



SUSTAINABLE AND INCLUSIVE: HOW ARE FINANCIAL INSTITUTIONS CLOSING GENDER GAPS IN GREEN FINANCE?

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Brought to you by:

**WOMEN'S
FINANCE EXCHANGE**

A Community Where Ideas, Innovation, Empowerment, and Opportunity are Shared



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Women's World Banking

Climate Change, Gender, and Financial Inclusion

September 2022

Nithyasri Sharma, *Women's World Banking*

Climate change has a disproportionate effect on developing economies

By 2050...

4.7 Billion

affected by climate change¹

11-14% *decrease in global GDP, with the most significant impact felt in South and Southeast Asia²*

1.2 billion

could be displaced globally due to climate stressors³



Low-income women and women-led MSMEs are economically vulnerable to the effects of climate change



Overrepresentation in low-income communities – of the 1.3 billion living in poverty, 70% are women¹

Overrepresentation in vulnerable sectors – women represent 60% of agriculture sector and make up the majority of informal sector workers²

Limited decision-making power – Gendered roles within the household exclude women from making decisions to benefit herself and her family

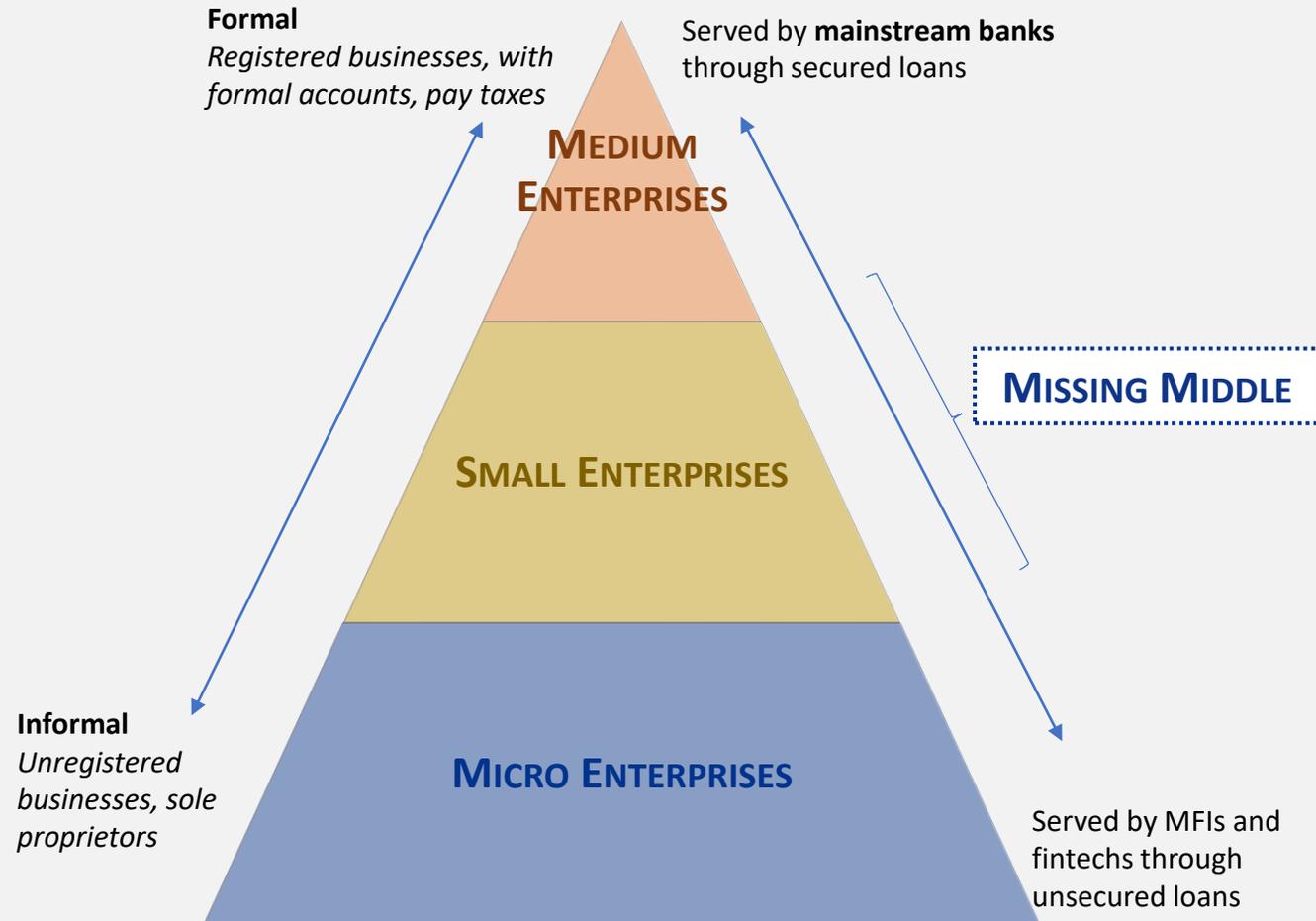
On the “frontlines” of environmental challenges – women are responsible for essential household labors which require more effort or become more dangerous with the effects of climate change

