>
<td>Is there legislation on sexual harassment in employment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female homicide rate—victims of intentional homicides per 100,000 females (NON-SCORED)</td>
<td>Existence of COVID-19 policy measures implemented to address violence against women</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of women ages 15-49 who have experienced female genital cutting (Scored only if practiced in country)</td>
<td>Existence of national plan or strategy addressing gender-based violence/violence against women that includes HIV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of female workers who have experienced, or know someone from work who has experienced, physical violence or harassment while working in the past two years</td>
<td>Policing recorded offenses of sexual violence per 100,000 population (NON-SCORED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of female workers who worry about violence and harassment as a source of risk to their personal safety while working</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Arithmetic means are used to aggregate the GBV indicator scores into each domain.

Arithmetic means are used to aggregate the subdomain into the overall GBV Risk Score.
**GBV Risk Level**

GBV risk levels help us assess for a specific country the level of risk GBV presents to a specific investment. The GBVR expresses the risk of GBV occurring within a specific country, based on a composite score of five sub-domain scores on a scale of 0 to 100, where movement closer to 0 represents reduction of risk and movement toward 100 represents heightened risk.

The table below outlines four GBV risk levels on a scale of 0-100, accompanied by scoring bands, definitions to understand each risk level, and investment implications to be considered to apply to investments within countries at each risk level.

The risk level bands between 0-100 are carefully selected to consider the following:

- Because GBV risk is ubiquitous (i.e., there is no place in the world that is not affected by GBV), any country with a score of less than 20 is identified as a country with **ubiquitous** risk. There is intentionally no “low” risk level, so as not to inaccurately indicate that there is low GBV risk anywhere in the world, or to inaccurately signal that GBV is not a material risk to investments in any specific country in the world.

- The scale is adjusted such that any country with a score of 60 or higher is considered an **Extreme Risk**. This is intentionally chosen, since, at the time of creating this methodology no single country was found to have an overall GBV Risk Score higher than 72, necessitating adjustment for this category to account for the lack of any scores that fall between 73-100.

Each risk level specified in the table below recognizes that investments made at any GBV risk level should always include a GBV Risk Assessment and GBV Risk Mitigation Plan as a minimum compliance safeguarding approach following international standards and best practice. GBV risk mitigation alone is insufficient to protect the investment from ubiquitous GBV risk that may negatively influence the ROI at significant, severe, and catastrophic risk levels. As risk levels increase, the material risk of GBV necessitates that action be taken to invest in GBV risk reduction to address ubiquitous risk in increasing intensity.

GBV is ubiquitous. There is no place in the world where GBV does not impact people, families, organizations, economies, and, thereby, investments.

Recognizing this, we need a GBV Risk Score Framework that is grounded in the reality of ubiquitous risk.

In practice, we need to systematically assess the material risk of GBV to investments.

And then we need to do something to reduce the material risk of GBV, identifying appropriate investment response relative to the scale of the identified risk.
<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Definition</th>
<th>Investment Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extreme (60+)</strong></td>
<td>Countries where the overall GBV risk score is extremely high, typically having dangerously fragile and hostile enabling environments for preventing and responding to GBV. In addition, knowledge and beliefs typically reinforce social norms that threaten the safety, security, and lived experience of large masses of people, disproportionately women, girls, and those with non-conforming sexual and gender identities. The lived experiences of these populations are often marked by GBV, or the threat thereof, with few options to access help.</td>
<td>GBV risk is so high that investment is tenuous; extreme overall GBV in a country may predict untenable political and economic risk or may reflect crisis or collapse. Depending on the investment type/sector/scope, nation-state action may be required to significantly redress GBV risk before an investment may be made, as an explicit pre-condition to investment. Investments could otherwise, even with safeguarding and risk mitigation efforts, exacerbate GBV due to entrenched norms and harmful practices. This could require collaborative partnerships with civil society organizations, development agencies, development finance institutions, and government stakeholders to identify, design, and invest in strategic and critical GBV reduction that aims to reduce entrenched harmful gender norms and GBV.</td>
</tr>
<tr>
<td><strong>Severe (40-59)</strong></td>
<td>Countries where the overall GBV risk score is severe likely having pervasive, systemic problems at all levels. Although there may be areas of strength, such as relatively strong enabling environment with appropriate laws and policies, there are likely at least two areas that present significant risk of GBV, such as harmful knowledge and beliefs held by women and men that perpetuate cycles of violence, poor access to services and safety nets, or alarming lived experience of GBV.</td>
<td>The severity of GBV risk triggers additional levels of risk assessment and consideration of investment committees. In some cases, it may entail making investments conditional upon improvement in the GBV Risk Score prior to the investment being made. If pre-conditions are deemed unwarranted, then, at minimum, clear investment terms are included that require either risk mitigation or transformational GBV risk reduction and increased stability of the investment landscape. Gender/GBV experts on the investment team and in-country advise on terms that mitigate GBV risk and/or priority investment areas to make systemic, transformational changes that address entrenched social norms, harmful beliefs and practices, and other identified risk areas. Specific GBV indicators are set, alongside a clear action plan and milestones to meet GBV indicator goals; investment disbursements are tied to successfully meeting these GBV terms and conditions, with specific thresholds that must be met or passed or continue disbursement of funds.</td>
</tr>
<tr>
<td><strong>Significant (20-39)</strong></td>
<td>Countries with an overall significant GBV risk score are those where there may be relatively stronger legal and policy frameworks in place to prevent and respond to GBV or may have adequate access to resources and safety nets for survivors of GBV. However, countries with significant risk, despite a strong enabling environment to prevent and respond to GBV, may be threatened by power dynamics and knowledge and beliefs that perpetuate harmful norms, and thereby have unacceptable rates of broad types of GBV in homes, communities, and places of work.</td>
<td>Countries where the overall GBV risk is significant require consideration in investment in the enabling environment (policy, practices, and norms) to protect investments. For private investors, assessment of the operational, regulatory, political, and reputational risk of GBV should be a fundamental component of the analysis of opportunity and risk. For governments and blended finance, investment terms or clauses should identify a specific amount or proportion of the investment that is expected to be directed towards GBV prevention and response that go beyond risk reduction measures. A GBV Prevention and Response Plan, or a comprehensive Gender Equality Action Plan, should be attached to the terms that details concrete actions and timelines to be taken over the life of the investment. Opportunities to invest in actions within the investee’s sphere of influence should be detailed for action.</td>
</tr>
<tr>
<td><strong>Ubiquitous (&lt;20)</strong></td>
<td>No country in the world is free of GBV or the threat of GBV; GBV is ubiquitous. Countries with ubiquitous risk may have measures in place to appropriately prevent and respond to GBV, yet still have a population that experiences, and is threatened by, GBV and ongoing norms that perpetuate it.</td>
<td>Safeguarding and do-no-harm lenses should always be utilized as a minimum to assess and mitigate GBV risk over the course of the investment. Opportunities for investing in GBV risk reduction, in addition to safeguarding, should be assessed.</td>
</tr>
</tbody>
</table>
Sub-Domain and GBV Risk Score Calculation Methodology

