



Private Adaptation
Finance



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Empowering women for effective climate change adaptation

The Role of the Private Sector



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Introduction

Private sector funds are essential both for closing the adaptation finance gap, which is currently estimated at USD 194-366 billion per year (UNEP 2023), and for enabling communities worldwide to adapt to the devastating impacts of climate change. As with all financing, the volume is not the only important factor, but also the extent to which the funds' impact can be maximized.

Taking a **gender-responsive approach** when designing adaptation products and services or when investing in the adaptation space, is a sure way to increase impact and capitalize on multiple other developmental benefits along the way. While still nascent, gender in the context of private sector solutions to climate change adaptation is a field of growing interest in the international community. While women are often more vulnerable to the effects of climate change than men, their direct experiences with these impacts also place them in a pivotal role to act as agents of change.

This brief has been compiled from a series of interviews that the Private Adaptation Finance Project at GIZ has conducted with several partner organizations, complemented by desk research. The goal is to showcase the different ways in which the **private sector can contribute to empowering women to act as change-makers for climate change adaptation**. While many of our partners are active in Africa and South Asia, the research outcomes may apply to other regional and cultural contexts as well.

After briefly summarizing the specific climate change vulnerabilities of women, this brief will explore three major themes in the private sector context – firstly, how can **Small and Medium-Sized Enterprises (SMEs)** help empower women in their operations, through their products and services, and along their value chains? Secondly, how can the special role that **female entrepreneurs** play in this context be amplified? And thirdly, how can investors leverage their position in the ecosystem to foster women's role in climate change adaptation?





Women and Climate Change – two Sides of the Coin

It is well established that men and women experience and are affected by climate change differently. Women generally are more exposed to the effects of floods, droughts, and other climate-related shocks, while having less access to means of coping with them. For example, women and children are 14 times more likely than men to die during a natural disaster, and women constitute 80 percent of people displaced by climate change (FAO & ARC, 2021).

Various factors play into these discrepancies. For example, women typically have a **higher reliance on natural resources** and play different roles in resource management, with agriculture being one of the most important employment sectors for women, a sector which is highly vulnerable to climatic changes (FAO & ARC, 2021). In many contexts, they also have **less control over assets, job security, social security, and access to services and credit**.

Coping strategies employed during disasters can further exacerbate vulnerability. For instance, girls are often taken out of school and reproductive health services become less available during disasters. **Traditional norms** also play an important role in this context, such as women and girls not learning how to swim, leading to detrimental consequences. **Low literacy and education levels** further compound

vulnerability, making it harder for women to cope with climate-related shocks (FAO & ARC, 2021).

There is, however, another side to women's stark exposure to the impacts of climate change. They command vast amounts of **traditional knowledge** which they apply for example in the context of crop resilience or water management. They respond more swiftly to disaster warnings, prioritize their children's education even in times of crisis – school dropout rates for girls are much lower in female-headed households – and take future generations into account in their decisions to a larger extent than men (UNFCCC, 2022).

Being at the frontline of many climate change challenges, women's unique experiences and adaptive strategies are beyond valuable for adaptation efforts worldwide. It is vital to think of women in these contexts not just as victims of the climate crisis, but as **agents of change** who can make a real difference in increasing the resilience of people in their communities and beyond.

The next sections of this brief will explore how women's contribution to adaptation efforts can be amplified, and what role different private sector actors can play in this.

The Role of Small and Medium-Sized Enterprises (SMEs)

SMEs are an integral part of developing countries' economies, currently creating around 80% of employment in Africa and contributing around 50% to the continent's GDP (World Economic Forum, 2022). Compared to large international corporations, SMEs have the distinct advantage of working on the ground, very closely connected with their customers and their needs and challenges. Many an SME's origin story revolves around how their founders identified a problem their communities were facing and how their business was set up to respond to these problems. As part of this, SMEs are often much better placed to understand the nuances of needs among different customer groups, including women. This puts them **in a unique position** to effectively contribute to poverty alleviation, job creation, universal access to electricity – and climate change adaptation.

