

# gWFX DISPATCH

A Community Fostering Inclusive and Green Finance

## CLOSING THE GAP HARNESSING THE POWER OF BONDS FOR GENDER EQUALITY

As the world continues to grapple with a persistent gender finance gap, innovative solutions are needed to bridge the divide. One promising avenue is the use of thematic bonds issued to finance projects that have a positive impact on the environment and society. These include green, social and sustainability bonds, and bonds linked to specific [Sustainable Development Goals](#). Social bonds with a gender focus offer a unique opportunity to raise capital and drive positive change. In this issue of the gWFX Dispatch, we'll explore the growing trend of thematic bonds, their potential to address the finance gap, and the impact they can have on creating a more equitable future.

### THE ROLE OF FINANCE IN ACHIEVING GENDER EQUALITY

By Laetitia Hamon,

Head of Sustainable Finance, Luxembourg Stock Exchange

According to figures from the World Economic Forum's [Global Gender Report Gap 2024](#), it will take 134 years to achieve global gender equality if we do not pick up the pace.

This figure is made even more eye-opening when set against the USD 360 billion annual spending deficit that the United Nations (UN) has identified when it comes to gender equality measures in its '[Progress on the Sustainable Development Goals: The gender snapshot 2023](#)' report.

#### MOBILIZING INTERNATIONAL CAPITAL MARKETS

This is where the role of finance comes into play. This new area of sustainable finance – gender finance – which has been gaining momentum in recent years, seeks to advance gender equality and promote women's empowerment by better linking gender and finance – something that we, at the Luxembourg Stock Exchange (LuxSE), have been dedicating a significant amount of energy to in recent years.

Gender finance is about using the power of international capital markets to reduce the gender gap in the world economy and create a global society where women and girls are given the same access to education, financial services, and opportunities as their male counterparts. After all, women and girls make up half of the world's population and so represent half the world's potential when it comes to achieving the UN's Sustainable Development Goals (SDGs).

#### GENDER-FOCUSED INVESTMENT OPPORTUNITIES

In 2022, following the signing of a Memorandum of Understanding with UN Women, our two institutions committed to advancing gender finance and gender-lens investing – mobilizing and facilitating the crucial financing needed to reduce the gender gap in numerous areas of our global society.

It is from this cooperation that our [gender-focused bonds flag](#) began, which brings further visibility to such bonds displayed on the Luxembourg Green Exchange (LGX) – making it easier for investors to identify bonds that include a component that specifically support women and girls. As of August 2024, 72 bonds displayed on LGX boast this flag on their security cards – dedicated pages on LuxSE's website that provide the public with each bond's most important information and documentation free of charge.

#### A NEW AREA OF SUSTAINABLE FINANCE

Gender-focused bonds can be social, sustainability or sustainability-linked bonds that allocate all or a portion of their financing to concrete

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projects and strategies that contribute to gender equality. The ARS 370 million (equivalent to USD 1 million) social bond from [Pro Mujer](#), which is listed at LuxSE and displayed on LGX, is a perfect example. The bond, which is the second gender bond issued by the organization, provides nearly 1,300 loans to low-income female entrepreneurs in Argentina who own a micro or small business.

Originally listed on Argentina's stock exchange, Bolsas y Mercados Argentinos, the example of Pro Mujer also highlights the advantages of dual listing such securities in local markets and on international exchanges such as LuxSE. The gender-focused bond market remains a small portion of the global sustainable bond market, and dual listing provides issuers with the opportunity to reach international investors in a way that cannot be done within their local markets. It brings visibility to their trailblazing work and elevates their standing within the international investment community, while in turn leading by example for others in their region or in similar action areas will follow suit.

Beyond bringing visibility to these securities, in order to grow gender finance and gender-lens investing to the level that we need it to be, educating the market – be it through hands-on teaching or data – is crucial. According to a [market study conducted by LGX](#) in 2023, this area of sustainable finance accounts for only 2% of the world's listed sustainable bonds, and although this number is expected to grow in the coming months and years, it will not be able to do so without a global effort. That is why, beyond flagging such bonds displayed on LGX, we have also begun educating the market through our [LGX Academy sessions](#), capacity building missions all over the world, and our role in Luxembourg's [Gender Finance Task Force](#) to name just a few examples.