Normalizing Indicator Values

All discrete indicators, regardless of the data reporting format, are first harmonized so that they are measured in the same direction and utilizing the same unit of measurement. Thus, each indicator is scaled between 0 and 100, ensuring the direction of each indicator is scaled where 100 represents the highest GBV risk and 0 represents the lowest. For example, in the instance of indicators that measure the percentage of women who experience violence, these values are flipped so the value is no longer X, but 100 - X.

Scaling Indicator Values

Next, prior to computing sub-domain scores the indicator values are scaled so that an indicator value of 0 represents the worst value in the world, out of all available data values from low- and middle-income countries (LMICs). This ensures that data is comparable across indicators. Additionally, as a common and established methodology to identify outliers, the 1.5IQR rule is used to determine the threshold for outliers that represent highest GBV risk. As a reminder, the lowest GBV risk of 0 nearly always represents a desired universal standard (e.g., 0% of women experience intimate partner violence). If outliers exist on the other end of the scale (representing high risk of GBV), these outliers receive a GBV indicator score of 100 for highest GBV risk, and all other values are scaled to that outlier threshold (1.5IQR from the quartile). If outliers don’t exist, all values are scaled so that a GBV indicator score of 100 represents the worst value in the world. This methodology ensures that a single outlier that is far away from most other values does not skew the scaling of GBV scores for all other countries.

Aggregating Indicator Values to Calculate Scores

Lastly, arithmetic averages are used at two aggregation levels to calculate GBV risk scores for each country: 1- indicator values aggregated to calculate each sub-domain risk score and 2- Sub-domain risk scores aggregated to calculate the overall GBVR.

- To compute each GBV Risk sub-domain score for a country, a weighted average is computed with all indicator values within each domain (arithmetic mean). Weighting allows for the inclusion of indicators that are less critical to GBV risk, but still important for a full picture. For example, the indicator that measures the extent of implementation of mental health services for victims of all types of violence has a lower weight because the measurement units are broad and open to quality interpretation.

- To compute the overall GBVR for a country, all five sub-domain scores are then summed together and divided by the number of domains considered (in this case, five). This means that the relative weight of each sub-domain score is equal across the five sub-domains (e.g., no sub-domain is more important than the other in terms of measuring GBV risk. Each sub-domain is weighted evenly because there is no clear evidence quantifying the proportional impact of each domain on GBV risk; weighting is subjective.

Power and Confidence Scores

Two scores are calculated that complement the GBV Risk scores at both the sub-domain and overall GBV Risk Score level for users to assess the strength of the scoring calculations:

Power Score

The Power Score measures the robustness of each GBV Risk sub-domain score and the overall GBVR for each country on a scale of 0-1. A higher Power Score indicates greater data availability, including data from any year sourced from both internationally standardized and alternative sources. The Power Score is calculated by dividing the total number of possible indicators for a specific sub-domain by the total number of indicators with data available for a country.

Read about the 1.5IQR rule here: https://online.stat.psu.edu/stat200/lesson/3/3.2
Confidence Score

The Confidence Score measures the reliability of the GBV Risk Sub-Domain scores and GBVRs for each country on a scale of 0-1. A higher Confidence Score indicates greater data quality (e.g., data from internationally standardized sources, collected within the last 10 years) and comparability across countries. The confidence score is calculated by dividing the total number of available indicators for a country by the number of indicators with data available that are within the past 10 years and come from the standardized data source (rather than from a proxy source in the case of missing data).

Handling Missing Data

Not all countries have data available from the identified standardized data source for a particular indicator. In this instance, proxy indicators may be used by replacing, for a specific country, a data point with an alternative data point from another source. The Equilo platform regularly updates its backend database with both standardized and proxy data, based on manual research, to ensure as robust a data set as possible to calculate scores. Standards that Equilo uses to for proxy data are, in order of priority, to:

1. Utilize an alternative source, such as a country-level study or national statistics office data, to fill in data for the same indicator (referred to as an “alternative proxy”)

2. Utilize data from a similar indicator to be used as a proxy (also referred to as an “alternative proxy”)

3. Utilize a regional mean/median as a proxy (referred to as a “regional proxy”)

If a sub-domain does not have any data available for a country (standard or proxy), it is not included in the overall GBVR calculation for that country. In this case, the GBVR is computed as the average of available sub-domains within that country.
Use Case: Utilizing the GBV Risk Model for an Infrastructure Investment in Country X

There is a wide spectrum of use cases for the GBVR methodology, varied by the type of user and financial actor. The use case presented here and below is one illustrative example of how the GBVR may be applied to investment decision-making of a development finance institution (DFI). Additionally use cases, case studies, and examples will be developed and published on a rolling basis.