Given how closely climate change and gender are interlinked, SMEs can use their position to **purposefully address that nexus**, through actions targeting their own teams and leadership culture, as well as their products, services, and value chains. This not only helps foster climate resilience and women empowerment, but also comes with explicit business advantages.

Fostering gender diversity within the company

For one, enterprises with gender-diverse teams perform better overall – a gender-inclusive business culture has been shown to **increase profitability and productivity, boost creativity and innovation, and enhance company reputation** (ILO, 2019). Businesses applying a gender lens to their operations also report significant improvements in customer satisfaction and brand recognition, among other things (Shell Foundation, 2022). Furthermore, companies with mixed-gender boards have **fewer instances of fraud and earnings manipulation**, and more effective risk-management practices, making them less exposed to operations-related lawsuits (Catalyst, 2020).

In order to capitalize on the benefits of diverse teams and female leaders, SMEs can apply a range of strategies when it comes to hiring practices, talent acquisition and retention, and establishing a conducive work environment. Having policies in place to **ensure equal opportunities**, including equal pay, can be a good way to set a common baseline. Promoting work-life balance by offering **parental leave** for both men and women and providing **flexible working schemes** can also make a huge difference for employees with care responsibilities. A general **work culture of tolerance** and non-discrimination should be communicated at all company levels – providing training to all employees can help raise awareness about the importance of gender diversity and address unconscious biases that might affect decision-making within the company. Which actions can be taken also depends on the size and means of each

company.

When it comes to **recruitment**, simple measures like inclusive job descriptions can go a long way in diversifying the pool of applicants. Unbiased criteria support a balanced selection of candidates – it also helps if the recruitment team itself is diverse. Beyond hiring, women's **career development** should be actively supported by offering leadership training, coaching, work shadowing or similar programs. A critical factor in this regard is to **combat cultural barriers and unconscious biases**, depending on the cultural contexts that SMEs operate in. This may manifest in, for example, a lack of acceptance of female executives. Bias training and awareness exercises can be part of the solution, which can already be integrated as part of the onboarding process of new team members.

Check this article for some explanations and recommendations about unbiased recruitment:

<https://www.equalture.com/blog/what-is-unbiased-recruitment/>

Increasing competitiveness and profitability

By applying a gender lens to their products and service delivery, SMEs can **better identify, purposefully cater to, and increase their target group**. While women are still underprivileged in many regards, they are not a minority group and disregarding them as customers (or business partners) can create market, operational, and reputational risks (2X Global, 2021).

To illustrate this, consider the case of Bboxx Rwanda, a company offering solar home systems. Despite their efforts to teach customers how to install and maintain the systems, they faced multiple instances of failed installations and payment issues. Bboxx figured out that while their trainings were targeted at registered customers (typically the male head of the household), the primary end users were women. By intentionally including the women in their education programs, Bboxx observed a 5.2% reduction in incoming calls for technical issues, and a 9% reduction in the overall default rate (Shell Foundation, 2022).

This example demonstrates that the buyer of a product is not necessarily its end user. Men are often the contact point for enterprises as the household head, even though it is the women who decide what is needed and what to buy. Catering to women as these **hidden customers** – for example, targeting marketing strategies at women rather than men, and obtaining feedback on products from women as the actual end users – can lead to increased profits for SMEs. In fact, women are estimated to influence 80% of buying decisions worldwide (2X Global, 2021).

Apart from that, companies can also offer products and services that are **specifically tailored to women's needs and preferences** and thus actively contribute to their empowerment and self-sufficiency. For example, some enterprises offer financial products that do not require collateral, or agricultural machinery that does not require a lot of physical power to operate. In acknowledging that gender makes a difference when it comes to consumption patterns, companies can significantly increase both their impact and their revenue by tailoring products, services, and marketing strategies to

the female customer experience. Many businesses, especially in the agriculture space, are already making efforts to better understand the specific needs of women and how to better tailor their products to them.

Monitoring and data collection are very important in this regard, for SMEs to be able to track and communicate their impact and the effects of their gender-focused efforts (see Box 1).

