Gender-smart climate investing is good business

Introduction

Climate and gender are inextricably linked. Women, particularly in developing countries and emerging markets are disproportionately impacted by climate change. Those on low incomes and in rural areas are especially vulnerable.

At the same time, the climate crisis won't be solved without women's equal participation in solutions. The case for private sector action to bring these topics together is strong. Businesses considering climate and gender together are seeing the benefits. For example, in the provision of low-carbon public transport[12], water and sanitation[3], or access to renewable energy solutions or agriculture[4], women have a unique role as consumers[5], entrepreneurs[6] and workers. Engaging women and considering their needs brings business benefits and increases impact for all sectors.

About The 2X Gender and Climate Finance Taskforce

2X CLIMATE FINANCE TASKFORCE

The 2X Gender and Climate Finance Taskforce is a group of development finance institutions that aims to leverage the power of gender-smart investments for climate action and contribute to building the field in this space. The taskforce has produced a series of gender and climate finance guidance notes and has been led by CDC, EBRD and EIB ahead of the 2021 United Nations Climate Change Conference (COP26).

Why do gender-smart climate finance investing?

1. Gender-smart climate finance is smart business

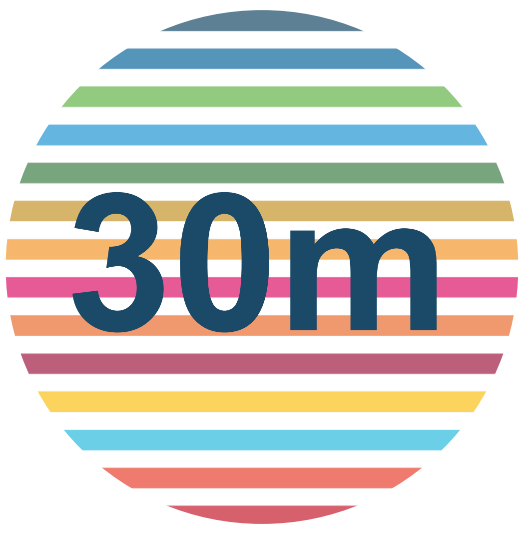
- Climate-smart investing is valued at USD 23 trillion in emerging markets alone by 2030, following government pledges to the Paris Agreement.
- AND the female economy is a bigger growth market than China and India combined[7].

2. Gender-smart climate finance reduces risks

- Studies estimate that 17% of financial value is at risk from physical climate impacts and a disorderly transition could increase gender-based risks[8].
- Compliance risks include pay equity, Equal Opportunities Policies, pregnancy/maternity leave and legally-binding gender quotas.

3. Gender-smart climate finance amplifies impact

- The shift to a green economy could generate over 30 million new green jobs globally – women form a valuable talent pool and a diverse workforce brings competitive advantage.
- Over 150 investors with USD 10 trillion in assets have supported a just transition statement[9].



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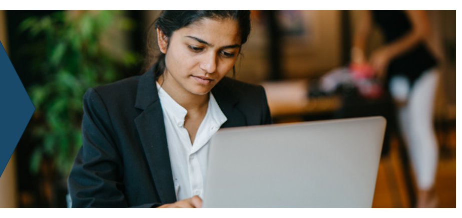
What is a gender-smart climate finance investment?



A gender-smart climate finance investment:

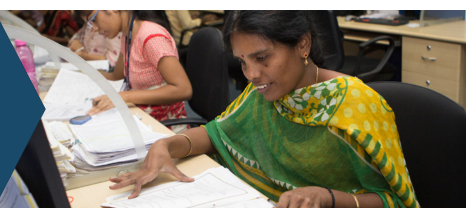
- Is Paris-aligned
- Meets both your institution's approved climate finance criteria [e.g. MDBs Climate Finance Methodology], and
- Meets the 2X Criteria

A Paris-aligned investment is consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient development in line with the objectives of the Paris Agreement.

