



GENDER SMART ENERGY INVESTMENTS

Gender lens investing emphasizes the importance of gender equality for the energy transition and aims to channel investment capital toward companies and initiatives that contribute to a more prosperous, equitable, and inclusive society.

Men and women should have equal access to capital, credit, services, and products. Women's ability to access capital for energy products and services is necessary to maximize labor productivity and ensure that equal work opportunities for men and women create a dynamic, competitive workforce that contributes to economic growth. However, women entrepreneurs still face significant barriers in accessing finance and markets and are often given smaller and higher-interest loans than men.¹

Gender lens investing is an approach that strategically considers the impact of gender equality and women's empowerment when making investment decisions. It involves analyzing and evaluating companies and projects based on their commitment to promoting gender equality, women's rights, and opportunities for women in business and society. With a gender lens investment approach, investors support companies and projects that prioritize gender diversity in their leadership and workforce, offer fair and equal pay, provide opportunities for women to advance and succeed, and create products and services that benefit women and girls. This approach supports an inclusive energy transition that creates more transparent, inclusive, and equitable financial systems, which in turn supports economic opportunity and sustainable livelihoods for more people.

¹ Anna Maria Montoya, [Bad Taste: Gender Discrimination in the Consumer Credit Market](#), 2020.

SCALING UP RENEWABLE ENERGY

Through the [Scaling Up Renewable Energy \(SURE\) program](#), the U.S. Agency for International Development (USAID) supports financial institutions and investors to make credit and capital of different values, types, and sources more available and accessible to women. SURE also helps them to strengthen gender equality practices in human resources and business processes.

SURE is helping to change how public and private institutions invest in an equitable clean energy future. The program works with development finance institutions, private investors, funds, venture capital investors, private equity investors, and other financial intermediaries that offer financing for renewable energy and energy efficiency, helping them to incorporate a gender and inclusion approach into the entire investment process. This includes due diligence for potential investment portfolios, risk analysis, portfolio performance evaluation, and capital allocation.

SURE engages financial actors on the economic and social benefits of applying a gender lens to their energy investment portfolios. We partner with firms to identify and invest in companies and projects that increase the number and bottom lines of women-owned enterprises, increase gender diversity in financial institutions' investment committees, and increase gender diversity in the workforce and contractors who participate in infrastructure projects. Our experts conduct gender assessments on the investment life cycle of energy projects and identify entry points for gender lens investing. We help partners develop a gender lens integration strategy and customize tools and materials to successfully implement it in one or more funding rounds with a subset of applicants. We assist partners to measure and demonstrate gender impacts; we also monitor and evaluate what works to calibrate tools and materials that adapt to lessons learned.

INCREASING EQUITABLE CLIMATE FINANCE IN COLOMBIA

SURE assisted the [Fund for Non-Conventional Energy and Energy Efficiency \(FENOGE\)](#) to generate financial returns and positive social change in Colombia's energy sector. The program developed a methodology to effectively incorporate gender equality into FENOGE's investment process, operations manual, and first-ever [Gender and Diversity Policy](#), which promotes female participation in the energy sector, prioritizes reducing female energy poverty, and advances policies and mechanisms that address gender-based violence. SURE developed tools such as guides and checklists to help FENOGE consistently incorporate gender equality throughout the project life cycle, from design to implementation and evaluation. The SURE team also trained 40 technical staff on the business case for gender equality and on using the methodology in energy projects. Applying a gender investment lens can enable funds to capture a larger market. It can also help shift structural gender inequality and catalyze transformative impacts for women and girls, such as greater socioeconomic status, more time for income-generating activities, reduced gender-based violence, and greater participation in political and social life. [Learn more.](#)

THE BUSINESS CASE FOR GENDER LENS INVESTING

Strategically integrating inclusive and gender lens approaches to the full investment cycle, fund allocations, and financial actors' business operations and processes increases productivity and profitability and improves economic stability and resilience. Women's unique contributions and

diverse experiences strengthen organizations in male-dominated industries by enhancing their ability to anticipate and meet customer and employee needs, solve problems, and attract and retain talent.