A DFI of Country X has a mandate to establish private partnerships for joint investment in the amount of US$210 million in infrastructure in Country X over a 25-year period, specific to road improvements, light rail, and urban market and transport hubs to facilitate increased trade, opportunity for entrepreneurs, and job creation. Prior to the investment, a full country risk analysis is required, including quantification of the country risk.[1] DFIs look at many factors to understand the risk of a particular country, including corruption, economic stability, government effectiveness, accountability, etc. These are categorized into political, operational, reputational, and regulatory risks. Before considering GBV risk the return on investment (ROI) is estimated to be 8.3%.

\[
\text{ROI} = \frac{\text{Net Return}}{\text{(Planned Costs + Expected Loss)}} = \frac{\$23.8M}{\$210 + \$77M} = 8.3\%
\]

The DFI has adopted best practices in gender assessment, action planning, and gender mainstreaming. This includes integrating gender equality indicators into its risk management framework. For country risk, GBV is incorporated as a material risk to projects or investments based on the methodology outlined here. Just as the other country risk categories measure the probability of loss and/or increased costs, ultimately resulting in a reduced ROI, so too does GBV risk. Therefore, the DFI has integrated GBV risk into its country risk rating using the model below.

\[
\text{Country Risk (country X)} = \frac{w_{\text{PR}} + w_{\text{OR}} + w_{\text{REPR}} + w_{\text{REGR}} + w_{\text{GBVR}}}{5}
\]

- PR = Political Risk
- OR = Operational Risk
- REPR = Reputational Risk
- REGR = Regulatory Risk
- GBVR = GBV Risk
- \(w\) = weight assigned to each risk category

To assess the overall country risk, the analyst uses various indicators for each risk category. For GBV risk, one GBVR is calculated for Country X according to the GBV Risk Score methodology, a composite score of over 30 GBV indicators. In this case, the analyst navigates to the Equilo platform (app.equilo.io) where the GBVR calculation is automated, pulling from the most recent data available for Country X. The GBVR for Country X is 50, which falls into the Severe GBV Risk category. Incorporating this score into the overall Country Risk score increases Country X’s risk from 39 to 41 (See Table 1).
**Table 1: Country Risk for Country X**

<table>
<thead>
<tr>
<th>Risk categories</th>
<th>Risk Score</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Risk (PR)</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Operational Risk (OR)</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Reputational Risk (REPR)</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Regulatory Risk (REGR)</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td><strong>Country Risk w/o GBV Risk Score</strong></td>
<td><strong>39</strong></td>
<td><strong>8.3%</strong></td>
</tr>
<tr>
<td><strong>GBV Risk Score (GBVR)</strong></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>GBV Risk-Adjusted Country Risk for Country X</strong></td>
<td><strong>41</strong></td>
<td><strong>7.8%</strong></td>
</tr>
</tbody>
</table>

When the expected loss (e.g., potential costs) associated with GBV risk was added to the other risk categories, the ROI fell to 7.8%, which is below the target hurdle rate of 8% and threatens the likelihood of this investment receiving approval from the Investment Committee.

\[
\text{ROI} = \frac{\text{Net Return}}{\text{(Planned Costs + Expected Loss)}} = \frac{23.8M}{(210M + 80M + 15M)} = 7.8\%
\]

**What does this mean for the DFI’s investment?**

For countries with a Severe GBVR, an additional level of gender assessment is required by this DFI, along with a remedial gender action plan. This will be included for consideration by the Investment Committee, which could also help the investment get over the hurdle rate of 8%. This may include investment pre-conditions and milestones over the course of the investment. The DFI can work with development agencies, private partners, and other stakeholders to invest in targeted transformational GBV risk reduction to decrease the material risk and create a more stable investment landscape.

Risk increases the potential costs and loss of an investment, which ultimately decreases the expected ROI. To quantify this, the risk analyst must estimate the potential costs/loss due to each risk and the probability of that risk materializing. For example, if there was a violent government insurgency resulting in a dictatorial takeover, there would be costs for evacuation of personnel and partners, and the DFI would be forced to abandon the investment altogether. To calculate the expected loss, the risk analyst estimates the total costs associated with this event, multiplied by the probability of the event occurring. As expected loss increases, the estimated cost of the investment increases, and thus brings down the overall return on the investment.

\[
\text{Expected Loss} = \text{Probability of a Specific Risk Materializing} \times \text{Loss Given a Specific Risk Materializing}
\]

\[
\text{Cost of Investment} = \text{Planned Investment Expenses} + \text{Unplanned Expected Loss}
\]

\[
\text{ROI} = \frac{\text{Net Return}}{\text{Cost of Investment}}
\]