#### THE TIME TO ACT IS NOW

Sustainable finance is about mobilizing all actors – and that includes women and girls – to play their part in achieving all 17 UN SDGs.

With the massive amounts of financing needed to eliminate gender-based inequality in every country, industry and area of society, the time to act is now. Because if we fail to achieve just one UN SDG, we fail to achieve them all.





Construction of the Mestia water supply project in Samegrelo-Zemo Svaneti Region, Georgia.

ADB Photo | Gia Chkhatarashvili

## ADB SUPPORTS BASISBANK SUSTAINABILITY BOND ISSUANCE IN GEORGIA

By Carola Menzel, gWFX Sustainable Finance Expert

In August 2024, Joint Stock Company BasisBank issued a 3-year sustainability bond, the first certified sustainability bond issued by a commercial bank in Georgia. The Asian Development Bank (ADB) invested \$15 million in the bond as the anchor investor. The bond proceeds will be used for climate-friendly and social investments.

BasisBank is the 4th largest financial institution in Georgia, providing financial services to around 200,000 businesses and individual clients through a network of 39 branches. This issuance builds on BasisBank's 10-year track record in energy efficiency, green building and renewable energy financing.

BasisBank launched its Environmental, Social and Governance (ESG) strategy in 2023. Following this, BasisBank decided to issue a sustainability bond within the scope of the ESG strategy priorities to further strengthen its portfolio of environmental and social projects. The objective of the bond is to direct financial flows toward strategic sectors, including renewable energy, energy efficiency, sustainable buildings and construction, healthcare, and education.

The proceeds of sustainability bonds are deployed in a mixed portfolio of green and/or social projects aligned to eligible categories as defined in a sustainability bond framework, with the aim of generating a positive environmental and/or social impact. In comparison, the proceeds of sustainability-linked bonds are used for general corporate purposes aimed at improving the issuer's corporate sustainability by committing to externally verified key performance indicators and performance targets.

Adhering to international frameworks is crucial for sustainability bonds. This ensures transparency, consistency, and credibility in their issuance and reporting, thereby maintaining investor trust and supporting the global transition to a more sustainable economy. BasisBank's Sustainability Bond Framework is in accordance with the International Capital Market Association's [Green Bond Principles](#), the [Social Bond Principles](#), and the [Sustainability Bond Guidelines](#),

and it is certified by a second party opinion provider. In addition, the Framework is aligned with the national [Sustainable Finance Taxonomy](#) that was published in 2022 by the National Bank of Georgia. The taxonomy provides a classification system and technical criteria for identifying objectives and serves as the list of eligible green and social loans (Use of Proceeds) for the bond.

On a yearly basis, BasisBank will prepare an Annual Sustainability Bond Report that will comprise reporting on the allocation of proceeds (allocation reporting) and the impact of eligible green and social projects (impact reporting). For example, BasisBank will track the amount of lending to women-led small and micro businesses, as well as the average loan size granted to them. The most recent global bond forecast for the green, social, sustainability, and sustainability-linked bond (GSSSB) market for 2024 indicates that GSSSB issuances are expected to increase modestly in 2024 to \$0.95 trillion - \$1.05 trillion (from \$0.98 trillion in 2023), helping markets mobilize needed funds for sustainable investments.

The issuance of a new sustainability bond in Georgia is a step forward for global sustainability efforts, as it enables the country to finance eco-friendly projects and transition to a low-carbon economy. By tapping into the bond market, Georgia can access vital funding to support initiatives such as renewable energy, green infrastructure, and sustainable agriculture, ultimately reducing its carbon footprint and contributing to global climate goals. Moreover, this bond issuance sets a precedent for institutions in other emerging markets to follow, demonstrating that sustainable finance can be a viable and effective tool for driving positive environmental and social change and promoting a more resilient future for all.



