

INTEGRATING GENDER EQUALITY IN LAND USE FINANCE: MANAGING RISKS AND IMPACTS

Learnings from the ESKEN webinar

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**INTEGRATING GENDER EQUALITY IN LAND USE FINANCE:
MANAGING RISKS AND IMPACTS**

 12 MAY 2022
THURSDAY

 14:00 - 15:00 (BST)
09:00 - 10:00 (EST)

 **UN**
environment
programme

**FINANCING
SUSTAINABLE
LAND USE**

 **WCMC**
environment
programme

 **THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG**

The Environmental and Social Knowledge Exchange Network (ESKEN) is a workspace for a community of practice involved in the environmental and social (E&S) aspects of financing deforestation-free commodity production, protection of natural ecosystems, forest landscape restoration, and other forms of sustainable land-use. The ESKEN webinar *'Integrating gender equality in land use finance: Managing risks and impacts'* held on the 12th of May 2022, focused on the importance of considering gender equality in relation to environmental and social impact measurement for land use finance. Expert remarks through the lenses of global policy agendas and fund managers were delivered by:

- Katherine Despot-Belmonte, Senior Programme Officer, Policy, UNEP-WCMC
- Moa Westman, Gender Specialist, European Investment Bank (EIB)
- Karin Verstralen, Impact and ESG Lead, The Demeter Initiative

Policy context: Why is gender equality in land use finance important?

Gender mainstreaming is critical in land use finance as evidence suggests that inclusively governed land, with greater participation from women in decision-making, leads to positive outcomes for climate, biodiversity and livelihoods. However, it remains a challenge for financial institutions and impact funds who invest in agriculture, restoration, and other land use, to appropriately integrate gender equality in land use finance.

The importance of addressing gender considerations in environmental matters has been acknowledged in many international conventions and intergovernmental processes such as those displayed below (Figure 1).



Figure 1. Frameworks that emphasise the importance of the gender and environment dimension

Measures that aim to achieve long-term positive environmental outcomes need to be gender-responsive (i.e., address the needs of diverse groups of women and men). For example, a study from Costa Rica indicates that integrating gender considerations in land use finance leads to positive environmental outcomes ([World Bank, 2019](#)). Additionally, a recent publication from the Secretariat of the Convention on Biological Diversity (CBD Secretariat) provides further examples, which illustrate that addressing gender considerations can lead to multiple benefits – social, economic, and environmental ([CBD Secretariat, 2022](#)).

There are persistent data gaps regarding the gender and environment dimension. However, relevant data gathered to monitor progress towards the Sustainable Development Goals shows that 38.7% of employed women in the world work in agriculture, forestry and fisheries but only 13.8% of them are

landholders ([UN Women, 2019](#)). This undermines women’s access to finance since land titles are often used as collateral ([Almodóvar-Reteguis et al., 2013](#)).

In the context of the Convention on Biological Diversity, UNEP-WCMC has been collaborating with UN Women and the CBD Secretariat to support that the development of the post-2020 global biodiversity framework is gender-responsive. The work has focused on ensuring that the following gender equality priorities are considered in the post-2020 framework:

- Equal opportunities for leadership, decision-making and effective engagement at all levels of decision-making in matters related to the three objectives of the Convention
- Equal access, ownership and control over biological resources
- Equal access to benefits from biodiversity conservation and sustainable use, and from the utilization of genetic resources

The Gender Plan of Action for the post-2020 period will be a key instrument to guide the gender-responsive implementation of the post-2020 framework, the current draft document contains specific actions that relate to land tenure, finance, and women’s economic empowerment ([CBD/SBI/REC/3/3](#)).

Key takeaways for fund managers to consider

- **There are market and environmental opportunities.** Women entrepreneurs are more likely to start sustainably focused businesses but lack finance. They represent an untapped market and environmental opportunity. In addition to SMEs, gender equality needs to be integrated better in both corporate and public sector lending.
- **The EIB Climate Bank Roadmap** provides a framework for the kind of investments a fund manager/ impact lead investor can consider to simultaneously promote gender equality and sustainable land use, as shown below (Figure 2).