To understand where the greatest GBV risk lies in Country X, the analyst uses the Equilo platform to view the score and underlying indicators. Reviewing the GBV Risk Snapshot, the analyst quickly identifies which of the five domains has the most severe and significant GBV risk. Each domain is scored based on a weighted average of the GBV indicators associated with that domain. The image below visually illustrates where the relative GBV risk lies in Country X. It shows that four out of five domain scores for Country X present a severe risk, with Knowledge & Beliefs (80) representing the highest area of GBV risk, followed by Access to Resources (53), Power & Decision-Making (47), and Human Dignity (40). Law & Policy, although not severe, is still a significant risk with a score of 33, and not to be ignored.
To better understand the specific risks within each domain, the analyst navigates the Equilo platform to assess the underlying indicators associated with each domain. See some examples in Figure 3. We can quickly see some of the underlying challenges—nearly 60% of women and 40% of men agree that men are justified beating their wives in certain circumstances—pointing to ingrained cultural belief and acceptance, including by women, of violence.
13. Acceptance of Women’s Paid Work

→ Domain: Knowledge & Beliefs
Contributes to the GBV Risk Score
Internationally Standardized Indicator

Globally, 83% of women and 77% of men agree that it is acceptable for women to have a paid job outside the home if they want to. However, the shift toward acceptance—and, in many cases, the expectation—of women to work, coupled with the continued perception of women as caregivers, places a double burden upon many women who “do it all” (e.g., earn an income and manage household responsibilities). Working mothers may be stigmatized for “abandoning” their children and traditional responsibilities, confronting backlash from family or community members who allege children will spend more time on the street, engage in criminal behavior, or generally deviate from the right path; this social critique impacts working mothers’ self-esteem, behavior, and agency.

88%[17] of women and 85%[18] of men in Country X agree that women should be able to work outside the home. However, 14%[17] of women and 8%[18] of men prefer that women stay at home instead of engaging in paid work.

14. Acceptance of Wife Beating

→ Domain: Knowledge & Beliefs
Contributes to the GBV Risk Score
Internationally Standardized Indicator

Harmful gender norms and beliefs normalize physical, sexual, psychological, and economic violence against women, girls, and gender non-conforming persons, contributing to increased GBV prevalence.

In Country X, 58%[19] of women and 40%[20] of men agree that a husband is justified in beating his wife under certain circumstances.

15. Belief that Female Genital Cutting Should End

→ Domain: Knowledge & Beliefs
Contributes to the GBV Risk Score
Internationally Standardized Indicator

Social, cultural, and gender norms play a strong role in FGC prevalence, with both men and women upholding the practice. Although justifications may vary according to context, some communities support FGC as a means of controlling girls’ sexuality, ensuring premarital virginity, and encouraging marital fidelity. In many societies—especially those with the highest prevalence rates—FGC is perceived as a normal rite of passage, and therefore those who do not conform may be at risk of rejection and exclusion from their communities. FGC has no associated health benefits and contributes to many long-term risks such as scarring, cysts, recurrent bladder and urinary tract infections, infertility, childbirth complications, newborn deaths, and need for later surgeries.

Of those who are aware of the practice of female genital cutting in Country X, 35%[21] of women and 89%[22] of men believe the practice should end.
16. Prevalence of Help-Seeking

- Domain: Access to Resources

Contributes to the GBV Risk Score
Internationally Standardized Indicator

Incidents of GBV are often not reported for multiple reasons: fear of retaliation from the perpetrator, lack of appropriate reporting mechanisms or knowledge on how to use them, feelings of shame and guilt, or wanting to avoid a scandal with spouses or family members. Help-seeking behavior may reflect the actual availability and accessibility of transportation or other infrastructure required to access police, medical, legal, social, and other personal and family support services, in addition to knowledge of GBV response and treatment options.

Of ever-married women who have experienced physical or sexual violence in country X, 54% have sought help to stop the violence.

17. GBV Response Services for Survivors

- Domain: Access to Resources

Contributes to the GBV Risk Score
Internationally Standardized Indicator

Comprehensive GBV response mechanisms—including medical care, psychosocial services, legal aid, shelter and safety, and child protection—are critical for addressing survivors’ immediate and long-term needs, preventing additional harm and trauma, and upholding their dignity. However, survivors often face a number of constraints in accessing services, including a number of specific barriers: availability, comprehensive services, stigma around GBV, financial, resources, time, and mobility restrictions, among others.

Effective GBV response can reduce survivors’ susceptibility to future abuse, mitigate negative health consequences such as unintended pregnancies, STIs, HIV transmission, and post-traumatic stress disorder, and support reintegration into social and economic life. When women and girls live a life free of violence, they have improved physical health, reduced risk of mental illness and substance abuse, greater educational attainment, and the ability to contribute productively to their economy.

In country X, medical-legal services for victims of sexual violence are implemented inconsistently. Post-rape care is in accordance with the recommendations of WHO guidelines. Mental health services for victims of all types of violence are implemented inconsistently. Child protection services are implemented inconsistently.
What can the DFI do to de-risk the infrastructure investment and increase the ROI over the hurdle rate in Country X?

To de-risk GBV from the investment, the expected loss associated with these GBV risks in Country X must be decreased.

- At bare minimum compliance, all investments, beginning with those categorized as Ubiquitous and including those categorized as Severe Risk for GBV, must **put in place appropriate safeguards to mitigate GBV risk**. They will need to conduct a GBV Risk Assessment and put in place a GBV Risk Mitigation Plan specific to potential impacts of the specific investment. This addresses potential GBV risk presented by the investee because it is operating in this risk environment in Country X. The GBV Risk Mitigation Plan includes, for example, a regular GBV audit checking for warning signs or cases of sexual harassment and trafficking, as well as the implementation of grievance mechanisms to handle reported cases from employees, staff, and community members.