Box 1: Measuring the impact of applying a gender lens in business operations

Why measure? Measuring and tracking a company's gender-inclusive actions and their impact is of vital importance for several reasons. For the company itself, it is a tool to **better understand and serve their customers** and better tailor their communication and products, as well as to identify good practices and lessons learned. It can also help reveal, identify, and mitigate **potential risks and liabilities**, such as those related to non-compliance with equal employment laws, or reputational damage due to gender-related controversies. A company's reputation for ensuring gender equality also makes it easier for them to attract and retain talent – and measuring the impact of gender-inclusive policies and practices can help them better understand their effectiveness in creating an attractive workplace. Also when **approaching or reporting to investors**, gender inclusion data is highly welcome and can in some cases even be a decision factor for whether or not an investor will support an enterprise.

What to measure? At this point, there is no unified one-size-fits-all approach to measuring the impact of gender-focused business operations or investments. 2X Global, a collaborative aiming to drive forward gender-smart investments, has developed a set of indicators, the **2X criteria**, which have been dubbed the “**North Star**” of impact assessment in the field of gender lens investing. As investors' focus on the gender impacts of its investees is growing, it becomes increasingly important for companies to showcase facts and numbers in this area. Many investors take a pragmatic approach when it comes to their pipeline companies: Enterprises are encouraged to add a **gender-disaggregated dimension** to any indicator they are already measuring – also being cognizant of time and staff constraints within SMEs, especially start-ups. Additional indicators can be useful based on the targets that a company sets for itself (e.g. a certain share of female customers, more women on management level, etc.).

A few examples of metrics include:

- i. **Workforce Composition:** Track the number and percentage of women employed at various levels of the organization, especially in leadership and decision-making roles.
- ii. **Gender Pay Gap:** Calculate the pay gap between male and female employees at similar levels and roles to ensure pay equity.
- iii. **Retention Rates:** Compare the retention rates of male and female employees to determine if there are disparities in turnover.
- iv. **Market Reach and Customer Satisfaction:** Evaluate whether applying a gender lens to business operations has allowed the company to better serve female customers and enter new markets.
- v. **Supplier Diversity:** Examine the diversity of the supply chain and the extent of engagement with women-owned businesses.

How to measure? SMEs should choose the methods that work best for them – they should yield informative and meaningful data while keeping resource needs (in terms of time and money) to an appropriate limit. Common **quantitative methods** include employee surveys, analysis of employment and wage data, and surveys among customers and stakeholders. **Qualitative methods**, going into more details to obtain individual experiences, can be case studies, focus group discussions, or in-depth interviews with employees or customers.

Leveraging potential along the supply chain

A third dimension to the role SMEs can play in fostering gender equality and empowering women is through their supply chains. In global supply chains, women are disproportionately represented in informal, low-skilled, and poorly paid production jobs. In addition, they often face gender-related risks such as violence and harassment, unsafe working conditions, and lack of maternity and childcare rights (ILO, 2021).

Many enterprises tend to shy away from this topic as it is often regarded as out of their control. However, a better understanding of power dynamics may help companies realize the leveraging potential they have on their suppliers. Advancing a gender-focused mindset along the value chain is not only important for gender equality efforts more broadly, but also has direct implications for the business itself. Among other things, diverse business partners tend to be more productive, stable, and reliable (Glenmede, 2020); a gender-lens approach also helps avoid or mitigate potential **reputational risks**, since it helps to avoid supporting or collaborating with suppliers

who do not adhere to certain standards. And finally, engaging more women along the supply chains can enhance innovation and help to design products that better meet the needs of the end users (Glenmede, 2020).

There are different approaches to how SMEs can actively leverage their buying power over suppliers. A central aspect is to incorporate human rights and gender aspects into the **due diligence process** to detect risks and violations early on. If possible, SMEs should actively seek out and work with women entrepreneurs and companies implementing gender-responsive work practices or otherwise advancing women's economic empowerment. SMEs can further support their business partners in their efforts to adopt **gender-relevant policies and strategies**, for example, addressing harassment and increase workplace safety for women (ILO, 2021).