Paris-aligned projects are characterised by:

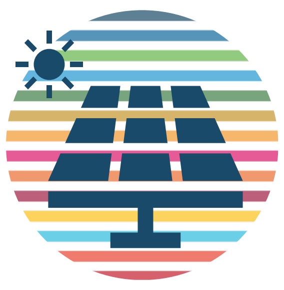
- A carbon footprint or carbon intensity that is limited or declining in line with a Paris-aligned trajectory;
- Limited vulnerability to physical climate hazards;
- Low transition risk and carbon lock-in risk; and
- Does not indirectly support non-aligned activities

How to measure the impact of a gender-smart climate finance investment



A Gender-Smart Climate Finance investment is Paris Aligned, meets your institution's climate finance criteria and 2X Criteria. The relevant qualifying climate finance indicators apply as well as the 2X Criteria indicators.

Examples of 'gender-smart climate finance' indicators include:



Consumption
Women consumers of Pay-As-You-Go solar home products

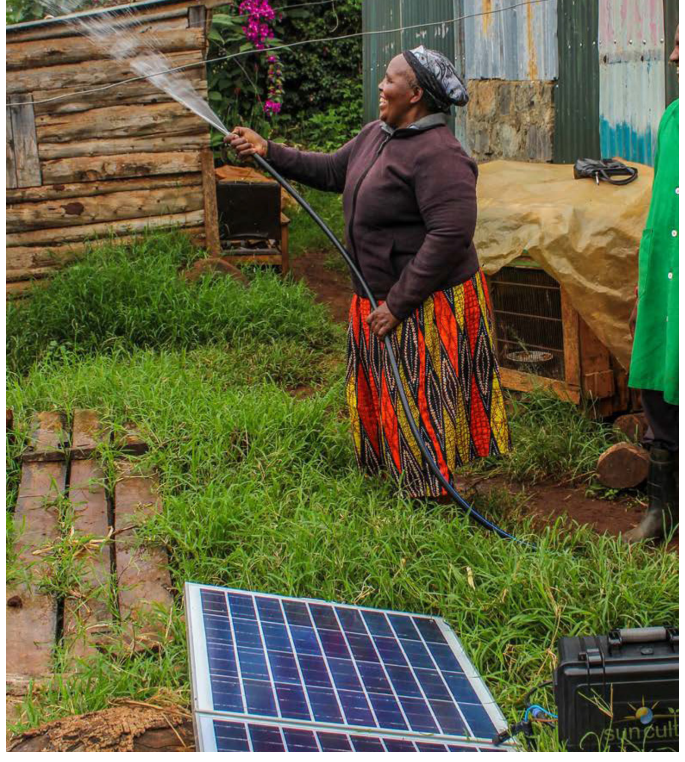
Leadership
30% women in senior management or 30% women on the Board in an eCab company

Investments through Financial Intermediaries
30% of a debt financing facility, focused solely on climate-smart technologies, is allocated to women clients

New tools and resources for investors

Businesses considering gender and climate together are few and far between. To capitalise on opportunities, investors need new tools and knowledge. That's why the 2X Climate Finance Taskforce has launched a new toolkit.

It's a practical guide aimed at a broad range of investors – from development finance institutions, to private equity firms, to public sector investors. It provides industry-specific sector briefs as well as practical investing tools.



To find out more and access the toolkit,visit
www.2xcollaborative.org/2x-green-toolkit- landing-page

1 International Transport Forum (ITF), Economic Benefits of Improving Transport Accessibility (2016). ITF is part of the OECD.
2 Trivector, Gender equality in the transport sector can decrease emissions with 29 per cent (2020)
3 OECD Library, Benefits of Investing in Water and Sanitation
4 FAO, A Gender-Responsive Approach to Climate-Smart Agriculture (2016)
5 International Center for Research on Women, The Business Case for Women's Economic Empowerment: An Integrated Approach (2016)
6 International Journal of Gender and Entrepreneurship, Going green: Women entrepreneurs and the environment (2010)
7 Financial Alliance for Women
8 London School of Economics
9 New Climate Economy & LSE