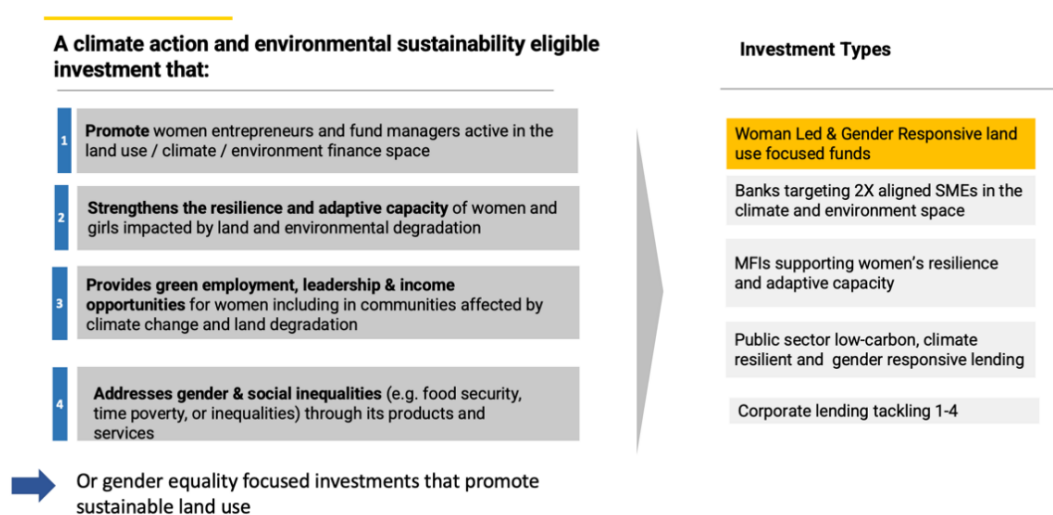


Figure 2. What types of investments can a fund manager look at to promote gender equality and sustainable land use (Moa Westman, EIB)

- **The 2X Challenge Criteria are a valuable resource to use when exploring commitments to gender equality.** The 2X Challenge is a global initiative launched by the G7 to mobilise investments toward women’s economic empowerment. This encompasses four direct criteria

(Entrepreneurship, Leadership, Employment and Consumption) and a fifth indirect criteria (Investments through Financial Intermediaries), as seen in Figure 3.

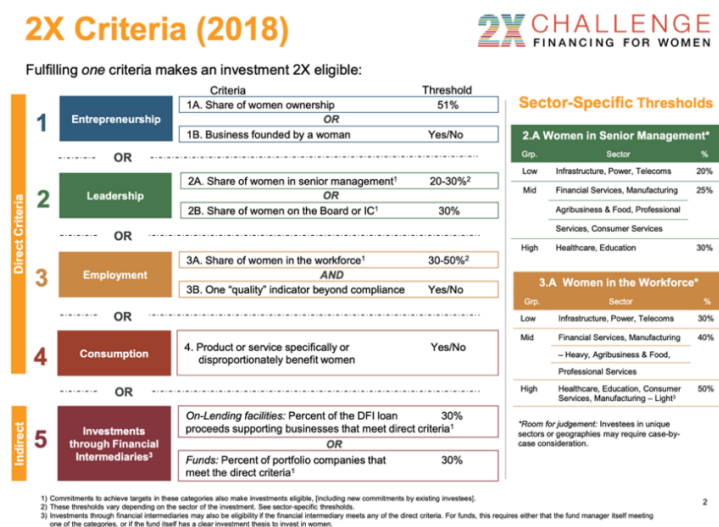
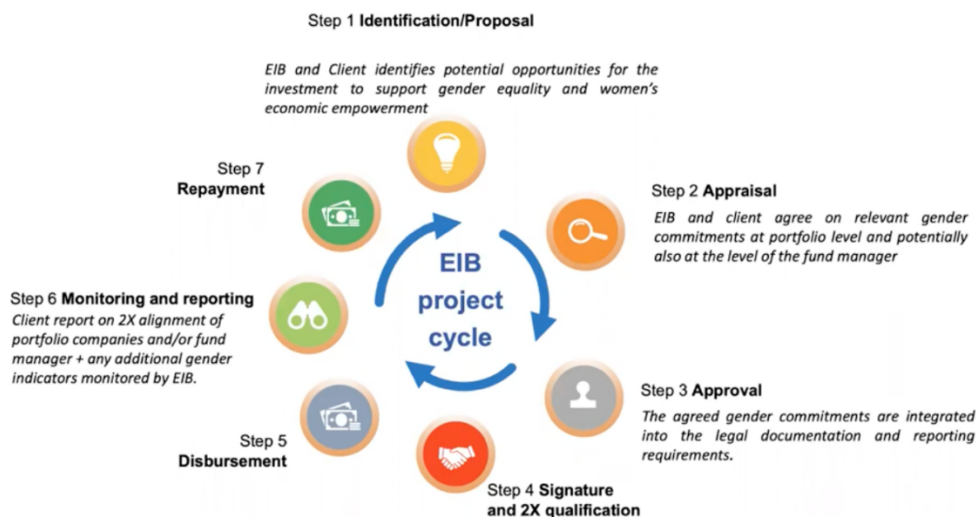