Box 2 summarizes some of the above-mentioned approaches that SMEs may want to consider to both increase their profitability and strengthen women's role in climate change adaptation.

Box 2: Empowering women for climate change adaptation:

Recommendations for SMEs

In the workplace:

- Implement inclusive hiring practices
- Offer flexible working arrangements
- Ensure equal payment for equal work
- Foster female leadership

Through their products & services:

- Consider women as hidden customers
- Actively seek and incorporate women's feedback in product/service enhancement
- Tailor products/services to women's needs and challenges

Along their value chains:

- Conduct thorough due diligence, including focus on women and other disadvantaged groups
- Support suppliers in implementing gender-sensitive practices
- Lead by example



The Role of Women as Entrepreneurs

As mentioned above, SMEs are in an excellent position to respond to communities' adaptation challenges on the ground. This is even more true for women-founded and women-led SMEs: research shows that women are quicker to adopt climate-smart approaches compared to men (2X Global, 2023) and are more likely to gear their business towards **social and environmental objectives**, prioritizing social over economic gains (UNIDO, 2022). Notably, the gender gap in social entrepreneurship globally is significantly smaller than that in mainstream entrepreneurship (UNIDO, 2022). Women entrepreneurs also tend to have strong community ties and an in-depth understanding of local needs, which they can leverage to develop adaptation products and services that are tailored to the specific conditions and challenges of their communities. All of this makes them a vital part of the solution to today's multitude of environmental and social challenges – especially in the climate change adaptation space, where **their unique experiences and lived realities can translate into forward-thinking and community-focused business solutions**.

Inclusion of women also has **wider socio-economic benefits**: achieving complete gender parity could increase global output by more than one-quarter relative to a business-as-usual scenario (PIIE, 2016). Furthermore, increasing women's entrepreneurial activities, labor force participation, and assumption of leadership

positions have been identified as the three most relevant factors for boosting women's wealth (and thus their buying power) in the Middle East and Africa (BCG, 2020). While female-founded companies have fewer employees on average, they tend to employ more women overall and in management roles (World Bank, 2021a) and as such have immense potential to contribute to closing the gender gap in employment and management.

However, supporting female entrepreneurs does not only make sense from a social and environmental perspective; enterprises that are led or co-led by women also tend to **generate higher returns** – one study found that startups (co-)founded by women generated 78 cents for every dollar invested, compared to 31 cents for solely men-founded startups (BCG, 2018). The previous chapter also laid out further competitive advantages of women in leadership, including increased innovativeness and integrity. Despite this well-established evidence, women entrepreneurs receive **considerably less money** from investors than their male counterparts. Between 2013 and 2021, 76% of all early-stage financing across Africa went to companies with all-male founding teams, and 3% to companies with all-female teams. This unequal distribution has been remarkably consistent over the past several years, with only minor fluctuations (World Bank, 2021a).



Norah Magero

is the co-founder and CEO of [Drop Access Limited](#). Throughout Kenya, the company facilitates access to clean energy technologies in rural areas through initiatives like manufacturing, supplying, and installing solar refrigerators. The company's flagship brand Vaccibox, a portable solar healthcare cooling solution, is used to store and transport heat-sensitive medical items like vaccines in rural communities. Drop Access also offers solar refrigerators to rural SMEs and smallholder farmers in meat, dairy and fish value chains. Moreover, Drop Access **empowers rural women and youth through trainings on renewable technologies**. So far, Drop Access has directly impacted over 250,000 rural people in Kenya, the majority of which are women and children, generating economic savings of over 3.7m USD and avoiding further emissions of at least 26.6m tons of CO₂.

Despite the company's track record and proven impact, Norah keeps facing difficulties in raising funds to grow her business, especially when it comes to Research & Development and manufacturing activities. She has experienced a **lack of trust in women's abilities** from some investors and industry players:

"I believe my engineering skills are the same as those of any male engineer, but people often find it hard to see me in this role."