Increased vulnerability when displaced due to climate change - the majority (80%) of those displaced by climate-related disasters are women and girls³



MSMEs are the engines of growth, contributing to 90% of businesses, 50% of employment and 40% of GDP¹...

Women-owned MSMEs face a **credit gap of USD \$1.7TR**, largely because they **lack access to skills, technology, and collateral / credit history** needed to secure financing and grow their businesses



¹Source: [Small and Medium Enterprise \(SME\) Finance, World Bank](#)

...and need financial solutions to help them adapt to the economic impact of climate change



PAYMENTS AND REMITTANCES – broad access to digital payments (including G2P transfers) and remittances ensure that low-income women have access to funds to both prepare for disaster risk relief prior to and during climate crises as well as support disaster risk recovery after climate crises take place.



CREDIT – access to flexible credit products can help low-income women, particularly small business owners, increase investments in new, clean technologies to develop climate resilient goods and help mitigate and adapt to the economic impacts of climate change



SAVINGS – savings can provide low-income women with a designated safety net to help adapt to the economic impacts of climate change and support disaster risk recovery after catastrophic events. Furthermore, formal savings may provide more security than saving in livestock or other informal means commonly used in some regions.



INSURANCE – access to insurance can provide economic security in emergencies and help low-income women mitigate against climate-related threats.



Inclusion of women's voices is critical to transitioning to a more gender inclusive *and* climate resilient economy

- **Female representation in national parliaments** leads to adoption of more stringent climate policies, resulting in lower emissions¹
 - **Women-led MSMEs have a critical role in developing climate resilient products** and engage directly with their local communities to support adaptation to climate change²
 - **Women's access to resources increases productivity** - expanding equal access to resources for women smallholder farmers can increase farm yields by nearly 20-30%, reducing food insecurity for nearly 100 to 150 million people³
- 
- ***Advocate*** for gender-inclusive policies and equal economic participation of women and girls
 - ***Collect*** gender-disaggregated data to understand the unique impacts on women and girls
 - ***Design*** solutions with women in mind, understanding their unique barriers and challenges
 - ***Invest*** in women-led actions and solutions that create positive change



About Women's World Banking



Our Mission

Expand the economic assets, participation, and power of low-income women and their households by helping them access financial services, knowledge and markets.

Our Vision

One day all women will be able to build a secure and prosperous financial future for themselves and their households.

40+ Years of
Experience

Founded at the UN Conference on Women in 1975, Women's World Banking has been dedicated to ensure access to financial products and services for low-income women in the developing world.

