GENDER SMART

Unlocking
Gender-Smart Capital
At Scale

Gender & Climate Investment:

A strategy for unlocking a sustainable future

Contents

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Foreword

Climate change is a disaster in slow motion. Even as the world grapples with the societal and economic aftershocks of the COVID-19 pandemic, climate change continues to outpace global attempts to slow its progress. COVID-19 has provided us with a sobering object lesson in our co-dependence with nature, the interdependence of human and planetary health, but it has also highlighted the differential impact of the pandemic on women.

In 2018, the former Irish president and UN rights commissioner Mary Robinson said that climate change is a manmade problem with a feminist solution. Today, we know that some of the most effective levers with which to combat its threat are gender-related. That means creating an enabling and diverse environment that recognises the differential impacts of climate change on women and others; that women's overlapping identities and experiences produce different impacts and perspectives; and that women have agency to mobilise climate solutions and foster a just transition.

The role of investment in climate change mitigation, adaptation, building environmental and socioeconomic resilience, and in developing frameworks for an equitable future has continued to develop over the past decades, but it is not yet gender-smart; it has tended to underestimate the importance of gender in building long-term climate solutions. The mission of GenderSmart is to drive the deployment of gender-smart capital at scale and at pace, and embed gender analysis into the investment process for better business, social, environmental and investment outcomes. Gender-smart investment is not just about empowering women at surface level, nor is it another screen to add to a list. Rather, it is a way of rethinking what we value as we invest, and who is at the investment table as an investor, to bring about systems-level change.

We know that this is a nascent field. By their own assessment, over half the members of our Working Group (see box) are in the early stages of their gender and climate investing journey. This report is a resource for any investor who wants to join us on this journey. We aim to support growth of the field by raising awareness of an integrated gender and climate lens, building the case for mainstreaming gender-smart climate finance, and showcasing the versatility, impact or promise of this approach through examples of direct deals and projects that merge gender and climate objectives.

These examples illustrate the heterogeneity of gender-smart climate projects: some show women entrepreneurs bringing fresh perspectives to climate solutions, others describe companies or funds led by men but strategically supporting women's economic empowerment, well-being and gender equality in the jobs created or the communities they serve. The goal is to help investors expand and reframe their thinking to connect gender and climate in investment decisions, and to share some of the tools available to aid in this work.

We hope this report will inspire more investors to enter the field, revisit portfolios, and consider more deeply how to link climate and gender through their investment processes. We also hope that this report will support investors who are already on this journey; to bolster the business case with compelling narratives, datasets, and ways to spread the word.

As governments, institutions and companies talk about a post-pandemic green recovery – building back better – gender-smart investing has never been more centre-stage, nor more critical.

Suzanne Biegel
Co-Founder & CEO,
GenderSmart Investing Summit,
Catalyst at Large

Sophie Lambin
Founder & CEO,
Kite Insights

In February 2020, we started the GenderSmart Gender & Climate Investment Working Group to unlock the potential of applying a gender lens to climate finance and vice versa. We believe integrating these two investment agendas is an important lever to shore up and amplify both impacts and returns, thus supporting the case for their widespread adoption in the financial mainstream and driving positive outcomes for women and the world we all inhabit. Working Group members share knowledge and build connections with each other. Collectively, we develop a cohesive narrative and lay the groundwork for the field to grow.

We created the Working Group of over 80 gender and climate investment pioneers in recognition that no single organisation, institution or report can do it all, and to tap the collective wisdom and experience of a wide range of investors, from family offices and foundations, to development finance institutions (DFIs), multilateral development banks (MDBs) and banks, and many more across public and private markets. In this light, we are also working in collaboration with the 2X Gender & Climate Finance Taskforce, a group of development finance institutions, powered by CDC Group, DEG, EIB and EBRD that aim to leverage the power of gender-smart investments for climate action, and contribute to crucial field-building in this space.

Acknowledgments

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We also thank the following for giving their valuable time, inputs, discussions and feedback: Chintal Barot, CoSustain Consulting; Lauren Burnhill, Emerald Peak Private Equity; Claire LaBrunerie, BrightPath Advisors LLC; and Deborah Christie, Cambridge Associates.

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Executive Summary

Climate change is set to cause unimaginable ecological, societal and economic disruption if its progress is not slowed.[1] And these impacts will disproportionately affect women, low-income, and other disadvantaged groups. By the same token, gender equality and women's leadership can jump-start climate action and climate-smart solutions, to build environmental sustainability and resilience.

While sustainable investing is no longer a new kid on the block, investment strategies that take an integrated gender and climate lens to investment decisions are still relatively new. Investment in climate action exceeded $500 billion in both 2017 and 2018, while in 2020 green bonds and green debt instruments crossed the cumulative $1 trillion mark. The field was helped by short-term impacts synching well with funding cycles and being easier to measure than the typically longer-term impacts of gender-positive investing.

Gender lens investing as a phrase is only just over a decade old. The resulting lack of longitudinal data reduces the ability to perform predictive modelling in gender-lens investment. The two investment areas have tended to operate, as a result, in silos, but integration of the two can unlock huge untapped opportunities.

*With government pledges following the Paris Agreement there is an estimated **$23 trillion** of climate investment opportunity in emerging markets alone, and the importance of gender in maximising returns and impact is gaining ground.*

There are five foundational reasons for gender and climate investing:

Mitigate risk

Climate change poses systemic risks to every company in every sector and geography, amounting to as much as 10% of global financial capital by 2100. No responsible investment can ignore this risk. Likewise, exposure to gender-based violence and harassment poses reputational and social risks for companies and projects.

Re-envision and fulfil fiduciary duty and meet investors' expectations

The early dichotomy between returns-focused investing and impact investing is no longer a reality. Capital has to be put to uses that deliver financial and societal returns. Regulators, stakeholders, suppliers, employees and customers expect nothing less.

Drive long-term value

To maximise and protect value as well as better outcomes, investing actors need to apply an integrated gender and climate lens so that gains are future-proofed. By applying a gender and climate lens to investment decisions, new sources of value can be uncovered and unlocked - in terms of accessing new markets, new lines of business, new customers, and attracting and retaining talent - which all contribute rich sources of growth to a portfolio.

Find new investment opportunities

Bringing a gender lens to climate portfolios, and a climate-lens to gender portfolios may unlock new investment opportunities in public and private markets. Women are innovators and entrepreneurs creating disruptive solutions to the climate crisis.

Amplify societal impact

Gender equality (number 5 on the list of UN Sustainable Development Goals) and climate action (SDG 13), when leveraged together, can impact nearly all the other SDGs such as eliminating hunger (SDG 2) and ensuring health and well-being (SDG 3). Gender and climate are like keys that can unlock opportunities across societal goals.

To showcase how gender and climate investing can apply, we provide three deep-dive sectoral analyses – in energy, agriculture and infrastructure. Each sector provides both differentiated opportunities and risks, but there are also many commonalities. Sustainable investments that are gender-sensitive target women's leadership, innovation and invention capacity, employment, training and extant skills to improve governance, reduce risk, and spur innovation and growth. A number of examples are included both to show the investors' perspective and the way that investee companies are innovating for good.

- In energy, the clearest opportunities lie in expanding renewable energy access that responds to the gender-differentiated needs of women, their households, businesses, and communities; but a gender lens may be applied to large-scale climate mitigation projects such as wind farms as well, increasing opportunities for women's employment and innovation.
- In agriculture, a gender lens typically centres on addressing the needs and challenges of women as agricultural producers and suppliers. But a gender and climate lens can be applied to investments in agricultural and food technology, processing in food, fashion and other supply chains, and ways to improve nutrition, increase access to climate risk insurance and climate-resilient practices, and decrease food and material waste.
- Meanwhile, gender aspects of large infrastructure projects are often overlooked. Closing gender gaps in infrastructure labour and skills is a lever to drive a green transition and applying a gender lens to project design better serves women's needs, improves uptake and climate outcomes.

Finally, we offer some frameworks and approaches for those investors interested in bringing a gender and climate lens to their portfolios. While recognising different investors' priorities and preferences, we share a number of different tools that can be used to bring a gender and climate lens to bear on strategies.

Investors can develop and strengthen their use of gender and climate lenses with the following three-step, repeatable process:

- Define a strategy, with gender and climate-related targets and milestones
- Apply a gender and climate lens across the investment process
- Collect data to track impact and feed back into the strategy and process

There is a growing body of investors from across the spectrum now able to share knowledge and experience to help those at the start of this journey. The rewards and returns – both financial and societal – are enormous.

Introduction: Why is this combined lens both important and urgent?

The need for gender-smart climate investing

In the coming years, climate change is on track to cost the world trillions of dollars and hundreds of millions of lives. If temperature rises make it too hot for physical labour, productivity losses alone could be up to $4 trillion to $6 trillion by 2050.[2] Other GDP losses will stem from lost agricultural yields, lower capital productivity, water stress and extreme weather events. The world's largest companies and economies take these risks seriously: many have committed to shrinking greenhouse gas emissions to net-zero by 2050.[3]

While climate change poses massive financial risks, financial systems equally offer a powerful way to tackle climate change and its impacts. After the Rio Earth Summit in 1992, the United Nations and World Bank set up the Global Environment Facility to fund and manage projects addressing climate change, biodiversity loss and other problems. Change requires the participation of private sector actors as well as development finance, and the Principles for Responsible Investment in 2006 explicitly addressed and guided a spectrum of investors on sustainable investment.

The UN and its climate funding mechanisms also specifically recognise the need to finance different types of solutions to the climate crisis: mitigation of GHG emissions; helping communities and economies adapt to or bounce back from climate impacts; and ensuring that workers and communities share widely in the benefits of a just green transition.

Credit: Miro Forestry

Mitigation: means reduction in emissions of greenhouse gases (GHGs) into the atmosphere or absorption of GHGs from the atmosphere.[4]

Adaptation seeks to adjust natural and human environments to the likely disruption and damage that will result from the effects of climate change and focuses on measures which increase the resilience of vulnerable sectors, such as agriculture, water supply and infrastructure.[5]

Resilience is the capacity of social, economic and environmental systems to effectively respond to climate related disruption or disaster in ways that maintain their essential function, identity and structure, achieved through ensuring systems are equipped to thrive, and to adapt, learn and transform as needed.[6] Climate resilience investments improve the ability of assets and systems to persist or adapt in a timely, efficient, and fair manner that reduces risk, avoids maladaptation, unlocks development and creates inclusive benefits against the increasing prevalence and severity of climate-related stresses and shocks.[7]

A just transition seeks to ensure that the substantial benefits of a green economy transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers or consumers.[8]

Meanwhile, there is growing awareness of the gendered impacts of climate change. Water scarcity can increase the burden on girls and women who collect water, change pastoralist movement patterns, or push families to split and seek work.[9] There may be knock-on effects for girls' education[10], hunger, and gender-based violence.[11] Gender also interacts with race, class, culture or ethnicity to produce different layers of impacts.[12]

But women are not just victims of climate change. Rather, women's expertise, leadership, purchasing power and lived experience help unlock gender-smart and climate-smart opportunities to strengthen climate innovation and progress and deliver stronger climate and environmental outcomes.[13] More broadly, there is growing recognition of the unfulfilled potential of gender equality to support more prosperous, just, and stable societies. Women's movements and investment/grant-making actors like the Equality Fund[14] have been instrumental in raising awareness of these intersections and cross-connections.

To fulfil this potential, we need an enabling environment for women's agency and climate leadership to flourish. Gender-smart investment creates that environment, enabling economies and societies to realise the multiplier benefits of women's leadership and capabilities.

In 2020, the health, economic and societal impacts of the coronavirus crisis deepened existing inequalities, in gender, socioeconomic status, and race. To catalyse change effectively, climate change solutions need to recognise and combat these inequalities by taking an intersectional lens to the challenges we face.

Harnessing Racial and Gender Justice To Amplify Action On Climate Change

While we focus on gender and climate investment in this report, we also note that racial injustice and climate injustice both rest on the same power imbalance that underpins institutional racism and climate change, and that racial injustice is as deeply linked to climate as is gender inequality. The intersection of structural inequalities highlights focus areas for investments and interventions that can create lasting change. Bringing a racial equity lens to gender and climate investment is an opportunity to remedy the current undervaluation by the investment ecosystem of innovative solutions, companies and funds led by women of colour.

Taking an intersectional justice lens does not mean diverting finance away from gender lens initiatives. In fact, it's a crucial lever to move more money towards them. We view building a new gender and climate investment field as an exciting opportunity to ensure that racial justice is built into investment strategy from the get-go.

Empowering those who face multiple forms of injustice can create a multiplier effect, giving agency to those who have been deprived of it, while generating evidence to support the impact and returns cases to appeal to a broader range of stakeholders and investors. By ensuring investments reach the places where they are most needed, and equipping beneficiary communities with the skills and capabilities to stay empowered, we can also generate more meaningful, sustainable change for the longer term, freeing up resources to be directed elsewhere when initiatives become self-sufficient. The message that needs to be driven home is that reaching underserved communities and increasing access to climate-friendly financial products is one of the keys to solving climate change.

"We can't create gender justice without climate justice, and we can't do this without investments that uplift a transition to a low-carbon society while tearing down the barriers that drive inequality, whether based on gender, sex, class or race."

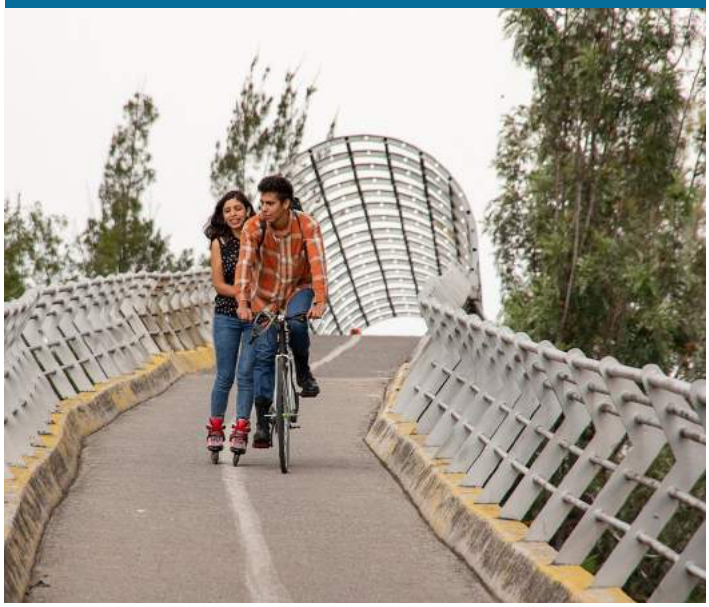
Bridget Burns, Director of WEDO

Key definitions:

Gender-smart investing integrates gender-based factors such as women's leadership, employment or consumption into investment strategy and analysis in order to increase returns and impact, and move towards a more equitable world for all. It can help investors spot market opportunities or risks where others might miss them, while simultaneously addressing gender equality in various ways. It is relevant in public and private markets and across all asset classes, themes, and geographies.

Climate-smart investing involves directing public, private or development sector finance into activities or organisations which directly support climate change mitigation or adaptation alongside financial returns.

Intersectionality is the idea that social categorisations such as race, class, and gender are interconnected and can create overlapping biases, inequalities and systems of discrimination or disadvantage that are more than the sum of their parts.



Why apply a combined gender and climate lens to finance and investing?

We need a financial system that recognises and values sustainability, to fight climate change and social inequality effectively. The good news is that the world is already moving in this direction: a new financial system is already under construction, building knowledge, accelerating the transition to a low-carbon economy and strengthening best practice. Sustainable investment is no longer a fringe activity – it is mainstream.

There are five main reasons to integrate gender and climate investment approaches:

1. Mitigate risk

Climate change poses a systemic risk to the global economy: its different impacts can interact with one another, amplifying shocks and stresses on natural resources and markets and posing a mortal threat to the stability of financial systems. Climate risks cannot be diversified away; they affect all businesses, whether directly or via customers, suppliers and other stakeholders. Gender-smart and climate-smart investing provide ways to mitigate this risk. For example, experts estimate that trillions of dollars, or up to 10% of global financial assets could be at risk from climate change by 2100.[15] At the same time, we can see that funds and companies with better ESG performance and lower exposure to carbon risk have performed better in recent years, even during the 2020 global recession.[16]

Ignoring gender can create a market risk, an operating risk, or even a reputational risk: companies or funds may fail if they brush aside the gendered needs of employees, suppliers, customers, and other stakeholders. Women are not a minority group: they constitute at least 52% of the population. Discounting their needs is to build in failure.

For instance, gender-blind infrastructure projects that ignore the needs and norms of women (safety, freedom from harassment, design for end-users), may fail to recruit women employees or be rejected by women customers and users.[17] Given the long timeframes of infrastructure development, these failings will last for many decades. An estimated $97 trillion in global infrastructure is needed by 2040 to support sustainable development and it is critical that this investment is gender-responsive.[18]

2. Re-envision and fulfil fiduciary duty and meet investors' expectations

Traditionally, investors have been characterised on a spectrum from 'returns-first' to 'impact first', but the reality is richer and more diverse. Investors exist across the spectrum of financial and impact priorities. Different stakeholders have a variety of motivations and approaches due to different priorities, mandates and expectations around the deployment of their capital. Investments made with a climate and gender lens may already fulfil fiduciary duty quite readily if they are made by a private foundation whose mission is related to women's empowerment or climate, for example.

Furthermore, over the last few years, impact considerations have slowly but surely become mainstream even for institutional investors such as insurance companies and pension funds. In 2015, the Financial Stability Board created the Task Force on Climate-Related Disclosures to improve reporting of climate-related financial information and help investors, lenders and insurers accurately assess a company's exposure to climate risks.[19] And in many regulatory and policy frameworks, ESG factors are now recognised as part of fiduciary duty.[20] Gender and climate need to be seen as drivers of value (or risk mitigation) that investors must incorporate into decision-making.

3. Drive long-term value

As climate and social impact enter mainstream thinking, regulation and policy, those who fail to adapt risk falling behind. The time is ripe to apply an integrated gender and climate lens on all opportunities to gain competitive advantage in talent, innovation, markets, products and services, value chains, and governance. We can track how gender-sensitive approaches will result in better outcomes. Integrating gender and climate is also a way to protect the value of existing investments and portfolios in one or the other domain.

4. Find new investment opportunities

Gender-balanced leadership and decision-making in climate-related investment processes may unlock new investment opportunities in public and private markets. Gender-balanced fund management teams may have better access to deal-flow and insight. Women innovators and entrepreneurs are creating disruptive solutions. Addressing gender in product or service design may unlock products and services that are more responsive to market needs. Women in distribution channels, marketing, or sales may be the key to a competitive edge for a company. And as consumers, women make 80% of household buying decisions worldwide[21], and often constitute key market segments that deliver green growth and impact.

5. Amplify societal impact

Finally, integrating gender-smart and climate-smart investing is a lever to amplify the societal impacts of both. Arguably, both gender equality (number 5 on the list of 17 UN Sustainable Development Goals) and climate action (SDG 13) cut across many of the others, such as tackling hunger (SDG 2) and ensuring good health and well-being (SDG 3). There is therefore a case to be made that all development finance, and indeed all finance with the SDGs as an objective, should begin to apply an integrated gender and climate lens if we want to achieve the Sustainable Development Goals by their target date of 2030. Integrating climate and gender is a short-cut to progress along a whole range of SDGs.

There is no single, 'right' way to approach the integration of gender and climate in investment: some approaches combine climate and gender; some add a gender lens to existing climate investment; others may choose to add a climate lens to a gender-smart approach. Different investors also have different goals and needs, perspectives, priorities and concerns.

Principles of gender & climate investment: key questions for investors to be asking of their investee companies

Applying a gender lens to climate finance

- How does the business model of an investee company impact women?
- How do the company's products and services impact the lives of women and girls?
- Where are women involved in the company's supply chain?
- Are we missing out on potential growth or impact opportunity by ignoring a key market segment?

Applying a climate lens to gender finance

- How do the company's products and services impact climate and environmental sustainability (in terms of contributing to mitigation, adaptation, resilience or the just transition)?
- Does the company's strategy actively contribute to a just transition?
- How can we leverage businesses with strong gender equality components to tackle climate change and build resilience and adaptive capacity?

Gender and climate together

- Are there opportunities being missed by leaving women stakeholders out of climate-related investment processes?
- Which opportunities tackle gender-specific impacts of climate change?
- Are there gender-specific talent opportunities in climate-related roles?
- Are there gender-specific opportunities to improve climate and business performance?
- How do we improve women's voice and agency in decisions about the just transition?

How to read this report

Throughout this report we use a variety of case-studies of both investors and investee companies to illustrate the great work that is already under way. We use the following icon system to indicate which gender and climate ambitions these case-studies have.