## CASE STUDY SERIES: INNOVATIVE FINANCING FOR GENDER EQUALITY VIA BONDS

In this case study series, UN Women and the Luxembourg Stock Exchange join forces to assemble practical fact sheets on bonds that were issued by a range of entities with the intent to reduce gender gaps. The series features a diverse selection of innovative financing instruments that have been launched across developed and emerging markets, with gender equality as a theme for financing.

[Read and download here](#)

## NEW PUBLICATION: LEVERAGING FINTECH FOR WOMEN ENTREPRENEURS IN INDONESIA, THE PHILIPPINES, AND VIET NAM

Women-owned micro, small, and medium-sized enterprises (WMSMEs) are an essential underbanked segment that can benefit from fintech innovations.

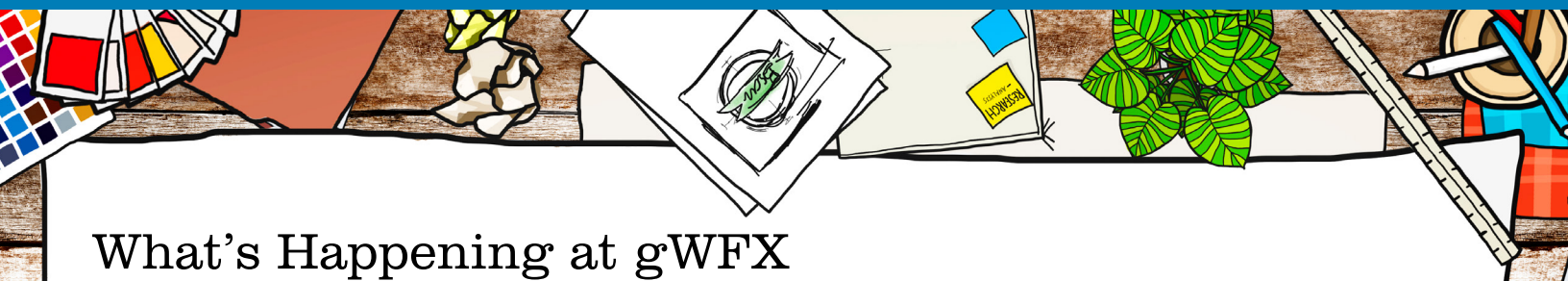
This report, published by the Women's Finance Exchange, examines how fintech improves access to finance for WMSMEs in Indonesia, the Philippines, and Viet Nam and discusses the steps stakeholders can take to make fintech solutions more inclusive and user-friendly for women entrepreneurs.

[Read and download here](#)

## FINANCIAL LEADERS IN FIJI ENDORSE WOMEN ENTREPRENEURS FINANCE CODE

On 27 August, financial leaders from Westpac, Merchant Finance Ltd., South Pacific Business Development, and the South Pacific Stock Exchange formally signed on to the [Women Entrepreneurs Finance Code](#) at a ceremony hosted by the Reserve Bank of Fiji, in partnership with ADB. The Code, coordinated by the [Women Entrepreneurs Finance Initiative \(We-Fi\)](#), is a commitment from multiple financial ecosystem players, including regulators, development banks and private sector financial institutions, to increase funding to women-owned micro, small and medium enterprises. Fiji was one of the first countries to adopt the Code in March. With support from We-Fi, gWFX is conducting training for financial institutions in Fiji as part of the new Women Entrepreneurs: Data Advancing Transformative Access to Finance (WE DATA) initiative.

[Read more here.](#)



## What's Happening at gWFX

### SEX-DISAGGREGATED DATA MANAGEMENT TOOLKIT FOR FINANCIAL INSTITUTIONS

Sex-disaggregated data (SDD)—data collected separately for males and females—drives the business case for, and is essential in, targeting the women's market. The toolkit was developed to assist financial institutions in gaining insights into the steps for ensuring effective SDD management for financial institutions. It includes best practices and case studies demonstrating how to gather, analyze, and apply data to create customized solutions for women entrepreneurs.

The toolkit can be used in two ways: 1) As a guide for building effective gender data management systems at a financial institution; and (2) As a customizable training workshop material that can be applied to different audiences.