- However, since this investment is categorized as a Significant Risk or more, **opportunities must also be identified within the investment sphere of influence to take a proactive approach to reduce GBV**. For example, streetlighting is strategically placed not only along roads and surrounding public transport stops, but also around walking paths to the main roads, and an emergency call box placed along walking paths and at stops. Public toilets placed near public transport stops and in market areas are well lit, inside and out, with secured, gender-segregated spaces, including washing facilities. Posters are displayed with numbers to GBV helplines and behavior change communication in both male and female toilets. Public transport personnel are trained on how to recognize and respond to potential cases of GBV.

- Lastly, because Country X is classified as Severe Risk, the DFI must go beyond to **invest in transformative actions as a pre-condition, or as part of the investment terms and conditions, to ensure Country X is taking necessary action to reduce GBV risk writ large**, with a strategic focus on domains that either present the highest risk or domains that, with some investment, could significantly improve and de-risk across other domains. The risk management team works with stakeholders (e.g., investment team, ESG team, donors, and public and private partners, including government representatives and civil society), in consultation with GBV and gender equality experts in Country X. With local civil society and GBV experts guiding the process, a gender equality action plan and GBV prevention and response plan is developed and financed to be implemented nationally. The plan is accompanied by the investment required and clear goals, targets, and timelines. This particular DFI has a GBV Prevention and Response Policy in place, stipulating that, across all investments made in countries categorized Severe, they will invest, at minimum, an additional 5% of the investment value into a GBV Prevention and Response Plan to be implemented within the first 4 years of the investment, requiring the DFI to partner with others to co-fund a $10.5 million GBV Prevention and Response Plan.

In this instance in Country X, given that most domains are Severe and only one is Significant, investing in GBV risk reduction requires a multi-pronged investment approach that will not only increase access to services for survivors and strengthen the legal framework, but also shift beliefs and social norms as a prerequisite for investment, or as a term and condition that is part of the investment. This will be led by a gender equality expert within Country X, with significant consultation of three civil society groups focused on GBV reduction and increasing gender equality. Illustrative systems-level transformative activities that were included in the plan and implemented by a range of government, civil society, and non-governmental organizations within the country include, but are not limited to:

- Adopt and implement a regulatory framework for criminalizing domestic violence.
- Adopt and implement a regulatory framework for child marriage, including provision for legal enforcement of the law.
- Increase government allocation to GBV multi-sector (e.g., of medico-legal, social, economic services, etc.) response for survivors.
- Target men employed in transport and police departments with male engagement strategies and associated behavior change communication with a goal to shift norms away from equating girls and women as property to valuing them as equal partners, decision-makers, and co-workers.
Each of these actions are expected to contribute to reducing the probability of GBV risk within Country X, based on well-documented research in the country and region, thereby decreasing the expected loss. For each GBV indicator, the DFI establishes a new target outcome level to be achieved during the first four years and beyond in years 10, 15, 20, and at the investment in year 25. These targets are then plugged into the GBV Risk Model to calculate the reduced GBVR.

There is, of course, a cost to the implementation of the GBV risk reduction actions via the GBV Prevention and Response and Plan. Per the DFI policy, if a country falls into the Severe GBV Risk Category, at least 10% of the investment total must be spent on GBV risk reduction actions. Given that Country X is Severe for GBV risk, an additional $10.5M must be invested in GBV risk mitigation and reduction.

Based on those risk reduction actions, there is a decreased probability of the costs associated with the GBV risk being realized, bringing down the expected loss. Not only that, but considering improved social outcomes, the projected return also increases. After making the adjustments, a pro forma[2] Country Risk Score is calculated; the projected ROI, taking into account improved outcomes and decreased risk, now increases past the 8% hurdle rate to 9%, which is also an increase from the original ROI estimated of 8.3% before considering GBV (See Table 2).

\[ ROI = \frac{\text{Net Return}}{\text{(Planned Costs + Expected Loss)}} = \frac{$27.5M}{($210M + $10.5 + $73M + $12M)} = 9\% \]

<table>
<thead>
<tr>
<th>Risk categories</th>
<th>Risk Scores</th>
<th>ROI</th>
<th>Pro forma Risk Scores</th>
<th>Pro forma ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Risk (PR)</td>
<td>39</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Risk (OR)</td>
<td>44</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputational Risk (REPR)</td>
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<td>32</td>
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<td>Regulatory Risk (REGR)</td>
<td>31</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBV Risk Score (GBVR)</td>
<td>50</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBV Risk-Adjusted Country Risk for Country X</td>
<td>41</td>
<td>7.8%</td>
<td>35</td>
<td>9%</td>
</tr>
</tbody>
</table>

However, costs of these actions should not be purely allocated to a specific investment when calculating ROI. Rather, some of these costs could be absorbed by a partnering development agency as part of its overall mission, further reducing cost and increasing ROI past 9%. Even if:

- The DFI assumes the full cost, then the cost should be spread across the DFI’s portfolio for Country X, as it will decrease the expected loss across its portfolio.
- This single investment were to assume the entire cost of the actions, the ROI is still improved in this case due to a) the improved outcomes of the project and b) the cost of risk reduction being less than the expected loss.

This improved ROI also does not account for the benefit to any follow-on investments by this DFI and other stakeholders that will also benefit from the GBV risk reduction, which would further increase the project-specific ROI and enhance the social rate of return. Thus, the ROI has now increased not only for this specific investment but also improved the GBVR for Country X overall. In addition, it has contributed to de-risking other risk categories, including political and economic risk. This investment in GBV risk reduction has rippling effects for Country X, positioning it as an attractive place for private investors and positive economic growth projections.

[1] Country risk is the risk associated with an investment in a particular country and the degree of uncertainty that it could result in negative outcomes including, but not limited to, financial loss.