Gender ambitions, based on 2X Challenge criteria:

- Employment
- Leadership
- Entrepreneurship
- Consumption
- Investing in financial intermediaries

Climate ambitions:

- Mitigation
- Adaptation
- Resilience
- Just transition

With this report, we aim to support investors in their gender and climate journey, including investors who may be approaching the integration of gender and climate from a climate finance basis or a gender lens basis, and who may have varying levels of experience with each.

Part 1 provides a brief history of climate and gender investing, outlines the size of the opportunity, and examines the current state of data and narrative around the two lenses.

In **Part 2**, we demonstrate how climate and gender are material throughout the value chain across all sectors and geographies, and outline some sector-specific resources for applying a climate and gender lens in three sectors where doing so is well-established or on the rise: energy, agriculture, and infrastructure. Part 2 aims to help investors build the investment case for climate and gender, and the business case for investee companies to incorporate a climate and gender lens into their business models.

Finally in **Part 3** we suggest ways to put it all together: outlining available processes and tools to help overcome current data hurdles, frameworks and resources for applying a gender and climate lens, and case studies.

Part 1: Foundations: how can gender and climate investing be defined and best understood?

State of the ecosystem

Just a few years ago, integrating gender and climate in funding or investment strategies was unheard-of. Overseas development aid for climate change rarely considered gender as an objective.[22] A gender lens was applied to small-scale adaptation projects but not larger mitigation ones: at first glance, it seems easier to address equality in making cocoa farming sustainable than in financing a wind farm. And large asset managers' sustainable investment products might have gender or climate strategies guiding their portfolios, but rarely a focus on both together.

The fact that climate and gender investment has been sequestered in silos has historical roots. Climate factors have been recognised for longer as having visible and immediate financial relevance[23] and climate finance has a longer history as a modern investment strategy. Climate investment research also draws from a larger body of empirical data about emissions and physical impacts, as well as predictive modelling,[24] and the short-term sustainability impacts of investment, especially in mitigation, are relatively easy to measure alongside returns. Not so with gender.

Early climate investments may lack a gender lens if they were launched before social considerations for climate became commonplace. The Climate Investment Funds (CIF) were launched in 2008 as a climate finance mechanism channelling investment to developing and middle-income countries. Their $4.3 billion Clean Technology Fund (CTF) is the largest and first CIF programme to be made operational. When CTF investment plans were first endorsed in 2009-2010, there was no mention of gender in their guidelines for projects seeking CTF support.[25] Today, about a third of public climate finance projects are estimated to take account of gender equality.[26]

Meanwhile, the term 'gender lens investing' itself was not coined until 2009, according to the Criterion Institute[27], as a way of reshaping the system to change what we value as we invest':

"Paying attention to gender is not just about having a social conscience, nor is it about adding to our list of environmental, social, and governance investment screens. Instead, gender capitalism is about applying a gender lens to highlight the ways that gender is material to financial outcomes and financial outcomes are material to gender."[28]

S. Kaplan & J. VanderBrug

For gender lens investing, more so than climate, the availability and nature of data are key barriers. Gender-specific data are still simply not collected across many economic indicators such as pay gaps, informal economy participation, entrepreneurship, and economic mobility; health indicators like disability; and environment indicators like land and resource rights.[29] Because of the relative youth of the field, longitudinal data on the performance of gender-smart investments are scarce. And where data exist, the majority are from public markets rather than private markets.[30] (Part 3 of this report recommends practices to help overcome these data gaps.)

Due to the lack of data, we do not have the same predictive modelling capabilities for the impacts of gender-lens investing as we do for climate mitigation. Changes in gender equity and attitudes, which are embedded in slow-moving social systems, are challenging to measure. And investors often privilege the quantitative nature of even complex climate models over the more qualitative nature of social science data. Consequently, the cross-cutting impacts of gender-lens investment on climate and climate investment on gender are difficult to model and predict. All these contribute to climate, particularly mitigation, as a more readily accepted investor priority.

Actors in the gender and climate ecosystem have a range of objectives and needs

This landscape map illustrates the different types of actors in the gender and climate investment ecosystem, and flows of funding and information between these different groups. Different stakeholders working at this intersection have a variety of motivations for being involved in this work.

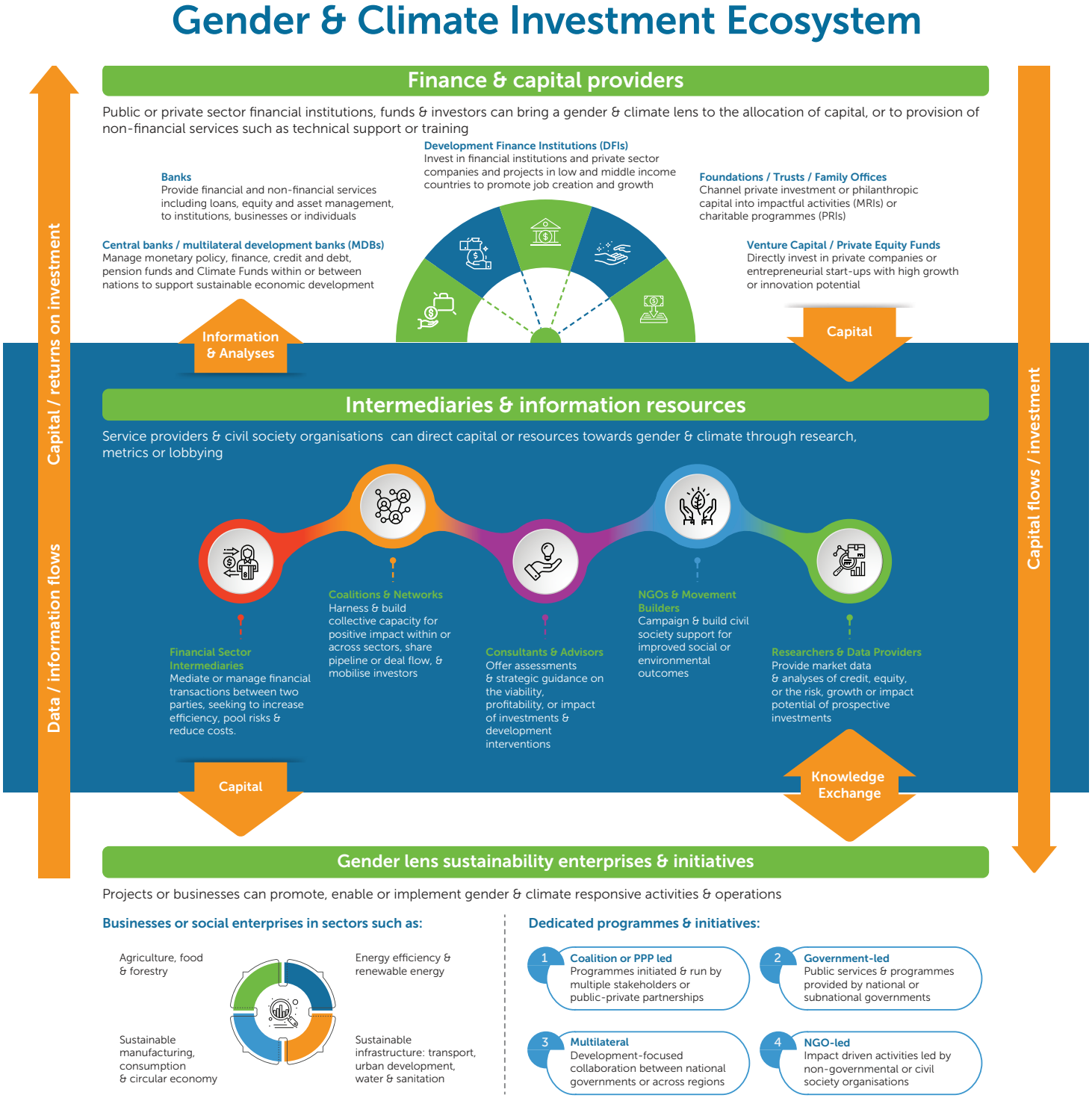


Figure 1.1: *Gender & Climate Investment Ecosystem, GenderSmart Gender & Climate Investment Working Group January 2021*

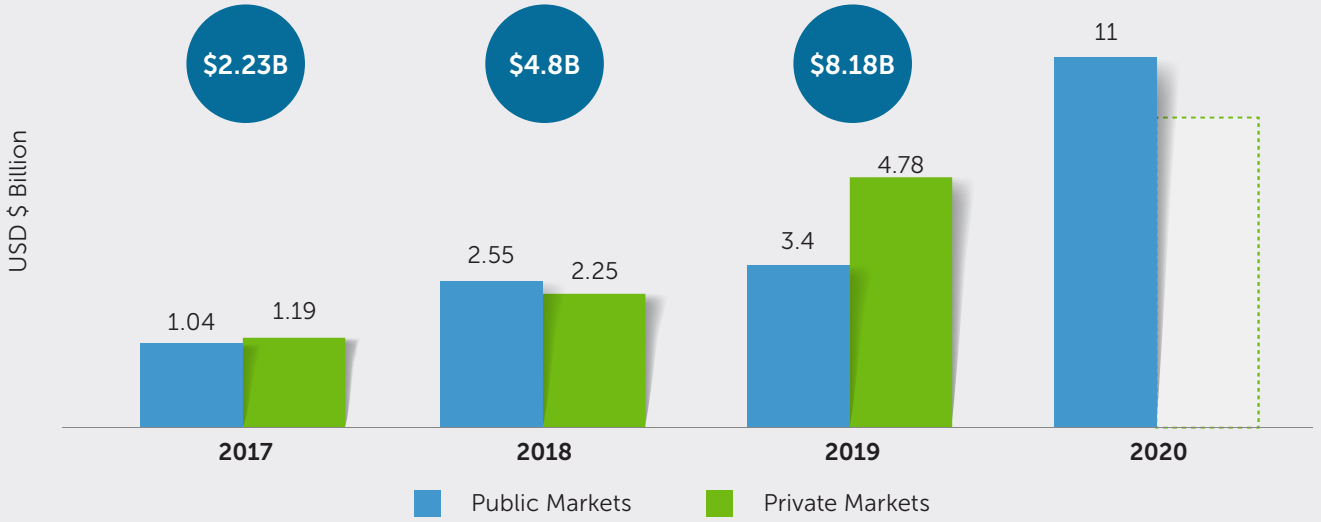
The size of the investment opportunity is significant if silos are broken down

Both fields are growing fast. In 2017 and 2018, annual tracked climate finance crossed the USD half-trillion mark for the first time. On average, annual flows rose to $579 billion on average over the two-year period, a 25% increase from 2015-2016.[31] In 2020, green bonds and other green-finance debt instruments crossed the cumulative $1 trillion mark since the Climate Bonds Initiative began tracking them in 2007.[32]

There are further untapped opportunities in climate. Under the Paris Agreement, countries submit national plans, called Nationally Determined Contributions (NDCs), with targets for aggressive climate action. A recent International Finance Corporation (IFC) analysis found roughly $23 trillion worth of investment opportunities in emerging markets alone, based on governments' demand for mitigation and adaptation solutions from renewable energy to water resource management.

Looking at gender lens investing we estimate that by the end of 2020 there were over $12 billion in assets managed by gender lens investment (GLI) vehicles across public and private markets.[33]

A step-change in the amount of capital being deployed to gender lens finance



Data sourced from: Catalyst at Large, Parallele Finance, Sagana, and Veris Wealth Partners
*Private markets data for 2020 forthcoming

Figure 1.2: Bar chart to show the progressive increase in assets under management of tracked gender-lens finance over 4 years (2017-2020), showing public and private markets separately.

In 2019 at least 138 private equity, venture capital and private debt venture funds with a gender lens were managing $4.8 billion in capital,[34] while in public markets the total AUM in 54 gender lens investment vehicles was at $3.4 billion[35] - revealing a combined growth of 61% in both public and private markets from 2018. By the end of Q3 2020, AUM in public markets was over $11 billion,[36] with a further $2.9 billion invested in a single gender lens fund at the end of 2020.

It should be noted that as these figures represent named and disclosed funds, and exclude development finance institutions (DFIs), private bonds and microfinance, the real total is potentially much higher. The 2X Challenge, launched by development finance institutions in 2018 to catalyse investment in women, has mobilised over $4.5 billion to date, surpassing its initial goal by 50%.[37] Using a more top-down, and unsubstantiated, approach to track GLI, in 2018 the US SIF Foundation found $868 billion in institutional investor AUM taking gender lens issues under consideration.[38] In 2020, this had grown to $1 trillion AUM. (It should also be noted that gender lens investing uptake varies regionally: as of 2020, 41% of public market and private market investment vehicles targeted North America.)[39]

To build a realistic picture of the opportunity to bring a gender lens into climate finance, and a climate lens into gender finance, critical data gaps need to be addressed. Although the vast size of climate finance flows and the rapid growth of supply and demand for GLI vehicles across public and private markets give an indication of the size of the combined market, at present there is no baseline or data modelling which effectively quantifies this opportunity. To build the field, we need to understand the percentage of current climate finance with a gender lens, and the percentage of expected climate flows which have the potential to include a gender lens (and vice versa to assess additionality). This will enable modelling across sectors and regions to reveal the scale of the market opportunity. Nonetheless the following parts of this report and the case-studies that lie within them, across sectors, geographies and asset classes, are indicative of the scale and diversity of the opportunities that lie at the intersection of gender and climate finance.

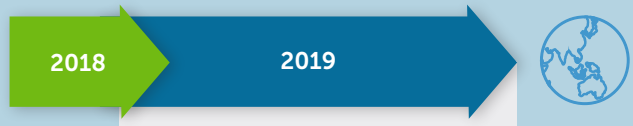
With billions of dollars at stake, the rapid expansion of each field presents opportunities and challenges. Acting now to better integrate climate and gender approaches has the potential to amplify impacts and returns. There is an urgent need to collect a more robust body of data about the impacts of gender-responsive measures on financial performance, climate performance, and societal outcomes. Conversely, if climate investments do not incorporate a gender lens, the positive environmental impacts risk losing ground in the long term.[40] Breaking down silos will also encourage learning and cross-collaboration and support a diversity of perspectives that in turn drives innovation.

The ASEAN region: an example of the opportunity to bring gender and climate together

Global Climate Finance

The East Asia & Pacific region is the largest provider and recipient of climate finance globally with $250 billion USD comprising 44% of total flows

Tracked Gender Lens Investing In Asean Region In 2019



Gender lens investing in ASEAN up 160%

22 active GLI vehicles across public and private markets

Total AUM
$1.1 billion USD

Recipients Of Climate Finance In East Asia & Pacific Region

Data sourced from: Climate Policy Initiative, Veris Wealth Partners & Project Sage 3.0
This data has been compiled by the ASEAN Low Carbon Energy Programme (ASEAN LCEP) in collaboration with its technical partners International Institute for Sustainable Development and Sagana. The ASEAN LCEP is a UK Prosperity Fund aid programme delivering green finance and energy efficiency related technical assistance support across six ASEAN countries.

Annual flows of USD 250 billion into climate related projects represent a huge opportunity to significantly scale up gender lens investing in the ASEAN region, through ambitious gender related KPIs being intentionally integrated in all climate finance by default. Some of the public capital providers have made some commitments in this regard, but to date this opportunity remains largely untapped in the ASEAN region. It presents a significant opportunity for the region to leapfrog into meeting both gender equality and climate change targets simultaneously, for the mutual benefit of both women and the world.

Building the investment case for integrating gender and climate: current state and gaps

To build the field of gender-smart climate investing, we need a clear narrative to convey the opportunity, supported by evidence. A credible analysis helps detect and avoid so-called 'pinkwashing' and 'greenwashing', when projects are painted over with a gender or climate appearance, masking the reality – mitigating risk and maximising positive social and environmental impact.

From the development world, international experience tells us that increasing the gender-responsiveness of Official Development Assistance (ODA) funding can improve its effectiveness and efficiency.[41] And generally, research shows that gender equality and women's empowerment lead to increased productivity, socio-economic development and environmental sustainability, including better climate adaptation and mitigation efforts.[42]

At the same time, we still lack a clear picture of the links between gender and mitigation beyond employment of women in green jobs. For example, women's preferences in the design of low-carbon transport, energy, and other mitigation interventions can vary from men's due to different levels of control over household assets, time use and travel patterns stemming from the gender division of labour. And to what extent does integrating gender into climate change projects lead to greater gender equality? Rural electrification has an effect on women's education, skills and economic participation[43], for instance, but these impacts may not materialise till some time beyond the funding cycle. More work needs to be done on understanding these linkages and to shape a narrative about the benefits of gender-responsive mitigation; tools like 60 Decibels Lean Data may be a way to accomplish both.[44]

From private-sector evidence, we see how gender lens investing can lead to proven returns. A Calvert Impact Capital study found that companies with more gender-balanced leadership had better return on sales, return on assets, and return on equity.[45] Research by the IFC found that private equity and venture capital funds with gender balanced senior investment teams generated 10% to 20% higher returns compared with funds that have a majority of male or female leaders.[46]

Credit: Frontier Markets

The effect of leadership goes beyond financial returns. When companies have more gender-balanced leadership, they also tend to have better climate governance and are more likely to proactively pursue sustainability. An analysis by Sasakawa Peace Foundation of more than 11,700 companies globally found that a critical mass of 30% of women on a company's board made a difference to climate governance and innovation, as well as a lower growth rate of emissions: 0.6% compared to 3.5% for companies with no women on their board.[47] And research by the University of California, Berkeley's Haas School of Business found the presence of more women corporate directors in a company is linked to the proactive pursuit of sustainable business practices and opportunities such as investing in renewable power generation, improving energy efficiency, and measuring and managing emissions.[48]

While gender balance in leadership - whether within an investment team or in a target company - is a key cross-cutting factor in returns, more storytelling is needed around the gender and climate opportunities across the rest of the value chain. For instance, are investment firms, funds, or companies owned by women? Do they procure from women-owned businesses in ways that economically benefit women and address climate issues? Do their sourcing and manufacturing strategies address gender-specific climate impacts? Are there gender-specific talent and skilling opportunities?

Taken together, the range of gender and climate investments can comprehensively address climate change mitigation, adaptation and resilience, and the need for a just green transition; realise the intelligence of investing in women innovators and leaders, consumers and workforces, reduce the impacts of climate change on women; and deliver healthier, more inclusive societies.

This may be ambitious – but the important thing is to make a start. Combined gender and climate investment opportunities exist across all sectors and geographies, as sector deep dives and case studies in the following chapters will show. We will explore approaches to getting started with gender and climate investments, and offer investor examples and frameworks for applying gender and climate lenses to a portfolio.

Part 2: Building the case for investors in public and private markets: sector examples

While gender and climate apply to all sectors, geographies and asset classes, (see Figure 2.1 below) some sectors have already attracted a series of investments that show the intersection between gender and climate in action. We examine three of these sectors below. In energy and agriculture there is already a significant body of quantitative and qualitative data to build the case for gender- and climate-smart investment, including commercial and impact returns. In the infrastructure sector, investing in gender and climate together is less advanced, but the long-term time horizons and lasting nature of infrastructure investments means these considerations need to be mainstreamed fast, especially as governments prioritise infrastructure investments to spur the post-pandemic recovery.

Each deep-dive introduces the case for merging gender and climate in the sector, outlines the market opportunity, looks at material risks and opportunities to bring gender and climate together and finally closes with a box-out of useful information for investors looking to deploy capital in this sector.

Throughout, we showcase investments in these sectors to illustrate what good looks like and how gender and climate can come together in different ways, to mitigate risks and highlight new investment opportunities for climate, build gender equity and inclusivity across value chains, and deliver returns. While the available data on gender and climate investment is too recent at this time to observe patterns of regional variation, where possible we consider regional variations in market size and applications within the sector deep-dives.

Mapping the opportunities to multiply gender and climate impacts across sectors and society

The system mapping below demonstrates how opportunities for catalysing climate action are enhanced by opportunities to generate inclusive growth when a gender lens is applied, across sectors. It is a tool to provoke thinking as we explore our sector deep dives, rather than a comprehensive dictionary of impacts.

The tool shows how systemic change happens when advances in one sector have a domino effect on others. This multiplier impact is accelerated in areas where advanced technologies are breaking down traditional sectoral siloes – in agribusiness, biotechnology, e-medicine, transportation, for example. By exploring the nexuses between sectors, in both low tech and high tech system change, we can identify areas where climate and gender can work together to deliver outsize transformation.