How Women's World Banking Drives Systemic Change

***Increase
activation and
engagement for
women***

Developing effective
and commercially viable
solutions to increase access
and engagement

***Build
gender-diverse
institutions***

Strengthen capacity and
build gender-diverse
institutions through
leadership and diversity
(training) programs and
Women's World Banking
Asset Management (WAM).

***Influence
governments
to promote
women's
financial
inclusion***

Influence governments in
priority markets to invest in
women leaders and
implement policies and
initiatives that promote
women's financial inclusion

***Build
the evidence
base***

Build the evidence base to
articulate how women are
economically empowered
when they choose to
access and are able to use
financial services that meet
their needs





Women's World Banking

Nithyasri Sharma

Director of Global Strategy

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2X Criteria: defining what good looks like

[Look at our document Guide to 2X Criteria](#) →



The 2X Criteria have quickly become the global standard for gender lens investing.



A broad range of investors and investee companies is adopting the 2X criteria.



The criteria and metrics are aligned with the GIIN's IRIS+ (final) and HIPSO (in process).

2X Criteria

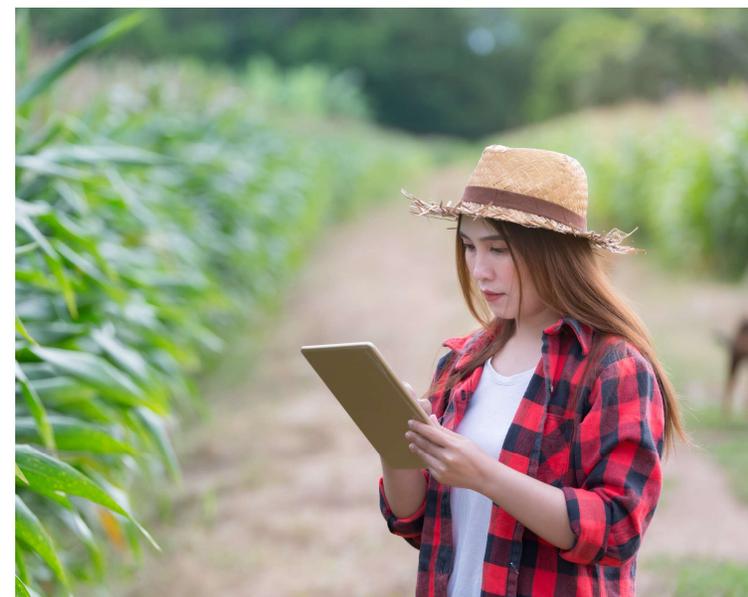
Fulfilling *one* criteria makes an investment 2X eligible:

	Criteria	Threshold	
Direct Criteria	1 Entrepreneurship	1A. Share of women ownership	51%
		OR	
	1B. Business founded by a woman	Yes/No	
	OR		
	2 Leadership	2A. Share of women in senior management ¹	20-30% ²
OR			
2B. Share of women on the Board or IC ¹	30%		
OR			
3 Employment	3A. Share of women in the workforce ¹	30-50% ²	
	AND		
3B. One "quality" indicator beyond compliance	Yes/No		
OR			
4 Consumption	4. Product or service specifically or disproportionately benefit women	Yes/No	
OR			
Indirect	5 Investments through Financial Intermediaries ³	On-Lending facilities: Percent of the DFI loan proceeds supporting businesses that meet direct criteria ¹	30%
		OR	
	Funds: Percent of portfolio companies that meet the direct criteria ¹	30%	

Sector-Specific Thresholds

3.A Women in the Workforce*		
Grp.	Sector	%
Low	Infrastructure, Power, Telecoms	30%
Mid	Financial Services, Manufacturing	40%
	– Heavy, Agribusiness & Food, Professional Services	
High	Healthcare, Education, Consumer Services, Manufacturing – Light ¹	50%

*Room for judgement: Investees in unique sectors or geographies may require case-by-case consideration.