[2] Pro forma is defined by the future estimated GBV Risk Score after investment in GBV risk reduction has been made and the score re-calculated.
Using Equilo’s Automated GBV Risk Score Tool

The methodology, risk score models, and indicators presented here may be utilized to calculate GBVRs for a specific country. All indicators are linked to publicly available data sources where data sets may be accessed. Equilo has automated the calculation of GBVRs, available at app.equilo.io. The Equilo online platform provides instant, automated gender equality and social inclusion data-analytics-as-a-service for users, with the following available for the GBV Risk Score Tool:

- Automated GBV Risk Score tool calculation and presentation, with pre-cleaned, sorted, and synthesized data sets
- Downloadable data sets in .CSV, powered by an up-to-date, real-time database with data sets for 132 low- and middle-income countries, including proxy data, where available, when data are missing from standardized data sets
- Data visualization, accompanied by contextualized qualitative data describing the importance and materiality of each indicator
- Methodology presented in this paper, including any future updates of new indicators that become available to increase the robustness of the GBVR
- Materiality information presented in this paper, in addition to the ability to select a specific sector and receive sector-specific qualitative materiality examples and case studies
- Global heat map to view global risk scores regionally and by country, overall or by each of the five sub-indices (domains)
- Additional Take Action/ What Works tool, providing a searchable/ filterable menu of actions that can be taken to reduce, and finance the reduction of, GBV

Instructions are provided below for users to access Equilo’s interactive online GBV Risk Score tool.

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49 The GBVR methodology is currently sector-agnostic due to sector-specific data limitations. However, the Equilo app presents sector-specific qualitative information such as sector-specific materiality of GBV and case studies.
Create an Account and Log-in

Access [https://app.equilo.io/](https://app.equilo.io/) by creating an account, entering an email and email password. Once created, proceed to enter your login details and click *Submit.*
Navigate to the GBV Risk Score Tool

Once logged in, click **GBV Risk Score** presented on the home landing page.

Explore the methodology, an example demo, view the global heat map, or start using the tool by clicking on **“GBV Risk Country Analytics Tool”**.
Select a Country and Sector

Scroll through the option of 132 low- and middle-income countries, or type the name in the search box, and select the desired country.

Next, select a sector. Although the GBV Risk Score is currently sector-agnostic, you will be able to view sector-specific materiality information and case studies. If you do not have a specific sector in mind, you can proceed without a sector.
View the GBV Risk Score

The landing page will display the GBVR for the selected country and sector. A navigation on the top allows users to visit targeted content, including Materiality, Risk Models, Risk Score, Heat Map, Indicators, Take Action, and Methodology.

Understand the Material Risk of GBV for the Sector

Explore the material risk of GBV within a specific sector across different risk categories (operational, regulatory, political, and reputational) and view sector-specific case studies.
Explore the GBV Risk Score by Domain

Explore the five domains of the GBVR to understand where there is higher or lower risk within the country when assessing access to resources, power and decision-making, law and policy, knowledge and beliefs, and human dignity.

View Risk Model Options to Use and Adopt

View different financial model options and case studies on how to apply them, to integrate either GBVR as an additional risk category or integration of discrete GBV data points within existing risk categories.

To incorporate GBV data in their decision-making, investors may:

- Integrate the GBV Risk Score as an Additional Risk Category
- Integrate GBV Indicators into Existing Risk Categories
View A Global Heat Map of GBV Risk

Next, select a sector. Although the GBVR is currently sector-agnostic, you will be able to view sector-specific materiality information and case studies. If you do not have a specific sector in mind, you can proceed without a sector.

Explore the GBV Indicators

Next, explore the GBV indicators by viewing all GBV indicators visually, alongside global LMIC, regional, and income group comparisons. Each indicator is accompanied by a contextual “so what” qualitative information to understand why each indicator is material. You can download the raw data set in .CSV format for use in your financial models as well.
Take Action

Next, explore the Take Action page, where you can view potential actions to take to finance GBV risk in a country. You can filter by who you are, or partners you work with to view potential actions that can be taken at various levels to finance the reduction of GBV, accompanied by descriptions, resources, and tools with links to sources.

See Detailed Actions

Disclaimer: Never implement an action before consulting with a gender equality and social inclusion specialist who can advise on appropriate stakeholder consultation and tailor a bespoke project/investment- and context-specific action plan. Equito will evolve its Intelligence and features to support deeper analysis in the future.

Please select actor type below to view tailored actions. Hover over the ‘?’ below to read more about what this filter means.

Select an Actor

Process-Level

- Transform social norms across the socioecological model

System-Level

- Create a judicial system that supports survivors of GBV
- Provide community members with web-based GBV support services
- Address GBV in government policies in the hotels, catering, and tourism sector
- Build government frameworks that are centered around respect for women
- Calculate the cost of sexual harassment and GBV to governments
Re-imagining the Future: Deepening the Application of the GBV Risk Score to Finance the Reduction of GBV

This GBV Risk Score Methodology (GBVR) and accompanying Tool available on the Equilo platform were designed to respond to demand of investors and financial analysts to meaningfully consider the materiality of GBV, and to enable the actioning of commitments made to invest in the reduction of GBV. Our vision is that this methodology and tool be adopted by a range of users:

- The financial community to use systematically across investments and to inform investment decision-making.
- Development and humanitarian actors to inform targeted policy and project development that supports GBV risk reduction.
- Women’s rights and civil society organizations to formulate data-driven and informed advocacy campaigns to reduce GBV and engage with financial and government actors.