OPPORTUNITIES FOR MULTIPLYING GENDER & CLIMATE IMPACTS

Material opportunities across society

Sector	Energy and emissions	Agriculture, food and forestry	Water and sanitation
Environment and land- use	Clean energy investments can support local economic regeneration and a just transition, reducing the health impacts from environmental pollution and the care burden on women in vulnerable communities.	Removing barriers to land ownership for women and giving them more agency in sustainable land-use and food production can strengthen livelihoods, rural economies and climate resilience	Gender-inclusive water companies or conservation programmes which mitigate disruption to water systems can build climate resilience, reduce risk, and extend returns on investment in the water sector.
Health, safety & security	Provision of affordable clean energy or fuel solutions to energy-poor households (urban or rural, in the Global North or South) can improve women's health outcomes and economic participation.	Investing in agri-inputs targeting women farmers could sustainably increase productivity, helping to reduce the number of undernourished people in the world and improving nutrition, education and health.	Installing sustainable water infrastructure increases access to safe drinking water and sanitation, improving health outcomes and worker productivity, and reducing women's care responsibilities.
Education & training	Energy providers can develop gender-responsive learning platforms to increase household energy efficiency and uptake of renewables, improving children's education by reducing energy poverty.	Financing extension services, upskilling or education for rural women and girls can empower them with the land-use skills and knowledge to combat climate change, along with business literacy for economic participation.	Education or training on sanitation and sustainable water usage can reduce incidence of diseases and improve water management, while rural water infrastructure can free up girls' time for education.
Employment	Energy company or public sector programmes can focus on training or upskilling women for renewable energy jobs, to increase workforce gender balance and help ensure the low-carbon transition is just and gender-inclusive.	Climate-responsive agribusinesses with gender-inclusive policies have high potential for long-term competitiveness, growth and resilience, especially in sub-sectors where women are typically overrepresented and underpaid.	Water companies addressing climate challenges should increase gender diversity in the workforce, improving performance and talent retainment through equal hiring, upskilling and inclusive workplace culture.
Entrepreneurship	Investing in women energy entrepreneurs can drive the development of innovative renewable, access or energy efficiency solutions, fueling market competitiveness for the green economy.	Women entrepreneurs and women-led startups help to diversify agricultural value chains, reducing risk and enabling climate-responsive innovation for sustainable foods or textiles.	Financing equitable commercial as well as residential access to water, along with sustainable rates of extraction or re-use in regions where it's scarce, can help climate and gender-responsive SMEs to thrive.
Leadership & governance	Gender-diverse leadership in energy sector businesses, innovation and policy can improve decision-making, bring gender and climate considerations to funding allocation, and build resilient management teams to increase adoption and market penetration.	Women's leadership in agribusiness or land-use policy may be pivotal to create an enabling environment for long-term productivity, resilience and positive reputation in the food and fibres industries.	Investment can target women-led initiatives for ocean or water conservation and management, to ensure the long-term health and functionality of water systems is a strategic priority.
Consumption & markets	Scaling women-led energy SMEs which offer competitive renewable alternatives can diversify energy markets, increasing consumer choice and accelerating the uptake of clean energy.	Scaling smart technologies that help balance supply and demand and improve inclusive food distribution can improve stability of climate-vulnerable commodity markets and lessen the disproportionate impacts of high prices on women.	Women-led startups pioneering efficient technologies to reduce household water consumption or safely repurpose used water for industry should be scaled up.

OPPORTUNITIES FOR MULTIPLYING GENDER & CLIMATE IMPACTS

Opportunities across society

Sector	Manufacturing and production	Transport and mobility	Construction and the built environment
Environment and land- use	Sustainable sourcing of materials, energy and water from gender-diverse suppliers can improve reputation and competitiveness while reducing negative impacts on natural resources and climate.	There's a need for climate-smart transport development which connects rural women to economic opportunities but has a minimal impact on both climate and landscape.	Urban expansion and development should include gender and environment action plans to mitigate risks and trade-offs, improving outcomes for climate, ecology, women and livelihoods in affected communities.
Health, safety & security	Safe working environments which limit or regulate toxic substances and pollution can positively impact productivity in industries where women are over-represented, while improving environmental health.	Public transport services designed with a gender and climate lens can reduce gender-based violence and harassment, increasing women's safety in accessing jobs while minimising emissions and air pollution.	Bringing an integrated gender and climate lens to urban regeneration could improve sanitation, air quality, housing, health services and economic opportunities for women and men.
Education & training	Apprenticeships and upskilling programmes targeting women can equip them to fill the emerging labour shortage from shifts towards automation and green modes of production.	A green and affordable transport infrastructure is needed for a just transition, to enable travel to schools or training programmes that increase education and career opportunities for women and girls.	Women's education and upskilling are crucial to overcome cycles of urban poverty, and can be optimised through a built environment which offers safe mobility, access to nutritious foods, and energy security.
Employment	Productivity and innovation could be improved in the transition to low-carbon, circular economic models by increasing women's representation in higher value technical and management roles.	The transition to low-carbon sustainable transport can unlock equal opportunities and harness diverse talent in the sector, through gender-inclusive training and hiring.	Gender-responsive practices are needed to bring more women workers into construction for the low-carbon transition; e.g. unisex PPE and machinery, policies against discrimination and harassment, and a safe and inclusive workplace.
Entrepreneurship	Increasing opportunities for women-owned SMEs in manufacturing can reduce negative climate impacts from large-scale industry, better anticipate the needs of women consumers, and help to drive green innovation and competition.	Women entrepreneurs bringing sustainable transport innovations can be enabled to scale-up through accelerators or inclusive procurement strategies.	Tapping into a gender-diverse pool of construction service providers and contractors is an opportunity to improve innovative design, profitability, and gender and climate outcomes in the built environment.
Leadership & governance	Women's leadership can drive the transition to circular business models which deliver competitive and innovative production, improving resource efficiency, profitability and resilience.	Women's leadership and policymaking in the transport sector could be a key driver for designing and developing low-carbon transport systems which increase women's economic participation and boost inclusive growth.	Women's leadership in architectural design and urban governance is needed to ensure inclusive access to affordable, safe, energy-efficient housing and green space.
Consumption & markets	With women estimated to influence 80% of purchasing decisions worldwide, there is a huge opportunity for companies to expand market share by manufacturing products to be more sustainable and better suited to women's needs.	Investments in transport infrastructure can drive more sustainable and equitable distribution of goods and services, to mitigate climate impacts and ensure trade, markets and inclusive consumption can thrive.	Construction companies and governments can bring a gender lens to energy-efficient housing upgrades, ensuring they are accessible to those who need them most - such as low income families or elderly women.

Figure 2.1 - Infographic on climate & gender across sectors and society

Sector deep-dive 1:
Energy

The burning of fossil fuels contributes 72% of global greenhouse gas emissions[49]. Therefore energy – its generation, distribution, and application – is key to mitigating climate change and ensuring a just, green transition. Clean energy especially is a prime target for climate finance activities whose goals are related to lowering emissions.

Beyond greenhouse gas emissions, the environmental and social impacts of energy production and consumption span the whole value chain from extraction, processing, and distribution to employment, access and consumption. For example, mineral extraction for energy technologies can impact indigenous livelihoods and biodiverse land and ocean habitats. Disparities in clean energy and skills access mean that the benefit of clean air, cooling and green jobs is not equally shared.[50]

Meanwhile, a growing body of evidence demonstrates the importance of women's leadership as an enabler of emissions reduction and energy transition. Given the importance of clean energy to climate change mitigation, adaptation, resilience and just transition, together with the under-representation of women in the sector, the need and potential opportunities for connecting climate and gender impact are undeniable. The energy sector offers opportunities for finance to address multiple climate and gender challenges in tandem, across regions and value chains.

The market opportunity

Clean energy is arguably the fastest-growing 'green' sector. Demand for all forms of clean energy is rapidly growing, due in part to government targets. If all the renewable power targets included in countries' NDCs were implemented, an additional 1,041 gigawatts (GW) of renewables would be added by 2030, most of which (567 GW) is in Asia. The global installed capacity for renewable power generation would consequently grow by almost 42%.[51] In the private sector, 241 companies – representing an electricity consumption greater than Australia's – have committed to sourcing all of their electricity from renewables.[52] On the supply side, cost-lowering advances and economies of scale are contributing to the rapid growth of clean energy technologies.

In 2019, the amount of new renewable power capacity added (excluding large-scale hydroelectric power) was the highest ever, at 184 gigawatts, 20GW more than in 2018. All told, green electricity is on track to become the largest power source in 2025, displacing coal, which has dominated for the past 50 years.[53]

Much of the investment was made in the global South, which has a greater demand for new capacity and can 'leapfrog' countries with legacy fossil-fuel systems: in 2019, developing countries were the destination for $152.2 billion of investment compared to $130 billion for developed countries. Investments in the developing world made up 54 per cent of the global total dollars invested in renewables, outweighing developed economies for the fifth year in a row.[54]

Risks and opportunities through a gender and climate lens

Gender-responsive energy generation and access to clean energy to improve quality of life

Energy poverty is commonly defined as a lack of household access to modern electricity or safe, sustainable heating and cooking fuels.[55] It is a widespread challenge in the global South and is also faced by poor households in the global North: 8% of the EU population cannot afford to adequately heat their homes.[56]

Prior to the COVID-19 pandemic, more than 800 million people worldwide lacked access to electricity,[57] and the pandemic may push another 100 million back into energy poverty[58], undoing the progress of previous years. In emerging markets and rural contexts, energy poverty affects women and girls disproportionately. Not only do women have to spend more time gathering biomass for basic energy needs – time that could otherwise be spent in education or in other paid or unpaid work – but also, being more constrained within the home, they suffer the effects more sharply.[59] Travelling further to gather scarce essential resources can also have negative health impacts and increase vulnerability to gender-based violence.[60] In global North or urban contexts, energy poverty may mean that a family needs to choose between essential services.

Household air pollution (HAP) is another impact. Some 3 billion people rely on wood, dung, charcoal and kerosene for cooking; these fuels produce soot and other pollutants that disproportionately affect those who spend more time in the home, like women, children and the elderly. The World Health Organization (WHO) estimates HAP is the second most important health risk factor for women and girls globally, as well as the greatest health risk for women and girls in sub-Saharan Africa.[61]

Addressing electricity and clean fuel access has clear health benefits, especially for women and girls.

Energy access also contributes to climate adaptation and resilience. Solar-powered mechanisation and other climate-smart practices and technologies such as irrigation, electric equipment for crop processing, and cold storage, can help improve yields, preserve perishable goods, and enhance food security amid climate shocks.[62]

Finally, access to electricity enables women entrepreneurs to access non-farm, income-generating livelihoods, from trading (such as running a shop or restaurant) to services like hairdressing, photocopying and phone charging.[63] Sustainable electricity can enable women to use powered equipment to diversify and expand, help power information technology and internet access, or keep their shops open longer in the evening. Some renewable energy technologies such as solar generation can be implemented as off-grid or micro-grid systems with minimal transmission infrastructure, securing supply for individual households or communities and making such systems well-suited to small villages or remote areas.

CASE STUDY 1 ▶

How Fenix International drove innovation and growth by bringing a gender lens to solar energy solution

Type of actor: Investee company
Investment type: Private market, debt-based & equity-based finance
Operates in: Uganda, Zambia, Ivory Coast, Benin, Nigeria, Mozambique, China & Silicon Valley

Gender ambitions:

Climate ambitions:

Fenix International (now ENGIE Energy Access) is a vertically integrated energy company based in Uganda whose mission is to improve quality of life through inclusive energy and financial services such as pay-as-you-go solar home systems and upgrade products. As its first institutional debt investor in 2012, AlphaMundi supported Fenix to prioritise women as employees, in product design, and as customers. In 2018, ENGIE, the world's largest independent electricity producer, acquired 100% of Fenix shares. Fenix's story demonstrates how a focus on diversity can drive product innovation and business growth as well as positive impacts for both gender and climate. It is indicative of the crucial role that investors can play in providing support and guidance to leadership to maintain a focus on these outcomes.

CASE STUDY 2 ▶

Why and how Garanti BBVA structured a gender-equality loan for a wind farm

Type of actor: Investor
Investment type: Public Market
Operates in: Turkey

Gender ambitions:

Climate ambitions:

In the world's first gender equality loan, Turkish company Polat Energy received a $44 million loan from Garanti BBVA bank in 2019 to finance the construction of Turkey's largest wind farm. Polat Energy's performance will be annually assessed based on a series of gender criteria, and improvements will enhance the terms of the loan. At 48 MW, the wind farm Soma 4 will be the largest in Turkey, contributing substantially to climate mitigation through emissions reductions in the energy sector. In addition to rewarding Polat Energy for improving its gender equality, the gender loan seeks to encourage other sustainable infrastructure companies to adopt gender-inclusive practices and serve as an example to other financial institutions.

A gender lens in leadership, employment and entrepreneurship leads to better performance

There are significant gender gaps in entrepreneurship and employment in the energy sector across the value chain. Overall, the renewable energy sector has a higher proportion of women than the global oil and gas industry, yet women are still massively under-represented. And as the case-studies in this sector demonstrate, women's entrepreneurship can contribute to the growth of off-grid renewable energy products. Tapping the power of women's entrepreneurship, employment and leadership in the clean energy sector offers 'diversity dividends': innovation, sustainability benefits, and a better understanding of and connection with the consumer base

In 2019, 11.5 million people were employed in the renewable energy sector worldwide, up from 11 million in 2018 (According to IRENA 2019 Renewable Energy and Jobs Annual Review).

Gender-balanced leadership is linked with lower growth in greenhouse gas emissions,[64] pursuing sustainable business practices and opportunities,[65] capturing new markets and getting new innovations to market.[66] Gender balance in senior management, stakeholder consultation and decision-making better equips renewable energy projects for a just transition, as large plants have a responsibility to mitigate risks that women face due to resettlement, compensation, health and safety.[67]

Renewable energy investments can also present an opportunity to incorporate a mandate for the recruitment, hiring, and training of women in key roles, achieving both gender and climate objectives simultaneously. However, some barriers to women's entry must be overcome. In an IRENA survey, respondents cited cultural and social norms, skills and training, and security and the remoteness of field locations as key barriers to women's participation, retention and advancement in the sector.[68] For example, thinking of women only in sales roles rather than as engineers and across the whole workforce can be limiting; and the safety of women in rural sales, distribution and technical roles must be ensured.

Women represent 32% of full-time employees in renewable energy organisations,

compared to 22% in the oil and gas industry.

However, women remain under-represented in science, technology, engineering and mathematics (STEM) jobs and in leadership, making up only 28% of technical staff

and 32% of senior management in renewable energy companies.

Credit: Frontier Markets

CASE STUDY 3 ▷

How Frontier Markets drives inclusive rural development through women's entrepreneurship and digital infrastructure

Type of actor: Investee company
Investment type: Private market, grant-based & equity-based finance
Operates in: India

Gender ambitions:

Climate ambitions:

Rural distribution start-up Frontier Markets (FM), based in Jaipur and founded in 2011 by Ajaita Shah, connects rural households in India to critical products and services. The business started as a clean energy access firm, providing lighting and appliance solutions to rural residents, and has evolved to provide access to a range of life-changing products and services sold by a network of women entrepreneurs called Sahelis. In July 2020 FM announced that it had raised $2.25 million in a pre-series A financing with ENGIE Rassembleurs d'Energies, The Rise Fund, The Singh Family Trusts, Teja Ventures and affiliates of Beyond Capital Fund. Today the company has 10,000 rural women entrepreneurs serving 450,000 customers, and by 2026 plans to grow to 1 million rural women entrepreneurs serving 100 million consumers with products and services related to agriculture, insurance and environment to drive economic empowerment in India.

CASE STUDY 4 ▷

How the District of Columbia Sustainable Energy Utility brings an intersectional approach to reduce energy poverty, delivering cost savings, energy efficiency and solar installations

Type of actor: Non-profit investee company
Investment type: Local government funded
Operates in: District of Columbia, US

Gender ambitions:

Climate ambitions:

The District of Columbia Sustainable Energy Utility (DCSEU) helps residents and businesses in the US District of Columbia (DC) use less energy, switch to renewables, and save money. The initiative takes an intersectional approach, supporting low-income households and SMEs to deliver inclusive benefits for vulnerable groups including seniors, women and ethnic minorities. Since 2011, the DCSEU has contributed to over $1.1 billion in lifetime energy cost savings to DC residents, businesses, and institutions. Through its work, the DCSEU is also focused on creating green job opportunities through a Workforce Development Program, which helps unemployed and underemployed District residents join the green economy. In 2018, through a partnership with Solar United Neighbors (SUN) and the Solar for All programme funded by the DC Department of Energy and Environment, they provide funding to income-qualified DC residents for rooftop solar installations, supporting energy democracy and a just transition in the District of Columbia.

Useful information for investors - Energy

Sector-specific tools available

- **CDC**, Gender Toolkit: Off-grid solar, (2020)
- **ICRW**, Gender-Smart Investing Resource Hub and Materiality Maps for Off-Grid Energy

Further reading and resources around this sector

- **IEA**, Tracking Gender and the Clean Energy Transition (2018)
- **Climate Investment Funds**, Gender and Renewable Energy: Entry Points for Women's Livelihoods and Employment (2017)
- **Value for Women & Shell Foundation**, A Business first approach to gender inclusion: how to think about gender inclusion in small and medium sized business operations (2018)
- **USAID has produced a series of briefs**, notably Advancing Gender in the Environment: Making the case for gender equality in large-scale renewable energy infrastructure development (2018)
- **Gogla**, Powering Opportunity. Energising Work, Enterprise and Quality of Life with Off-Grid Solar, (2020)

Credit: Root Capital

Sector deep-dive 2:
Agriculture, food and forestry

The agriculture sector broadly encompasses food systems, agricultural value chains and forestry. The sector and its products are vital to the lives of people across the globe, creating numerous opportunities for investment and development finance to integrate climate and gender-responsiveness while also generating economic growth.

The agriculture sector is a major contributor to climate change, producing an estimated 19% to 29% of all greenhouse gas emissions globally.[69] Allowing emissions to grow in a business-as-usual scenario will significantly undermine mitigation efforts in other sectors. Industrial agriculture is also a major cause of ecological degradation, directly reducing the resilience and future productivity of lands and ecosystems.

At the same time, ensuring food security and nutrition for a growing global population will require a 50% increase in agricultural productivity by 2050,[70] as well as major shifts in distribution to minimise food waste. Women and girls are at higher risk of being affected by malnutrition; 60% of the world's hungry are women according to the World Food Program, leading to lost productivity and diminished economic potential of at least 10%.[71]

A gender lens should be a central component in food system transformation. Women have important roles across agricultural value chains – as entrepreneurs, producers, processors, distributors and consumers. Yet significant gender gaps across these value chains limit the ability of women to innovate, implement and lead climate solutions in agriculture. Empowering women throughout the sector can act as a key enabler of climate mitigation and adaptation, contributing to a just transition by building an inclusive and resilient global food and agriculture sector.

The market opportunity

The global food system is valued at $8 trillion, of which $3.2 trillion is added value from primary production. Conversely, the cost of negative externalities associated with the current food system is estimated to be around $6 trillion.[72] Fixing inefficiencies in the food and agriculture sector constitutes a huge market opportunity.

Due to perceived risks and modest return potential, the agriculture sector receives limited investment. Since 2001, governments globally have allocated less than 2% of their central government expenditure to agriculture.[73] On average only 1%–2% of development finance portfolios go to agriculture, and 6% of impact investors' assets under management, while commercial banks can be reluctant to provide loans.[74]

Climate change further increases the need for investments to make agriculture more resilient. Estimates suggest that at least $80 billion will be needed per year up to 2050, much of which should come from the private sector. Despite the urgency and scale of these needs, the climate finance tracked for agriculture, forestry, and land use was only $20 billion per year in 2017-2018, or just 3% of the total tracked global climate finance for the period.[75]

These stark gaps in financing demonstrate the market opportunity for investing in agricultural resilience, but may require a stronger shift towards investing in risk reduction, long term productivity, and impact. There is growth potential, however: the market for sustainable commodities such as organic food products and plant-based foods is a small but growing proportion of the total market in the developed world, though care should be taken to avoid a disproportionate burden on the poorest producers and consumers.[76] As plant-based food goes mainstream, success stories such as US startup Beyond Meat and Swedish milk-alternative company, Oatly, are forging a path for other food technology startups.[77]

Material risk and oppurtunities through a gender and climate lens

Climate and gender lenses in agricultural production boost resilience

Agricultural production contributes 80%–86% of total food system emissions, including indirect emissions from deforestation and land-cover change, and should be a priority for climate and gender investment.[78] The climate impacts of food production put development and future productivity at risk. They include loss of productive lands and biodiversity; increases in heat waves, droughts, and other erratic and extreme weather events; and increased prevalence of pests and diseases.[79]

These impacts are gendered. Women producers have less access to productive assets, financing, training , climate-related insurance and livelihood security, and are often excluded from land-use decision-making and land ownership.[80] Higher prices and food shortages make food more inaccessible to poorer people, which affects women and girls more than men.[81]

There are numerous opportunities for investment in gender-smart, climate-responsive agricultural production. Sustainable agroforestry and regenerative agriculture can mitigate emissions and increase carbon storage while creating equal livelihood opportunities for women. Sustainable fashion, depending heavily on agriculture, is another growth area as consumer awareness grows.[82] Providing women producers with training and resources to implement sustainable practices, such as solar-powered equipment and processing, can give them access to markets, higher added value and competitive advantage with premium commodities. And reducing gender inequalities in access to productive resources and services could increase yields on women's farms by 20% to 30%.[83]

Investments need an integrated approach to improve food distribution, access and affordability while also mitigating harms to climate and building resilient food systems for the future. Investable opportunities might include sustainable food products created by women entrepreneurs in the global North and the global South, working directly with farmers to create whole new sustainable value chains; ways to increase women's nutrition access through community food networks; and resources and equipment to reduce food waste, such as solar-powered refrigeration, preservation and storage solutions. These apply as much to the developed West as to the developing world. These investment opportunities also contribute to a just transition.