The toolkit includes:

1. A PowerPoint presentation in PDF format
2. A facilitator's guide for financial institution members who wish to use this content or portions of this content for internal training.

For our existing members, please find the material on the [Member Forum](#) page, under Tools and Toolkits. If you are not a member, please sign up for an account [here](#) to access the content.

### VISA FINANCIAL EDUCATION MODULES NOW AVAILABLE TO gWFX MEMBERS

Interested in helping your clients improve their financial and entrepreneurial literacy? gWFX members can now access Visa's learning modules.

Practical Business Skills offers growth-minded entrepreneurs tools to help start, manage and expand a business. With more than 50 online learning modules, the platform addresses the needs of entrepreneurs at various stages of the business lifecycle. The target audience for the knowledge content is small and micro businesses.

Practical Money Skills is a free financial education program that promotes good money management skills. The award-winning Practical Money Skills initiative was developed in partnership with leading consumer advocates, educators and financial institutions.

If you are a member, find more information [here](#).  
If you are not yet a member, please [sign up](#) to access the content.

### EMPOWERING PACIFIC WOMEN-OWNED BUSINESSES gWFX TRAINING AND MENTORING PROGRAM KICKS OFF IN FIJI

With support from We-Fi, gWFX is empowering women-owned businesses in the Pacific through targeted training and mentoring programs. This initiative kicked off in Suva, Fiji on 4 September, with a training session led by our partners at Business Assistance Fiji. The training was attended by 39 participants, including representatives from financial institutions. In Samoa, training will take place on 10 and 24 September. The program will also be offered in Tonga in October.

The training explores innovative solutions, best practices, and practical tools to help women-owned businesses overcome financial hurdles. Our expert trainers will share insights on:

- Building financial literacy and budgeting skills
- Digital finance opportunities
- Accessing funding opportunities and networks

The training sessions were featured on Fiji TV and in the Fiji Times. View the TV coverage [here](#) and read the article [here](#).

### gWFX KNOWLEDGE SERIES FOR MEMBERS MATERIALS NOW AVAILABLE

gWFX held a three-part webinar series exclusively for members, attended by participants from financial institutions in the region.

- Session 1 on **Preparing for the Green Transition** was led by gWFX Sustainable Finance Expert Carola Menzel on 21 May.
- Session 2 on **Unlocking the Growth Potential of the Women's Market for Financial Institutions** was led by gWFX Lead Gender Finance Expert Joanna Romero on 25 July.
- Session 3 on **Unlocking Private Sector Capital for WSMEs Through Innovation** was led by gWFX Fintech Expert Akhil Hemrajani on 30 August.

The materials and recording for all three sessions are now available [here](#).

If you are not a gWFX member yet, you are welcome to sign up [here](#) as a member to access the sessions and learn more about these topics.

## LINKS TO RESOURCES

### **Progress on the Sustainable Development Goals: The Gender Snapshot 2023**

(<https://www.unwomen.org/en/digital-library/publications/2023/09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023>)

### **Global Gender Gap Report 2023**

(<https://www.weforum.org/publications/global-gender-gap-report-2023/>)

### **Gender Bonds: From Incidental to Center Stage**

(<https://www.adb.org/publications/gender-bonds-incident-al-center-stage>)

### **Towards an Inclusive Green Future**

([https://www.afi-global.org/wp-content/uploads/2022/05/Towards-an-Inclusive-Green-Future\\_270622.pdf](https://www.afi-global.org/wp-content/uploads/2022/05/Towards-an-Inclusive-Green-Future_270622.pdf))

### **2X Global Toolkit**

(<https://www.2xglobal.org/about-toolkit#about-toolkit>)

### **Empowering Change: The Crucial Intersection Between Gender and Climate, European Investment Bank**

(<https://www.eib.org/en/stories/gender-climate>)

### **Building Gender into Climate Finance: ADB Experience with the Climate Investment Funds**

(<https://www.adb.org/publications/building-gender-climate-finance-adb-experience-cif-?>)

### **Sustainable Finance Benefits from a Gender Lens**

(<https://www.adb.org/publications/sustainable-finance-benefits-gender-lens>)

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