Figure 3. 2X Criteria (<https://www.2xchallenge.org/criteria>)

- As part of the 2X Collaborative, the European Investment Bank, European Bank for Reconstruction and Development and CDC Group have developed the [2X Green Toolkit](#), which is publicly available with a dedicated note on gender-smart investment towards biodiversity.
- Fund managers have opportunities to integrate gender equality at an organisation and portfolio level, through leadership and investees at three main levels:** (1) level of a fund; (2) intermediary vehicles; and (3) projects. The eight steps listed below, outlined by EIB provide guidance on how gender can be integrated throughout the fund investment cycle.



- Assess your portfolio from a gender perspective to identify opportunities in existing portfolios.** Screen companies in your current portfolio and pipeline through the 2X Criteria - are any companies in your portfolio already led by women or looking to employ more women in senior positions, or targeting issues that mainly affect women? For example, [The Demeter Initiative and Colibri Catalyst](#) initially focused on climate and biodiversity impacts and were initially unsure about whether they can live up to gender commitments. However, after looking at the portfolio from a gender lens, they realised that there were many opportunities

already in their portfolio and pipeline, and so they were confident to commit to positive gender outcomes in line with the 2X Challenge.

- **Think about progression within the gender space** – can you support businesses within your portfolio to grow and meet the 2X Criteria? The 2X Challenge is set up in a way that you do not have to meet all the criteria at the point of investment. Hence, there are opportunities to develop gender outcomes in the long term and put mechanisms in place over time to help businesses in your portfolio operate in a more gender equal way.
- Investors considering investing with a gender lens will also find they **align with the global policy agenda and global commitments**, as they link well to the Sustainable Development Goals, the post-2020 global biodiversity framework and the Gender Plan of Action, as well as the Gender Action Plans from UNFCCC and UNCCD.
- **Structural barriers currently prevent women from accessing finance**, such as laws preventing women accessing or owning land. One way of resolving these tensions is by removing land/property ownership as the main criteria for collateral. This is a practical way of increasing gender equality in land use finance - women may have other means of supporting loans. This would allow female farmers to access financing and credit.
- **The 2X Challenge lays out additional qualitative criteria that can be considered when shaping investments**, such as gender-based violence, and land ownership issues. From a fund perspective, it is critical to think about these aspects in advance and allocate resources/partnerships to follow up on these opportunities. Consider local expertise on gender relations and work in partnership with local civil society organisations, female groups, and political actors. Make it clear that by investing with a gender lens the whole community will benefit.

References

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6. 2X Challenge Criteria, <https://www.2xchallenge.org/criteria>
7. 2X Collaborative Green Toolkit, <https://www.2xcollaborative.org/toolkit>