Improving rural women's access to land and resources can increase local food security and nutrition, grow women's income and ensure the long-term productivity of agricultural land. Realising female farmers' full potential through equal access to inputs could reduce the number of undernourished people in the world by 100-150 million, or 12% to 17%.

CDC Gender Toolkit. Food and Agriculture

Credit: Root Capital

CASE STUDY 5 ▶

How Root Capital invests in agricultural entreprises with a gender lens to drive climate resilience

Type of actor: Investor
Investment type: Private market; funding varies
Operates in: Central and South America, East and West Africa, South-East Asia

Gender ambitions:

Climate ambitions:

Root Capital is a non-profit impact fund investing in the growth of small and medium sized agricultural enterprises which support the sustainable livelihoods of smallholder farmers. Since 2012 Root Capital has actively sought to increase gender equity in the sector through its Women in Agriculture Initiative, and recently qualified as a 2X investee of DFC. It's now partnering with Value for Women in pilot programmes to enhance climate resilience of women in agroforestry cooperatives in Central America. These interventions map climate vulnerability and resilience alongside gender-based vulnerabilities. Loans are provided to grow businesses and cooperatives that create jobs and opportunities for women, while Gender Equity Grants help businesses identify and implement policies and practices that enhance women's inclusion. Root Capital supplements these with crucial non-financial services, including training for women leaders, managers, employees and farmers in key financial and climate-smart agricultural skills to boost gender-inclusive economic growth alongside climate adaptation and resilience.

CASE STUDY 6 ▶

How Miro Forestry is growing a sustainable forestry business with a focus on women's employment

Type of actor: Investee company
Investment type: Private market, direct equity investment
Operates in: Ghana and Sierra Leone

Gender ambitions:

Climate ambitions:

Miro is a sustainable forestry and timber business with plantations in Ghana and Sierra Leone. Since its foundation in 2010, the company has established over 10,000 hectares of standing forest through its planting activities and has prioritised improving women's access to jobs through targets, and upskilling.

In 2015, CDC committed to invest $15 million into Miro Forestry, and have subsequently made loans of $2 million alongside Finnfund, the Finnish DFI and other investors. In October 2020, CDC, FinnFund and FMO recognised Miro's gender commitments under the 2X Challenge as the Company committed to increase the ratio of women in the workforce to 40%.

Credit: Miro Forestry

Expanding women's employment, entrepreneurship and innovation in agricultural value chains

Many food system activities upstream and downstream of agricultural production give rise to greenhouse gas emissions, interacting with climate mitigation opportunities in other sectors, such as improved energy use, water extraction or sustainable transport. Women play fundamental roles across agricultural value chains, comprising over 40% of the sector's workforce worldwide.[85] Women's participation varies between countries and regions, from around 20% in Latin America to over 50% in parts of Africa and Asia.[86] Despite their strong presence in the workforce, women's agency and authority in agricultural value chains is limited. Women hold 23% of agribusiness management positions[87] and make up only 5.4% of entrepreneurs in the sector globally.[88]

Agricultural supply chains have been criticised for lack of transparency, as, for example, live cattle may be sold multiple times to hide unethical origins in the Brazilian Amazon.[89] Innovative, sustainable and inclusive alternatives that prioritise transparency offer women-led initiatives a major opportunity for reform. In public market investments, many companies along the agricultural value chain, from large commodity companies to consumer goods companies to retailers have sustainable and climate-smart supply chain initiatives, but these initiatives may lack a gender dimension; other companies may not consider climate or gender at all in their agricultural activities. Investee companies may be encouraged and incentivised to adopt gender-smart and climate-smart practices.

In private markets, key opportunities to integrate a gender and climate lens in agribusiness investments could include investing directly in women agri-entrepreneurs bringing green-tech innovation to inputs, processing or distribution. Or it might involve developing programmes or platforms to support or incubate women-led start-ups or SMEs offering climate solutions. The LadyAgri Impact Investment Hub supports women-owned and led agribusiness in Africa and small-island states. As well as connecting women agri-entrepreneurs with finance and technologies for business growth, LadyAgri provides coaching and mentoring to advance social impact, sustainable resource use and climate resilience.

A clear avenue for investors could be to encourage portfolio companies to support women in their workforce and supply chains while reducing emissions in their operations; or only directing new investments to agribusinesses with clear commitments to both climate and gender. Public-sector finance for extension services could ensure delivery is inclusive and provides equal access to women, while promoting practices and inputs that reduce environmental harm and build resilience.

CASE STUDY 7 ▶

How a diverse women-led team at agri-tech firm Gro Intelligence is solving global agriculture, food and climate challenges

Type of actor: Investee company
Investment type: Private market, equity funded
Operates in: Global

Gender ambitions:

Climate ambitions:

Gro Intelligence harnesses global data collection and AI insights to provide crucial tools, solutions and analytics to decision-makers and businesses faced with escalating challenges in the food, agriculture, and climate sectors. Led by its female founder and CEO, Sara Menker, Gro has a nearly gender-equal and diverse workforce in Nairobi and New York driving rapid collation, aggregation and modelling of complex and divergent data. Gro currently integrates over 40,000 data sets with over 650 trillion data points. By centralising and analysing this data Gro is making it useful and providing insights for practical implementation. In doing so, the Gro Platform is addressing critical global challenges and getting data into the hands of customers (including farmers many of whom are women) to drive business performance and growth. In January 2021, Gro Intelligence announced that it had raised $85 million in a round of Series B funding, which will be used to accelerate the growth and global adoption of the Gro Platform.

CASE STUDY 8 ▶

How the BlueOrchard managed InsuResilience Investment Fund is looking to improve access to climate insurance with a gender-lens

Type of actor: Investor
Investment type: Private market
Operates in: Developing markets

Gender ambitions:

Climate ambitions:

The BlueOrchard managed InsuResilience Investment Fund (IIF) is the first of its kind to improve access to climate insurance across the developing world. The IIF's Debt Sub-Fund works with Microfinance Institutions that combines its loans to micro-entrepreneurs such as small-holder farmers with insurance products against extreme weather events and natural disasters, protecting vulnerable people such as rural farmers. The fund seeks to integrate gender-inclusive practices across its portfolio value chains and products by encouraging collection of sex-disaggregated data, provision of educational tools and resources, and by offering gender-responsive Climate Risk Insurance (CRI) schemes which recognise women and men's differentiated vulnerability to climate risks. The EIB announced its investment in the IIFs Debt Sub-Fund in December 2020 along with a commitment to 2X Challenge Criteria in 40% of the Fund's investments. The IIF has already made six investments across emerging markets, helping to protect more than 20 million poor and vulnerable people from the effects of climate change, and has the potential to reach between 100 and 145 million beneficiaries by December 2025.

Useful information for investors - Agriculture

Sector-specific tools available

- ICRW, Gender-Smart Investing Resource Hub and Materiality Maps for Agriculture
  Value for Women- Gender Inclusion Self Assessment Tool
- CDC, Gender Toolkit: Food & Agriculture, (2020)
- ISEAL Alliance - Tools for developing standards and metrics for gender mainstreaming in sustainable agriculture

Further reading and resources around this sector

- Value for Women, Innovations in Gender-Inclusive Climate-Smart Agriculture: Examples of good practices (2018) & Gender Inclusion for Climate-Smart Agribusinesses: A practical framework for integrating gender In climate-smart agriculture (2018)
- The OECD-FAO Guidance for Responsible Agricultural Supply Chains
- Gender in Climate-Smart Agriculture Module 18 for the Gender in Agriculture Sourcebook
- FAO & CARE, Good Practices for Integrating Gender Equality and Women's Empowerment in Climate-Smart Agriculture Programmes, (2020)
- IFC, Investing in Women along Agribusiness Value Chains, (2016)
- UNDP - Global Gender & Climate Alliance training module on Gender & Climate finance, and GGCA Ensuring Gender Equity in Climate Change Financing

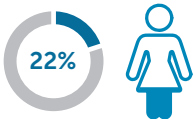
Sector deep-dive 3:
Infrastructure

The carbon intensity of the infrastructure sector is well documented; the OECD estimates that 60% of current global emissions are from infrastructure and construction.[90] Beyond energy (as outlined in the deep-dive above), other infrastructure sub-sectors are ripe for exploring a dual gender and climate smart investment approach, including transport, water & sanitation and sustainable cities. Infrastructure finance will be key to building back economies and societies following the impact of the coronavirus pandemic. Now, more than ever, close attention must be paid to ensure that these flows of capital are being deployed with both climate and gender in mind, to lead us on the path to a sustainable, and just recovery.

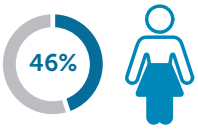
If delivered in an inclusive way, high-quality infrastructure can help mitigate climate change, enhance adaptation and resilience, and support a just transition: it can enable inclusive growth and afford equal access to opportunities, basic needs and public services for all. But infrastructure, especially employment in the sector, is not gender neutral; this too is well documented. And targeted improvements to infrastructure delivery can support gender equality; whether you consider the impacts of improved water and sanitation services in freeing up the time or improving quality of life for women, or in transport where unreliable or unsafe services can inhibit women from taking up employment opportunities.[91]

Credit: Asian Development Bank

Ratio of women employees in transport sector (example regions)



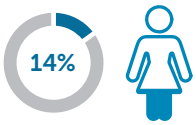
In Europe, the transport workforce is 22% female



despite women accounting for 46% of the total workforce.

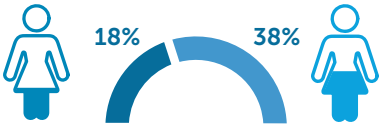
As for the Asia Pacific region, in the 21 APEC economies, women are typically found in fewer than 20% of transport jobs.

Ratio of women leaders in infrastructure sector (globally and in US as an example region)



In the United States, women fill only 14% of leadership positions in the transport, logistics and infrastructure sector.

Globally, women held only 19% of public service leadership positions in 2018



Females only make up 18% of staff in infrastructure ministries (energy, transport and communications) compared to 38% in socio-cultural ministries.

Women are under-represented in all transport modes and across all levels of decision-making. Out of the 59 member countries of the International Transport Forum, only nine countries had female Ministers of Transport in 2018.[92]

Figure 2.2

Bringing a gender-lens to drive climate-smart infrastructure needs to go well beyond the representation of women across the value chain. There is an opportunity today to reimagine the way that infrastructure investments are planned, designed, constructed and operated, as well as the reach and quality of the services that they provide, to improve climate as well as gender outcomes.

The market opportunity

The transition that is required in the infrastructure sector is significant; recent estimates indicate that around $6.9 trillion of investment a year in the sector will be needed globally to meet the Paris goals, and there is currently an estimated annual shortfall in sustainable infrastructure investment between now and 2030 of $3 trillion.[93] Due to the scale and lifespan of infrastructure, investment is typically led by public finance, which helps catalyse private sector investment. Post-pandemic recovery plans include the European Green Deal focusing on the built environment and transport sectors and the Asian Infrastructure Investment Bank (AIIB) looking at infrastructure across Asia.[94]

Across infrastructure sub-sectors there is a significant climate investment opportunity. The IFC estimates a cumulative climate investment opportunity of $29.4 trillion across six urban sectors (waste, renewable energy, public transportation, climate-smart water, electric vehicles and green buildings) in emerging market cities to 2030. The lion's share of the opportunity is in green buildings ($24.7 trillion), covering both new constructions and retrofits, as cities race to accommodate their growing populations.[95] Improvements in low carbon mobility solutions, driven by public transport infrastructure and the expected surge in electric vehicles, account for $1 trillion and $1.6 trillion respectively. In water and sanitation, there is an $18 billion market demand from low-income families in emerging markets for microcredit loans to pay for improved water and sanitation services. Providing financing to meet these needs would reach as many as 600 million people, and go a substantial way towards solving the water crisis globally.[96]

Material risks and opportunities through a gender and climate lens

Employment and skills: gender as a lever to drive to transition

However, as part of a just transition, we'll need to make sure men and women (and especially women of colour) benefit equally from these millions of new jobs. The advent of new technologies and materials in the infrastructure industry is creating a specific skills gap for engineers, installers, technicians, architects, facilities managers and many more roles. Intentionally engaging the female workforce and using this moment to invest further in STEM skills for women, has the potential to remedy labour and skills shortages caused by rapid growth or aging workforces, as well as contribute to women's economic empowerment.

> *Bold climate action could create more than 65 million new jobs by 2030 – many of them in sustainable infrastructure fields like public transit, efficient buildings and clean energy.*
>
> *The New Climate Economy*[97]

CASE STUDY 9 ▶

How EBRD activities with the Tbilisi Transport Company are driving positive climate impacts and are promoting equal opportunities in the urban infrastructure sector

Type of actor: Investor
Investment type: Private market, debt-based financing
Operates in: Georgia

Gender ambitions:

Climate ambitions:

Under EBRD Green Cities, the Bank is working to accelerate the transition to low-carbon cities while promoting women and men's equal opportunities in the infrastructure sector. A notable set of investments are the engagements with Tbilisi in Georgia. EBRD is supporting the implementation of Tbilisi's Green City Action Plan (GCAP), which identified urgent action needed to address the city's priority environmental challenges, one of which is air quality, through an engagement with the Tbilisi Transport Company (TTC). In 2016, the EBRD collaborated with TTC to finance the purchase of low-emissions buses, with a project extension granted in 2019. In 2020 EBRD signed a new project with the Green Climate Fund (GCF) to invest in the modernisation of the Tbilisi metro system, consisting of a €75 million sovereign loan, with €65 million provided by the EBRD and €10 million by GCF. The collaboration between EBRD and Tbilisi is an example of how a gender lens can be brought to green investments, and in particular how women's employment and skills development can be integrated into green infrastructure investment approaches and processes.

Water & sanitation infrastructure: finance as a bridge to close the gap

A lack of access to water and sanitation specifically inhibits and constrains women's and girls' educational pursuits and economic productivity. One in three girls in South Asia miss school days every month, in part because they have no privacy and are unable to wash their hands after changing sanitary towels or pads. Many workplaces in developing countries also lack adequate sanitation facilities, disproportionately affecting women's time use, productivity, and employment decisions. Using investment as a lever to remedy these gaps is crucial, as is integrating gender across the water & sanitation value chain as women are critical drivers of improved access to services for whole communities. The World Bank found in an analysis of over 100 water projects that when initiatives included women, they were six to seven times more effective than those that did not.[99]

Financial solutions to the water and sanitation sector have potential to reach significant scale. For example, WaterEquity's impact funds, which have an explicit gender lens, provide debt capital to high-performing financial institutions and water and sanitation enterprises in emerging markets, enabling low-income families to install a piped water connection or toilet in their home. WaterEquity has deployed $68 million of capital to financial institutions and enterprises in 30 debt investments across multiple regions, empowering more than 1.6 million people with access to safe water and sanitation – all while providing attractive returns to investors. They are hard at work to scale their impact further, having announced the goal of reaching over five million people directly across East Asia and the Pacific, Latin America and the Caribbean, Africa, and South Asia, over the next seven years.[100]

Credit: Loowatt

CASE STUDY 10 ▷

How Loowatt offers sustainable solutions to sanitation and energy challenges

Type of actor: Investee company
Investment type: Private market, debt-based and equity-based financing
Operates in: Global

Gender ambitions: | **Climate ambitions:**

Loowatt is a women-led company operating in both the Global North and the Global South, offering a sustainable solution to sanitation and energy challenges. The Loowatt system offers a solution for essential sanitation infrastructure which is free of sewers, climate-focused and gender-responsive. The Loowatt toilet can be flushed without any water and facilitates feeding waste to energy-generating systems, offering a circular economy solution which eliminates waste and pollution from the global economy while restoring natural systems. This growing business illustrates how designing innovative and commercially viable products which respond to both climate and gender can be highly successful in attracting investment from a range of sources.

CASE STUDY 11 ▷

How the Asian Development Bank is mainstreaming gender in climate-resilient and smart urban water infrastructure across mainland China

Type of actor: Investor
Investment type: Private market, debt-based financing
Operates in: China (The People's Republic of China)

Gender ambitions: | **Climate ambitions:**

The Asian Development Bank (ADB) announced in December 2020 a landmark investment of $200 million in Shenzhen Water Group (SZWG) to develop and promote climate and disaster-resilient smart urban water infrastructure in the People's Republic of China, integrating gender mainstreaming to support inclusive economic growth. Climate resilience and improved conservation and management of water resources are essential in China to address the growing pressures from climate change, water extraction and pollution. The project will help to fulfil ADB's Strategy 2030 operational priorities for climate and gender, including the development and implementation of an ADB gender action plan with commitments to increase gender equity in the SZWG workforce and decision-making. With knowledge generation drawing on the learnings and experience of SZWG and broader best practices from across the industry, the project intends to integrate gender considerations into the climate-resilient water sector. Climate adaptation and resilience will be achieved by applying innovative smart water solutions to reduce energy consumption and water losses, improve operational efficiency, and enhance water quality and conservation. Through this collaboration, SZWG and ADB will share lessons learned and promote regional and global learning on climate-resilient and smart water infrastructure, and how it can be used to support increased resilience of women to climate change and disasters.

CASE STUDY 12 ▷

How ChargerHelp! Is tackling a clean transport transition challenge

Type of actor: Investee company
Investment type: Private market, debt-based and equity-based financing
Operates in: North America

Gender ambitions:

Climate ambitions:

ChargerHelp! offers a workforce development solution to a clean transport transition challenge across developed and emerging markets. It solves the increasingly widespread problem of broken electric vehicle charging stations by providing on-demand repairs and maintenance support from trained local workforces. A portfolio company of both the Los Angeles Cleantech Incubator and Elemental Excelerator, ChargerHelp! has a diverse, female-led founding team, and is raising a $1.5 million seed round to drive customer acquisition, open up new regional markets, and build the next generation of its technology to extend its market leading position.

Beyond representation: bringing a gender lens to climate-smart infrastructure design

When infrastructure design ignores gender, economic activity and labour are inhibited, and other negative impacts ensue. As the transition to a carbon-neutral economy is financed and rolled out, there is a risk of replicating gender-blind design and innovation. To mitigate these risks, we need to consider women's role across the infrastructure value chain, as designers, innovators, entrepreneurs, employees, suppliers and customers. A 'gender lens' must mean ensuring representation of women at decision-making tables and much more.