Launched at the UN Generation Equality Forum 2021

2X COLLABORATIVE

in partnership
with

**GENDER
SMART**

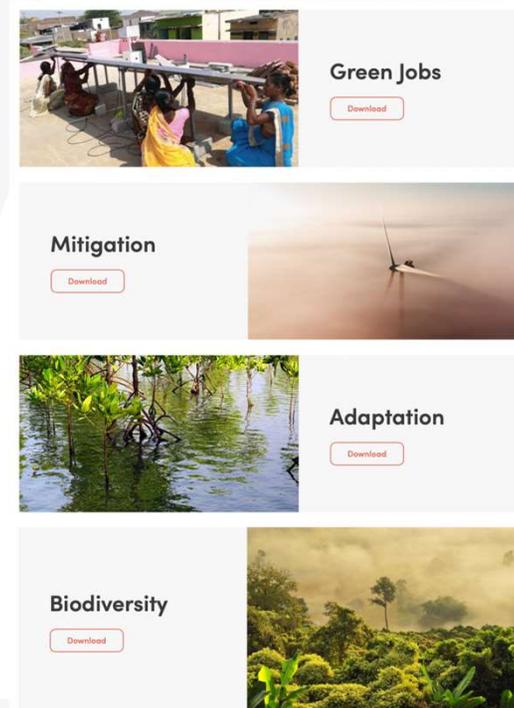
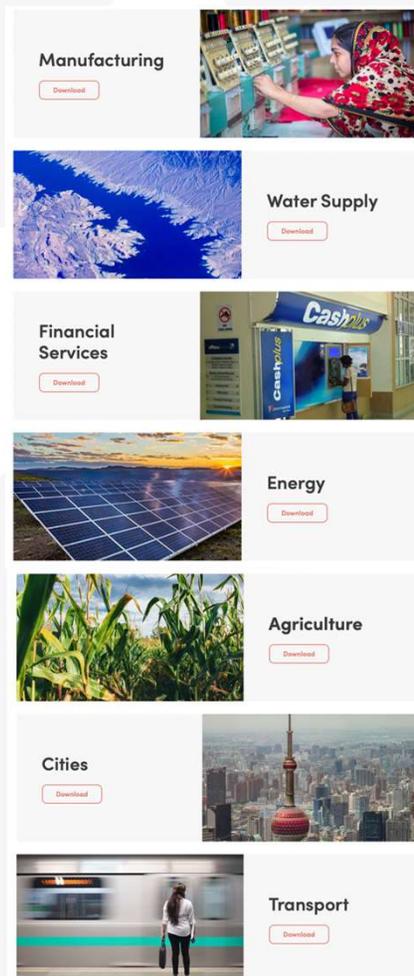
**INVESTOR
LEADERSHIP
NETWORK**

**A Global Industry Body
for Gender Lens
Investing convening
the entire spectrum of
capital providers &
mobilizers**

Key Benefits:

- +** Structured network with membership open to the spectrum of capital providers and mobilizers
- +** Unique platform for deal pipeline, peer-learning, shared tools
- +** One-Stop-Shop for Gender Lens Investing

Launched at COP26: Gender & Climate Finance Toolkit



Available here:
www.2xcollaborative.org/toolkit

More case studies:
www.2xchallenge.org/stories

Launched at COP26: Gender & Climate Finance Toolkit





khushhali
MICROFINANCE BANK



ABOUT CANTILAN BANK

- Rural Bank delivering *Inclusive, Sustainable, and Digital Financial Services* to 46 Branches across Mindanao and Visayas, serving over 100 underbanked communities
- 2019 BSP Digital Trailblazer Award - First Bank in the PH to be given final BSP approval to go on cloud
- 2021 Northstar Impact Award- APIX