However, this is also a starting point, and an inflection point to build upon. We can do more to deepen the analysis, improve the tool’s intelligence and predictive capabilities, and improve the way we work together to meaningfully and equally value GBV risk and invest in its reduction. To further this, Criterion and Equilo are working in partnership to advance the agenda below.

**Expand the GBVR to Provide Sector-Specific Scores**

Currently, the GBVR is calculated utilizing indicators at the national country level, which are sector agnostic. The Equilo app provides sector-specific information to users primarily via qualitative information and discussion of sector-specific materiality of GBV. The reason the current GBVR methodology is sector-agnostic is due to insufficient secondary quantitative data available writ large systematically across sectors. However, there is increasing data available that is sector-specific (e.g., for infrastructure, energy, agriculture, health, etc.). This methodology can thus be expanded to identify where sector-specific indicators can either replace sector-agnostic indicators or add to the existing framework, beginning with priority sectors and expanding to additional sectors as data become available.

**Utilize the GBVR to Calculate a GBV Discount Rate**

The methodology can be expanded to support financial analysts to utilize the GBVR to calculate a GBV discount rate to factor into the pricing and expected rate of return of an investment. To reduce risk, decrease cost, and increase ROI, GBV risk needs to be reduced. The calculation of the GBVR is a starting point, and input, into doing so. To further this, we can calculate the GBV discount rate to be added to the discount rate, based on GBV, financial, political, and macro-economic risk for a country and industry X the cost of that risk, using the following formula:
Present Value of Investment = Future Value of Investment/ (1 + R)/ T

Where:

• \( r \) = discount rate

• \( t \) = time period of investment

To arrive at the discount rate:

• **Step 1:** Calculate GBVR for Country X (and potentially per industry).

• **Step 2:** Estimate current cost of this risk based on country, region, industry, and average per different types of company sizes in each industry.

• **Step 3:** Predict realistic scenarios of GBV risk in a country and industry in 5 years, 10 years, 20 years, etc. Based on social norms and potential positive or negative economic/environmental “shocks,” use this to calculate a new future GBV Risk Score.

• **Step 4:** Calculate the new cost to country, region, industry, and average per different size company in each industry in the future based on the future realistic scenarios, arriving at a new future cost based on predictions of GBV risk.

• **Step 5:** Estimate potential cost of GBV based on the country and industry risk and future cost, with country, regional, and global averages, calculating the percent discount based on the risk of these costs being incurred (and discount present value of investment).

• **Possible interim step:** With investee-specific information, this country and industry risk could be synthesized with investee-specific risk to identify, for a specific investee, the combined country and organization GBV risk and discount rate.

• **Step 6:** Calculate the social rate of return on investment (e.g., if certain conditions are met politically, economically, socially, and internally within the investee):

  o What needs to happen in a specific country, industry, and organization to reduce that risk, and by what magnitude?

  o Utilizing a set of “what works” actions with estimated results/impact to quantify the GBV risk reduction and associated costs.

• **Step 7:** Calculate the monetary investment required to reduce GBV by X% in Y years, as a condition of the investment. Then, calculate the rate of return. With the X% reduction in Y years, the rate of return on investment (ROI) increases by $XX or X%. This, in turn, improves the discount rate, which may also help get over the hurdle rate.
Deepen the Tool’s Predictive Modeling Capabilities

To support the above research agenda, and to ultimately re-imagine a future without GBV, predictive modeling capability for GBV needs to be deepened to predict the magnitude of GBV worsening, staying the same, or improving. Research and data are required to build upon existing, extensive, research on the cost of GBV and the rippling impacts of a financial, economic, and social rate of return on investment in GBV reduction:

- GBV direct and indirect impacts at all levels (survivor/perpetrator/families/ businesses/schools/education/economic)

- Relationship between social and cultural contextual norms, beliefs, attitudes, and perceptions as predictor of GBV risk

- Economic, environmental, and other conditions that could exacerbate GBV (e.g., natural disaster, humanitarian crisis, etc.) or conditions that could improve it (e.g., more female leaders in Ministries, parliament, etc.). For example, we will predict the magnitude of GBV being exacerbated in a specific country if a crisis happens, such as COVID, so that we can quantify what the cost could be to victims, survivors, their families, workplaces, and the broader economy. We can also predict if the political economy of a country may be vulnerable to crisis and reduce its relative resilience, based on current GBV trends. This will allow us to invest appropriately to prevent GBV and reduce risk overall, not just for today, but planning for tomorrow. We can then appropriately invest to prevent and respond to GBV before a crisis happens to work toward a more safe, secure, resilient, and economically stable world.

- Set of known actions/interventions/policies/procedures/safety nets that work to reduce GBV risk, utilizing smaller data sets to identify the degree/magnitude which this reduces GBV (preferably by industry/sector as possible).

These data will support the development of cost/benefit analyses to develop a GBV social rate of return on investment to more intelligently estimate the increase of an investor’s ROI, or the investment opportunity, by investing in GBV reduction.

Leveraging Equilo’s platform, we will expand the GBV Risk Score tool functionality to include interactive features, whereby users can input variables into a model—geography, industry, investment size, investment timeline, and a variety of weights, as well as discount on the premium, hurdle rate, desired return of investment, and more. This will allow users to select potential interventions and actions prioritized to reduce GBV, and can see the social rate of return, the return on investment, and discount in real time. In similar terms, the tool will support users to come to the conclusion of, for example, “For every $1 I invest, I will improve my discount rate by X% and the ROI is $4 on every $1 instead of $3 on every $1.”