Women entrepreneurs are innovators and wealth creators. To ensure sustainable and resilient infrastructure, they must be represented as owners, as well as in technical and leadership roles, across the infrastructure value chain. Evidence shows that companies prioritising supplier diversity have a 133% greater return on procurement investments and spend 20% less on buying operations.[102] Engaging women-owned businesses in infrastructure supply chains can help anticipate customer needs, drive competition, and enhance corporate or government reputations. Supplier diversification is becoming increasingly adopted across the infrastructure sector, driven by public procurement initiatives and policies that promote women's participation in civil works.[103]

CASE STUDY 13 ▶

How investment in women-led recycling firm Tridi Oasis is supporting community job creation, reducing waste and building climate resilience

Type of actor: Investee company
Investment type: Private market, debt-based financing
Operates in: Indonesia & global value chains

Gender ambitions:

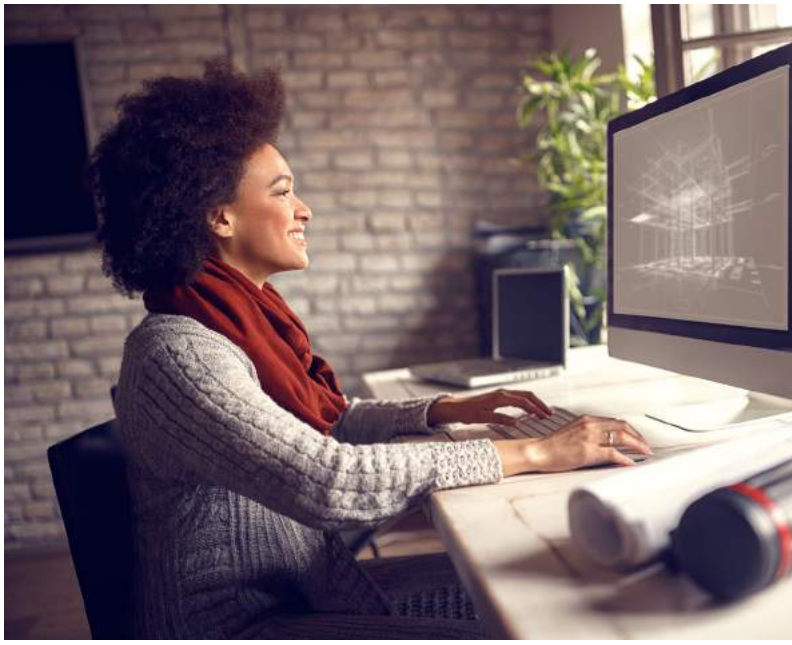
Climate ambitions:

Tridi Oasis is a female founded, owned and managed company in Jakarta, Indonesia, which recycles common plastic (PET) bottles into recycled PET flakes (rPET) to be transformed into sustainable packaging and textiles. In April 2020 it was announced that Tridi Oasis would be one of two companies sharing a $6 million investment from Circulate Capital, with 50% of the loan guaranteed by the US International Development Finance Corp (DFC) in line with its 2X Challenge commitments to finance women entrepreneurs, and in collaboration with USAID. Recycling around 60 million bottles each year, Tridi Oasis creates sustainable jobs for communities along the value chain, and builds environmental resilience by reducing waste accumulation in landfills, waterways or oceans. In the long term, Tridi Oasis plans to expand its activities, strengthen the business model and replicate it in other locations to scale environmental and social impact.

There is more work to be done

In part due to the leadership of DFIs and MDBs, gender and climate considerations are now being proactively integrated into infrastructure investment decisions. Organisations such as The Private Infrastructure Development Group (PIDG), an innovative infrastructure development and finance organisation, are building robust approaches to bringing climate and inclusion lenses at each step of investment decision making. These approaches are crucially influencing deal origination, but also supporting deal teams to ensure that impact indicators are agreed upfront. Blended finance mechanisms and public-private partnerships have been instrumental in facilitating the advancements made to date, but there is still much work to be done to build a more nuanced understanding of the linkages between gender and climate in different infrastructure sub-sectors and develop metrics that will allow investors to measure the impacts in parallel.

Long-term investments in infrastructure correlate with the need for time for gender-interventions to take hold but this doesn't mean investors shouldn't be ambitious with their approach and strategy. Investors need to put in place robust monitoring and evaluation processes so that the different impacts of these investments can be captured and disseminated to build the business and impact cases for investment in this way.



Useful information for investors - Infrastructure

Sector-specific tools available

- Asian Development Bank, Gender tool kit: Transport, 2013
- ICRW, Gender-Smart Investing Resource Hub and Materiality Maps for Power Sector
- CDC, Gender Toolkit: Infrastructure, (2020)
- EBRD, Gender Responsive Investment Climate Reform Toolkit – Tajikistan, (2019)
- World Bank, Toolkit for Mainstreaming Gender in Water Operations, 2016

Further reading and resources around this sector

- Criterion Institute, Gender as Material to Infrastructure Projects: Reaching Better Outcomes by Applying a Gender Lens from Project Inception (2020)
- OECD, Sustainable Connectivity: Closing the Gender Gap in Infrastructure, (2019)
- K. Thompson, K. O'Dell, S. Syed, H. Kemp, Thirsty for change: The untapped potential of women in urban water management, (2017)
- World Bank, A Primer: Gender Gender Equality, Infrastructure and PPPs, (2017)
- Gender CC, Gender into Urban Climate Change Initiative
- World Bank, Women in Water Utilities: Breaking Barriers, (2019)

Conclusion: the case for action and impact

Though energy and agriculture are the sectors where the majority of gender and climate considerations have been applied to date, gender and climate are relevant across all sectors. In the next few years, sectors like infrastructure will offer a massive untapped opportunity to apply a gender lens to climate mitigation, adaptation, resilience and a just transition.

Addressing the intersection of climate and gender can give rise to new investable opportunities and opportunities for impact. However, a robust body of data must be gathered, tools developed, and narratives built to grow the field.

Part 3: How to get started

The preceding sections mapped out the case for mainstreaming gender and climate across sectors and asset classes. We now examine how to embed gender and climate into the investment process. What questions should early-stage actors ask, and what actions should they take? Should we ask a different set of questions for private markets growth capital, such as private equity? How have some of the best-in-class investors accomplished this to date? This section sets out a process for integrating a gender and climate lens with traditional financial analysis.

There is no single right way to approach investing with gender and climate lenses, but the relationship between traditional financial analysis, gender and climate can be thought of as a set of intersecting and interacting circles (Figure 3.1).

Traditional financial analysis typically involves rubrics, scoring systems and processes with linear methods and binary scoring systems. It starts with individual analysis and culminates in a debated consensus resolution. Employing either or both a gender or climate lens should draw organisational focus to an intersecting set of investments (areas 1, 2, and/or 3 in Figure 3.1).

In the long run, the most impactful approaches will be those that carefully examine and understand the overlapping and concurrent relationships between these lenses and evaluate what investments might represent the shared "sweet spots" that work for their organisation and objectives.

The links between gender and climate encompass myriad disciplines, sectors and vehicles, and methods will always need to be adapted to the specific context and investment case under study. The framework and questions laid out below are designed to raise awareness of these links and identify which of them are most relevant in a particular case. Researchers may choose to elaborate or emphasise just one lens or a set of lenses in a given investment or investment sector. Still, it is crucial to return frequently to these points of interconnection, as these are areas in which investments may offer the most "bang for the buck".

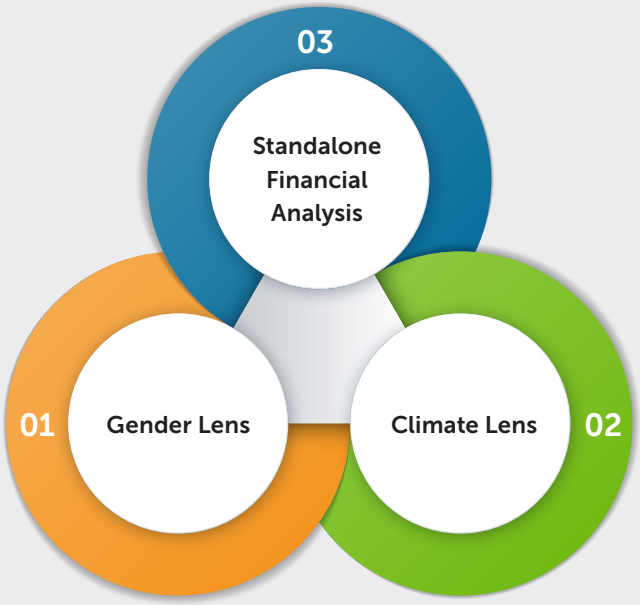


Figure 3.1

Process

Three interconnected and repeatable actions (Figure 3.2) represent a reasonable starting point:

Figure 3.2

01. Define a strategy for gender-smart and climate investing, including targets and milestones

Investors should first define a strategy for gender and climate-smart investing that fits their objectives. Whether they aim to expand sustainable transport solutions, improve the lives of smallholder farmers, or increase renewable energy access, understanding how gender and climate affect and interact with their objectives helps investors develop an investment strategy.

Investors can then set a baseline and where applicable, define milestones with their investees that outline progress towards gender-focused goals. These might include, for example, increasing the percentage of women in board and leadership positions, and developing or improving human resources policies to promote gender equity, hiring, and/or training to support women employees. Milestones can also focus on improved collection of gender disaggregated data or a more in-depth understanding of the implications of gender on an investee company's strategy.

Defining a baseline is both a strategy exercise and a data challenge. Jen Braswell of CDC, speaking at a recent CGD event introducing a new Compendium of Tools for Measuring Women's Economic Empowerment (WEE), noted that the lack of baseline data makes it difficult to determine and demonstrate progress toward desired targets. The UN Foundation's Roadmap for Women's Economic Assistance is one source of guidance for mapping a WEE strategy.[104] Additional resources can be found in the Appendix at the end of this report.

2. Apply gender and climate analytics throughout the investment process

In the last few years, a number of groups have taken the lead on developing basic tools and methodologies for looking at climate or gender and begun to align and harmonise them with standards and systems for reporting on both financial and non-financial returns (SASB, IIRC, GRI). System-level initiatives around climate reporting and green finance (TCFD, CBI, CDP) were also developed. Each initiative garnered practitioners, but no single solution emerged. Recently, we've begun to see consolidation in this space, with SASB and IIRC announcing a merger to be completed by mid-2021.

Gender analytics is at an earlier stage in terms of establishing a global architecture, but the 2X Challenge and GIIN are beginning to harmonise systems of monitoring and measurement.[105] Incorporating gender and climate into the investment process, from deal origination to due diligence, deal structuring and portfolio management, is a relatively low-barrier way to adopt a gender and climate lens. Standardising questions about gender in the due diligence process reinforces the idea that gender is not an "extra" consideration, but a critical part of understanding an organisation's strategy and potential for success.[106]

3. Collecting, tracking and reporting on impact

Investing institutions can request gender-disaggregated data ranging from simple to complex. The metrics should be reflective of the investor's theory of change, but also tailored to the operating environment. The collection and tracking of data serves as a feedback loop to refine and advance institutional priorities.

Impacts may materialise out of sync with funding cycles: funding typically runs on a 12-month cycle, whereas impacts may emerge only over longer periods. This presents a challenge for using gender metrics in best-practice ways. While some funders are beginning to appreciate the need for longer-term funding for impact creation, this is still not common practice; it may be helpful to revisit impacts over time to gain a fuller picture.

While this isn't possible for all organisations or projects, it is helpful to be aware of the likely time-frame for achieving full impact versus the funding cycle, and to look for metrics that can provide some level of insight in tune with the latter. At the same time, planning to track the evolution of impact over time would contribute to a more robust understanding of what succeeds and what fails to hit the mark. One may think of "stacking" impacts over time as the management of financial performance evolves, as illustrated in Figure 3.3 below.

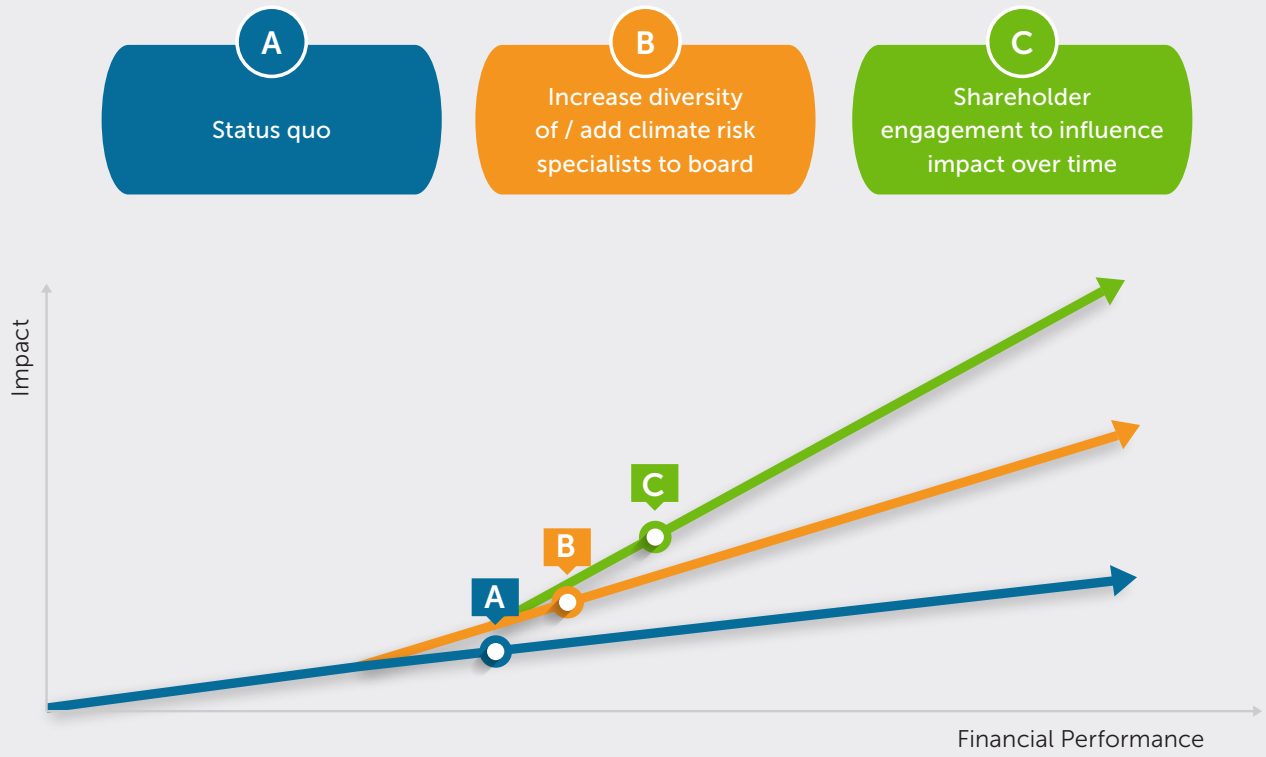


Figure 3.3

The Impact Management Project (IMP), created as a global forum for reaching consensus on how to measure and manage impact, introduced a simple, non-quantitative impact measurement framework called the ABCs of Impact, which aims to provide comparable information regardless of whether applied to a fund, a direct investment, a grant or a project/programme. In discussing impact screening using this framework, IMP touches on precisely this point: "We believe the impact data categories are building blocks – if you are starting from scratch, you may want to build your impact management framework on top of them; if you already have an impact structure, then you may want to use the categories as a checklist to ensure that you are not missing any of the essential pieces for managing impact."

An important distinction should be made between developing robust data sets that can be compared over long periods of time, and the need to change investor mindsets so that more data – and more impact – are a natural outcome of increased commitment and engagement.

Credit: Miro Forestry

Approaches and practices by investment stage

There are steps that can be implemented across the investment process to intentionally employ both a gender and a climate lens. Approaches range from baseline "low-barrier to entry" largely data-driven practices, to higher-order "theory-of-change" approaches. All of these approaches require strong and accountable governance (as outlined in Part 1 of this report). Figure 3.4 illustrates a snapshot of approaches that investors can consider.

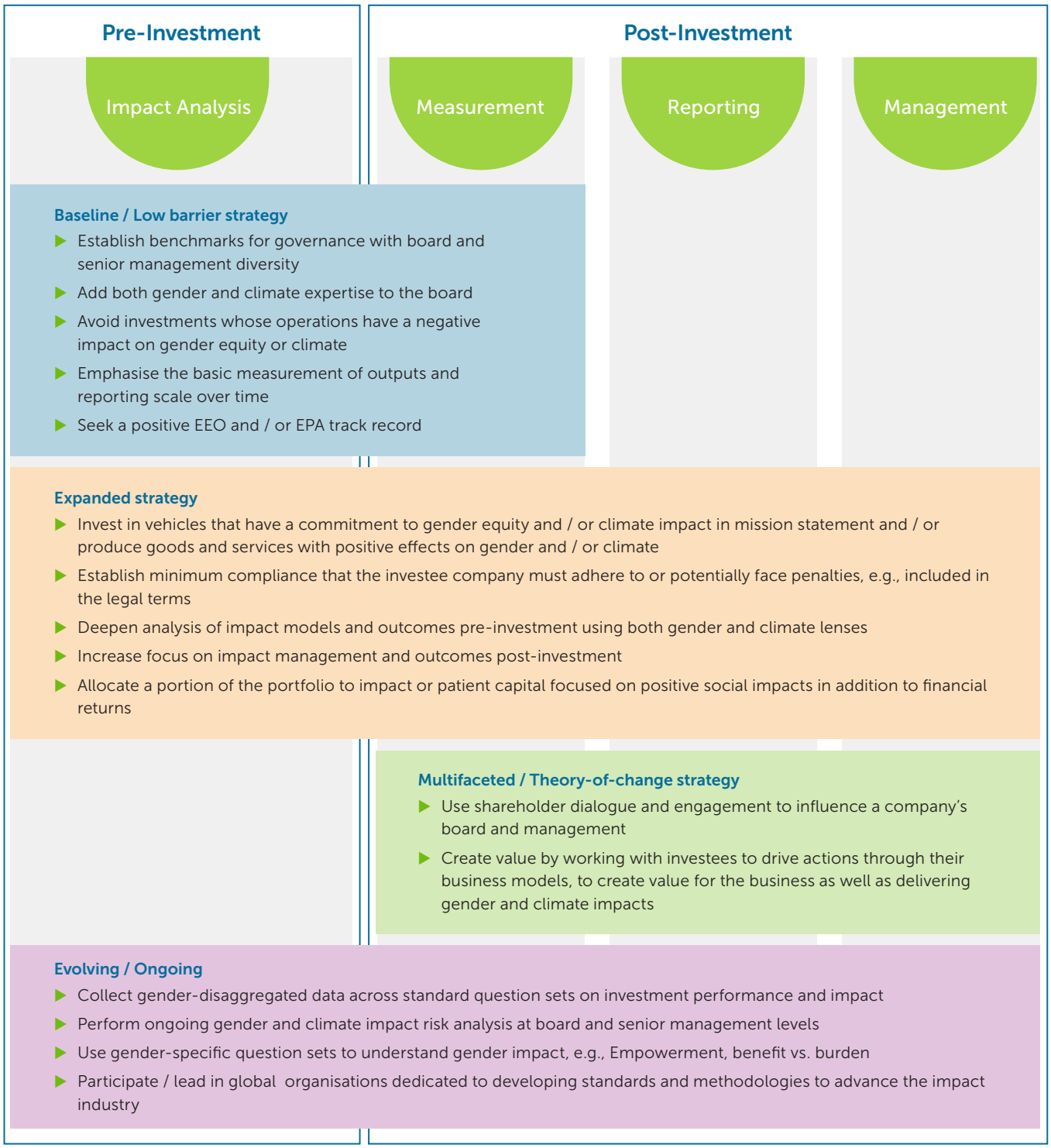


Figure 3.4

Investors should start by getting their own house in order by integrating robust processes through the investment pipeline internally. They can then proactively ask questions of potential or existing investee companies that surface the intersections between gender and climate along the value chain.

Questions for investors to ask along the value chain, throughout investment stages

Entrepreneurship/ ownership and access to capital

- Are women entrepreneurs (and particularly women of colour), proactively sought and are barriers in access to finance addressed?

Leadership and management/ governance

- Are diverse stakeholders consulted and are women at the table in decisions about site selection and environmental impact?

Product development

- Are women involved in the research and design of products and services? Is explicit consideration given to gender in the design of clean energy products or services, for example?
- Are women the primary end-users of products and services, or do women and men use products and services differently? How does the design and marketing of products and services respond to these differences?

Manufacturing

- How are women being brought into manufacturing to leverage traditional skills in ceramics and other fields?

Supply chain and procurement

- Could gender-responsive procurement optimise or improve resilience or sustainability in the supply chain?

Employment

- Are skills and training programmes gender-responsive and do they increase a company's climate resilience? Do they contribute to growing a current or future pool of talent that supports the longevity of a company?
- Are women involved in marketing, sales, and distribution of products and services? How does their involvement enable access to new market segments or growth in existing ones?
- Are you paying attention to the potential negative gendered impacts of GBVH (Gender-Based Violence and Harassment) in the workplace and beyond?

Consumption

- How is a gender lens being considered across your sales and marketing pipeline? Is this leading to smarter customer segmentation?
- Is there a gender lens in after-sales service? How does this lead to customer safety and loyalty?

Climate and gender across asset classes: a means to drive portfolio resilience and impact - a view from Deborah Christie, Cambridge Associates

Climate, gender and portfolio resilience are inexorably interconnected. Investors who identify and build these thematic connections holistically across asset classes will be positioned to drive better long-term portfolio returns and enhanced societal outcomes. A systemic or holistic approach will enable investors to engage managers at a deeper level on underlying themes and exposures. Investors can then allocate capital to those connections where return-enhancing opportunities and impactful solutions intersect.