Becoming a mother has raised additional questions among potential funders regarding her commitment and availability to run the business, a common challenge for female entrepreneurs who are often assumed to be the principal caretaker and homemaker.

A valuable strategy for raising funds has been to **capitalize on the different aspects of Drop Access's business model**:

"We have pitched ourselves as a cleantech startup, some-times local manufacturing startup, as a woman-led venture, youth led venture, health tech venture, and an agritech support venture."



Anusha Fatima

co-founder and CEO of TrashIt, based in Pakistan, is a visionary leader dedicated to revolutionizing waste management through innovative solutions. [TrashIt's](#) mission is to combat food waste by upcycling organic matter into high-quality compost for sustainable farming practices. Not only does TrashIt address the pressing issue of waste management, but it also promotes sustainable living by offering zero-waste products and organic compost, diverting significant amounts of waste from landfills.

To date, TrashIt has prevented over 500,000 kg of food waste from reaching landfills and has **empowered more than 5,000 women-headed households** to embrace sustainable practices. Anusha's leadership has been pivotal in driving TrashIt's success, navigating challenges unique to women entrepreneurs in a male-dominated industry. Despite facing obstacles in securing funding, her perseverance and strategic approach have enabled TrashIt to thrive. In partnership with her male co-founder, they have **leveraged their complementary skills** to overcome hurdles and seize opportunities. Together, they have utilized grants, competitions, and a focus on sustainable revenue streams to sustain the business and position it for further growth in the realm of sustainable waste management.

Since founding the company, Anusha has seen many times how **women have to work harder and prove themselves** much more than their male counterparts in order to receive funding. As an entrepreneur, she knows the value of networking and building relationships –

"It is immensely helpful to find female role models and exchange experiences with them. However, it can be disheartening to attend events where male representation dominates, creating an environment that can feel intimidating for women."

A lot of research has gone into the reasons why women-led businesses are so consistently underfunded in comparison to male-led companies. One reasoning is that men tend to make bolder assumptions and projections in their pitches whereas women are generally **more conservative** and may simply be asking for smaller amounts of money (BCG, 2018).

However, a common theme in the research is – oftentimes unconscious – **cultural or social bias** that influences an investor's perception of a female entrepreneur. Overall, women and their ambitions are taken less seriously than men's, especially in their early business stages. For example, women are often asked to prove their familiarity with the basic subject matter and need to explain how they intend to balance their business and family-related priorities, while more technical questions and talk about growth strategies are reserved for the male founders.

Another problem, seeing as most investors at this point in time are also male, is the divide in gender-specific experiences: women are more likely to base their business idea on their **own lived experiences and challenges** which can be difficult for a male investor to relate to – this is not just a gender-related challenge, but also surfaces with regards to, for example, difference in age or social classes (BCG, 2018).

There are also challenges of a more structural nature, such as the fact that women in many developing country contexts are less often able to **provide collateral** for investors or loan providers as they may be barred from owning land or property and face barriers to financial services, preventing them from accumulating savings and accessing loans – lack of identification documents, access to technology or financial education pose some of these barriers (World Bank, 2021b). In accessing investments, networks are also of utmost importance, and women tend to mostly network among themselves, meaning they are oftentimes not part of the male-dominated investor networks that control most financial resources (World Bank 2021a).

Despite navigating a flawed system, female entrepreneurs can take a couple of actions to **strengthen their position**. The pitch is a critical element here and a key factor in investors' decision making. In preparing their pitches, women can make use of a professional coach's support to perfect their pitch deck, information, and presentation. They should avoid underselling their business and not hesitate to **be bold in their asks** (while remaining realistic). Instead of accepting criticism, they can actively counter it, which is something that men do more frequently and vehemently than women on average (BCG, 2018). Apart from the pitch, it is worth considering to specifically approach investors whose investment teams are mostly made up of women, and/or who put a focus on female founders in their investment strategy. For entrepreneurs in general, it pays off to **know what an investor is looking for** – what is their risk appetite, are they focusing more on growth or impact, which numbers are they most interested in? – and speak to those requirements. This is even more relevant for female entrepreneurs given their comparable disadvantages. Finally, even if an investment does not materialize right away, it is worth **maintaining the established investor connection** for the future.