Influence Decision-makers to Leverage the GBV Risk Score in Decisions

Advancement of gender lens investing cannot happen without strengthened knowledge, methodologies, and tools to support sound analysis and decision-making. However, without the organizational and individual drive to turn commitments into action and begin testing new approaches, the knowledge and tools cannot be leveraged. The GBV Risk Score methodology and tool are meant to start conversations—within institutions among investment committee members, financial analysts, and investors—to imagine, and put into practice, a more refined approach to making investments. They are meant to start conversations with development agencies, DFIs, and advocacy organizations to identify where advocacy efforts are needed with national governments, influential private companies, and communities to de-risk their countries and become ready for investments. They are also meant to start conversations at ESG firms, pension funds, financial advisors, and others across the investment community to recognize that incorporating GBV as a material risk can lead them all to better outcomes.

On the heels of global summits, commitments, and an ongoing global pandemic, now is the time to work together to reimagine the future, to try a new alternative, and develop and deepen case studies and use cases to expand our collective experience.

Gender-Based Violence Risk Score

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Annex A: GBV Indicator Sources

The following indicators are utilized to calculate each GBV Risk sub-domain Score. Notes are made in instances where indicators are not always used, or are provided for contextual data only and are not calculated in scores.

**Human Dignity**

- % of women ages 15+ who report that they feel safe walking alone at night in the city or area where they live (Georgetown Institute for Women, Peace and Security)
- % of women age 15-49 who have ever experienced physical or sexual violence (DHS)
- % of women who experienced sexual violence before age 18 (DHS)
- % of ever-married women who have experienced physical or sexual violence committed by their husband or partner in the last 12 months (DHS)
- % of women age 20-24 that report being married before age 18 (World Bank)
- % of women ages 15-49 who have experienced female genital cutting (UNICEF)
- Sex ratio at birth (male births per female births) (World Bank)
- % of female workers who worry about violence and harassment as a source of risk to their personal safety while working (Lloyd’s Register Foundation)
- % of female workers who have experienced, or know someone from work who has experienced, physical violence or harassment while working in the past two years (Lloyd’s Register Foundation)
- Female homicide rate- victims of intentional homicide per 100,000 (World Bank)

**Law & Policy**

- Is there legislation on sexual harassment in employment? (World Bank)
- Does the legislation establish clear criminal penalties for domestic violence? (World Bank)
- Is there no legal provision that requires a married woman to obey her husband? (World Bank)
- Are there penalties for authorizing or entering into child or early marriage? (World Bank)
- Are there criminal penalties or civil remedies for sexual harassment in employment? (World Bank)
- Is there legislation specifically addressing domestic violence? (World Bank)
- Existence of national plan or strategy addressing gender-based violence/violence against women that includes HIV (UNAIDS)
- Existence of COVID-19 policy measures implemented to address violence against women (UNDP)
Knowledge & Beliefs

- % of men/women who agree that a woman in their family should be able to work for pay outside of the home (ILO & Gallup)
- % of men/women who prefer that women in their family exclusively stay at home (ILO & Gallup)
- % of men/women that agree that a husband is justified in beating his wife under certain circumstances (DHS)
- % of men/women that have heard of female genital cutting and believe the practice should end (UNICEF)

Access to Resources

- % of ever-married women who have ever experienced any physical or sexual violence who sought help to stop violence (DHS)
- Extent of implementation of medico-legal services for victims of sexual violence (WHO)
- Extent of implementation of mental health services for victims of all types of violence (WHO)
- Extent of implementation of child protection services (WHO)
- Availability of post-rape care in accordance with the recommendations of WHO guidelines (WHO)
- Rate of police recorded offenses of sexual violence per 100,000 population females (UNODC)

Power & Decision-Making

- % of women who decide themselves how their earnings are used (DHS)
- % of women who have final say in making large purchases (DHS)
- % of women who have final say in visits to family, relatives, friends (DHS)
- % of women who have final say in own health care (DHS)
- % of ever married women whose husband or partner displays 3 or more specific marital control behaviors (DHS)
Annex B: Key Definitions

GBV Indicators

GBV indicators utilize country-specific data from publicly available, internationally standardized data sets. These data sets are accompanied by regional and low- and middle-income countries (LMIC’s) averages for comparison.

GBV Risk Score (GBVR)

The GBV Risk Score (GBVR) expresses the ubiquitous risk of GBV that must be considered as material to a financial investment within a specific country. This score is calculated by drawing from the GBV indicators within each domain and then averaged across these domains. As new indicators and data sources become available, indicators used to compute the GBVR are updated, ensuring strength and robustness. The GBVR falls into four levels: Ubiquitous, Significant, Severe, and Extreme Risk.

TAAP domains

GBV indicators are categorized by one of five specific domains. We refer to these domains as the five sub-domains of the GBVR. Each of these domains captures a distinct and unique dimension of the GBVR in aggregate, comprised of several unique indicators. These five domains are as follows:

1. **Human Dignity:** Includes indicators on GBV prevalence, including intimate partner violence, child marriage, sex ratio at birth, and workplace harassment, among others.

2. **Law & Policy:** Includes indicators on laws, policies, and regulations on GBV, such as laws on child marriage, criminal penalties for domestic violence, criminal penalties or civil remedies for sexual harassment and employment, and the legality of authorizing or entering into child marriage.

3. **Knowledge & Beliefs:** Includes indicators on social norms around GBV, such as acceptance of wife-beating.

4. **Access to Resources:** Includes indicators on support services for survivors, such as the prevalence of help-seeking, availability of mental health services, and availability of medico-legal services, among others.

5. **Power & Decision-Making:** Includes indicators on women who experience marital control behaviors from their husband or partner and women’s ability to control their own earnings, among others.