An example of this intersectionality is digital infrastructure, which has implications for gender, social equity and environmental sustainability. As remote work and learning continue into 2021, digital infrastructure investments in fibre, wireless networks, and middleware (accessed via real assets and private equity) and at the application layer (via venture capital) can help accelerate digitisation and expand access, especially for women and underserved communities. At the same time, some of these infrastructure investments carry "smart city" applications, which can improve both energy efficiency and fiscal positions for municipalities. In a systemic approach, this one seemingly narrow theme of digital infrastructure can cut across venture capital, private equity, real assets, and credit all while playing a role in addressing gender, social and environmental pain points.

Another example is renewable off-grid energy in developing regions with little or no access to reliable electric power. Off-grid energy access can provide communities, and especially women, economic empowerment opportunities by enabling them to participate in the modern economy which requires electricity and connectivity. Off-grid energy infrastructure can mitigate climate risk by reducing the demand for fossil fuels such as diesel and coal, while also helping to avoid blackouts caused by extreme weather events related to climate change. Investors who take a systemic approach are investing not only in distributed off-grid energy development and infrastructure, but also microfinance and SME (small and medium enterprise) credit opportunities, and corporate equity investments in areas such as e-commerce, education, healthcare, and financial inclusion. Through such a holistic and multi-asset-class approach, investors can power, and empower, marginalised communities and drive long-term portfolio resilience.

A closer look at private markets

While different investors have different needs, it is useful to disaggregate public markets from private market investment practices with respect to gender and climate.

Private markets investment funds – whether identified as impact, social enterprise, gender, diversity or other – have shown the most rapid growth in recent years in terms of numbers of new funds launched, total assets under management[107] and the rigour with which impact themes are addressed. In the effort to apply a climate and gender lens, different types of capital have different advantages and limits for investors. Private markets also represent an opportunity for investors to exercise different levels of influence and ownership over the companies and vehicles in which they invest. While a combined gender and climate lens has not yet yielded enough data from private markets to fully identify best practices, we may draw guidance from Calvert Impact Capital, one of the world's earliest and most catalytic impact investors.

In December 2018, Calvert Impact Capital published "Just Good Investing: Why Gender Matters to Your Portfolio and What You Can Do About It", analysing data from current and former borrowers over an 11-year period to assess the impact of women's participation in senior leadership and board positions on financial performance.

The data sample is both longitudinal and diverse in terms of geography, size, and sector, and includes both direct investments in companies and indirect investments in funds and financial intermediaries. In all, the research covers 160 borrowers in eight primary sectors in over 100 countries, representing approximately $23 billion in cumulative assets under management.[108] It is one of the very few longitudinal data sets and studies available; other longitudinal studies either cover shorter time periods or are based on portfolios held by development finance institutions that have been retroactively assigned to impact buckets, which offers a less transparent vision of theories of change and impact outcomes achieved.

The report considers common distinctions between public and private market investing processes and characteristics. For example, private investments offer opportunity for a more direct connection to impact depending on the type of capital: equity investors can require change and enforce adoption of key criteria over time. On the other hand, securities are efficiently traded and more liquid in public markets than private ones.

Calvert's guide emphasised the need to understand the range of tools available to incorporate gender into investment decision-making and analysis. (Note that these tools are also relevant to gender-and-climate investing.) They include:

- **Screens:** While screens are a useful tool, Calvert recognises the reality that institutions may face a choice between screening based on bright-line goals (e.g., 30% of Board seats held by women) versus screening based on a more nuanced theory-of-change strategy. The report notes that "investors must respect market context when setting screens or they might screen themselves out of a portfolio". For example, investors screening based on a bright-line goal would include only companies that have 30% women on their board; in contrast, investors using a theory-of-change strategy might consider companies that do not yet have women on their board but are open to implementing a leadership diversity strategy as part of an investment agreement
- **Underwriting:** Questions about gender can be incorporated into standard due diligence, and Calvert Impact Capital has published a sample framework that provides basic guidance for incorporating gender into the underwriting process, with questions for investing both directly and in intermediaries.[109]
- **Milestones:** These may be targets on the road to gender-related goals, or commitments to processes such as collecting gender-disaggregated data. Investors may choose to establish penalties for missing milestones.
- **Reporting:** Investors can request or require investees to collect and report data relevant to gender. Investors should emphasise that this is anchored in improving business performance, Calvert's report notes: "If companies don't understand how the data is pertinent to their bottom line, it will not be prioritised and will be perceived as an investor preference." Finally, the reporting demand on investees should be realistic, as companies in challenging markets often have limited resources to dedicate to data collection.

2X CLIMATE FINANCE TASKFORCE

The 2X Climate and Gender Finance Taskforce

The 2X Challenge and Gender Finance Collaborative recently launched the 2X Gender and Climate Finance Taskforce, an initiative powered by CDC, DEG & EIB and EBRD with the involvement of BIO, Findev Canada, FMO, IFC, OeEb and other 2X members. The Taskforce aims to leverage the power of gender-smart investments for climate action in the run-up to COP-26 and current progress on 2X and climate action investments. It recognises the role that women play in leading climate action, strengthening the sustainability of infrastructure investments, and driving adaptation, resilience and mitigation solutions at all levels of the value chain. Moving forward the Taskforce will develop a suite of 2X Collaborative tools for gender-smart investing in climate finance and organise knowledge sharing events to compare experiences on how to further gender responsive climate financing.

See more details here

Blended finance: a tool to build investment pipelines

Although the GenderSmart climate investor community is drawn from a range of investor community segments, there is often a need to combine different types of capital in order to balance risk and reward for investments with clear financial and impact goals.

Blended finance is the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.[110] As a structuring approach, it helps address private investors' concerns about high perceived and real risk, and about poor returns for risk relative to comparable investments. In and of itself, blended finance is not an investment approach, instrument, or end solution.

Blended finance can be a key tool for advancing gender and climate goals, as well as other SDGs, through investments in sectors and technologies that as yet lack the long-term revenue-generating track records that investors prefer. It is suitable only for investable activities that generate returns along with impact, and has limits: it cannot drive change on its own where policy action is required.

Further resources include the work of Convergence Finance, the leading global platform and network for blended finance. Emerging from the 2015 Addis Ababa "Financing for Development" conference, Convergence is supported by a broad group of stakeholders from the public, private and philanthropic sectors.

A Convergence study finds at least 63 blended finance transactions since 2010 involving gender and a climate-related SDG. Of these, funds and companies were the most common structures, rather than projects or bonds. The most common approaches involved concessional capital (87% of deals) and technical assistance funds (41% of deals), but Convergence argues that early-stage support in the form of design funding can help in market acceleration.[111]

Pioneering gender and climate approaches in public markets

While most of the examples in this report centre on private market vehicles (PE, VC, private debt, direct investing in private companies), gender and climate lenses can be applied to listed market vehicles (debt and equity in public companies) as well, and in this section are some examples of investors beginning to combine climate and gender in their public markets approaches.

Public markets have the advantage of liquidity (securities are efficiently traded) but typically afford investors less control. While emerging markets are much less penetrated for retail investment, developed markets offer increasing access to retail investors. Public markets may also offer high levels of transparency and common reporting standards.

For climate, the TCFD and CDP, among others have encouraged publicly traded companies to disclose a wide range of climate-related information, and a range of climate indices and funds is available for public markets investors' use. Movements like DivestInvest, which encourages investors to divest from fossil fuels and invest in climate solutions, have participation by retail investors as well as institutionals.

On gender, the most easily accessible datasets available about public companies are around purely numerical governance indicators such as the percentage of women on boards, women in senior leadership, and exposure to diversity-related controversies. Some countries require large companies, including listed ones, to disclose gender pay gaps. A range of data providers like Equileap and indices such as MSCI's Women's Leadership Index harness these data to serve investors. However, global and long-term data on other indicators such as pay gaps, workforce representation, discrimination or harassment controversy, women suppliers, and women clients or customers remains sparse.

Pioneering investors and their approaches in public markets

Nia Impact Capital

Nia Impact Capital invests at the intersection of social justice and environmental sustainability, building a portfolio of forward-thinking companies poised to play a key role in the transition to an inclusive, just, and sustainable economy. It currently has over $120 million AUM. Kristin Hull founded Nia in a bid to bring impact investing to public markets. Both a gender lens and a commitment to racial equity are applied across the investment decision-making process, and the firm is spearheaded by a women-led team of investors. The Nia Global Solutions Equity Portfolio invests in publicly traded companies, with a focus on small- to mid-cap-sized companies. It is an actively managed portfolio where all companies have women in positions of leadership, all investments are fossil-fuel-free and soda-, tobacco-, and weapons-free by design, and are committed to both financial success as well as positive social and environmental outcomes. They have an active shareholder engagement approach on gender and social issues, and more.

Impax Asset Management

The Pax Ellevate Global Women's Leadership Fund, of Impax Asset Management, invests in public market companies that invest in women. The Fund employs a factor-based investment approach intended to closely correspond to or exceed the performance of the Impax Global Women's Leadership Index (Women's Index). The Fund currently has circa $748 million AUM as of mid January 2021 and invests in the approximately 400 companies comprising the Women's Index, overweighting those with the most favourable gender leadership characteristics, seeking to capture the increased investment returns its managers believe gender-diverse leadership will deliver over time. The Fund is also fossil fuel free and meets key ESG standards, meaning it is not invested in securities of companies that are significantly involved in the extraction and/or refining of fossil fuels within the energy sector.

Adasina Social Capital

Adasina Social Capital (Adasina) is an investment and financial activism firm that bridges financial markets and social justice movements. In December 2020 Adasina announced the launch of the Adasina Social Justice All Cap Global ETF. The ETF excludes companies whose practices impede the advancement of equitable systems. Its investment criteria are embedded in a data-driven set of investment standards determined by working closely with social justice movements to identify the issues most directly affecting their communities – with a particular focus on racial, gender, economic, and climate justice. The ETF tracks the Adasina Social Justice Index, which includes a global universe of public companies whose practices are in alignment with social justice values, and which is screened using both the Social Justice Investment Criteria and traditional ESG metrics. As a Black and women-owned investment firm, Adasina's experienced investment team is reflective of the communities most impacted by existing inequitable systems. The Adasina ETF is one part of a comprehensive investment strategy that aims to mobilise investors through campaigns and education, creating incentives for companies and governments to change their harmful practices and make positive, systemic change for people and the planet.

Putting it all together

Finally, investors should be aware that they can begin to integrate a gender and climate lens at any point, whether building a fund or reviewing an established one. In the following case study, we see how asset manager responsAbility incorporated a gender lens into an existing climate fund focused on expanding renewable-energy access. By getting its own house in order, developing a strategy, and applying gender and climate analysis in the investment process, responsAbility gained technical knowledge and an increased awareness of the gender priorities of the investors in its climate fund.

CASE-STUDY 14 ▷

How responsAbility is making their energy access fund 'gender-smart'

Type of actor: Investor
Investment type: Private market, debt-based financing
Operates in: Sub-Saharan Africa and South and Southeast Asia

Gender ambitions:

Climate ambitions:

responsAbility Investments is a leading Swiss sustainable asset manager with over USD 3.5 billion in assets under management (AUM). In 2020, they brought into action a growing commitment to focus on gender at their firm and within their investment process. To that end, they embarked on a pilot to apply a gender lens into one of their climate funds - a private debt fund addressing lack of access to clean power primarily in Sub-Saharan Africa and South and South-East Asia. The team worked with leading impact and gender advisors Catalyst at Large and Sagana to create a tailored gender-smart investing framework to promote the advancement of gender equity and other social and environmental outcomes for the benefit of its businesses. As a result, the fund has qualified for the 2X Challenge and is now engaging with their investors and portfolio companies to create gender equality and better business outcomes.

Conclusion

There is no single, right path to an integrated gender and climate investment approach. As we have seen, the precise journey each organisation takes is subject to its objectives, investment thesis, and region, theme and sector focus. There are challenges, it is true, due to the youth of the field and the sparse data and narratives available. But in a fast-moving world with rapid climate change and escalating social inequities, the biggest risk is inaction. The risk of waiting for the perfect opportunity, data, or project, outweighs the benefits of acting now, whether testing the waters with a pilot project or scaling up what is being done. We hope this report, and the rapidly-expanding gender and climate investing community with its spirit of collaboration, will provide a guide to help you get started.

Next steps

In 2021, the 2X Gender and Climate Taskforce will launch a suite of specific tools and case studies for gender-smart investing in climate finance, in the run up to COP26, exploring how to combine the 2X gender criteria with climate eligibilities and organise knowledge-sharing events to further gender-responsive climate financing. These will include sector-specific briefs, screening and due diligence tools, technical assistance, and impact solutions guides, and aligning impact measurement with existing indicators.

The GenderSmart community will also build the field by sharing knowledge and highlighting resources and examples, driving ongoing education about gender and climate investment, and galvanising gender-smart commitments of capital and process. GenderSmart is committed to highlighting great work that is underway to address the climate emergency with a climate and gender lens. If you have examples to share, please connect with us at info@gendersmartinvesting.com.

A full list of resources can be found in the Appendix.

Glossary

AUM:
Assets under management

Blended finance:
The strategic use of public and/or philanthropic concessional funding to catalyse private sector investment in SDG-related investments

Catalytic capital:
Capital that accepts disproportionate risk or concessionary returns to generate positive impact and enable third-party investment that otherwise would not be possible

ESG:
Environmental, social, and governance (ESG) criteria are a group of standards used by socially conscious investors to screen investments.

EV:
An electric vehicle

GBVH:
Gender based violence and harassment

Gender Action Plan (GAP):
A project-specific tool used to ensure that "gender mainstreaming" is tangible and explicitly visible in project design and implementation.

Gender balanced leadership:
A 30% representation of women at the highest levels of organisations and institutions. (noting that 30% is the conventionally accepted & defined range)

Gender-disaggregated data:
Data that are collected and held separately on men and women (and where possible, non binary) to enable analysis of gendered characteristics, impacts or outcomes.

Gender-inclusive:
Proactive efforts to create inclusive attitudes and behaviours and equal opportunities for diverse genders within an organisation's workforce, leadership, supply chain, or customer base.

Impact measurement framework:
A structured framework and customised set of metrics for assessing the impacts of a project, investment or organisation.

IRR:
Internal Rate of Return- The calculation of the rate of return on an investment.

Low-carbon transition:
The process of transition from using both high carbon energy and low carbon energy to just using low carbon energy.

MRI:
Mission-related investment. There is no legal definition of mission-related investments, but typically the term describes investments, made by charitable organisations, that both aim to fulfil a social purpose and achieve a commercial rate of return.

PRI:
Programme-related investment. These are investments whose primary purpose is to fulfil a private foundation's charitable purpose, with a concessionary return.

Public-private partnerships (PPPs):
Contracted collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects.

Structural inequalities:
Inequalities arising from deeply-embedded biases that lead to advantages for some demographic groups and disadvantages for others.

Supplier diversity:
A business strategy that seeks to achieve a diverse supplier base in the procurement of goods and services.

Sustainable transport:
Transportation infrastructure or vehicles which require lower energy input or reduced fossil fuel consumption to operate, and generate lower levels of carbon emissions compared to high-emission transportation infrastructure and vehicles.

TA:
Technical assistance

Theory of Change:
An applied ideation framework to envision the intentional changes needed to achieve a desired outcome, often used to inform a strategy for improved performance or impact.

Unconscious bias:
Culturally institutionalised social stereotypes about certain groups of people that are held by individuals outside their own conscious awareness.

Value chain:
The full range of activities involved in creating a product or service.

Appendix

I
Tools and key resources to help you on your journey:

There is no one tool that will work for all investors looking to bring gender and climate together, whether you are looking for frameworks for impact measurement, score cards or metrics. Nonetheless there are established and emerging resources that you might find useful as you embark on your journey or look to bring more rigour to existing processes. These are summarised below. Please look out for the 2X Collaborative Toolkits that will be published later in 2021 to help take you further:

- As you Sow's Gender Equality Funds tool is a start to taking the Equileap data and merging it with a fossil free funds analysis to get to a set of public markets funds that are both stronger on gender and fossil free. Equileap provides gender data and ratings for publicly traded companies and supports investors to incorporate this information in financial products, but does not do a climate analysis at all.
- CDC's Gender Toolkit brings together resources, guidance and templates that focus on gender-smart investing across a range of sectors, targeted at investors and companies looking for support in integrating gender into their processes and operations.
- Criterion Institute is working on several initiatives related to climate and gender, one of which is The Material Risks of Gender Based Violence in Emergency Settings, which addresses climate emergencies, among others. They have many relevant tools.
- Equilo is a gender analysis app which uses big tech to provide gender equality and social inclusion analysis, tools and action plans customised for sector and geography. It can be used for development project planning, business development, emergency response, due diligence, and private investments across 20 sectors globally.
- An EU Taxonomy for sustainable economic activities is being developed as an enabler to scale up sustainable investment and to implement the European Green Deal. By providing appropriate definitions and tools including screening criteria and metrics, it is expected to create security for investors, protect private investors from greenwashing, help companies to plan the transition, mitigate market fragmentation and eventually help shift investments where they are most needed. This is particularly useful for gender lens investments seeking to integrate a climate lens.
- GIIN IRIS+ system: system to help investors measure, manage, and optimize their impact. One can look at the IRIS + metrics and create both climate and gender metrics. Navigating Impact, an earlier tool from the GIIN, has gender analysis guidance within several climate related sectors, such as clean cookstoves.
- How to Measure the Gender Impact of Investments: Using the 2X Challenge Indicators in Alignment with IRIS+. developed by CDC and the GIIN is a good source of gender metrics.
- ICRW Gender-Smart Investing Resource Hub and Materiality Maps: ICRW has Materiality Maps for Agriculture, Off-Grid Energy, and the Power Sector, as a start. This could be useful particularly for those investing in private companies in developing countries and emerging markets, although it is relevant beyond this audience including for company self-assessment
- MEDA: The GEM Framework offers a suite of tools for companies to upgrade business operations by mainstreaming gender across environmental, social and governance (ESG) areas. The GEM self-assessment evaluates different components (environmental, social, and governance) of a company's performance in gender equality mainstreaming and offers recommendations for improvement.
- Measuring Women's Economic Empowerment: A Compendium of Selected Tools was launched in the context of private sector development projects rather than private sector investment funds, but organisations may find relevant tools among the 35 it describes.
- Private Equity and Value Creation: A Fund Manager's Guide to Gender-smart Investing IFC & CDC
- SEAF Gender Equality Scorecard: a sector agnostic tool SEAF uses its Gender Equality Scorecard© to assess women's economic empowerment and gender equality within investment opportunities and portfolio companies
- Value4Women will soon release a new platform for gender lens management and decision-making designed for investors, SMEs, and intermediary organisations. The **Value for Women's Gender Smart Nexus** is designed for organisations that want guidance on their gender strategy as well as on how to **deepen their approach to gender in practice.** Piloted so far with over 100 off-grid and sustainable energy companies in emerging markets and nine impact investors such as the Shell Foundation, Gender Smart Nexus will offer an entry point for Gender Lens Investing and Gender Forward Business Practice for SMEs and investors working across sectors, geographies, business size and asset classes. As well providing diagnostic assessments and recommendations for SMEs and investors, with features such as the ability to test how much of a fund is 2X Challenge-aligned, the platform will allow for anonymous aggregation of data to create industry benchmarks and trend analysis over time.
- W+ Standard, created by WOCAN, is an emerging tool for project developers and investors, to measure the gendered impacts in climate and sustainability projects. It is the first women-specific standard that measures women's empowerment, gives a monetary value to results and creates a new channel to direct financial resources to women.
- 60 Decibels Lean Data, a tool to remotely collect high-quality impact data.