ROUND 1



72%

CANBNK MICROFINANCE
BORROWERS ARE FEMALE



60%

CANBNK SME BORROWERS ARE
FEMALE

Source: 2022 CANBNK figures

ROUND 1



BUSINESS CONTINUITY AND RESILIENCE

SYSTEM AVAILABILITY

- Cloud-based corebanking system

NETWORK REDUNDANCY

- Cloud-based network solution
- Satellite for disaster areas

CASH READINESS

- Cloud-based ATMs

ROUND 1



**Before Christmas
eve, just one week
after the
supertyphoon,
78% of branches
were online**

BUSINESS CONTINUITY//COMBAT-
READINESS

ROUND 1

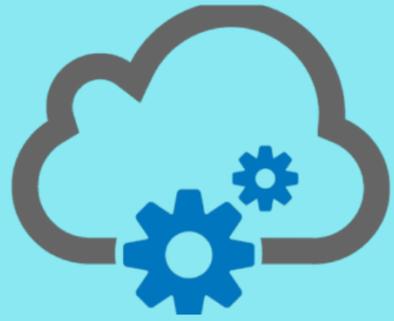


ROUND 1



ROUND 1





Leveraging the cloud-based corebanking, network, payments switch, omni-channel platform, mobile app, and open APIs



Maximizing the omni-channel platform to effectively increase end-client access to a variety of digital financial services during the pandemic crisis; leveraging existing local, international networks



Key partners:
ADB, BSP, IFC, APIX/AFIN

CANBNK'S DIGITAL FINANCIAL SERVICES

WFX: GREEN X EQUAL

ROUND 2

DIGITAL BANKING ESSENTIALS

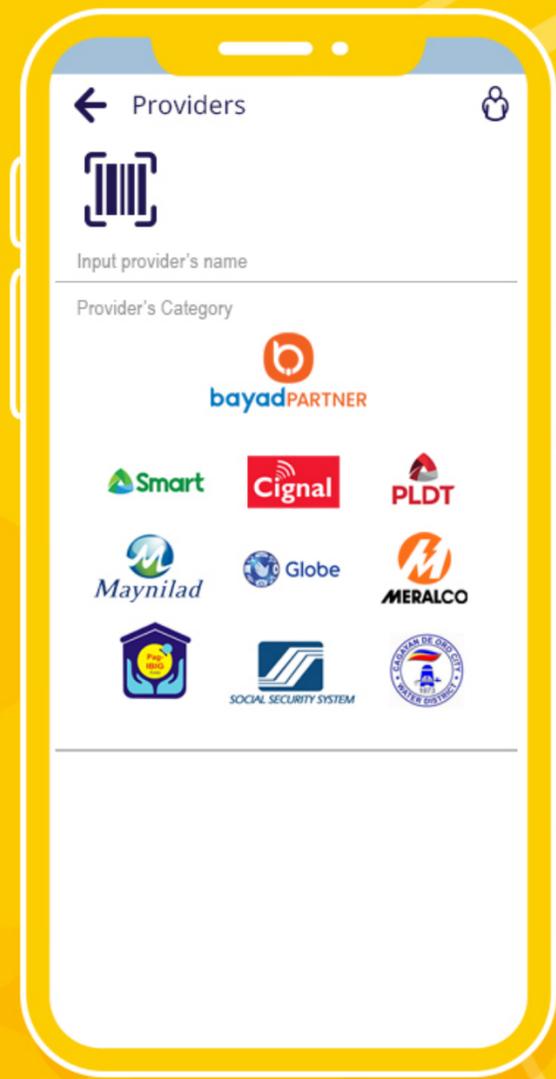
-  My Accounts
-  QR Code P2P, P2B, Cash In/Out
-  My e-Wallet
-  Offers
-  Pay Someone
-  Messages
-  Transfer Funds
-  Location Services
-  Pay Bills
-  Files Manager
-  Prepaid Load
-  FAQs
-  E-KYC/AML
-  Check and Document