However, in the long-term, a more **systemic change and mindset shift** is required to challenge biases and ensure equal access to funds for men and women alike. The final part of this brief will have a closer look at how the investor side of the ecosystem can act as supporters to female entrepreneurs, and women as adaptation champions more broadly.

Check out this article for some examples of investors focusing on female-led enterprises in the climate space:
<https://www.greenbiz.com/article/when-private-equity-funds-meet-gender-and-climate>





The Role of Investors

As an increasing number of investors support adaptation-relevant companies, it is important to consider and realize the potential for impact with regards to gender as well. The relatively nascent but rapidly growing field of **Gender Lens Investing (GLI)** constitutes a promising approach to addressing some of the above-mentioned challenges by systematically integrating gender considerations into every step of an investment process and thus strengthening the role of women – be it as managers, employees, customers, or end users of a product or service. The evolution of GLI has been compared to that of Environmental, Social, and Governance (ESG) standards in the private sector, as applying a gender lens not only decreases risks and actively contributes to social and environmental objectives, but also creates concrete business advantages – for companies and investors alike.

From an investor's perspective, investing in women entrepreneurs is a smart choice to begin with, seeing as they not only tend to generate higher returns (see above), but are also more reliable in fully paying back their loans (Kiva, 2023). Likewise, working with companies that boast diverse teams and/or pay attention to gender considerations in the products and services they offer, increases the impact potential of investments and the scalability of the enterprise.

Supporting female entrepreneurs

While the current share of funding going to female-led enterprises appears daunting, there is much that can be done to improve the

situation, and the increasing interest in GLI among investors is encouraging. Many investors already approach GLI by raising the number of female entrepreneurs they support, or defining a minimum share of their investments that should go to women-led companies. These are good starting points, but there is room for more targeted action.

A common challenge cited by investors is that they cannot find women-led or gender-relevant companies to invest in. An approach here can be **organic networking** by asking female business owners for further contacts. As mentioned above, women mostly network amongst each other and are therefore ideal sources of additional contacts. Having gender-diverse investment teams can further help alleviate this challenge. The **language** investors use to approach founders also makes a profound difference in whether women feel addressed or not. Investors can also **introduce female founders** to networks they otherwise would not have access to – male-dominated venture capital firms and enterprise support organizations, for example. **Sponsorship and mentorship** can make all the difference for female entrepreneurs to gain a foothold, and investors are in a great position to either provide that support themselves, if part of their mandate, or help women find the support that they need. Investors are also encouraged to go beyond the traditional VC models of investing and consider **innovative financing models** such as revenue-based financing as more inclusive alternatives. As far as possible, investors should refrain from requiring collateral for their investments, which is something many women cannot provide.

Instead, impact investors especially may consider the track record of a company, cash flow, or mobile phone transaction history as means of credit-checking a business owner (World Economic Forum, 2019).

Since the pitch is so critical for investment decisions, investors should ensure that the decision committee is as diverse as possible to **eliminate affinity bias** (i.e., favoring people who are similar to oneself). While bold sales projections may look more appealing, investors should also increasingly look for projections that are grounded in realistic business plans – which are more likely to be pitched by women (BCG, 2018). To help alleviate biases, mandatory trainings for all employees, especially those involved in investment decisions, can be a helpful tool.

Foster a gender-conscious mindset

Investors find themselves in a key position to raise awareness on the importance of gender considerations and can leverage that position to establish a gender-focused mindset among their investee companies and other stakeholders. A rather simple first step to create an awareness for the topic is to require investees to add a gender-disaggregated dimension to their sales and impact data, something that many investors are already doing (see Box 1). They can also aggregate this data and use it to **share success stories** of how supporting companies who apply a gender lens to their operations, strategies, and products has multiplied the investment's impact. There is a great need for concrete, positive examples to underscore the case for gender-lens investment and business operations.