II

Case-studies: full versions

CASE-STUDY 1 ▶

How Fenix International drove innovation and growth by bringing a gender lens to solar energy solutions

Type of actor: Investee company
Investment type: Private market, debt-based & equity-based finance
Operates in: Uganda, Zambia, Ivory Coast, Benin, Nigeria, Mozambique, China & Silicon Valley

Gender ambitions:

Climate ambitions:

- **Basic scene-set:** Fenix International (now ENGIE Energy Access) is a vertically integrated energy company based in Uganda with teams in Zambia, Ivory Coast, Benin, Nigeria, Mozambique, China and Silicon Valley. Fenix's mission is to improve quality of life through inclusive energy and financial services. It achieves this through designing, manufacturing, distributing and financing affordable, pay-as-you-go solar home systems and upgrade products. AlphaMundi was the first institutional debt investor in the company in 2012. They built a long-standing relationship with the company characterised by timely investments of working capital, convertible debt and equity through the SocialAlpha Fund and co-investors. In 2018, ENGIE, the world's largest independent electricity producer, acquired 100% of Fenix shares with the goal of bringing decarbonised, decentralised, digital energy to over 20 million people in Africa.
- **Ambitions:** Fenix International's core product simultaneously tackles the issues of climate change and rural poverty, by making clean energy solutions affordable to African households. Fenix was also AlphaMundi's first portfolio company led by a female CEO, Lyndsay Handler. Under Lyndsay's leadership Fenix rolled out a number of important gender-lens strategies which helped to grow the business. This included prioritising a safe, empowering culture for all employees and providing targeted support to women employees who were driving innovation and expanding Fenix's customer base.
- **Approach:** Intentional support from leadership and investors such as AlphaMundi ensured that gender goals were a strategic priority as the company grew. This approach was centred around three main activities. The first was implementing a series of practices to reduce gender bias in recruitment and retention across the organisation, to realise and maintain equal representation of women in middle management and leadership. The second focused on enhancing and utilising women's expertise in product design to drive innovation and enhance the customer base. And the final strand was focused on improving professional development opportunities; Fenix developed an employee ownership programme, Fenix Flames, which gave all employees a share in the company, and then a mentorship programme for women leaders and managers to support each other in applying for leadership positions.
- **Impacts:** Fenix grew tremendously in the years up to its acquisition, positively impacting women both as employees and customers. From 2010 to 2018, Fenix impacted the lives of 2,500,000 users and 1,100 full-time employees across Africa, 45% of whom were women. In 2017 AlphaMundi completed the first

- gender survey across its portfolio, revealing Fenix's efforts to improve women's experience as employees were successful. with 45% women employees, and five of nine director-level positions held by women - higher than the industry and portfolio average. On the product side, women's leadership in product design led to the successful development of clean efficient cookstoves that in turn led to a 40% increase in direct female customer ownership. Previously only 25% of Fenix solar home system customers were women. With women doing more than 95% of the cooking in these markets they were the primary users and beneficiaries of the clean cookstoves, leading to ripple effects for positive health and safety outcomes.

Key takeaways

The story of Fenix outlines how prioritising gender and climate considerations can have multiple positive impacts. It is also indicative of the crucial role investors can play in providing support and guidance to leadership; whether encouraging (if not mandating) the sex-disaggregated metrics to understand the baseline and set targets, or defining specific climate and gender goals in addition to IRR goals. Meaningful progress can be more readily maintained with leadership buy-in, the inclusion of gender and climate in strategic KPIs, and investors who explicitly support a balance of impact and returns goals.

CASE-STUDY 2

Why and how Garanti BBVA structured a gender-equality loan for a wind farm

Type of actor: Investor
Investment type: Public market, loan
Operates in: Turkey

Gender ambitions:

Climate ambitions:

- **Scene-set & ambitions:** In the world's first 'gender equality loan', Turkish company Polat Energy received a $44 million loan from Garanti BBVA bank in 2019 to finance the construction of Turkey's largest wind farm. This is part of Garanti BBVA's commitment to sustainable finance, climate change and gender equality. Polat Energy's performance will be annually assessed based on a series of gender criteria, and improvements will enhance the terms of the loan. BBVA was rated the most sustainable European bank in the Dow Jones Sustainability Index in November

November 2020, and beyond a strong climate focus, has a range of different activities to actively promote women's participation in the economy, business life and decision-making processes.

At 48 MW, the wind farm Soma 4 will be the largest in Turkey, contributing substantially to climate mitigation through emissions reductions in the energy sector. In Turkey, the female employment rate is less than half that of men, representing a vast pool of untapped talent. Among its other ambitions, the gender loan seeks to address this employment gap by enabling gender-inclusive companies to access financing under favourable conditions.

- **Approach & impact:** With this new financial product, the 'gender equality loan' Garanti BBVA has developed a methodology to annually assess performance in gender equality across the value chain. The assessment criteria include postnatal return-to-work programs, equality in new recruitment, prioritising women-led enterprises in the supply chain, equal pay, policies to prevent harassment, and training to address discrimination against women. The $44-million loan to Polat Energy includes both a $21.4 million cash portion, which matures in eight years; and a $22.6 million non-cash portion, which matures in 11.5 years. The score from the initial assessment will serve as the baseline, and improvements in subsequent assessments will translate into better terms for the loan: lowering the interest rate for the cash portion and reducing the commission for the non-cash portion. Garanti BBVA will provide technical support if needed. In addition to rewarding Polat Energy for improving its gender equality, the gender loan seeks to encourage other sustainable infrastructure companies to adopt gender-inclusive practices.

Key takeaways

Garanti BBVA was a pioneer with its gender bond: the first emerging-market, private-sector bond dedicated to financing enterprises and companies owned or managed by women, created with $75 million investment from IFC in 2018. It is now the first bank in the world to introduce a gender loan. By rewarding companies that demonstrate positive performance through favourable loan terms, Garanti BBVA seeks to encourage other companies to improve gender and climate outcomes, and to serve as an example to other financial institutions.

CASE-STUDY 3 ▶

How Frontier Markets is driving inclusive rural development through women's entrepreneurship and digital infrastructure solutions

Type of actor: Investor
Investment type: Public market, loan
Operates in: Turkey

Gender ambitions:

Climate ambitions:

Credit: Frontier Markets

- **Basic scene-set & ambitions:** Jaipur-based last mile rural distribution start-up Frontier Markets (FM), founded in 2011 by Ajaita Shah, connects rural households in India with key products and services. The business started as a clean energy access firm, providing lighting and appliance solutions in rural Rajasthan, and has evolved to provide access to a range of life-changing products and services sold by a network of women entrepreneurs called Saral Jeevan Sahelis. In July 2020 FM announced that it had raised $2.25 million in a pre-series A financing led by ENGIE Rassembleurs d'Energies, The Rise Fund, The Singh Family Trusts, Teja Ventures and affiliates of Beyond Capital Fund. This will enhance the e-commerce platform by adding marketing, training and onboarding tools to drive services and become a primary income source for rural women. By 2025, the company plans to grow to 1 million rural women entrepreneurs serving 100 million consumers with products and services relating to agriculture, insurance and environment to drive economic empowerment in Bharat India.

- **Approach & impacts:** FM leverages its network of tech-enabled women agents to market innovative and climate-responsive products and services to rural communities. In response to the increasing electrification of rural India, FM expanded its offerings to solar and digital connectivity appliances. The Sahelis are now able to distribute multiple services, enhancing their financial viability, income, and services provision. Through the Meri Saheli app, the Sahelis can collect real-time data, coordinate orders and deliveries without leaving their village. Today FM has over 10,000 women entrepreneurs using its platform, delivering over 2.2 million products and services to 350,000 rural households. Along with its founder Ajaita Shah, FM is a women-led business with a digital and data team of women, and a Women's Council made up of the female management team. To date 10,000 rural women across four states have earned $12 million by selling 2.2 million assets to 350,000 households (earning 15% margin on sales). This has led to 406,000 hours saved due to increased productivity in customers after purchasing products from FM and $120 million in income/savings created for rural customers (where 65% of rural customers are women). FM has been profitable for the last four years, and Digital inclusion is giving a powerful voice to rural households to drive clean energy, agriculture, and finance innovations.

Key takeaways

FM has adapted to the evolving needs of its customer base, using energy as a gateway to provide other services to support rural communities and women entrepreneurs. The company is raising its next round of growth capital this year to scale its network from 10,000 to 150,000 women entrepreneurs, from 350K to 3 million rural households in the next 2 years.

The business is illustrative of the power of bringing gender and climate goals together, engaging with communities and using technology gender responsively to break down barriers for women. Clarity of purpose and a track record of growth has led to a bench of engaged and repeat investors in the business.

CASE-STUDY 4 ▶

How the District of Columbia Sustainable Energy Utility brings an intersectional approach to reduce energy poverty, delivering cost savings, energy efficiency and solar installations

Type of actor: Non-profit
Investment type: Local government funded
Operates in: District of Columbia, US

Gender ambitions:

Climate ambitions:

The District of Columbia Sustainable Energy Utility (DCSEU) helps residents and businesses in the US District of Columbia (DC) use less energy, switch to renewables, and save money. Financed mainly by the DC government, the initiative takes an intersectional approach to achieve energy democracy, supporting low-income households and SMEs to deliver inclusive benefits for DC's most vulnerable communities.

Since it commenced its activities in 2011, the DCSEU has delivered financial incentives, technical assistance, and information to tens of thousands of DC residents and businesses, helping them to save millions of dollars on their energy costs. Its energy efficiency and renewable energy programmes have contributed to over $1.1 billion in lifetime energy cost savings to DC residents, businesses, and institutions. The DCSEU addresses energy poverty by reducing the energy burden of DC's most vulnerable residents, including by delivering energy-saving projects for affordable housing, clinics and shelter.

A key focus is on creating green job opportunities for DC residents, through a Workforce Development Program that seeks to help unemployed or underemployed DC residents uncover green career opportunities.

To further scale positive impacts, the DCSEU partners with Solar United Neighbors cooperative to deliver grants for solar installations, funded by the Solar for All programme which is funded by the DC Department of Energy and Environment. An innovative approach to monetise renewable energy credits, developed by the DCSEU with financing from Calvert Impact Capital, is increasing funding capacity to provide rooftop solar installations to even more DC residents.

Calvert Impact Capital provided a loan against SREC receivables from the 2017 Solar for All Program for which SUN received a grant. The securitised loan proceeds will be reinvested back into the DCSEU's programs and initiatives to further increase the DCSEU's impact in the District.

CASE-STUDY 5 ▶

How Root Capital invests in agricultural entreprises with a gender-lens to drive climate resilience

Type of actor: Investor Impact fund
Investment type: Private market,
Operates in: Central and South America, East and West Africa & South East Asia

Gender ambitions:

Climate ambitions:

Credit: Root Capital

- **Scene-set & ambitions:** Root Capital is a non-profit impact fund investing in the growth of agricultural enterprises which support smallholder farmers in Central and South America, East and West Africa and South East Asia. In 2012 Root Capital launched its Women in Agriculture strategy to increase gender equity in the sector, and recently qualified as a 2X investee. It's now embedding these principles across its portfolio along with its other strategic ambitions: increase investment in agricultural businesses, empower youth through meaningful employment, and build climate resilience in rural communities. In a set of pilot initiatives, Root Capital has partnered with Value for Women to deliver interventions to gender-inclusive agroforestry cooperatives in Guatemala, Honduras, and Mexico in Central America. With women smallholders in agriculture increasingly vulnerable to climate change, Root Capital aims to help them build adaptation and resilience while improving women's livelihoods and contributing to economic growth. The pilot programmes notably map climate vulnerability and resilience in parallel with gender-based vulnerabilities, to identify target areas. As the pilot interventions come to a close, positive impacts are emerging.
- **Approach & impact:** Root Capital fills an important gap by financing enterprises whose credit needs are too big for microfinance yet too small or risk-heavy for commercial banks, through provision of loans between around $200,000 to $2 million. These loans are supplemented by critical non-financial services such as training in financial management, governance, and agronomic capacity. Since it was founded in 1999, Root Capital has lent $1.5 billion to over 740 enterprises reaching 2.3 million farm families (9.9 million people), and provided training to over 1,550 enterprises. Using a blended finance approach, Root Capital harnesses philanthropic finance to support advisory services and early-stage businesses. Its donors and investors are largely from the Global North, and include DFIs, individual investors and private corporations. Some 97% of investees operate in an environmental vulnerability hotspot, and are selected based on their impact scores in a stringent screening process. In partnership with Value for Women, Root Capital works closely with women working with their agribusiness clients to design policies or programmes. They continuously monitor, evaluate and adapt their work, and exchange knowledge with other key stakeholders in the sector.

  Gender-inclusive businesses and cooperatives that actively create jobs and opportunities for women are able to scale their operations. Loans enable enterprises to purchase from farmers at higher and more stable prices, while Gender Equity Grants help businesses identify and implement policies and practices to enhance women's inclusion. In addition, Root Capital's training for women leaders, managers, support staff, and farmers in key financial and agricultural skills gives women greater influence and autonomy. Activities which increase climate resilience and adaptation are being piloted for tree crops such as coffee or cacao, which can be produced sustainably and generate higher added value. These include water conservation, reduced forest clearance, crop diversification and cultivation of heat resilient varieties. In Central America every dollar disbursed in the 2020 Q3 harvest season was repaid.

Key takeaways

Root Capital effectively fills crucial financing gaps in the agriculture sector by supporting small to medium sized enterprises and holistically integrating both climate and gender in interventions. The findings from the pilot programmes published in early 2021 will help build evidence for the field and will include tools for measuring women's climate vulnerability and assessing the effectiveness of climate interventions for women.

CASE-STUDY 6 ▶

How Miro Forestry is growing a sustainable forestry business with a focus on women's employment

Type of actor: Investee company
Investment type: Private market, debt-based financing
Operates in: Ghana and Sierra Leone

Gender ambitions:

Climate ambitions:

"Credit: Miro Forestry"

- **Basic scene-set:** Miro is a sustainable forestry and timber business with plantations in Ghana and Sierra Leone. Since its foundation in 2010 the company has established over 10,000 hectares of standing forest through its planting activities and has prioritised improving women's access to jobs in Ghana through targets, and upskilling. In 2015, CDC committed to invest $15 million into Miro Forestry, and have subsequently made loans of $2 million alongside Finnfund, the Finnish DFI and other investors.
- **Ambitions:** Miro Forestry, with CDC's engagement from 2016, has supported climate mitigation through carbon sequestration and contributed to the just transition by creating jobs and increasing workforce skill levels in a net-zero sector. Miro's latest business plan anticipates tripling the workforce, employing more than 4,500 people after 2030. While the majority of jobs are currently on plantations, most new jobs will be in harvesting and processing as the business expands. The focus on women's empowerment at Miro followed a strategic decision by the company to address the issue of high absentee levels and attrition rates through focusing on its female employees. CDC worked with Miro to perform a gender workforce diagnostic and adopt a gender action plan (GAP). This led Miro to set a target to increase the number of women in the workforce from 26 percent to 40 percent within two years.
- **Approach:** The initiatives set up by Miro and CDC included an upskilling programme for women which aimed to provide equal opportunities for training and increase hiring of women by providing unconscious bias training to senior management. As lessons were learnt through the GAP implementation, the plan was updated annually and now has a large focus on confidence and capacity building for female employees. In addition to the GAP, the ESG Impact team helped Miro appoint a female ESG Manager, who is now a director of the company and assists with diversity at a senior level. In October 2020, CDC, FinnFund and FMO recognised Miro's gender commitments under the 2X Challenge as the Company committed to increase the ratio of women in the workforce to 40%.
- **Impacts:** The CDC investment to date has supported Miro in establishing more than 6,000 hectares of eucalyptus and teak plantation, equivalent to roughly 5.4 million trees. Over 1,300,000 tonnes of atmospheric CO2 have been cumulatively sequestered, and 7,333 hectares are now under active conservation management, an increase of 13% over the prior year. Share price has seen a 10% average increase over the last six years (2013-2019) ($12.60/share at the start of 2020). Company equity value is over $73 million USD, a 67% premium over equity invested and a 13% premium over total money invested.

Key takeaways

The GAP implementation is crucial to monitor and analyse the effectiveness of interventions to empower women economically and deliver business value. Miro integrated lessons from initial implementation into the second phase. For example, recognising that the GAP was not sufficiently culturally sensitive, Miro integrated a gender-sensitive approach into communication and management styles. In 2020, Miro was required to produce a safeguarding policy as well as updating and improving the gender action plan. And so, in partnership with CDC, other investors and a local civil society organisation (CSO), Miro developed a process to facilitate a deeper understanding of the challenges faced by women in the workforce and community, to deliver a more targeted approach to gender development, GBVH and a change in the company culture. The GAP will continue to help CDC and Miro's Compliance Director monitor these programmes and identify further opportunities to make an impact.

CASE-STUDY 7 ▶

How a diverse women-led team at agri-itech firm Gro Intelligence is solving global agriculture, food and climate challenges

Type of actor: Investee company
Investment type: Private market, VC equity funded
Operates in: Global

Gender ambitions:

Climate ambitions:

Gro Intelligence harnesses global data collection and AI insights to provide crucial tools, solutions and analytics to decision-makers in the food, agriculture, and climate sectors. Led by its female founder and CEO, Sara Menker, Gro has a nearly gender-equal and ethnically diverse workforce in Nairobi and New York driving rapid aggregation and modelling of complex and divergent data.

In January 2021, Gro Intelligence announced that it raised $85 million in Series B funding. The round was co-led by Intel Capital, Africa Internet Ventures (a strategic partnership between TPG Growth and EchoVC), and the family offices of Ronald Lauder and Eric Zinterhofer. They were joined by previous investors DCVC and GGV Capital. New investors include Schusterman Family Investments, Dick Parsons, Rethink Food and various strategic family offices. The latest financing will accelerate the growth and global adoption of the Gro Platform, enhancing its machine-learning capabilities and delivering localised insights on food, agriculture and climate risk.

Climate change, rising food demand, and unsustainable production and consumption patterns have led to an urgent need for smart solutions to meet the scale of the challenges, requiring innovative data analysis and modelling. The Gro Intelligence platform projects supply and demand for agri commodities based on the interactions between food, climate, trade, agriculture, and macroeconomic conditions, and provides tools for customers to integrate Gro's knowledge into internal decision support processes. Gro currently integrates over 40,000 data sets, and by centralising and analysing these, and making the outputs accessible to its customers. It is filling an important gap to address critical global challenges and get data into the hands of customers (including smallholder farmers, many of whom are women) to drive business performance and growth. In addition, Gro is launching first-of-its-kind climate indices, and will utilise the Gro Platform to digitise and measure climate risk.

CASE-STUDY 8 ▶

How the BlueOrchard managed InsuResilience Investment Fund is looking to improve access to climate insurance with a gender-lens

Type of actor: Investor
Investment type: Private market
Operates in: Developing markets

Gender ambitions:

Climate ambitions:

- **Basic scene-set & ambitions:** The BlueOrchard managed InsuResilience Investment Fund (IIF), is part of the Program Alliance for the G20 InsuResilience Global Partnership launched at COP23 in 2017 as a joint G7, G20 and V20 initiative. The IIF was created by KfW, the German Development Bank, on behalf of the German Ministry for Economic Cooperation and Development (BMZ). The overall objective is to contribute to climate adaptation by improving access to insurance in developing countries. The specific objective is to build climate resilience by reducing the vulnerability of low-income households and micro, small and medium enterprises (MSME) to extreme weather events. The European Investment Bank (EIB) announced its investment in the IIDFs Debt Sub-Fund in December 2020 along with a commitment that 40% of the Fund's investments will be in line with the 2X Challenge Criteria, ensuring women can get improved access to climate insurance.
- **Approach & impact:** The InsuResilience Investment Fund is a public-private-partnership for investors seeking both financial return and social impact. The fund invests in companies across the climate insurance value chain, combining private debt and equity investments. Led by the InsuResilience Global Partnership, the IIF seeks to integrate gender-inclusive practices across its portfolio value chains and product offerings, encouraging collection of sex-disaggregated data, provision of educational tools and resources, and gender considerations in decision-making to offer gender-responsive Climate Risk Insurance (CRI) schemes which provide protection for women's and men's differentiated vulnerability to both climate risks and disaster-induced wellbeing loss. The IIF has already made six investments across emerging markets, helping to protect more than 20 million poor and vulnerable people from the effects of climate change. It has the potential to reach between 100 and 145 million beneficiaries by December 2025, as part of a wider programme by the G20 InsuResilience Global Partnership which eventually aims to protect more than 500 million vulnerable people against the impacts of climate change.

Key takeaways

IIF is a prime example of a successful blended finance strategy, attracting established investors in both the public and private sectors, including the EIB and Soros Economic Development Fund. It is a delivery vehicle for the G20 InsuResilience Global Partnership, which aims to integrate gender and a focus on women into different CRI schemes and provider types at the macro, meso and micro levels, and has recently established a Gender Working Group (GWG) to support strategic implementation.[111]

CASE-STUDY 9 ▶

How EBRD activities with the Tbilisi Transport Company are driving positive climate impacts and are promoting equal opportunities in the urban infrastructure sector

Type of actor: Investor
Investment type: Private market, debt-based financing
Operates in: Georgia

Gender ambitions:

Climate ambitions:

Credit: Tbilisi Transport Company

- **Basic scene-set :** Under EBRD Green Cities, the Bank is working to accelerate the transition to low-carbon cities while promoting women and men's equal opportunities in the infrastructure sector. A notable set of investments are the engagements with Tbilisi in Georgia. EBRD is supporting the implementation of Tbilisi's Green City Action Plan (GCAP), which identified urgent action needed to address the city's priority environmental challenges, one of which is air quality, through an engagement with the Tbilisi Transport Company (TTC). In 2016, the EBRD collaborated with TTC to finance the purchase of low-emissions buses, with a project extension granted in 2019. In 2020 EBRD signed a new project with the Green Climate Fund (GCF) to invest in the modernisation of the Tbilisi metro system, consisting of a €75 million sovereign loan, with €65 million provided by the EBRD and €10 million by GCF. The collaboration between EBRD and Tbilisi is an example of how a gender lens can be brought to green investments, and in particular how women's employment and skills development can be integrated into green infrastructure investment approaches and processes.