INCREASED PRODUCTIVITY AND PROFITABILITY

- Venture and private equity funds with gender-balanced investment teams have 20 percent higher returns than their peers.² Several studies demonstrate that companies with good gender performance have higher market valuations than their peers.³
- Greater representation of women in managerial positions and corporate boards is positively associated with improved firm performance, such as funding, revenues, and profitability achieved. Conversely, unequal representation in leadership positions both stems from and contributes to other drivers of gender disparities.⁴
- Greater inclusion of women as users, providers, and regulators of financial services fosters greater stability in the banking system. Women in leadership positions and gender diversity on boards of financial institutions are associated with lower rates of nonperforming loans and greater financial stability.⁵
- Reducing gender inequality enhances economic welfare and growth through female labor force participation, labor productivity, and financial inclusion.⁶

IMPROVED ECONOMIC STABILITY AND RESILIENCE

- Reducing gender gaps improves the overall resilience of the economy to shocks and enhances prospective balance-of-payments stability by increasing competitiveness and the variety of goods that countries produce and export.⁷
- A study of S&P 500 companies found that those with gender-diverse boards perform better on environmental and social risk management compared to non-diverse companies in the index.⁸
- Lower gender gaps are associated with lower income inequality, which improves social stability and economic growth. Both men and women benefit from financial inclusion, but inequality falls more when women have greater access to credit.⁹

² Uzsoki, David, [Integrating a Gender Lens in Sustainable Investing](#), 2021.

³ Zhang, Letian, "[An Institutional Approach to Gender Diversity and Firm Performance](#)," *Organization Science* (forthcoming).

⁴ Lone Christiansen et al., [Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe](#), 2016.

⁵ Ratna Cihak et al., [Women in Finance: A Case for Closing Gaps](#), 2018.

⁶ Ata Can Bertay et al., [Gender Inequality and Economic Growth: Evidence from Industry-Level Data](#), 2020.

⁷ Romina Kazandjian et al., [Gender Equality and Economic Diversification](#), 2016.

⁸ Cristina Banahan et al., [Across the Board Improvements: Gender Diversity and ESG Performance](#), 2018.

⁹ Ratna Sahay et al., [Financial Inclusion. Can it Meet Multiple Macroeconomic Goals?](#), 2015.

PARTNERING WITH IMPACT INVESTORS IN AFRICA AND LATIN AMERICA

SURE collaborates with [Exagon Impact Capital](#), a private equity investor in Latin America, and supports [Acre Impact Capital](#), a climate-aligned impact investing fund in Africa, to better integrate gender considerations at the organizational and investment levels through the creation and execution of their respective gender lens investment (GLI) action plans.

SURE supports Acre in expanding its network with African women's groups and investment associations to broaden its circle of potential clients. SURE also provides training to equip the funds' investment committee with the knowledge and tools to make more inclusive, innovative, and potentially profitable investment decisions, while also aligning with gender-equality goals and regulations. At the investment level, Acre has enhanced its risk and impact management systems by introducing pre-investment screening and due diligence tools designed to mitigate unconscious biases, leading to more objective and fair investment decisions.

SURE supports Exagon to transform its day-to-day business processes by integrating gender considerations into environmental and social screening processes, establishing gender performance indicators, and developing tools to assess gender risks within the region and across their investments.

IMPACT

Reforming how financial institutions provide credit and capital increases access to finance for women-owned and women-led companies. As a result of SURE technical assistance, investment funds have secured over \$120 million to be invested using a gender lens. As part of this work, SURE has trained 13 fund managers and investment leaders in gender lens investing and survivor-centered approaches to address gender-based violence and harassment throughout the investment cycle. Strategically integrating inclusive and gender lens approaches to the full investment cycle, fund allocations, and investors' business operations and processes increases productivity and profitability and improves economic stability and resilience.

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