Similarly, investors can support or conduct **research and data creation on barriers and enablers** for women entrepreneurs, which are key to informing investment strategies and decisions. Going a step further, investors can leverage their platforms and networks to highlight successful female entrepreneurs, their stories and achievements. This can not only inspire other women, but also **increase female founders' visibility and credibility** in the investment ecosystem.

Another key component is for investors to **lead by example**. Investment institutions are not exempt from the fact that diverse teams perform better, which provides an opportunity to frame gender inclusiveness as a success factor vis-à-vis their investees and stakeholders. Gender inclusivity should also be streamlined across investors' work streams and, importantly, it should be a **team effort** – oftentimes, there is a single (often female) gender focal point responsible for ensuring gender mainstreaming, when it is actually a topic that each and every employee should be aware of and work towards, men just as much as women.

Cultural barriers are a challenge cited by many investors in the adaptation and development field. While many messages that investors want to convey are applicable to any context – such as gender equality being beneficial in a social, ecological, and economic sense – it takes a **deep understanding of the specific policy environment and cultural context** of beneficiaries on the ground to figure out how the message can be best communicated. Working directly with women can create tangible impact, but it is vital to include men in any gender mainstreaming efforts, as their mindset shift, too, is critical to amplify the impact of adaptation and resilience measures. Education can be an approach to achieving that, as well as **clearly demonstrating the tangible benefits of a gender-focused approach**. Investors may also leverage their position to provide incentives for those investees implementing gender-focused measures or attaching gender-related conditions to their investment.

Investors who couple their financial support with technical assistance have a unique opportunity to **build their investees' capacities** on amplifying their gender impact while supporting them financially to scale their adaptation solutions. It is worth highlighting that, while building gender-related awareness and capacity is important, it is a topic that should ideally be **streamlined across the entire learning and investment process**. Some investor/consultant firms also pay special attention to capacitating their local representatives on the ground so that they are better able to identify gaps and solutions.

Box 3 summarizes some of the actions that investors can take to strengthen women's role as change agents in climate change adaptation.

Box 3: Empowering women for climate change adaptation: Recommendations for investors

Support female entrepreneurs by

- seeking realistic projections from potential investees
- involving women in investment decisions and ensuring diverse investment decision committees
- applying organic networking and adopt inclusive language to increase the pipeline of women-led businesses
- creating and sharing stories of successful female entrepreneurs
- supporting female entrepreneurs in growing their networks and accessing support.

Foster gender-focused mindset among investees and stakeholders by

- leading by example and approaching gender equality as a team effort
- mainstreaming gender considerations throughout the investment process, including in due diligence and strategic advisory
- collecting data on the effects of gender mainstreaming and making it publicly available
- tailoring messages and actions to the respective cultural context
- for investors also providing TA: streamlining gender across the entire learning process.

Summary

Considering the urgency to address the profound challenges posed by climate change, the critical role of the private sector in adaptation efforts needs to be acknowledged and leveraged. This brief has shed light on the interplay between gender dynamics, the private sector and climate change, emphasizing the urgent need to view women not merely as victims of climate impacts, but as **agents of change in adaptation efforts**.

SMEs are in a unique position to contribute to women's empowerment and climate resilience on the ground by applying a gender lens to their operations, products, and value chains. Female entrepreneurs have a special role to play in this regard, and it is vital to recognize the **huge potential of women-led businesses** and work towards closing the funding gap resulting from a complex mix of

unconscious biases, networking challenges, and structural obstacles. The investor community, as providers of finance (and partly technical assistance), is likewise encouraged to adopt a gender-focused approach. **Investing in women entrepreneurs and gender-focused businesses** is not only a strategically intelligent decision, but also multiplies the potential impact of an investment.

In conclusion, empowering women in the field of climate change adaptation, as in many other developmental fields, means to multiply the impacts of interventions and investments and must therefore play a **front-and-center role** – for companies, funders, intermediaries, and other ecosystem players alike. This way, we can not only tackle the climate crisis in a more targeted way, but also foster a more inclusive and sustainable future for all.

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