- **Ambitions:** With the pandemic and economic fallout from the pandemic placing unprecedented pressure on cities in 2020, through EBRD Green Cities programme, the Bank is looking to support cities to maintain services and build back better. With continuous lead on with green outcomes, a more comprehensive approach is taken with expanded focus on gender equality, smart technologies, and risks and vulnerabilities of citizens and assets. The focus on promoting gender equality followed the realisation that women represented an untapped source of talent for the urban infrastructure workforce. In 2016, TTC employed approximately 5,789 people, about half of whom are in jobs related to public bus transport. Only 22% of them were women. The gender gap was the highest in managerial, technical and operational divisions, such as drivers' positions where the share of women is particularly low. Out of 1,441 staff employed as bus and metro train drivers in 2016, there was only one female bus driver. Among its 83 managers, only (13.2 per cent) were women. As well as tackling environmental challenges, EBRD sought to address these gaps through a set of specific initiatives as part of its investments.

- **Approach:** With the first bus project, EBRD focused on supporting TTC to improve gender-inclusivity in its HR policies and standards. They introduced a tailored equal opportunities action plan to: i) create better access to employment and training opportunities for female candidates and staff; ii) improve internal progression, iii) raise the number of women employed at the companies. The more recent projects demonstrate an even deeper commitment to gender equality; through an enhanced promotion of women's employment, and also a commitment to bringing a gender-lens to support the development of an inclusive transport strategy for the city. For example, the metro project will provide commuters with a comfortable and environmentally friendly means of transport, encouraging residents to shift from private to public transport, and thus reducing air pollution. It will also promote safety for all in the metro and will provide specific trainings for women to become metro drivers.

- **Impact :** Under the Green Cities Framework, EBRD is working to promote women and men's equal opportunities in the infrastructure sector, as well as accelerating the transition to low-carbon cities. A notable set of investments under this Framework are the engagements with Tbilisi in Georgia. EBRD is supporting the implementation of Tbilisi's Green City Action Plan (GCAP) which identified urgent action needed to address the city's main environmental challenges, one of which is air quality, through an engagement with the Tbilisi Transport Company (TTC). In 2016 the EBRD collaborated with Tbilisi Bus Company to finance the purchase of low-emissions buses, with a project extension granted in 2019. In 2020 EBRD signed a new project with the Green Climate Fund (GCF) to invest in the modernisation of the Tbilisi metro system, consisting of a €75 million sovereign loan, with €65 million provided by the EBRD and €10 million by GCF. The collaboration between EBRD and Tbilisi is an example of how a gender lens can be brought to green investments, and in particular how women's employment and skills development can be integrated into green infrastructure investment approaches and processes.

Key takeaways

Through contributing to the production and implementation of both Climate and Gender Action Plans, increasing equal opportunities in employment and improving infrastructure design, EBRD Green Cities programme and the engagement with TTC showcases how dual gender and climate outcomes can be prioritised and achieved in green infrastructure development. The projects were designed with robust baseline assessments allowing gender auditing, and a string of initiatives that enhanced training opportunities and contributed to a cultural shift at the TTC that has had ripple effects across the city of Tbilisi and the country of Georgia.

CASE-STUDY 10 ▶

How Loowatt offers sustainable solutions to sanitation and energy challenges

Type of actor: Investee company
Investment type: Private market, debt-based and equity-based financing
Operates in: Global

Gender ambitions:

Climate ambitions:

Credit: LooWatt

- **Basic scene-set & ambitions :** Loowatt is a woman-led company operating in both the Global North and the Global South, offering a sustainable solution to sanitation and energy challenges. The Loowatt innovation is a toilet that can be flushed without any water, safely disposing of human waste to be sustainably converted to electricity and fertiliser. By extracting energy and nutrients from waste, Loowatt forms part of the circular economy, which aims to eliminate waste and pollution from the global economy while restoring natural systems.
- **Approach & impacts:** Loowatt has obtained seed investment from multiple sources, including equity, grants and an innovation loan of from InnovateUK. Grant funders include the Bill & Melinda Gates Foundation. InnovateUK, Unilever TRANSFORM and the Stone Family Foundation. To obtain the additional finance needed to meet escalating customer demand, in 2020 Loowatt used the SEEDRS platform to attract equity investors through VC crowdfunding. It surpassed its £750,000 target by an additional 46%, reaching £1,101,180 from 817 investors. The Loowatt system offers a solution for critical temporary infrastructure which is both climate-focused and gender-responsive. It provides a safe and sustainable alternative to off-grid toilets, such as chemical flushing loos at construction sites or refugee camps in the Global North, or pit latrines in areas of rapid urban expansion in the Global South. Positive gender impacts from sanitation provision include improved health and safety in the workplace, home or community, while positive climate impacts include provision of renewable energy for lighting or charging and improved resilience through the reduction of chemical and waste pollutants in natural systems.

Key takeaways:

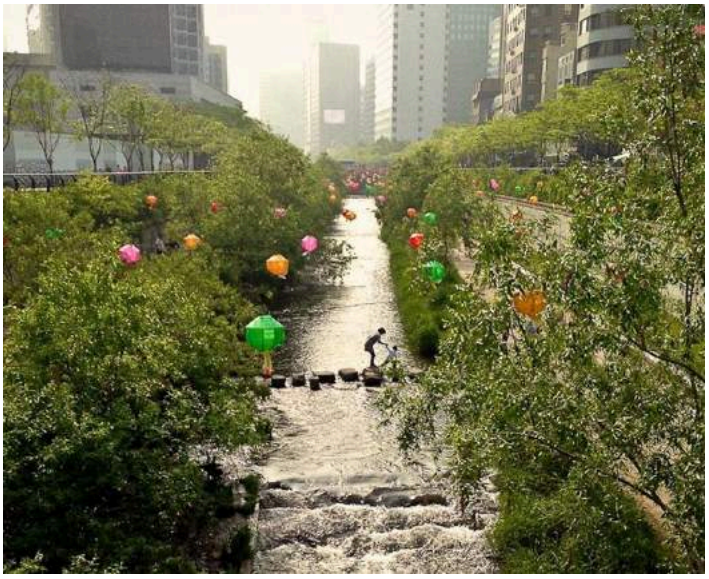
Designing innovative and commercially viable products which respond to both climate and gender can be highly successful in attracting investment from a range of sources.

CASE-STUDY 11 ▶

How the Asian Development Bank is mainstreaming gender in climate-resilient and smart urban water infrastructure across mainland China

Type of actor: Investee company
Investment type: Private market, debt-based financing
Operates in: China (The People's Republic of China)

Gender ambitions: | Climate ambitions:



Credit: Asian Development Bank

- **Scene-set & ambitions:** In December 2020 the Asian Development Bank (ADB) signed a $200 million equivalent loan with Shenzhen Water Group (SZWG) and Shenzhen Water and Environment Investment Group (SZWEIC). The project will develop and promote climate and disaster-resilient smart urban water infrastructure in the People's Republic of China, integrating gender mainstreaming into project design and implementation to support inclusive economic growth. Climate resilience and improved conservation and management of water resources are emerging national priorities in China. This is a result of high demand and stress on water systems, heightened by climate change impacts such as flooding and drought, as well as pollution of aquatic ecosystems. SZWG helps cities manage and maximise water resources to improve their long-term resilience, using smart water management to accelerate the transition towards more sustainable water consumption.

- **Approach & impacts:** The project is aligned with ADB's Strategy 2030 operational priorities for gender and climate. It will accelerate progress in gender equality by implementing an ADB gender action plan and supporting greater gender inclusiveness at SZWG - including commitments to increase gender equity in the workforce and decision-making. The project will leverage SZWG's experience to generate knowledge on how sponge city and smart water technologies promote increased resilience of women to climate change and disasters. The project will tackle climate change, build resilience, and enhance environmental sustainability by supporting the development of 'sponge city' urban water infrastructure. This system replicates natural processes to soak up heavy rainfall and flooding and release stored water for reuse. SZWG will apply innovative smart water solutions throughout the water value chain to reduce power consumption and water losses, improve operational efficiency, and enhance water quality.

Key takeaways:

Through this collaboration, SZWG and ADB seek to share the benefits of resilient and smart water management and lessons learned from the project with the wider water and infrastructure communities. The project deepens ADB's long-standing engagement with the water sector in China, and aims to disseminate knowledge to promote regional and global learning on climate-resilient and smart water infrastructure. The positive outcomes this project seeks to generate for gender equity, climate and environment are aligned with ADBs commitments to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

CASE-STUDY 12 ▶

How ChargerHelp! Is tackling a clean transport transition challenge

Type of actor: Investee company
Investment type: Private market, debt-based and equity-based financing
Operates in: North America

Gender ambitions: | Climate ambitions:

ChargerHelp! offers a workforce development solution to a clean transport transition challenge across developed and emerging markets. It solves the increasingly widespread problem of broken electric vehicle charging stations by providing on-demand repairs and maintenance support from trained local workforces.

Provided at scale, this capability will be essential to the growth in EV charging infrastructure over the next decade. ChargerHelp! has a diverse, female-led founding team, and is raising a $1.5 million seed round to drive customer acquisition, open up new regional markets, and build the next generation of its technology to extend its market leading position.

The company was launched in January 2020 after it had secured $400K in funding, including $100K from MIT, $200k in grants from Elemental Accelerator, and approx $100k in in-kind donations from ServiceNow. A portfolio company of both the Los Angeles Cleantech Incubator and Elemental Excellerator, it has trained 60 over technicians and aims to scale to six markets and 10,000 charging station contracts by the end of 2021. In addition to offering an important transport infrastructure solution for the low-carbon transition, it offers inclusive training opportunities for women in workforce development, and improves the safety and security of women travelling.

CASE-STUDY 13 ▶

How Tridi Oasis is contributing to the circular economy and building sustainable jobs

Type of actor: Investee company
Investment type: Private market, debt-based financing
Operates in: Indonesia

Gender ambitions: | Climate ambitions:

Tridi Oasis is a female founded, owned and managed recycling company based in Jakarta, Indonesia. Established in 2016, Tridi Oasis specialises in recycling PET bottles (common plastic bottles) into recycled PET flakes (rPET), which can be transformed into sustainable packaging and textiles. In April 2020 it was announced that Tridi Oasis would be one of two companies sharing a $6 million investment from investment management firm Circulate Capital. The investment in Tridi Oasis was made in the form of debt financing, with 50% of the loan guaranteed by the US International Development Finance Corp (DFC) in collaboration with the US Agency for International Development (USAID). Through investing in a company run by two female entrepreneurs, the credit guarantee from DFC is in line with its 2X Challenge commitments. With the provision of non-financial services, Circulate Capital's partners will also help Tridi Oasis in scaling and connecting with the supply chains of global manufacturers.

The company builds environmental resilience by recycling locally sourced plastic waste, encouraging responsible waste management in local communities, and reducing the amount of waste ending up in landfills, waterways or oceans. It creates sustainable jobs for communities along the waste management value chain, and advances the circular economy by producing high-quality recycled materials for sustainable manufacturing. The firm processes approximately 60 million PET bottles per year and works with the local supply chain to separate plastic waste and distribute the rPET flakes to FMCG companies and textile producers. In the long term, Tridi Oasis plans to expand its business activities, strengthen the business model and replicate it in other locations to scale environmental and social impact.

How responsAbility is making their energy access fund 'gender-smart'

Type of actor: Investor
Investment type: Private market, debt-based financing
Operates in: Sub-Saharan Africa and South and Southeast Asia

Gender ambitions:

Climate ambitions:

responsAbility Investments is a leading Swiss sustainable asset manager with over USD 3.5 billion in assets under management (AUM). In 2020, they brought into action a growing commitment to focus on gender at their firm and within their investment process. To that end, they embarked on a pilot to apply a gender lens into one of their climate funds - a private debt fund addressing lack of access to clean power primarily in Sub-Saharan Africa and South and South-East Asia. The team worked with leading impact and gender advisors Catalyst at Large and Sagana to create a tailored gender-smart investing framework to promote the advancement of gender equity and other social and environmental outcomes for the benefit of its businesses.

responsAbility management, at all levels, has been unequivocally supportive of this initiative from the day of inception, but did not have the resources or deep expertise to get started quickly. Therefore, they worked with Catalyst at Large and Sagana to synthesize gender lens frameworks, key field initiatives and research to understand what was most appropriate and impactful for the climate fund. The combined team created a roadmap for implementation across the investment process, and embarked on the first phase, which consisted of a framework for evaluation, tailored tools for measurement and training of the investment and sustainability teams.

Through this work, as well as numerous internal and external discussions including with the fund's portfolio companies and investors, the fund team realized that 90% of their existing investors already focus on gender in their investments and several of the portfolio companies are already leading the way in the energy sector on gender equality. This opened a deeper level of communication and engagement for responsAbility with their investors and portfolio companies.

As the climate fund is already an operating fund, the upfront investment criteria or mandate of the fund was not changed. Rather, a gender lens was applied on top of the existing investment strategy. So while there are not gender criteria for investment, the team will collect relevant and meaningful gender specific information during the due diligence process. They will assess the information to identify the key gaps and deficiencies, such as whether equitable hiring processes are in place or not. Thereafter, they will work together with the portfolio companies to include targets via a Gender Action Plan to meaningfully improve their gender baselines. Finally, the team will track these metrics regularly and use them as a basis for continued dialogue with companies on advancing their gender outcomes. In fact, resposnAbiity has already started to provide support to existing portfolio companies to implement their Gender Action Plans via their Technical Assistance facility.

It was critical to integrate gender into the team's existing tools and processes. "The implementation team was acutely aware during this process that our investment officers already have a lot on their plates. Our team is dedicated, working long hours, trying to make deals work. For those in the know, closing clean energy deals in emerging markets can be a tough gig. And now there will be additional internal processes. However, everyone agrees that including a gender framework is a must," shares Monya Bassingthwaighte, Senior Investment Officer in the Climate Finance team.

While it is still early in the implementation, one tangible outcome of the pilot has been the fund's qualification for the 2X Challenge. The fund qualified by meeting the Employment Criteria with at least 50% of its portfolio companies actively improving and providing quality employment for women. The energy sector is one of the least gender diverse sectors with only 32% of the workforce being women (IRENA 2019). Applying a gender lens will help the climate fund ensure that female talent is attracted and retained, and that they can contribute to this growing industry. The qualification was supported by FMO, the Dutch entrepreneurial development bank, and the European Investment Bank (EIB).

Monya lays out her further hopes for the pilot: "As a financier you have the ability to drive positive change. I realize we cannot change companies, social bias and all things historically wrong with gender equality overnight. But we can start the conversation, create awareness and start moving the needle and support our portfolio companies to meaningfully improve their current status quo."

III

Below is a non-exhaustive list of private equity, venture capital, and private debt funds which in 2019 had both an explicit climate and explicit gender lens. This data is taken from Project Sage 3.0

- Ada Ventures
- AiiM Partners
- Alante Capital Management
- Alterna
- AWE (Achieving Women Entrepreneurs) Funds
- Babel Ventures
- Calvert Impact Capital
- Circulate Capital
- DBL Partners
- Development Partners International
- Fledge
- GoBeyond Ventures-Rising TIde Europe
- Impact Bridge
- Impact First Investments
- I&P
- Janngo
- Karmijn Kapitaal
- MiLA Capital
- Moonshot Ventures
- NESsT
- Next Wave Impact
- Nordic Impact Funds
- Omnivore
- PGIM Real Estate
- Root Capital
- Sanari Capital
- SoGal Ventures
- SOSV
- SustainVC
- The 22 Fund Management
- True Wealth Ventures
- Urban Innovation Fund
- Victus Global
- VilCap Investments
- VIWALA
- Voulez Capital
- WOCstar Fund
- Yellowdog

IV

GenderSmart Gender & Climate Working Group members

Facilitators:

- Suzanne Biegel, GenderSmart Investing Summit
- Sophie Lambin, Kite Insights

Steering Committee:

- Rebecca Fries, Value for Women
- Tracy Gray, The 22 Fund
- Susan Gibbs, Wallace Global Fund
- Kristin Hull, Nia Community
- Gilles Pascual, UK Prosperity Fund ASEAN Low Carbon Energy Program and Ernst & Young
- Tim Radjy, AlphaMundi Group
- Rachna Saxena, Dalberg Advisors
- Marijn Wiersma, CDC Group

Active Members:

- Carlos Aguilar, Hewlett Foundation
- Kaylene Alvarez, Athena Global Fund
- Paula Alvarez, Philippines Department of Finance
- Anne-Amanda Bangasser, Treehouse Investments
- Joy Anderson & Christina Madden, Criterion Institute
- Chintal Barot, CoSustain Consulting
- Dana Barksy, Credit Suisse
- Monya Bassingthwaighte, ResponsAbility Investments AG
- Smita Biswas, ASEAN Low Carbon Energy Programme
- May Boeve, 350.org
- Carey Bohjanen, Sustainable Finance Advisory
- Dr. Christin ter Braak-Forstinger, Chi Impact Capital
- Jen Braswell, CDC Group
- Jennifer Buckley, SEAF
- Margo Buchanan, SolarRise
- Lauren Burnhill, One Planet Ventures; Emerald Peak Private Equity
- Bridget Burns, WeDo
- Sarah Butler-Sloss, Ashden Trust
- Deborah Christie, Cambridge Associates
- Julie Cobill, Unilever
- Lauren Cochran, Blue Haven Initiative
- Brandi DeCarli, Farm From a Box
- Michelle Demers, Boundless Impact

- Jenny Everett & Richenda Van Leeuwen, Aspen Network of Development Entrepreneurs (ANDE)
- Irish Fe Aguilar & Sani Zou and Calvin Qwek, AIIB
- Lauren Fernstandig, The Nature Conservancy
- Andrin Fink, Swiss Agency for Development and Cooperation SDC
- Ellen Friedman & Emilie Cortes, Compton Foundation
- Julie Gorte, Impact Asset Management & Pax World Funds
- Adhiti Gupta, Convergence Blended Finance
- Jeannette Gurung, WOCAN (Women Organizing for Change in Agriculture & Natural Resource Management)
- Ahmed Aslam, Sagana
- Prajna Khanna, Signify Foundation
- Anne Kuriakose, Climate Investment Funds
- Dana Lanza & Edie Farwell, Confluence Philanthropy
- Alix LeBec, Water Equity
- Ingrid Leong & Mira Oreck, Houssian Foundation
- Anne Marie Lévesque & Charles Benoit, FinDev Canada
- Aleksandra Liaplina, IFC
- Shelly Martin, ICRW
- Pauline Mbayah, AMSCO
- Anoushka Mehta, HSBC
- Sharron McPherson, Women in Infrastructure Development & Energy (WINDE)
- Katherine Miles, Katherine S Miles Consulting
- Melissa Murdoch
- Mil Niepold, The Mara Partners
- Dr. Dorothy Nyambi, & Jessica Villanueva, MEDA
- Stephanie Oueda Cruz, IDB Invest
- Hedda Pahlson-Moller, Tiime
- Maria Pateguana, ADB
- Rachel Payne, Full Cycle Fund
- Jameela Pedicni, Bloomberg LP
- Vikram Raju & Courtney Thompson, Morgan Stanley
- Barbara Rambousek & Oksana Pak & Eva Bernard & Sunita Pitamber, EBRD
- Vanessa Roanhorse, Roanhorse Consulting
- Christine Roddy & Lisa Willems, AlphaMundi Group
- Michele Saban, R20
- Tara Sabre Collier, Shell Foundation
- Marco Serena, PIDG
- Ajaita Shah, Frontier Markets
- Shally Shanker, AiiM Partners
- Yuri Soares, IDB Lab
- Margaret-Ann Splawn, Climate Markets & Investment Association
- Karen Stefiszyn, USAID's Power Africa Off-Grid
- Callie Strickland, The B Team
- Bjoern Struewer, Roots of Impact
- Annelise Thim, BSR
- Jackie Vanderbrug, Bank of America Merrill Lynch
- Moa Westman, European Investment Bank
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