ROUND 2

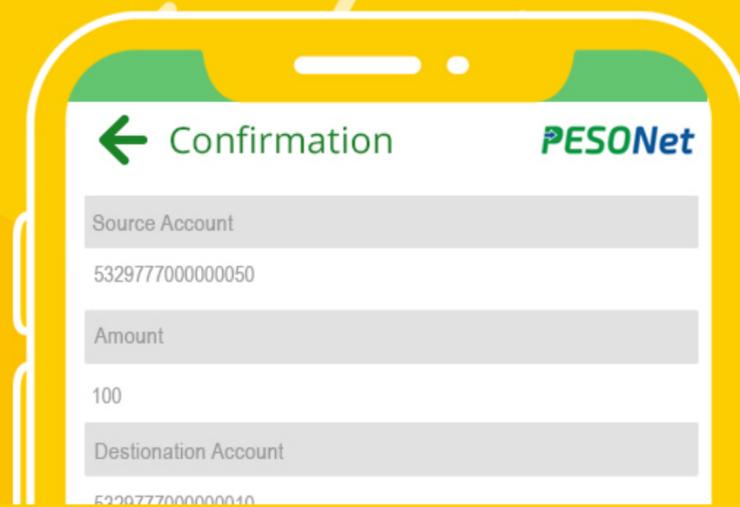
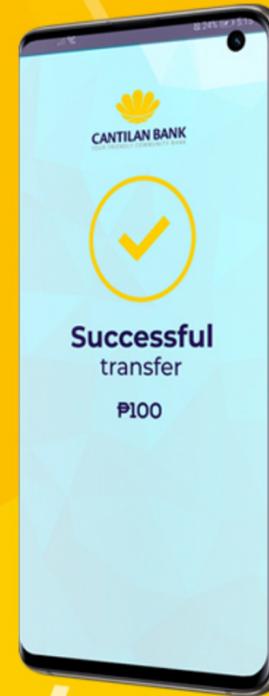
Bills Payments

DIRECT & HASSLE FREE payments to more than 100 Bayad Center billers nationwide



Fund Transfer

CONVENIENT fund transfers between accounts and banks via Pesonet



Prepaid iCAN Load

SEND & RELOAD to any prepaid mobile



ROUND 2

Quick Balance Enquiry & Transaction History

ONE CLICK ACCESS
to account information.



Secured Banking 24/7

PROTECTED bank details
and account information



ROUND 2

Leasing: Nexus of Gender – Climate – Digital and MSMEs

Case Study: Mega - Leasing



- Specialized leasing company focusing on MSMEs
- Issued a **Green – Gender – MSME Bond** in the local capital markets: **2x-aligned and strong green focus**
- **Impact-linked finance** project to transform business model with a clear **strategy at the gender + green nexus focused on MSMEs**, leveraging digital innovation
- **Clear business & impact case**

2X Communities of Practice:

- Financial & Digital Inclusion
- Gender & Climate
- Commercial Teams
- ... and more

2X communities for practice with special focus on FI

- Peer learning
- Knowledge exchange
- Collaboration on structuring products and transactions

CHALLENGES OF DIGITAL ADOPTION AMONG MSMEs

TECHNICAL

- Limited and poor connectivity
- Smartphone hardware

SOCIAL

- Financial and Digital Inclusion and Literacy

INTEROPERABILITY

- Merchants might have exclusive agreements

ROUND 3

CHALLENGES v OPPORTUNITIES: Barriers to FIs in providing sustainable and inclusive services to mSMEs

DIGITAL FRONT-END

Rapid rise of digital credit and other digital financial services

PROCESS AUTOMATION

Many institutions have been hampered by back-end processes that have not been automated

INNOVATION

Many institutions are not as digitized as they thought they were; expensive

PARTNERSHIPS

Focus on innovation & partnerships & capacity building



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Thank you!

Watch out for the upcoming WFX activities:

- **Launch of our website**
- **Launch of our technology innovation challenge**

Please sign up to our newsletter for future updates.